COUNTY OF TOMPKINS

Ithaca, New York

FINANCIAL REPORT

December 31, 2014

COUNTY OF TOMPKINS

FOR THE YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

County Legislature
County of Tompkins
Ithaca, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins, New York (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 opinions 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 from 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 County'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 County'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins, New York, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and the Schedule of Funding Progress on pages 3-3k and 47-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining non-major fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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, based on our audit and the procedures performed as described above, the combining non-major fund financial statements and Schedule of Expenditures of Federal Awards are 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 our report dated July 27, 2015 on our consideration of the County'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Cinadr, Dieterchagen, Little, Nikolson & Company LLP

July 27, 2015
Ithaca, New York

Our discussion and analysis of the County of Tompkins' financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2014. Please read this information in conjunction with the County's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities at the close of the most recent fiscal year by $144,991,904 (net position). Of this amount, $8,726,337 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's overall net position decreased by $(2,833,052), or (1.9%), while unrestricted net position decreased by $(1,160,734), or (11.7%), largely as a result of recognition of additional other postemployment benefits (OPEB) expense of $8,749,568 in 2014.

- During the year, the County had revenues of $175,703,161, as compared to $165,522,374 in 2013. Expenses of $178,536,213 increased by $3,796,830, from $174,739,383 in the prior year.

- The County invested nearly $12.8 million in capital assets during the year. Approximately $5.0 million of this was invested in infrastructure.

- The General Fund recorded an increase of $5,924,481 in 2014 and ended the year with a fund balance of $31,729,286. Of this fund balance, $23,931,980 was unassigned.

- The County's short-term and long-term obligations at year end totaled $130,219,998, an increase of $18,036,854 from 2013. This increase is primarily attributable to an increase in OPEB payable of over $8.7 million, an increase of $3.4 million in bonds payable and an increase in Bond Anticipation Notes payable of $6.8 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 4-5a) provide information about the County as a whole and present a longer-term view of the County's finances. Governmental Fund financial statements start on page 6. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in greater detail than the Government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the Government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains other information in the form of combining statements for those funds that are not considered Major Funds and, therefore, are not presented individually in the basic financial statements.

Reporting the County as a Whole

Analysis of the County as a whole begins on page 4, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer the question of whether the County, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net resources and changes in them. The County's net position, the difference between assets and deferred outflows and liabilities, is one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating.

One needs to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, the County reports:

Governmental Activities: Most of the County's services are reported in this category, including Public Safety, Public Health, Economic Assistance, Transportation, and General Administration. Property and sales taxes, and state and federal grants finance most of these activities.

Component Units: The County includes four separate legal entities in its report - Tompkins County Public Library, Tompkins County Industrial Development Agency, Tompkins County Soil and Water Conservation District, and Tompkins Tobacco Asset Securitization Corporation (TTASC). TTASC is reported as a blended component unit with the County's Governmental Activities. The other three component units are reported discretely. Although legally separate, these component units are important because the County is financially accountable for them. Complete financial statements for Tompkins County Public Library, Tompkins County Industrial Development Agency, Tompkins County Soil and Water Conservation District can be obtained from their administrative offices. See Note 1-A-2 to the basic financial statements.

Joint Ventures: The County reports its interest in the equity of two joint ventures - Tompkins Consolidated Area Transit (TCAT), which was formed under a consolidation agreement between the City of Ithaca, Tompkins County and Cornell University, to provide public transportation in Tompkins County and surrounding areas, and Tompkins Cortland Community College, a joint venture between Tompkins and Cortland Counties. Complete financial statements for these entities can be obtained from their administrative offices. See Note 1-A-3 to the basic financial statements.

Reporting the County's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the County's Major Funds begins on page 6. The Governmental Fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The County's three types of funds - Governmental, Fiduciary, and Proprietary - use different accounting approaches.

Governmental Funds: All of the County's services are reported in the Governmental Funds which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting* which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

Proprietary Funds: When the County charges customers for the services it provides - whether to outside customers or to other units of the County - these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Internal Service Funds (a component of Proprietary Funds) are used to report activities that provide supplies and services for the County's other programs and activities such as the administration of workers' compensation obligations and self insurance program for general liability.

The County as Trustee: The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's Fiduciary Activities are reported in a separate Statement of Fiduciary Net Position on page 13. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

The County's net position for the fiscal year ended December 31, 2014 decreased $(2,833,052), from $147,824,956 to $144,991,904. In contrast, net position decreased by $(9,217,009) during 2013.

The largest portion of the County's net position of $127,711,741, or 88.1%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position of $8,553,826, or 5.9%, represents resources subject to external restrictions on how they may be used and are reported as restricted.

The remaining category of total net position, unrestricted net position of $8,726,337 may be used to meet the government's ongoing obligations and services to creditors and citizens. Of these net resources, the County has appropriated $863,790 for 2015 expenses and designated an additional $42,099,852 for specific purposes.

Our analysis below focuses on the net position (Figure 1), and changes in net position (Figure 2), of the County's Governmental Activities.

Figure 1 - Net Position

	Governmental Activities		Percent Change
	2013	2014	2013-2014
Current assets - County	$ 63,798,232	$ 81,291,984	27.42%
Current assets - TTASC	708,377	771,849	8.96%
Capital assets, net	179,210,321	180,698,189	0.83%
Other noncurrent assets - County	32,174,012	31,038,791	(3.53%)
Other noncurrent assets - TTASC	649,784	649,779	0.00%
Total Assets	**276,540,726**	**294,450,592**	**6.48%**
Deferred charges on defeased debt	335,022	799,324	138.59%
Total Deferred Outflows of Resources	**335,022**	**799,324**	**138.59%**
Current liabilities - County	29,417,018	38,368,309	30.43%
Current liabilities - TTASC	851,048	984,469	15.68%
Noncurrent liabilities - County	87,592,989	99,625,384	13.74%
Noncurrent liabilities - TTASC	11,189,737	11,279,850	0.81%
Total Liabilities	**129,050,792**	**150,258,012**	**16.43%**
Net investment in capital assets	128,962,150	127,711,741	(0.97%)
Restricted	8,975,735	8,553,826	(4.70%)
Unrestricted	9,887,071	8,726,337	(11.74%)
Total Net Position	**$ 147,824,956**	**$ 144,991,904**	**(1.92%)**

Current assets of the County increased $17,557,224 primarily as result of an increase in cash balances at year end of $10,846,018 and an increase in receivables of $6,864,052. Capital assets, net increased $1,487,868 largely as a result of additional capital additions of $12,808,685 which exceeded additional depreciation of $(10,520,290). Other noncurrent assets decreased $(1,135,226) primarily due to a decrease in revolving loans receivable of $(286,213), a decrease in securities and mortgages receivable of $(241,645) and a decrease of $(1,734,563) in the County's equity interest in joint ventures during the current year offset by an increase in noncurrent restricted cash of $1,127,200.

Current liabilities of the County increased $8,951,291 largely as a result of increases in accounts payable $1,861,737 and refundable advances of $1,362,505 as well as a net increase of $5,780,925 in long-term obligations due within one year. The County's noncurrent liabilities increased by $12,032,395 primarily as a result of the recognition of additional other postemployment benefits payable of $8,749,568 and an increase of $3,276,596 in the long-term portion of debt and other noncurrent obligations.

The County's total revenues increased by 6.15%, while the total cost of all programs and services increased by 2.17%. Our analysis in Figure 2 separately considers the operations of Governmental Activities.

Figure 2 - Changes in Net Position

	Governmental Activities		Percent Change
	2013	2014	2013 - 2014
REVENUES			
Program Revenues:			
Charges for services	$ 19,692,692	$ 19,071,097	(3.16%)
Operating grants	42,036,276	45,468,121	8.16%
Capital grants	8,725,474	10,954,847	25.55%
General Revenues:			
Property taxes and tax items	42,847,755	44,287,237	3.36%
Sales and other taxes	51,318,242	54,041,714	5.31%
Tobacco settlement - County	674,458	801,272	18.80%
Tobacco settlement - TTASC	596,150	739,442	24.04%
Unrestricted grants	473,527	558,515	17.95%
Use of money and property	1,913,183	1,973,290	3.14%
Change in equity interest in joint ventures	(3,579,491)	(1,734,563)	51.54%
Other	824,108	(457,811)	(155.55%)
Total Revenues	**165,522,374**	**175,703,161**	**6.15%**
PROGRAM EXPENSES			
General Government	30,664,936	31,123,174	1.49%
Education	8,032,250	10,306,286	28.31%
Public Safety	23,277,227	22,437,664	(3.61%)
Public Health	19,274,266	19,009,771	(1.37%)
Transportation	20,716,221	23,870,590	15.23%
Economic Assistance and Opportunity	58,171,229	57,103,871	(1.83%)
Culture and Recreation	4,972,742	5,418,621	8.97%
Home and Community Services	7,612,442	7,186,604	(5.59%)
Interest on debt	2,018,070	2,079,632	3.05%
Total Expenses	**174,739,383**	**178,536,213**	**2.17%**
CHANGE IN NET POSITION	**$ (9,217,009)**	**$ (2,833,052)**	**69.26%**

The increase in revenues of $10,180,787 was primarily due to an increase in property taxes and tax items of $1,439,482, and an increase in sales and other taxes of $2,723,472, as well as an increase in program revenues of $5,039,623.

Expenses increased by $3,796,830, or 2.17%, which was in line with the County's expectations of expenses for 2014.

Figures 3 and 4 show in percentages the sources of revenue for 2014 and 2013.

Figure 3 - Revenue by Source
Governmental Activities
2014

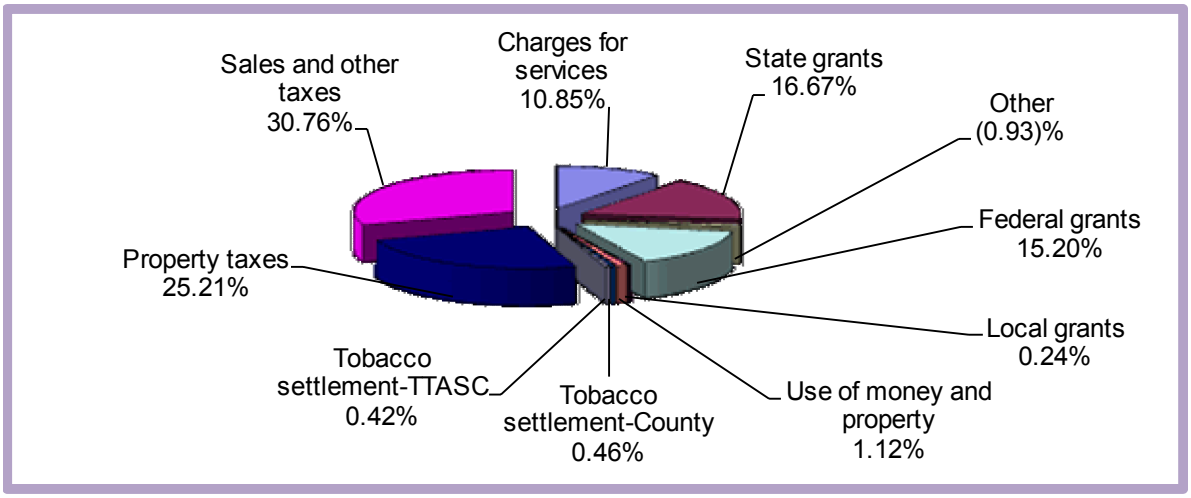
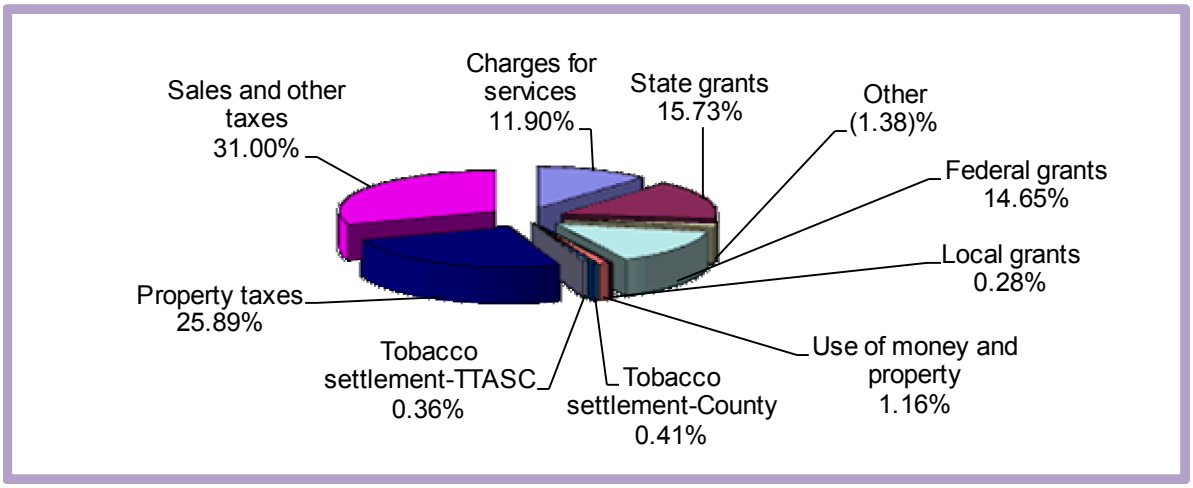


Figure 4 - Revenue by Source
Governmental Activities
2013



The cost of all Governmental Activities this year was $178,536,213. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County property and other tax revenues was $103,042,148, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were $75,494,065. The County paid for the remaining "public benefit" portion of Governmental Activities with $100,209,096 in taxes and with other revenues, such as interest and general entitlements.

A comparison of program expenses, outlined in Figure 2, highlights the following: general government program activities reflected an increase of $458,238, education program activities increased $2,274,036 and public safety program expenses decreased $(839,563). Public health expenses decreased $(264,495), transportation expenses increased $3,154,369; largely as a result of increased costs related to public transportation, and economic assistance opportunity program expenses decreased $(1,067,358). Overall, program expenses of the County's Governmental Activities increased $3,796,830.

The total cost versus revenue generated by activities for the County's largest programs is presented below. The difference between the cost and revenue shows the relative financial burden placed on the County's taxpayers by each of these functions.

Figure 5 - Net Program Cost
Governmental Activities
2014

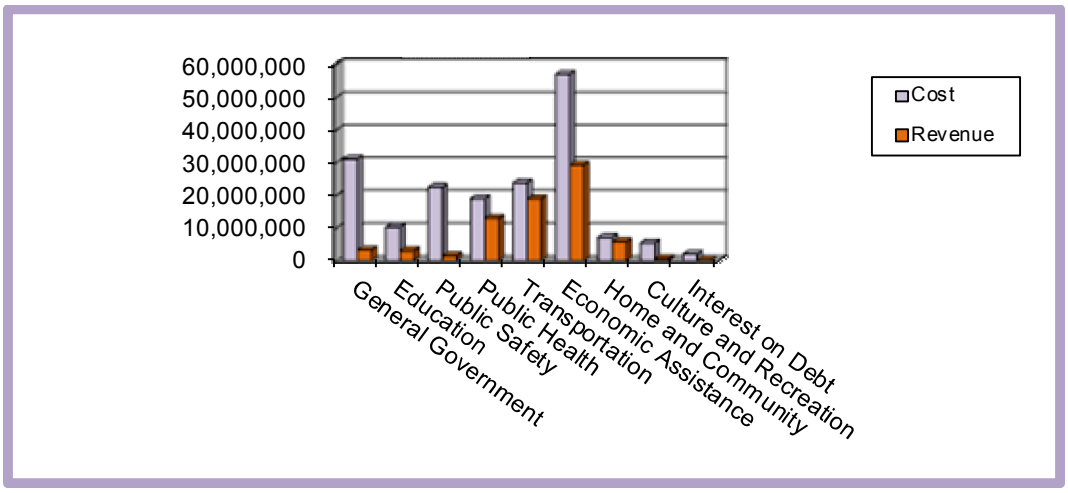
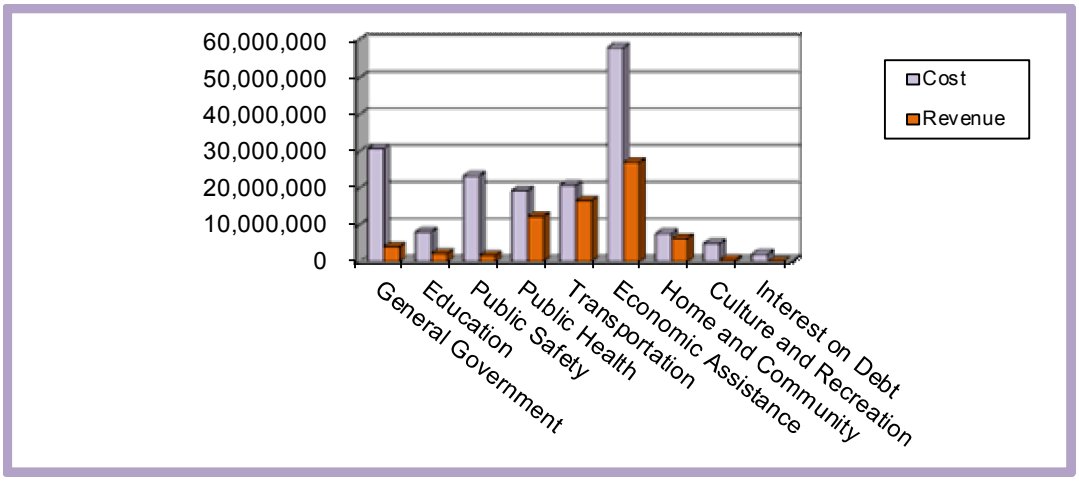


Figure 6 - Net Program Cost
Governmental Activities
2013



THE COUNTY'S FUNDS

At December 31, 2014, the County's Governmental Funds, as presented in the balance sheets on pages 6-6a, reported a combined fund balance of $62,625,317, which is an increase of 33.44% from the prior year. Of this amount, $1,920,129 was non-spendable, $17,177,616 was restricted, $9,932,184 was committed, and $10,533,157 was assigned, leaving $23,062,231 in unassigned fund balance. Figure 7 shows the changes in fund balance for the County's Governmental Funds.

Figure 7 - Governmental Funds
Fund Balance at Years Ended

	2013	*2014*	*Dollar Change*
Major Funds:			
General Fund	$ 25,804,805	$ 31,729,286	$ 5,924,481
County Road Fund	2,708,317	2,790,055	81,738
Transportation (Airport) Fund	(97,737)	(306,505)	(208,768)
Solid Waste Fund	1,520,322	1,166,650	(353,672)
Special Grant Fund	1,005,846	1,171,353	165,507
Capital Projects Funds - Transportation	6,359,255	12,657,797	6,298,542
Debt Service Fund	1,696,002	1,721,364	25,362
Non-Major Funds:			
Road Machinery Fund	1,299,061	1,454,701	155,640
Capital Funds	5,276,423	8,818,988	3,542,565
TTASC Debt Service Fund	1,358,161	1,421,628	63,467
Totals	**$ 46,930,455**	**$ 62,625,317**	**$ 15,694,862**

Fund balance of the County's major funds increased by 30.6% primarily due to an increase in fund balances of the General Fund and the Capital Projects Funds - Transportation. The increase in General Fund is primarily related to favorable budget variances of $6,677,429. The increase in Capital Projects Funds - Transportation is largely a result of unspent debt proceeds of $6,211,508.

General Fund Budgetary Highlights

Over the course of the year, the County Legislature revised the County budget several times. These budget amendments consist of budget transfers between functions, which do not increase the overall budget. Throughout the year, it was necessary to transfer approximately $620,000 from the contingent fund in order to offset over-runs in mandated programs. In addition to these transfers, the County Legislature increased the overall budget to provide for unspent appropriations from the previous year (encumbrances) and various grants where the majority of the funding came from federal and state sources.

Figure 8 - Budgetary Comparison Schedule - General Fund
December 31, 2014

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
REVENUES				
Real property taxes and tax items	$ 47,202,862	$ 43,947,862	$ 44,411,792	$ 463,930
Nonproperty tax items	48,428,446	52,444,191	54,041,714	1,597,523
Departmental income	10,499,996	11,281,991	9,361,682	(1,920,309)
Fines and forfeitures	320,991	328,291	191,975	(136,316)
Use of money and property	526,901	526,901	529,515	2,614
Miscellaneous local sources	1,708,738	1,624,439	1,770,662	146,223
Sale of property and compensation for loss	634,500	649,828	835,906	186,078
State sources	25,278,186	27,288,865	26,448,724	(840,141)
Federal sources	18,369,692	18,407,023	17,892,481	(514,542)
Other	608,125	712,295	1,218,328	506,033
Total Revenues and Other Financing Sources	**$ 153,578,437**	**$ 157,211,686**	**$ 156,702,779**	**$ (508,907)**
Appropriated Fund Balances	**$ 686,603**	**$ 1,592,322**		
	Original Budget	***Final Budget***	***Actual w/ Encumbrances***	***Variance Fav.-(Unfav.)***
EXPENDITURES				
General Government	$ 28,804,526	$ 29,784,013	$ 28,812,581	$ 971,432
Education	8,503,132	9,088,753	9,088,736	17
Public Safety	16,821,885	18,017,318	17,914,830	102,488
Public Health	18,974,476	19,906,926	17,818,505	2,088,421
Transportation	8,141,021	8,193,465	7,328,048	865,417
Economic Assistance and Opportunity	55,534,781	56,387,304	53,525,160	2,862,144
Culture and Recreation	4,956,575	5,083,601	5,018,108	65,493
Home and Community Services	1,567,085	1,742,677	1,572,798	169,879
Employee Benefits	501,528	56,045	-0-	56,045
Other Financing Uses	10,460,031	10,543,906	10,538,906	5,000
Total Expenditures and Other Financing Uses	**$ 154,265,040**	**$ 158,804,008**	**$ 151,617,672**	**$ 7,186,336**
Excess of (Expenditures) and Other Financing (Uses)	$ -0-	$ -0-	$ 5,085,107	$ 6,677,429

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2014, the County had $180,698,189, net of accumulated depreciation of $(151,489,762), invested in a broad range of capital assets, including buildings, machinery and equipment, roads and bridges. This amount represents a net increase (including additions, disposals and depreciation) of $1,487,868 from the prior year.

Figure 9 - Capital Assets, Net of Depreciation

	Governmental Activities		*Percent Change*
	2013 as restated	*2014*	*2013 - 2014*
Land	$ 7,509,213	$ 7,514,228	0.07%
Construction in progress	7,886,725	12,237,966	55.17%
Buildings and improvements	45,584,772	44,050,526	(3.37%)
Equipment	7,938,607	8,071,195	1.67%
Infrastructure	110,291,004	108,824,274	(1.33%)
Totals	**$ 179,210,321**	**$ 180,698,189**	**0.83%**

This year's capital asset activity consisted of:

Land and construction in progress	$ 5,754,293
Buildings and building improvements	464,008
Machinery and equipment	1,543,587
Infrastructure	5,046,797
Total Additions	12,808,685
Less net book value of disposals	(800,527)
Less depreciation expense	(10,520,290)
Change in Capital Assets, Net of Accumulated Depreciation	$ 1,487,868

Debt Administration

The County's total debt obligations and other long-term liabilities increased in 2014 by $18,036,854, as shown in Figure 10. Of the total indebtedness of the County, $53,394,500 was subject to the constitutional debt limit and represented approximately 12.05% of the County's statutory debt limit. Tobacco settlement pass-through bonds are debt of the Tompkins Tobacco Asset Securitization Corporation (TTASC), under which 50% of the County's future tobacco settlement proceeds were securitized. The County is not responsible for this debt in the event the TTASC were to default on repayment of the bonds.

Figure 10 - Outstanding Debt at Years Ended

	Governmental Activities		*Dollar Change*
	2013	*2014*	*2013 - 2014*
Serial bonds	$ 41,229,347	$ 44,601,430	$ 3,372,083
Bond Anticipation Notes payable	6,000,000	12,824,000	6,824,000
Compensated absences	3,585,797	3,537,334	(48,463)
Installment purchase debt	4,866,543	3,709,814	(1,156,729)
Workers' compensation claims	840,319	913,180	72,861
Other postemployment benefits liability	43,620,353	52,369,921	8,749,568
Tobacco settlement pass-through bonds	12,040,785	12,264,319	223,534
Totals	**$ 112,183,144**	**$ 130,219,998**	**$ 18,036,854**

The County continues to maintain excellent financial credit as reflected by a Moody's bond rating of Aa1 on its 2014 and 2015 Bonds. More detailed information about the County's long-term liabilities is presented in Note 2-B-3 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Tompkins County is benefiting from a growing tax base, particularly within the City of Ithaca, and is continuing to see monthly employment numbers that are at, or near, record levels. The County's unemployment rate is consistently the lowest in New York State. Importantly, the economy of the central city is robust, with significant taxable development occurring in Ithaca's central business district. To foster future growth, Cornell University was recently awarded first-round "Hot Spot Incubator" funds from New York State for a new downtown business incubator and was also awarded the first "Start-Up New York" designation by the State for its work with a local manufacturer that is pioneering work in using advanced 3D printing technology to produce manufacturing components.

In the years following the 2008-09 recession, the County has stabilized its finances and has been able to sustain critical services with modest increases in the local property tax rate. The County has kept its workforce 7% smaller than its 2009 peak and negotiated restrained wage growth with nearly all of its labor unions. Like all counties in New York State, Tompkins has been affected by the rising cost of State-mandated programs. However, the budgeted local dollar cost of State-mandated human service programs has declined from $22.6 million in 2013 to $22.1 million in 2015 as human services caseloads peaked, State funding remained stable, and Medicaid savings associated with the introduction of the Affordable Care Act were shared by the State with the counties. Similarly, pension rates that soared immediately after the 2008-09 recession peaked in 2013 and declined in 2014 and 2015.

The 2015 County Budget was subject to a Tax Levy Limitation Law that restricts the growth of property tax levy to 3.12%. The adopted budget required a levy increase of 2.5%, well within the State-imposed cap. The $180.8 million adopted budget, including $83.5 million in local dollar spending, increases the County tax levy by 2.50% and decreases the countywide average tax rate by approximately 0.5% to $6.86 per thousand, an increase of $8.67 for the median county home assessed at $165,000.

The 2015 net tax levy of $42.6 million (after applying sales tax credits as an offset to the County levy in several towns) reflects an increase of $0.8 million, or 1.9%, over the 2014 levy of $41.8 million. Property valuations and tax collections remain stable. Taxable values saw robust growth, rising from $6,544,437,031 to $6,738,801,889, or 3.0%.

The 2015 budget reflects modest reliance on General Fund Balance to support operations of $659,881. This judicious use of reserves ensures the County's Unassigned Fund Balance will be kept safely above the County's Unassigned Fund Balance target of 10% of General Fund revenue. Sales tax receipts are estimated to increase by $839,334 over 2014 (budget to budget).

The 2015-budgeted salary base is $38.0 million, as compared to 2014's modified-budgeted salary base of $38.1 million. All of the County's labor contracts expired on or before December 31, 2014. The 2015 budget included funds for restrained 2015 wage growth. No new positions were added to the County roster in the 2015 budget. After four years of sharp increases, the County's pension contribution rate decreased from 20.9% of payroll in 2013 to 20.1% in 2014, and is projected to decrease to 18.78% in 2015. This represents a total savings in 2015 of $513,070 to the County (budget to budget).

As of this date, the County's Road Patrol union (42 members, AKA the Deputy Sheriff's Association) is without a contract and the County is in on-going negotiations with this union. The existing labor contract for the Deputy Sheriff's Association (expired February 28, 2010) was settled through interest arbitration. An interest arbitration award in 2012 imposed salary schedules and other adjustments for the period March 1, 2008 through February 2010. During 2013, the County paid out approximately $800,000 in retroactive salary adjustments associated with wage increases granted for the period March 1, 2008 – February 28, 2010. At December 31, 2014, the County recognized within the General Fund Assigned Unappropriated Fund Balance resources to provide for retroactive salary adjustments for the Sheriff's unit.

A four-year contract with the CSEA White Collar union (487 members) expired at the end of 2014; negotiations are ongoing. The contract with the Correctional Officers union also expired at the end of 2014. Negotiations on a successor agreement are ongoing. The County, as a matter of fiscal policy, reserves funds for anticipated settlements. The adopted 2015 budget provided resources for future contracts consistent with settlements of other employee units.

Health insurance costs are projected to increase from $9.5 million (2014 actual) to $10.5 million (2015 budget), an increase of 10.9%.

The County continues to anticipate and fiscally plan for those areas outside of its control which could have a material effect on future tax levies. The most significant areas considered outside its control are mid-year funding cutbacks from state and federal government and/or unanticipated increases in mandated programs. The 2015 budget provides a Contingency Account of $887,000 for such circumstances.

The County will continue to invest in infrastructure replacements. A Capital Improvement Plan that provides both a programmatic and fiscal blueprint to address essential facilities and infrastructure needs while also providing guidance on the management of debt is in place. The County anticipates completing permanent financing on several projects during 2015, including $9,720,000 in new bonds. It will also be necessary in 2015 to issue Bond Anticipation Notes to finance the cash flow needs of the Pine Tree road reconstruction project that is on a cost reimbursement basis. These Bond Anticipation Notes will be retired upon receipt of project cost reimbursements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact Richard C. Snyder, Director of Finance, Tompkins County, 125 East Court Street, Ithaca, New York 14850.

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 31,660,305	$ 1,264,592	$ 945,235	$ 73,393
Restricted cash	13,832,071	48,543		662,258
Restricted cash - TTASC	108,492			
Taxes receivable, net	5,241,714			
Accounts receivable, net	3,714,731	108,597	20,945	
Accounts receivable - TTASC, net	660,000			
Loans receivable - Current portion	266,112			
Due from state and federal governments	24,417,663			111,013
Due from other governments	42,616			
Securities and mortgages	200,000			
Prepaid expenses	1,920,129			7,981
Total Current Assets	82,063,833	1,421,732	966,180	854,645
Noncurrent Assets:				
Restricted cash and cash equivalents	5,057,219	79,891		
Restricted investments - TTASC	649,779			
Investments		1,712,680		
Accounts receivable in more than one year		932,846		
Loans receivable - Long-term portion	1,647,235			
Securities and mortgages	1,339,319			
Equity interest in joint ventures	22,995,018			
Capital assets - Land and construction in progress	19,752,194			
Capital assets - Depreciable, net of accumulated depreciation	160,945,995	773,253		42,023
Total Noncurrent Assets	212,386,759	3,498,670	-0-	42,023
Total Assets	294,450,592	4,920,402	966,180	896,668
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on defeased debt	799,324			
Total Deferred Outflows of Resources	799,324	-0-	-0-	-0-
LIABILITIES				
Current Liabilities:				
Accounts payable	9,186,827	578,324		48,764
Accrued liabilities	1,165,648	57,357		3,997
Interest payable	453,319			
Due to other governments	5,193,660		298,650	186,328
Compensated absences				7,197
Refundable advances	4,013,697			662,258
Other	24,863			
Long-term obligations due within one year - County	18,330,295			
Long-term obligations due within one year - TTASC	984,469			
Total Current Liabilities	39,352,778	635,681	298,650	908,544

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
(CONTINUED)
DECEMBER 31, 2014

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
Total current liabilities carried forward	$ 39,352,778	$ 635,681	$ 298,650	$ 908,544
Noncurrent Liabilities:				
Long-term obligations due after one year	99,625,384	3,595,083		
Long-term obligations due after one year - TTASC	11,279,850			
Total Noncurrent Liabilities	110,905,234	3,595,083	-0-	-0-
Total Liabilities	150,258,012	4,230,764	298,650	908,544
NET POSITION				
Net investment in capital assets	127,711,741	773,192		42,023
Restricted for:				
Community Development	3,067,104			
Debt	4,678,954			
Public Safety	225,203			
Economic Assistance and Opportunity	131,042			
Home and Community Services	400,000			
Capital Projects	51,523			
Library - Expendable		1,136,169		
Library - Nonexpendable		586,954		
Total Restricted Net Position	8,553,826	1,723,123	-0-	-0-
Unrestricted	8,726,337	(1,806,677)	667,530	(53,899)
Total Net Position	$ 144,991,904	$ 689,638	$ 667,530	$ (11,876)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Governmental Support	$ 31,123,174	$ 2,664,852	$ 613,859	$
Education	10,306,286		3,025,037	
Public Safety	22,437,664	456,739	909,515	128,341
Health	19,009,771	4,715,028	8,246,290	
Transportation	23,870,590	3,241,333	4,945,264	10,826,506
Economic Assistance and Opportunity	57,103,871	2,138,594	27,153,657	
Culture and Recreation	5,418,621	203,749	397,785	
Home and Community Services	7,186,604	5,650,802	176,714	
Interest on Debt-County	1,235,450			
Interest on Debt-TASC	844,182			
Total Governmental Activities	$ 178,536,213	$ 19,071,097	$ 45,468,121	$ 10,954,847
Component Units:				
Tompkins County Public Library	$ 5,184,317	$ 87,997	$ 4,824,557	$
Industrial Development Agency	328,592	352,355		
Soil and Water Conservation	818,794	38,326	823,910	
Total Component Units	$ 6,331,703	$ 478,678	$ 5,648,467	$ -0-

Net (Expense) and Changes in Net Position brought forward

GENERAL REVENUES

Taxes:
- Property taxes, levied for general purposes
- Property tax items
- Sales and other taxes

Tobacco settlement payments - County
Tobacco settlement payments - TTASC
Grants and contributions not restricted to specific programs
Use of money and property
Miscellaneous
Sale of property and compensation for loss
Change in equity in joint ventures

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See Independent Auditor's Report and Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government	Component Units		
Total Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
$ (27,844,463)	$	$	$
(7,281,249)			
(20,943,069)			
(6,048,453)			
(4,857,487)			
(27,811,620)			
(4,817,087)			
(1,359,088)			
(1,235,450)			
(844,182)			
(103,042,148)	-0-	-0-	-0-
	(271,763)		
		23,763	
			43,442
-0-	(271,763)	23,763	43,442
(103,042,148)	(271,763)	23,763	43,442
41,813,564			
2,473,673			
54,041,714			
801,272			
739,442			
558,515			
1,973,290	37,218	381	469
198,909	616,013		30,664
(656,720)			
(1,734,563)			
100,209,096	653,231	381	31,133
(2,833,052)	381,468	24,144	74,575
147,824,956	308,170	643,386	(86,451)
$ 144,991,904	$ 689,638	$ 667,530	$ (11,876)

COUNTY OF TOMPKINS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Major Funds		
		Special Revenue Funds	
	General Fund	County Road Fund	Transportation Fund
ASSETS			
Assets:			
Cash and cash equivalents - Unrestricted	$ 17,279,670	$ 3,173,089	$ 114,031
- Restricted	5,505,953		
Temporary investments - Restricted			
Taxes receivable, net	5,241,714		
Due from other funds	1,363,865	14,034	177,083
Due from Fiduciary Funds	62,634		
Due from state and federal governments	18,727,434	109,690	37,330
Due from other governments	42,616		
Other receivables, net	2,471,753	3,868	350,725
Prepaid expenses	1,757,101	68,494	31,389
Securities and mortgages			
Loans receivable			
Total Assets	$ 52,452,740	$ 3,369,175	$ 710,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 5,801,379	$ 136,157	$ 105,736
Accrued liabilities	1,055,687	43,021	23,710
Due to other funds	2,931,824	399,942	885,021
Due to Fiduciary Funds	11,041		
Due to other governments	5,193,660		
Other liabilities	24,863		
Refundable advances	4,011,101		2,596
Total Liabilities	19,029,555	579,120	1,017,063
Deferred Inflows of Resources:			
Unavailable tax revenue	1,693,899		
Unavailable securities and mortgages			
Unavailable loans			
Total Deferred Inflows of Resources	1,693,899	-0-	-0-
Fund Balances:			
Nonspendable	1,757,101	68,494	31,389
Restricted	407,768		
Committed			
Assigned	5,632,437	2,721,561	
Unassigned	23,931,980		(337,894)
Total Fund Balances	31,729,286	2,790,055	(306,505)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 52,452,740	$ 3,369,175	$ 710,558

See Independent Auditor's Report and Notes to Financial Statements

Major Funds				Total	
Special Revenue Funds		Capital Projects Fund		Non-Major	Total
Solid Waste Fund	Special Grant Fund	Transportation Fund	Debt Service Fund	Governmental Funds	Governmental Funds
$ 992,516	$ 54,416	$ 3,022,707	$	$ 4,649,500	$ 29,285,929
400,000	899,370	6,211,508	7,511	5,973,440	18,997,782
				649,779	649,779
					5,241,714
	153,531	282,392	1,429,580	869,771	4,290,256
					62,634
	94,842	3,792,354		1,618,977	24,380,627
37,036					79,652
158,245	6,014		284,273	722,105	3,996,983
31,032	17,596			14,517	1,920,129
			1,539,319		1,539,319
	1,913,347				1,913,347
$ 1,618,829	$ 3,139,116	$ 13,308,961	$ 3,260,683	$ 14,498,089	$ 92,358,151
$ 362,121	$ 28,302	$ 121,077	$	$ 2,557,106	$ 9,111,878
20,529	13,296			9,405	1,165,648
69,529	12,818	530,087		236,261	5,065,482
					11,041
					5,193,660
					24,863
					4,013,697
452,179	54,416	651,164	-0-	2,802,772	24,586,269
					1,693,899
			1,539,319		1,539,319
	1,913,347				1,913,347
-0-	1,913,347	-0-	1,539,319	-0-	5,146,565
31,032	17,596			14,517	1,920,129
400,000	1,153,757	6,211,508	1,721,364	7,283,219	17,177,616
		6,446,289		3,485,895	9,932,184
735,618				1,443,541	10,533,157
				(531,855)	23,062,231
1,166,650	1,171,353	12,657,797	1,721,364	11,695,317	62,625,317
$ 1,618,829	$ 3,139,116	$ 13,308,961	$ 3,260,683	$ 14,498,089	$ 92,358,151

COUNTY OF TOMPKINS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Governmental Fund Balances		$ 62,625,317
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Historical cost of capital assets	$ 332,187,951	
Less accumulated depreciation	(151,489,762)	180,698,189
Equity interest in joint ventures are not reported in the Governmental Fund financial statements because they do not represent current resources. These are the investments in the County's joint ventures:		
Tompkins Cortland Community College	$ 19,243,423	
Tompkins Consolidated Area Transit	3,751,595	22,995,018
Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenues in the Statement of Activities due to applying the full accrual basis of accounting.		5,146,565
Internal Service Funds are used by management to charge the costs of certain activities, such as health and workers' compensation insurance. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.		2,487,628
Certain accrued expenses, such as interest on debt, reported in the Statement of Net Position, do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds. Similarly, deferred charges on defeased debt are not recognized as deferred outflows of resources in the Governmental Fund financial statements.		
Accrued interest payable	$ (453,319)	
Deferred charges on defeased debt	799,324	346,005
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. See Notes 2-B-2, 3 and 4.		
Serial Bonds payable	$ (44,601,430)	
TTASC tobacco settlement pass-through bonds	(12,264,319)	
Bond Anticipation Notes payable	(12,824,000)	
Installment purchase debt	(3,709,814)	
Other postemployment benefits liability	(52,369,921)	
Compensated absences	(3,537,334)	(129,306,818)
Net Position of Governmental Activities		$ 144,991,904

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Major Funds		
		Special Revenue Funds	
	General Fund	County Road Fund	Transportation Fund
REVENUES			
Real property taxes	$ 41,938,119	$	$
Real property tax items	2,473,673		
Nonproperty tax items	54,041,714		
Departmental income	9,361,682		1,213,858
Intergovernmental charges	736,070		110,345
Use of money and property	529,515	1,481	1,394,762
Licenses and permits	3,889	14,531	
Fines and forfeitures	191,975		
Sale of property and compensation for loss	835,906	40,142	
Miscellaneous local sources	1,770,662	3,121	23,266
Interfund revenues	478,369		
State sources	26,448,724	2,206,683	
Federal sources	17,892,481	53,007	
Total Revenues	156,702,779	2,318,965	2,742,231
EXPENDITURES			
General governmental support	28,528,679		
Education	9,088,736		
Public safety	17,835,899	232,889	
Health	17,790,301		
Transportation	7,324,939	5,616,586	2,483,106
Economic assistance and opportunity	53,180,904		
Culture and recreation	5,018,108		
Home and community services	1,471,826		
Employee benefits		891,319	392,144
Debt service (principal and interest)			
Capital outlay			
Total Expenditures	140,239,392	6,740,794	2,875,250
Excess of Revenues (Expenditures)	16,463,387	(4,421,829)	(133,019)
OTHER FINANCING SOURCES (USES)			
Interfund transfers in		4,533,655	50,000
Interfund transfers (out)	(10,538,906)	(30,088)	(125,749)
Proceeds of obligations			
Premium on obligations			
Payment to escrow agent			
Total Other Financing Sources (Uses)	(10,538,906)	4,503,567	(75,749)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	5,924,481	81,738	(208,768)
Fund Balances, Beginning of Year	25,804,805	2,708,317	(97,737)
Fund Balances, End of Year	$ 31,729,286	$ 2,790,055	$ (306,505)

See Independent Auditor's Report and Notes to Financial Statements

Major Funds				Total	
Special Revenue Funds		Capital Projects Fund		Non-Major	Total
Solid Waste Fund	Special Grant Fund	Transportation Fund	Debt Service Fund	Governmental Funds	Governmental Funds
$	$	$	$	$	$ 41,938,119
					2,473,673
					54,041,714
4,525,694	316,547				15,417,781
		52,310	602,441		1,501,166
529		3,996	218,454	7,739	2,156,476
					18,420
					191,975
792,098				42,003	1,710,149
68,360	43,498		251,705	750,746	2,911,358
				1,603,085	2,081,454
36,193		385,922	89,321	128,341	29,295,184
	1,122,644	4,204,139		3,436,924	26,709,195
5,422,874	1,482,689	4,646,367	1,161,921	5,968,838	180,446,664
			190,520	54,173	28,773,372
					9,088,736
					18,068,788
					17,790,301
				1,333,722	16,758,353
	1,211,885				54,392,789
					5,018,108
4,567,862	230,868				6,270,556
305,877				156,659	1,745,999
			7,536,641	621,903	8,158,544
		6,531,913		6,906,227	13,438,140
4,873,739	1,442,753	6,531,913	7,727,161	9,072,684	179,503,686
549,135	39,936	(1,885,546)	(6,565,240)	(3,103,846)	942,978
	125,571	30,088	6,259,218	490,018	11,488,550
(902,807)		(206,000)			(11,803,550)
		8,360,000	18,690,000	6,375,500	33,425,500
			2,856,678		2,856,678
			(21,215,294)		(21,215,294)
(902,807)	125,571	8,184,088	6,590,602	6,865,518	14,751,884
(353,672)	165,507	6,298,542	25,362	3,761,672	15,694,862
1,520,322	1,005,846	6,359,255	1,696,002	7,933,645	46,930,455
$ 1,166,650	$ 1,171,353	$ 12,657,797	$ 1,721,364	$ 11,695,317	$ 62,625,317

COUNTY OF TOMPKINS
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balances - Total Governmental Funds		$ 15,694,862
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and net book value of disposed assets.		
Capital outlay	$ 12,808,685	
Net book value of disposed assets	(800,527)	
Depreciation expense	(10,520,290)	1,487,868
Equity interests in joint ventures are not reported in the Governmental Fund financial statements because they do not represent current resources. This is the change in the investments in the County's joint ventures.		(1,734,563)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in certain deferred inflows of resources.		(402,200)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds of debt exceeded the repayment of debt principal.		(8,430,619)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. Changes in these expenses include the following.		
Compensated absences	$ 48,463	
Other postemployment benefits liability	(8,749,568)	
Accrued interest payable	(189,386)	
Accreted interest on Series 2005 TTASC bonds	(454,582)	
Amortization of bond premiums, discounts, and deferred charges on defeased debt	86,615	(9,258,458)
Cash outflows from the issuance of loans to qualified recipients under revolving loan programs are recorded as expenditures, whereas loan repayments and payments on long-term receivables are recorded as revenue in the Governmental Fund financial statements. In the Government-wide financial statements, these transactions affect only cash and loans receivable and are not recorded in the Statement of Activities.		(297,555)
Internal Service Funds are used by management to charge the costs of certain activities, such as workers compensation and insurance, to individual funds. Net gain of the Internal Service Fund is reported with Governmental Activities.		107,613
Change in Net Position of Governmental Activities		$ (2,833,052)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Governmental Activities Internal Service Funds
ASSETS	
Cash and cash equivalents	$ 2,374,376
Accounts receivable, net	315,114
Due from other funds	775,226
Total Assets	3,464,716
LIABILITIES	
Accounts payable	63,908
Benefits and awards payable	913,180
Total Liabilities	977,088
NET POSITION	
Total Net Position	$ 2,487,628

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for services - Governmental Funds	$ 775,226
Charges for services - External participants	33,659
Charges for services - Interfund transfer	315,000
Other operating revenues	116,501
Total Operating Revenues	1,240,386
OPERATING EXPENSES	
Administrative	195,637
Contractual	100,226
Benefits and awards	651,646
Claims and judgments	189,343
Total Operating Expenses	1,136,852
Gain from Operations	103,534
NONOPERATING REVENUES (EXPENSES)	
Interest income	4,079
Total Nonoperating Revenues	4,079
Net Gain Before Transfers	107,613
Change in Net Position	107,613
Total Net Position, Beginning of Year	2,380,015
Total Net Position, End of Year	$ 2,487,628

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from providing services	$ 493,771
Cash received from insurance recoveries	116,501
Cash received from interfund transfer	(42,119)
Cash payments - Suppliers	(257,932)
Cash payments - Claims and benefits	(768,128)
Net Cash (Used) by Operating Activities	(457,907)
Cash Flows from Non-capital Financing Activities	-0-
Cash Flows from Capital and Related Financing Activities	-0-
Cash Flows from Investing Activities:	
Interest income received	4,079
Net Cash Provided by Investing Activities	4,079
Net Change in Cash and Cash Equivalents	(453,828)
Cash and Cash Equivalents, January 1,	2,828,204
Cash and Cash Equivalents, December 31,	$ 2,374,376
Reconciliation of Gain of Income from Operations to Net Cash (Used) by Operating Activities:	
Gain from operations	$ 103,534
(Increase) in interfund receivable	(357,119)
(Increase) in other receivables	(315,114)
Increase in accounts payable	38,347
Increase in accrued liabilities	72,861
(Decrease) in interfund payable	(416)
Net Cash (Used) by Operating Activities	$ (457,907)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents - Unrestricted	$ 14,752	$ 6,141,511
Accounts receivable		366,713
Total Assets	14,752	$ 6,508,224
LIABILITIES		
Agency liabilities		$ 6,456,631
Due to Governmental Funds		51,593
Total Liabilities	-0-	$ 6,508,224
NET POSITION		
Held in trust for memorials	14,752	
Total Net Position	$ 14,752	

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Private Purpose Trust Fund
ADDITIONS	
Investment earnings	$ 11
Total Additions	11
DEDUCTIONS	
Total Deductions	-0-
Change in Net Position	11
Net Position - Beginning of Year	14,741
Net Position - End of Year	$ 14,752

See Independent Auditor's Report and Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County of Tompkins (the County) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

The County, which was incorporated in 1817, is governed by its Charter, Administrative Code, the County Law, other general laws of the State of New York, and various local laws. The County Legislature is the legislative body responsible for overall operations; the County Administrator serves as Chief Executive Officer and Budget Officer, and the Finance Director serves as Chief Fiscal Officer.

The County provides the following basic services: General Governmental Support, Education, Public Safety, Health, Transportation, Economic Assistance and Opportunity, Culture and Recreation, Public Improvements, Planning and Zoning, and Home and Community Services.

All Governmental Activities and functions performed by the County are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the County, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, “The Financial Reporting Entity,” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus,” including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following are included as component units:

1. Blended Component Unit

Tompkins Tobacco Asset Securitization Corporation - During 2000, in accordance with the laws of New York State, and the securitization of 50% of its future tobacco settlement proceeds, the Tompkins Tobacco Asset Securitization Corporation (TTASC) was established. TTASC is one of 17 New York County TASC's in the New York Counties Tobacco Trust I, organized as not-for-profit local development corporations who purchased the rights to the tobacco settlement proceeds from each respective County. The TASC's, in turn, pledged and assigned all of their rights as security and as a source of payment to the New York Counties Tobacco Trust I, who issued in aggregate $227,130,000 of Tobacco Settlement Pass Through Bonds. The proceeds from securitizing 50% of its future proceeds amounted to $7,070,234 and were recognized in the 2000 financial statements of the County. During 2005, the TASC was able to restructure pledged revenues in order to raise additional revenues.

Participation in New York Counties' Tobacco Trust V resulted in $3,659,502 of proceeds distributed to the County for capital improvements. TTASC is deemed to be a blended component unit of the County and is reported as a Debt Service Fund. Complete financial statements can be obtained from the Tompkins County Director of Finance located at 125 Court Street, Ithaca, New York 14850.

2. Discretely Presented Component Units

Tompkins County Public Library - Established in 1968 by the Tompkins County Board of Supervisors and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The Tompkins County Legislature appoints trustees; raises taxes for library purposes; has title to real property used by the library; and issues all library indebtedness which is supported by the full faith and credit of the County of Tompkins. The library is a discretely presented component unit of the County. Complete financial statements can be obtained from their administrative office at 101 East Green Street, Ithaca, New York 14850.

Tompkins County Industrial Development Agency (TCIDA) - A Public Benefit Corporation created by State Legislation to promote the economic welfare, recreational opportunities, and prosperity of Tompkins County residents. Members of TCIDA are appointed by the municipality but exercise no oversight responsibility. TCIDA members have complete responsibility for management of the agency and accountability for fiscal matters. The municipality is not liable for TCIDA bonds or notes.

Tompkins County Development Corporation (Corporation) - Similar to the Tompkins County Industrial Development Agency, the Corporation was formed for the purpose of encouraging economic growth in Tompkins County during 2010. Because New York State has legislated that industrial development agencies can no longer serve not for profit entities, the Corporation will serve that segment of the economy in Tompkins County. The Corporation is deemed to be a component unit of TCIDA.

TCIDA is a discretely presented component unit of the County. Complete financial statements can be obtained from the Tompkins County Industrial Development Agency, 401 East State Street, Suite 402B, Ithaca, New York 14850.

Tompkins County Soil and Water Conservation District - Established under provisions of Article 3, Section 30 of the General Municipal Law to provide for the conservation of soil and water resources. Members of the District's Board of Directors are appointed by the County Legislature and the County provides 14% of the District's General Fund revenue. The Soil and Water Conservation District is a discretely presented component unit of the County. Complete financial statements can be obtained from their administrative office at 170 Bostwick Road, Ithaca, New York 14850.

3. Joint Ventures

The following organizations are related to the County of Tompkins, and are included in the reporting entity as equity interest in joint ventures:

a. Tompkins Cortland Community College was established in 1965 by joint action of the Legislative Boards of Tompkins and Cortland Counties as joint local sponsors under provisions of Article 126 of the Education Law. The College is administered by a Board of Trustees consisting of nine voting members; five of whom are appointed by the Legislative Boards of the two counties under an apportionment made between the two counties by the State University Trustee, and four by the Governor. The College's annual operating and capital budget is subject to approval by both County Boards and, in addition, the counties provide one-half of capital costs and one-third of operating costs for the College. Ownership of existing capital facilities is held in the ratio of 68% and 32% by the Counties of Tompkins and Cortland, respectively. Subsidies to meet operational expenses are shared in the ratio of resident students in attendance. The Tompkins Cortland Community College is an activity undertaken jointly with the County of Cortland and accordingly, its financial statements are excluded from those of the reporting entities. See Note 3 for additional disclosures regarding this joint venture.

b. Tompkins Consolidated Area Transit (TCAT) was formed under a consolidation agreement between the City of Ithaca, the County of Tompkins, and Cornell University effective April 1, 1998. The agreement shall remain in force until October 9, 2021. TCAT began operations on January 1, 1999, with its purpose to provide public transportation in Tompkins County and surrounding areas. As of January 1, 2005 TCAT was reorganized as a 501(c)(3). However, the structure of the Board and interest of each party was not changed. TCAT is governed by a Board of Directors consisting of nine voting members with three members being appointed by each participant in the venture. The General Manager of TCAT is a non-voting ex-officio member of the Board. In addition, the nine voting members of the Board select five additional non-voting, ex-officio members. Interest of each party in surpluses, losses, property, and debt acquired by TCAT shall be shared equally. Each party makes an annual contribution of equal amounts to the venture. See Notes 3 and 4 for additional disclosures regarding this joint venture.

B. Basic Financial Statements

The County's basic financial statements include both Government-wide (reporting the County as a whole) and Governmental Fund financial statements (reporting the County's Major Funds.) Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Proprietary. The County's General Governmental Support, Education, Public Safety, Health, Transportation, Highways and Streets, Economic Assistance and Opportunity, Culture and Recreation, and Home and Community Services are classified as Governmental Activities. Services relating to self insurance and workers' compensation administration are classified as Proprietary Activities.

1. Government-wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government and for the County's discretely presented component units.

Government-wide financial statements do not include the activities reported in the Fiduciary Funds or fiduciary component units. This Government-wide financial statements focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities are presented on a consolidated basis in one column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts - net investment in capital assets; restricted; and unrestricted. The County first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the County's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the prepared or capital requirements of a particular program. Depreciation on assets that are shared by essentially all of the County's programs has been reported in General Government Support. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the County.

The County does not allocate indirect costs. Indirect costs are reported in the function entitled "General Government."

2. Governmental Fund Financial Statements

The financial transactions of the County are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The County records its transactions in the fund types described below:

a. Governmental Funds

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position. The following are the County's Governmental Funds:

1) Major Funds

General Fund - Principal operating fund, includes all operations not required to be recorded in other funds.

Special Revenue Funds:

County Road Fund - Accounts for expenditures for highway purposes authorized by Section 114 of the Highway Law.

Transportation Fund - Accounts for the operations of the County-owned airport.

Solid Waste Fund - Accounts for County solid waste activities.

Special Grant Fund - Accounts for Community Development Block Grants and funds received under the Workforce Investment Act.

Capital Projects Fund - Accounts for and reports financial resources to be used for the acquisition, construction, or renovation of major capital transportation facilities, equipment or transportation system.

Debt Service Fund - Accounts for current payments of principal and interest on general obligation long-term debt (and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness).

2) Non-Major Funds

Special Revenue Fund

Road Machinery Fund - Accounts for the purchase, repair, maintenance, and storage of highway machinery, tools, and equipment pursuant to Section 133 of the Highway Law.

Capital Projects Funds - Consist of general government, home and community services, public safety, education, TCAT, and public health funds, which are used to account for and report financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

Debt Service Fund - TTASC Fund - Accounts for accumulation of resources from tobacco settlement payments and for payment of principal and interest on Tobacco Settlement Pass through Bonds.

b. Proprietary Funds

Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. Measurement focus is upon determination of net income, financial position, and changes in financial position. The following Proprietary Funds are utilized:

Internal Service Funds - Accounts for the accumulation of resources for payment of unemployment insurance as authorized by Section 6M of the General Municipal Law and to account for the accumulation of resources for payment of compensation, assessments, and other obligations under Workers' Compensation Law, Article 5, and accumulation of resources for payment of self-insured risks as authorized by Section 6N of the General Municipal Law.

c. Fiduciary Funds

Fiduciary Funds are used to account for assets held by the local government in a trustee or custodial capacity. The following fiduciary funds are utilized:

Agency Fund - Accounts for money and/or property received and held in the capacity of trustee, custodian or agent.

Private - Purpose Trust Fund - Reports all trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The County uses this fund to report funds provided for cemetery maintenance.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows, liabilities and deferred inflows are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

Accrual Basis - The Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly all of the County's assets, deferred inflows of resources, and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis - Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges.

The County considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within six months after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

D. Equity Classifications

1. Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted - Consists of all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

2. Governmental Fund Financial Statements

The County complies with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable
  Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.

- Restricted
  Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.

- Committed
  Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, which requires the same level of formal action to remove said constraint.

- Assigned
  Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- Unassigned
  Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The County has, by resolution, adopted a fiscal policy which states the County must maintain an unassigned fund balance of at least 10% of the General Fund operating budget. The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

E. Property Taxes

The authority for levying taxes for the support of County and town government, inclusive of special districts, and for re-levying unpaid school taxes and village taxes, has been delegated by the New York State Legislature to the governing board of the County through various provisions of the Real Property Tax Law. For purposes of both County and town taxes, the value of real property is listed and established by the County Director of Assessment for each parcel of real property therein. Amounts to be raised by tax are determined from balanced budgets of the towns and the County and levied on or before December 31, each year. The lien date is January 1. Tax rates are established by the ratio of real property value to the taxes to be raised. In the instance of County taxes levied within the city and each of the towns, property values are equalized by the County Legislature through establishment of the ratio that assessed value of the real property in each town and the city bears to the full value therein. Except for city school district taxes levied within the city, unpaid school and village taxes are purchased from each school district and village and added to tax levies and, until paid, are counted among the assets of the County; the County thus acquires all rights, title, and interest in any unpaid taxes. Unpaid city school district taxes on properties outside of the city are also turned over to the County for collection. Taxes are collected in the towns and City of Ithaca from January 1, to a date no later than April 1, when settlement is made with the Finance Director, who makes collections thereafter. The towns' share of tax levies, which are guaranteed by the County, are paid to supervisors out of the first money received. A 5% penalty is added to unpaid items at the time of settlement; thereafter, unpaids, inclusive of this penalty, bear interest at an annual variable rate determined by the New York State Commission of Taxation and Finance.

Residential and farm property classes are now subject to foreclosure after a three year period of delinquency as compared to the former practice of four years; all other classes of property are now subject to foreclosure action after a two year period of delinquency. Article 11 also replaces the procedure of sending delinquent taxes to Tax Sale. The County is now required to file a list of delinquent taxes with the County Clerk and to maintain such listing on an annual basis. Delinquent taxes, which are not redeemed within times prescribed by statute, are subject to conversion to tax deeds vesting title in the County, which in turn may be conveyed by sale to third parties.

Real property taxes levied are recognized as revenue in the Governmental Fund financial statements only if they are "available" within 60 days following the end of the fiscal year. Tax revenue deemed not available is treated as a deferred inflow of resources. At December 31, 2014, the County had deferred $1,693,899 of real property tax revenue in the General Fund.

F. Budgetary Data

1. Budgeting Policies - The budget policies are as follows:

   a. No later than November 10, the County Administrator (as budget officer) submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

b. After public hearings are conducted to obtain taxpayer comments, no later than December 10, the governing board adopts the budget.

c. Budget modifications in excess of $5,000 are authorized by resolution of the County Legislature. Unencumbered budgetary appropriations lapse at the close of each fiscal year with the exception of capital projects. There is an adopted Fiscal Plan which is reviewed annually. The Fiscal Plan allows County departments to apply for the reappropriation of unspent appropriations from the previous year.

d. Capital project budgets are established in the capital projects annual budget (which coincides with the operations budget) and through the County Legislature resolutions authorizing individual projects. These resolutions remain in effect for the life of the project.

G. Cash and Cash Equivalents

For financial statement purposes, the County considers all highly liquid investments with original maturities of three months or less as cash equivalents.

H. Investments

Investments are stated at cost, which approximates market value.

I. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to various state and federally funded programs.

J. Deferred Outflows/Inflows of Resources

GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future periods, and as such, will not be recognized as an inflow of resources (revenue) until that time.

K. Revenues

Substantially all Governmental Fund revenues are accrued. Property tax receivables expected to be received later than 60 days after year end are reported as deferred inflows of resources in the Governmental Fund financial statements. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before time eligibility requirements are met are reported as deferred outflows of resources by the provider and deferred inflows of resources revenue by the recipient. Resources transmitted before all other eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

L. Self-Insurance

The County of Tompkins assumes the liability for all general liability and substantially all of its vehicle risks. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. As of December 31, 2014, the County had reserved $1,497,722 in the Internal Service Fund to fund any settlements (See Note 4). Additionally, the County is self-insured for unemployment and reimburses New York State dollar for dollar for any unemployment claims. Unemployment charges for 2014 amounted to $100,226.

Effective January 1, 1994, the County became self-insured for workers' compensation claims. Claims occurring prior to 1994 are insured under retrospective adjustment policies issued by the State Insurance Fund. During 2014, the County was not subject to retrospective premiums for claims incurred prior to the County becoming self-insured. The Self-Insured Workers' Compensation Plan reflected the following balances and activity for claims incurred but not paid:

Year	Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Liability End of Year
2014	$ 840,319	$ 724,507	$ (651,646)	$ 913,180
2013	824,209	$ 588,594	(572,484)	840,319

An additional $989,906 is reserved in the Internal Service Fund to fund any workers' compensation claims.

M. Property, Plant, and Equipment

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Equipment and furnishings over $5,000; machinery and motor vehicles over $25,000; land and buildings over $100,000; and infrastructure assets over $100,000, with a useful life greater than one year, are capitalized at cost in the Statement of Net Position. Contributed fixed assets are recorded at fair market value at the date received. The estimated useful lives for governmental capital assets are as follows:

Buildings and improvements	30 years
Machinery and equipment	5 - 15 years
Infrastructure	25 - 50 years

N. Vacation and Sick Leave and Compensatory Absences

County of Tompkins' employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Two to four weeks of vacation time, depending upon length of employment, are earned by each full time permanent and provisional employee. Benefits accrue upon commencement of employment. Sick/disability leave credits accumulate to a maximum of 120 days. Upon termination of employment, employees are compensated for unused vacation time up to a maximum of three years. Employees are eligible to receive unused sick benefits, unused holiday time, and unused compensatory time in cash or credit to be used to pay for health insurance during retirement. The value of these benefits at December 31, 2014, is approximately $3,537,334, and is recorded as a long-term obligation in the Statement of Net Position In addition, component units of the County reported $132,399 in compensated absences at December 31, 2014.

Payment of vacation and sick leave recorded in the Statement of Net Position is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payment becomes due.

O. Postemployment Benefits

In addition to providing pension benefits, the County of Tompkins provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the County of Tompkins' employees may become eligible for these benefits if they elect to continue coverage. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County of Tompkins recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

During 2008, the County adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The County's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 2.B.4.a for additional information.

Certain retirees of the Tompkins County Library and Tompkins Cortland Community College are covered under health plans administered by the County. Both of these entities reimburse the County fully for their share of postemployment benefits.

P. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements take place when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between Governmental Funds are netted as part of the reconciliation to the Government-wide financial statements.

Note 2 - Detail Notes

A. Assets

1. Cash and Investments

The County of Tompkins' investment policies are governed by state statutes. In addition, the County has its own written investment policy. The County’s monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The County Finance Director is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, and obligations of New York State or its localities.

Collateral (security) is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Deposits and investments are valued at cost or cost plus interest, and are categorized as either (1) insured and for which the collateral is held by the County's agent in the County's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the County's name, or (3) uncollateralized.

Deposits and investments at year end were entirely covered by FDIC insurance or by collateral held by custodial banks in the County's name. Total financial institution (bank) balances at December 31, 2014, per the bank, were $59,369,371 for the primary government.

2. Restricted Cash

Restricted cash and cash equivalents, reported on the Government-wide financial statements consists of:

Governmental Activity	Amount
Unspent bond proceeds	$ 12,076,456
Debt service	1,437,091
Community development	1,030,412
Public safety	2,244,442
Repairs and replacements	451,523
Public health	787,611
General government	286,656
Economic assistance	388,573
Culture and recreation	12,301
Home and community	56,372
Transportation	117,853
TASC	108,492
Total Governmental Activities	$ 18,997,782

Restricted investments of $649,779 represent amounts held in a mandated TASC liquidity reserve, which is held in trust and comprised of U.S. Treasury money market funds recorded at cost, which approximates fair value.

3. Securities and Mortgages Receivable

The County has recorded $1,539,319 of Securities and Mortgages Receivable offset by Deferred Inflows of Resources of $1,539,319 in the Debt Service Fund. In the Statement of Net Position, this receivable is not deferred. The receivable represents the portion of debt reflected in the Statement of Net Position for which third parties have contractual responsibility to reimburse the County for future debt service requirements. The following summarizes the parties and obligations involved:

Indebtedness	Original Amount	Date Issued	Party Involved	% Share	Balance 12/31/14
Serial Bonds	$ 1,400,000	2005	Tompkins Community Action	100%	$ 502,852
Serial Bonds	330,000	2005	Food Net	100%	135,531
Serial Bonds	105,000	2002	Cooperative Extension of T.C.	100%	41,904
County Funds	180,000	2001	Cooperative Extension of T.C.	100%	76,716
Serial Bonds	350,000	2012	Cooperative Extension of T.C.	100%	350,000
Serial Bonds	2,910,000	2005	Cortland County	36%	49,550
Serial Bonds	389,566	2013	Cortland County	36%	118,505
Serial Bonds	734,063	2014	Cortland County	36%	264,261
Total					$ 1,539,319

4. Other Receivables

Accounts receivable as of December 31, 2014, consisted of the following:

General Fund:		
Due from TC3	$	1,261,060
Miscellaneous rents and fees		606,372
Tobacco Settlement Revenue Receivable		660,000
Due from fiduciary funds		62,634
Allowance for uncollectibles		(55,679)
Total General Fund		2,534,387
Transportation Fund:		
Transportation fees due from airlines		296,214
Miscellaneous		54,511
Total Transportation Fund		350,725
Solid Waste Fund:		
Solid waste tipping fees		173,245
Allowance for uncollectibles		(15,000)
Total Solid Waste Fund		158,245
Special Grant Fund:		
Grants receivable		6,014
Debt Service Fund:		
Refund of Overpayment		282,466
Miscellaneous		1,807
Total Debt Service Fund		284,273
County Road Fund:		
Insurance Recoveries		3,868
Internal Service Funds:		
Fees for services		315,114
Non-Major Funds:		
Machinery rental		62,105
TTASC Tobacco settlement revenue receivable and accrued interest		660,000
Total Governmental Funds	$	4,374,731

5. Property Taxes

At December 31, 2014, total real property tax assets of $5,712,830 are offset by an allowance for uncollectible taxes of $(471,116). Current year returned village and school taxes of $3,340,853 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2015. The remaining portion of tax assets is partially offset by deferred inflows of resources of $(1,693,899) (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

6. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance at 12/31/13	Additions	Deletions	Reclassifi-cations	Balance at 12/31/14
Governmental Activities					
Non-Depreciable Capital Assets:					
Land and land improvements	$ 7,509,213	$ 5,015	$	$	$ 7,514,228
Construction in progress	7,886,725	5,749,278		(1,398,037)	12,237,966
Total Non-depreciable Capital Assets	15,395,938	5,754,293	-0-	(1,398,037)	19,752,194
Depreciable Capital Assets:					
Buildings	90,948,219	464,008		1,248,610	92,660,837
Machinery and equipment	14,561,805	1,543,587	(2,814,896)		13,290,496
Infrastructure	201,288,200	5,046,797		149,427	206,484,424
Total Depreciable Capital Assets	306,798,224	7,054,392	(2,814,896)	1,398,037	312,435,757
Total Historical Cost	322,194,162	12,808,685	(2,814,896)	-0-	332,187,951
Less Accumulated Depreciation:					
Buildings	(45,363,447)	(3,246,864)			(48,610,311)
Machinery and equipment	(6,623,198)	(610,472)	2,014,369		(5,219,301)
Infrastructure	(90,997,196)	(6,662,954)			(97,660,150)
Total Accumulated Depreciation	(142,983,841)	(10,520,290)	2,014,369	-0-	(151,489,762)
Governmental Activities Capital Assets, Net	$ 179,210,321	$ 2,288,395	$ (800,527)	$ -0-	$ 180,698,189

Depreciation expense was charged to functions as follows:

Governmental Activities	
General governmental support	$ 787,444
Education	15,167
Public safety	2,221,864
Public health	583,376
Transportation	5,608,887
Economic assistance and opportunity	420,621
Culture and recreation	327,996
Home and community services	554,935
Total Governmental Activities Depreciation Expense	$ 10,520,290

Capital asset activity of the Tompkins County Public Library was as follows:

	2014			
Historical Cost:	Balance at 12/31/13	Additions	Retirements	Balance at 12/31/14
Equipment	$ 1,395,059	$ 53,225	$ (972)	$ 1,447,312
Collection	5,485,901	247,732	(164,577)	5,569,056
Total Historical Cost	6,880,960	300,957	(165,549)	7,016,368
Less Accumulated Depreciation:				
Equipment	(1,259,836)	(20,759)	972	(1,279,623)
Collection	(4,876,613)	(251,517)	164,577	(4,963,553)
Total Accumulated Depreciation	(6,136,449)	(272,276)	165,549	(6,243,176)
Total Capital Assets, Net	$ 744,511	$ 28,681	$ -0-	$ 773,192

The Tompkins County Public Library Foundation also had a net book value of equipment of $61 at December 31, 2014.

B. Liabilities

1. Pension Plans

a. General Information

The County participates in the New York State and Local Employees' Retirement System (ERS). This is a cost sharing multiple-employer defined benefit retirement system, which provides retirement benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of funds.

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

b. Funding Policy

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. Plan members who joined the System before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining the System on or after January 1, 2010 and before April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those joining the System on or after April 1, 2012 are required to contribute between 3% and 6% dependent on salary, for their entire working career. Under the authority of the New York State Retirement and Social Security Law, the Comptroller shall certify annually the rates expressed as proportions of payroll of members which shall be used in computing the contributions required to be made by the employer to the Pensions Accumulation Fund.

The County of Tompkins is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	ERS
2014	$ 6,768,440
2013	7,157,481
2012	6,256,722

The County's contributions made to the System were equal to 100% of the contributions required for each of the years. Contributions for certain employees of the Tompkins County Library and Tompkins Cortland Community College were included in billings from the Employees Retirement System. The County is reimbursed annually for the cost attributable for such employees, and the information detailed above is net of such payments.

2. Short-term Debt

a. Bond Anticipation Notes

The County may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. During the year ended December 31, 2014, the County did not issue or redeem any short-term BANs.

b. Revenue Anticipation Notes

The County may issue Revenue Anticipation Notes (RANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. RANs represent a liability that will be extinguished by the use of expendable, available resources. During the year ended December 31, 2014, the County did not issue or redeem any RANs.

3. Long-term Debt

a. Constitutional Debt Limit

At December 31, 2014, the total outstanding bonded indebtedness of the County of Tompkins (exclusive of TTASC bonds) aggregated $53,989,500. Of this amount, $53,394,500 was subject to the constitutional debt limit and represented approximately 12.05% of its statutory debt limit.

b. Serial Bonds

The County of Tompkins borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Government-wide financial statements. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

c. BANs

BANs are reflected as current or long-term liabilities depending on the refinancing status. For Governmental Funds, if all legal steps have been taken to refinance the BANs, the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis in the operating statement of the recipient fund. Such notes are recorded as liabilities in the Government-wide financial statements.

State law requires BANs issued for capital purposes be converted to long-term obligations or paid off within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided stipulated annual reductions of principal are made.

d. Other Long-term Liabilities

In addition to the above long-term debt, the County had the following non-current liabilities:

1) Compensated Absences: Represents the value of earned and unused portion of the liability for compensated absences and is liquidated in various funds.

2) Workers Compensation Claims: Represents estimated liabilities for claims for workers' compensation that have been incurred but not reported, and is liquidated in the Internal Service Fund.

3) Postemployment benefits: Represents the anticipated obligation for the postretirement health care benefits program.

4) Installment Purchase Debt: Represents long-term lease commitments and is liquidated in the General Fund. The amount capitalized in relation to these lease commitments was $16,512,501 for infrastructure and $548,000 for buildings, with total lease commitments outstanding of $3,709,814 at December 31, 2014.

e. Summary of Long-term Debt

1) Summary of Changes in Long-term Obligations

The following is a summary of changes in long-term obligations for the period ended December 31, 2014:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14	Amount Due Within One Year
Serial Bonds	$ 40,340,000	$ 26,395,500	$ (25,570,000)	$ 41,165,500	$ 3,265,500
Unamortized premiums	889,347	2,713,142	(166,559)	3,435,930	480,706
Total Serial Bonds	41,229,347	29,108,642	(25,736,559)	44,601,430	3,746,206
BANs	6,000,000	12,824,000	(6,000,000)	12,824,000	12,824,000
Compensated absences	3,585,797		(48,463)	3,537,334	-0-
Workers' compensation claims	840,319	724,507	(651,646)	913,180	564,198
Postemployment benefits	43,620,353	9,851,766	(1,102,198)	52,369,921	-0-
Installment purchase debt	4,866,543		(1,156,729)	3,709,814	1,195,891
Total Primary Government Long-term Debt	100,142,359	52,508,915	(34,695,595)	117,955,679	18,330,295
TTASC Bonds	9,549,440		(245,000)	9,304,440	998,421
Add accreted interest on 2005 bonds	2,680,299	454,582		3,134,881	-0-
Less unamortized bond discount	(188,954)		13,952	(175,002)	(13,952)
Total TASC Bonds	12,040,785	454,582	(231,048)	12,264,319	984,469
Total Long-term Debt	$ 112,183,144	$ 52,963,497	$ (34,926,643)	$ 130,219,998	$ 19,314,764

Additions and deletions to compensated absences are shown net, as it is impractical to determine these amounts separately.

The County expensed $2,079,632 in interest on long term debt during the year.

Cash paid	$ 1,665,815
Less interest accrued in prior year	(263,933)
Add interest accrued in the current year	453,319
Add accreted interest on the Series 2005 TASC bonds	454,582
Less premiums applied to interest in the current year	(143,536)
Add amortization of deferred charges on defeased debt	65,992
Less amortization of bond premiums	(166,559)
Add amortization of TTASC bond discount	13,952
Total	$ 2,079,632

2) Deferred Outflows of Resources

The Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The County has one item that qualifies for reporting in this category. It is the deferred charges on defeased debt in the government-wide Statement of Net Position. A deferred charge on defeased debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

The following is a summary of changes in deferred charges on defeased debt for the period ended December 31, 2014:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14	Amount Due Within One Year
Deferred Charges on Defeased Debt	$ 335,022	$ 530,294	$ (65,992)	$ 799,324	$ 135,451

3) Long-term Debt Maturity Schedule

On November 26, 2013 the County issued $8,935,000 of public improvement refunding (serial) bonds, with interest rates ranging between 2.00% and 5.00%, pursuant to a Refunding Bond Resolution duly adopted by the County Legislature on September 4, 2012. The County issued the bonds to advance refund $9,495,000 of the outstanding balance of the 2004 refunding bonds with interest rates ranging from 2.50% to 5.00%. The County used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the $9,495,000 in bonds is considered defeased and the liability has been removed from the County's financial statements. The present value of the total debt service savings to the County was $714,162 at the date of issuance. The outstanding principal of the defeased bonds was $8,180,000 at December 31, 2014.

On November 6, 2014 the County issued $18,690,000 of public improvement refunding (serial) bonds, with interest rates ranging between 2.00% and 5.00%, pursuant to a Refunding Bond Resolution duly adopted by the County Legislature on September 4, 2012. The County issued the bonds to advance refund $20,685,000 of the outstanding balance of the 2005, 2007 and 2010 serial bonds with interest rates ranging from 3.00% to 4.25%. The County used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the $20,685,000 in bonds is considered defeased and the liability has been removed from the County's financial statements. The present value of the total debt service savings to the County was $1,965,867 at the date of issuance. The outstanding principal of the defeased bonds was $20,685,000 at December 31, 2014.

The following is a statement of Serial Bonds and Long-term BANs with corresponding maturity schedules.

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
BANs:				
Road and Bridge Reconstruction	07/2014	1.00%	07/2015	$ 9,584,000
Road and Bridge Reconstruction	11/2014	1.00%	10/2015	3,240,000
Total Bond Anticipation Notes				$ 12,824,000
Bonds:				
2013 Refunding Bonds	11/2013	2.00-5.00%	11/2020	7,550,000
2014 Refunding Bonds - Series A	11/2014	2.00-5.00%	03/2027	4,700,000
2014 Refunding Bonds - Series B	11/2014	2.00-5.00%	12/2032	13,785,000
Add unamortized premiums				3,435,930
Net Refunding Bonds				29,470,930
Public Improvement Bonds 2005	03/2005	3.80%	03/2020	240,000
Public Improvement Bonds 2007	03/2007	3.60-4.00%	03/2027	515,000
Public Improvement Bonds 2012	07/2012	1.00-2.25%	07/2027	2,765,000
Public Improvement Bonds 2013	07/2013	3.00-4.00%	07/2030	3,905,000
Public Improvement Bonds 2014	11/2014	2.00-3.00%	10/2029	7,705,500
Total Bonds				$ 44,601,430
Installment Purchase Debt:				
Public Safety Communications	03/2006	3.760%	09/2016	$ 1,880,123
Energy Performance Contract	09/2012	1.751%	03/2020	1,373,689
Human Services Annex	02/2011	4.035%	02/2025	456,002
Total Installment Purchase Debt				$ 3,709,814
TTASC Bonds:				
Series 2000 Tobacco Settlement Pass-through Bonds	12/2000	06/2025	5.25% - 6.30%	$ 5,670,000
Less: Unamortized bond discount				(116,916)
Carrying Value of Series 2000 Tobacco Settlement Pass-through Bonds				5,553,084
Series 2005 Tobacco Settlement Pass-through Bonds	11/2005	06/2060	6.0% - 7.85%	3,634,440
Less: Unamortized bond discount				(58,086)
Add: Addition to accreted value				3,134,881
Carrying Value of Series 2005 Tobacco Settlement Pass-through Bonds				6,711,235
Total Carrying Value of Pass-through Bonds				$ 12,264,319

The County's Debt Service requirements at December 31, 2014 were as follows:

	Serial Bonds		TTASC Series 2000 Bonds		Installment Purchase Debt		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	$ 3,265,500	$ 1,573,085	$ 945,000	$ 319,599	$ 1,195,891	$ 103,719	$ 7,402,794
2016	3,315,000	1,509,458	355,000	297,824	1,236,401	63,207	6,776,890
2017	3,395,000	1,260,089	365,000	274,604	284,600	30,473	5,609,766
2018	3,520,000	1,131,689	475,000	247,564	290,455	24,618	5,689,326
2019	3,265,000	996,264	490,000	216,551	296,448	18,625	5,282,888
2020-2024	10,755,000	3,642,620	2,965,000	537,487	351,095	40,441	18,291,643
2025-2029	10,295,000	1,690,567	75,000	2,484	54,924	2,261	12,120,236
2030-2034	3,355,000	197,500					3,552,500
Total	$ 41,165,500	$ 12,001,272	$ 5,670,000	$ 1,896,113	$ 3,709,814	$ 283,344	$ 64,726,043

The full amount of long-term BANs of $12,824,000 is due in 2015.

During 2005, the County sold its residual interest in the Securitized Tobacco Settlement Revenues through the issuance of Series 2005 TASC Bonds, as described above. The Series 2005 Bonds are capital appreciation bonds, upon which the investment return on the initial principal amount is reinvested at a compounded rate until maturity.

There are no scheduled principal and interest payments on the TASC Series 2005 Bonds other than on their respective maturity dates, at which time a single payment is made representing both the initial principal amount and the total investment return.

However, the Series 2005 Bonds are subject to redemption prior to maturity through turbo redemption payments which are to be made from surplus collections on deposit, as provided in the Bond Indenture. The amounts and timing of the turbo redemption payments are based on projections of future tobacco settlement receipts less amounts needed to satisfy Debt Service on the Series 2000 Bonds and to satisfy operating requirements. Failure to make such turbo redemption payments will not, however, constitute an event of default.

The projected turbo redemption payments are presented in the following table. It is expected the County will make payments based on this amortization.

	Principal	Interest	Total
2015	$ 53,421	$ 40,285	$ 93,706
2016	143,433	123,490	266,923
2017	146,360	142,590	288,950
2018	160,996	176,209	337,205
2019	162,460	198,534	360,994
2020-2024	552,153	872,461	1,424,614
2025-2029	1,334,238	4,069,035	5,403,273
2030-2034	661,760	4,411,359	5,073,119
2035-2039	419,619	4,199,897	4,619,516
Expected Total Debt Service	$ 3,634,440	$ 14,233,860	$ 17,868,300

The following is a summary of the amount of accretion on the TTASC Series 2005 capital appreciation bonds if held to maturity:

	Amount of Yearly Accretion and Amortization of Bond Discount
2015	$ 461,448
2016	482,083
2017	499,376
2018	515,594
2019	531,777
2020-2024	2,956,873
2025-2029	2,954,010
2030-2034	2,107,519
2035-2039	590,299
Total Accretion	11,098,979
Accumulated accretion	3,134,881
Principal	3,634,440
Expected Total Debt Service	$ 17,868,300

4. Postemployment Benefits Other than Pensions

a. Tompkins County

In 2008, the County adopted GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” In the past, the County reported the cost of retiree health care on a “pay-as-you-go” basis. Based on GASB No. 45 guidelines, an employer with more than 200 participants must complete a full actuarial valuation at least biennially.

The actuarial accrued liability and the annual Other Postemployment Benefits (OPEB) cost for the fiscal year ending December 31, 2014 is based on an actuarial valuation of the County of Tompkins Postretirement Health Care Benefits Program (the Plan) which was performed as of January 1, 2014. The Plan is an agent multi-employer defined benefit OPEB plan administered by the County. The Plan provides for continuation of medical and prescription drug insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The obligations of the Plan members, employers and other entities are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution is based on projected pay-as-you-go financing requirements and varies depending on the applicable agreement. The expected employer contribution of $1,102,198 represents an actuarially determined estimate of premiums and claims paid on behalf of retirees for the year ended December 31, 2014. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit. The costs of administering the Plan are paid by the County.

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years.

The following table shows the components of the County's annual OPEB cost for the fiscal year ended December 31, 2014:

	2014
Normal cost	$ 5,079,853
Amortization of Unfunded Actuarial Accrued Liability	5,777,985
Total Annual Required Contribution	10,857,838
Interest on net OPEB obligation	1,744,814
Adjustment to annual required contribution	(2,750,886)
Annual OPEB Cost (Expense)	9,851,766
Expected employer contribution	(1,102,198)
Increase in Net OPEB Obligation	8,749,568
Net OPEB Obligation - January 1	43,620,353
Net OPEB Obligation - December 31	$ 52,369,921

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current year and two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	$ 9,851,767	11.2%	$ 52,369,921
12/31/2013	9,256,000	14.1%	43,620,353
12/31/2012	8,751,963	12.5%	35,665,518

As of December 31, 2014, the Plan was not funded. The actuarial accrued liability for benefits was $88,096,730; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was $38,009,373 and the ratio of the UAAL to the covered payroll was 231.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding funded status of the Plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposed are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 5% initially, increased by increments to an ultimate rate of 6% after ten years. The rate included 2.9% inflation rate and 4% discount rate assumptions.

b. Tompkins County Public Library

The Library complies with GASB Statement No. 45 “Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions.”

An actuarial valuation of the Library’s Retiree Healthcare Plan (Plan) was performed as of January 1, 2014 for the fiscal year ending December 31, 2014 by the County’s contractor in conjunction with the overall evaluation for the County. The Library’s actuarial evaluation is stated as a subcomponent of the total County liability. The Plan is a single-employer defined benefit Healthcare Plan administered by the County. The Plan provides medical, hospital, drug and Part B Premium Reimbursements to eligible retirees and their spouses. Authority to establish and amend the Plan rests with the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Prescription co-payments and contribution requirements of Plan members and the Library are established and may be amended by the Library subject to applicable collective bargaining and employment agreements. The Library has negotiated collective bargaining agreements which include obligations of Plan members and the Library. Required contribution is based on projected “pay-as-you-go” financing requirements. For the year ended December 31, 2014, the Library’s expected contributions were $86,880 to the Plan for current premiums of 16 retirees, compared to $83,942 in 2013. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit.

The Library’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years.

The following table shows components of the Library’s annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the Library’s net OPEB obligation to the Library’s Healthcare Plan:

	2014
Normal cost	$ 311,798
Amortization of UAAL	352,622
Total Annual Required Contribution	664,420
Interest on net OPEB obligation	118,425
Adjustment to annual required contribution	(186,710)
Annual OPEB Cost (Expense)	596,135
Contributions expected on behalf of 16 employees	(86,880)
Increase in Net OPEB Obligation	509,255
Net OPEB Obligation - January 1	2,960,626
Net OPEB Obligation - December 31	$ 3,469,881

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the current and two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	$ 596,135	13.6%	$ 3,469,881
12/31/2013	610,357	13.8%	2,960,626
12/31/2012	576,678	10.7%	2,434,211

As of December 31, 2014, the Plan was not funded. The actuarial accrued liability for benefits was $5,376,397. There are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was $1,856,968 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 289.5% percent.

Actuarial valuations of an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding funded status of the Plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 5% initially, increased by increments to an ultimate rate of 6% after ten years. The rate included 2.9% inflation rate and 4% discount rate assumptions.

C. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2014 are as follows:

	Interfund Receivables	Interfund Payables	Interfund Revenue	Interfund Expenditures
Major Funds:				
General Fund	$ 1,363,865	$ 2,931,824	$	$ 10,538,906
County Road Fund	14,034	399,942	4,533,655	30,088
Transportation Fund	177,083	885,021	50,000	125,749
Solid Waste Fund		69,529		902,807
Special Grant Fund	153,531	12,818	125,571	
Capital Projects Fund - Transportation Fund	282,392	530,087	30,088	206,000
Debt Service Fund	1,429,580		6,259,218	
Non-Major Funds	869,771	236,261	490,018	
Internal Service Fund	775,226		315,000	
Total	$ 5,065,482	$ 5,065,482	$ 11,803,550	$ 11,803,550

D. Deferred Compensation Plan

Employees of the County of Tompkins may elect to participate in the ICMA-RC Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Plans," requires Plan assets to be held by an outside trustee, and are not reported in the County's financial statements.

At the March 17, 2015 meeting of the Legislature, with a unanimous vote, the New York State Deferred Compensation Plan (NYSDCP) was approved to be our new deferred compensation provider. The decision to change providers was based on the NYS Plan's lower costs/fees to employees and retirees who participate, along with the consistently strong performance of the plan. The transition from ICMA-RC, the current provider, to the New York State Deferred Compensation Plan took place on June 1, 2015.

Note 3 - Joint Ventures

A. Tompkins Cortland Community College

The following is the activity undertaken jointly with another municipality. The County's share of this activity is included in the County's financial statements. Separate financial statements are issued for this joint venture and may be obtained from their administrative office at 170 North Street, Dryden, New York 13053.

The County of Tompkins and the County of Cortland jointly own the Tompkins Cortland Community College. The venture operates under the terms of an agreement dated 1965 under provisions of Article 126 of the Education Law. The agreement is for an indefinite period of time. Significant provisions of the agreement are as follows:

- The College is administered by a Board of Trustees consisting of nine voting members; five of whom are appointed by the Legislative Boards of the two counties under an apportionment made between the two counties by the State University Trustee, and four by the Governor.

- Ownership of existing capital facilities and capital expenses are shared in the following ratios:

County of Tompkins	68%
County of Cortland	32%

- Subsidies to meet operational expenses are shared in the ratio of residents in attendance. The County's share of operations for the current year and the two preceding years was: $2,788,625, $2,707,400, $2,680,596.

- The governing body has established that the County of Tompkins and the County of Cortland will each provide 30% of the operational costs of the College. Subsidies to meet operational expenses are shared in the ratio of resident students in attendance.

- All monies incidental to college operations are received and expended by the College except for those monies relating to Debt Service for which the counties, as sponsors, are responsible. During 1994 the sponsors authorized a Campus Master Plan Improvement Program in the amount of $8,689,572. The sponsors are responsible for approximately 50% of the cost associated with the Master Plan improvements. Tompkins County is the lead agency in financing the sponsor's share, and has issued $6,860,000 of debt to provide for the sponsor's share of program cost. The Cortland County Legislature has executed an inter-municipal agreement with Tompkins County, which provides for reimbursement of 36% of the net Debt Service cost associated with the project. As of December 31, 2014, outstanding debt related to the 1994 Master Plan was $1,200,881 in bonds. Cortland County is responsible for 36% or $432,316 of the bonds payable. Tompkins County reports 100% of the debt in its Statement of Net Position and also reports a receivable for the 36% in "securities and mortgages" in its Debt Service Fund.

- In 2005, the College began another campus expansion program estimated at a cost of approximately $33,000,000. The sponsoring counties have committed $13,500,000 to match New York State participation in the expansion, with the College required to raise funds over and above the amount of approved by New York State. Under the 2005 Campus Expansion, each County will be responsible for issuing debt to finance the project. At December 31, 2014, the County has contributed $12,971,037 for the Campus Expansion, consisting of $3,665,537 from tobacco securitization, a $620,000 budget contribution, and $8,685,500 of bonds and notes. At December 31, 2014, outstanding debt related to the Campus Expansion was $6,850,759.

- The financial statements of the College are independently audited annually. The following is an audited summary of financial information included in financial statements for the joint venture, (combined funds) as of August 31, 2014:

Total Assets	$ 53,001,146
Total Liabilities	31,132,317
Total Equity	21,868,829
Total Revenues	41,809,235
Total Expenses	43,319,695

- The County's share of the College's equity is comprised of the following at December 31, 2014:

68% of the College's total equity	$	14,870,804
County's share of debt included in total equity		4,372,619
Equity Interest in the College	$	19,243,423

B. Tompkins Consolidated Area Transit

The following is the activity undertaken jointly with another municipality and a university. This activity is excluded from the financial statements of the participating municipalities. Separate financial statements for this joint venture can be obtained from the Tompkins Consolidated Area Transit's administrative office at 737 Willow Avenue, Ithaca, New York 14850.

TCAT was formed under a consolidation agreement between the City of Ithaca, Tompkins County, and Cornell University effective April 1, 1998. The agreement shall remain in force until October 9, 2021. TCAT began operations on January 1, 1999, with its purpose to provide public transportation in Tompkins County and surrounding areas. As of January 1, 2005 TCAT was reorganized as a 501(c)(3). However, the structure of the Board, and the interest of each party was not changed. Significant provisions of the agreement are as follows:

- TCAT is governed by a Board of Directors consisting of nine voting members with three members being appointed by each participant in the venture. The General Manager of TCAT is a non-voting ex-officio member of the Board. In addition, the nine voting members of the Board select five additional non-voting, ex-officio members.

- Interest of each party in surpluses, losses, property, and in debt acquired by TCAT shall be shared equally.

- Each party makes an annual contribution of equal amounts to the venture. The County's contribution for 2014 was $829,432. Its contribution for 2015 will be $939,522.

- The financial statements of TCAT are independently audited annually and may be obtained from their administrative office. The following is a summary of audited financial information included in financial statements for the joint venture as of December 31, 2014:

Total Assets	$	16,983,262
Total Liabilities		5,728,476
Total Equity		11,254,786
Total Revenues		13,850,846
Total Expenses		14,709,771

- The County's share of the TCAT's equity amounted to $3,751,595 at December 31, 2014.

Note 4 - Contingencies

As described in Note 3, the County is a partner in TCAT, a joint venture, and shares equally in surpluses or losses. The County may, in the future, be required to provide additional resources to finance its share of any operating deficits of TCAT.

The County of Tompkins is a defendant in several tax certiorari claims brought by taxpayers in an attempt to reduce their real property value assessments. These lawsuits result from the continuing adjustments to property valuations required to maintain assessments at a uniform level of market value. The County's attorney in the defense of these cases has expressed the opinion that the impact of the settlement of these cases has the potential to be substantial but not predictable.

The County of Tompkins is a defendant in several tort claims. The County is self-insured for the amounts claimed, and is paying for the defense of these cases. It maintains reserves, in amounts recommended by its insurance administrator, which it considers adequate to cover potential settlements or damages awarded. As of December 31, 2014, the County has reserved $1,497,722 for unreported claims which is included in the net position of the Internal Service Fund.

The County is subject to binding arbitration for employee labor contracts of uniformed members of the Sheriff's Road Patrol union. An interest arbitration award in 2012 imposed salary schedules and other adjustments for the period March 1, 2008 through February 2010. Subsequent to December 31, 2012, the County made a retroactive salary payment of $793,303 for the referenced contract. The contract for the Tompkins County Deputy Sheriff's Road Patrol Unit remains under negotiation but is likely to move to arbitration. The County, as a matter of fiscal policy, reserves funds for anticipated settlements. The adopted 2014 budget provided resources for future contracts consistent with settlements of other employee units.

During the year ended December 31, 2011, the New York State Office of Medicaid Inspector General presented to the Tompkins County Mental Health Department a draft audit of Medicaid billings for the period 2004-2007. This draft audit indicated the County was subject to repayment of claims of approximately $700,000 based upon statistical sampling of case files. The County has vigorously contested the draft audit findings and the statistical sampling methodology employed. It is not possible to estimate the liability, if any, and no liability has been reflected in the accompanying financial statements. During 2012, the County self-reported to the NYS Office of Medicaid Inspector General certain case file deficiencies within the Mental Health Department associated with Medicaid billings. The County, as matter of fiscal policy, has assigned funds for anticipated settlements.

Note 5 - Sales Tax

The County, under the general authority of Article 29 of the Tax Law, imposes a 3.0% sales tax in the towns outside the City of Ithaca, and a 1.5% sales tax within its boundaries. Both the County and City-imposed taxes are administered and collected by the New York State Tax Commission in the same manner as that relating to the State's imposed 4.0% sales and compensating use tax. Net collections, meaning monies collected after deducting expenses and amounts refunded or to be refunded, but inclusive to any applicable penalties and interest, are paid by the State to the County and City, respectively.

Of the total sales tax received by the County, an amount equal to 50% of total collections, excluding the amount paid directly to the City is retained by the County. The balance is divided among the towns based upon population as determined by the 2000 census. The towns' share is divided and allocated between incorporated villages (located wholly or partially within the town) and the area of the towns outside said villages, on the basis of population. All the villages and five townships are paid their share in cash. The town outside villages' share are retained by the County and applied in the first instance to the taxes to be re-levied for county purposes in the respective towns' levy.

During 1992, the State Legislature granted authority to increase the County sales tax rate from 3% to 4%. The new taxing authority became effective December 1, 1992, and was authorized through November 30, 2015.

For the past five year period, sales tax proceeds have been distributed to the jurisdictions within the County in the following amounts:

Year	County Share	City Share	Town/Village Share
2014	$ 34,002,586	$ 12,600,667	$ 13,845,767
2013	32,466,433	12,042,881	13,208,830
2012	31,668,817	11,791,806	12,839,399
2011	31,048,271	11,677,280	12,471,772
2010	29,936,325	11,245,030	12,043,208

The 2015 County Budget includes $33,645,445 in sales tax to support operations.

Note 6 - Transactions with Discretely Presented Component Units

The County of Tompkins contributed $2,978,032 and $132,036 to the Tompkins County Public Library and the Tompkins County Soil and Water Conservation District, respectively. Additionally, the Library's facilities are owned by the County and provided to the Library at no charge. The County provided $485,060 worth of debt service on the building occupied by the Library.

Note 7 - Stewardship, Compliance, and Accountability - Deficit Fund Balance

The Transportation Fund had a deficit unassigned fund balance of $(337,894) at December 31, 2014. Principal factors which caused the current net operating loss were decreased revenues from airport fees and rentals (down $52,047, or 7.1%), and decreased other transportation and departmental income (down $36,055, or 6.4%). This was offset by an increase in rental of real property, which increased $103,802, or 8.0%. Overall, the Transportation Fund's revenues increased by $23,032, or 0.8%. Total Transportation Fund expenditures increased by $49,908, or 1.7%.

The net operating loss at the airport (which makes up the Transportation Fund) was ($208,768) in 2014 compared to ($181,892) in 2013. The airport still relies on borrowings from other funds to maintain cash stability. Management believes that the airport will be successful in negotiating more favorable fees and airfares with the provider airlines. Also, a more extensive marketing campaign has begun at the airport. The deficit fund balance will decrease as monies are paid back to other funds and air traffic picks up in subsequent years.

The Capital Projects Fund - Public Safety had a deficit fund balance at December 31, 2014 of $(531,855). This deficit will be eliminated when interoperable grant funding is received in 2015.

Note 8 - Fund Balance Detail

At December 31, 2014, fund balance in the governmental funds was comprised of the following:

	General Fund	County Road Fund	Transportation Fund	Solid Waste Fund
Nonspendable				
Prepaid expenses	$ 1,757,101	$ 68,494	$ 31,389	$ 31,032
Total Nonspendable Fund Balance	$ 1,757,101	$ 68,494	$ 31,389	$ 31,032
Restricted				
Economic assistance and opportunity	$ 131,042	$	$	$
Public safety	225,203			
Repairs and replacements	51,523			400,000
Total Restricted Fund Balance	$ 407,768	$ -0-	$ -0-	$ 400,000
Assigned				
Appropriated for next year's budget	$ 694,297	$	$	$ 169,493
Encumbered for:				
General government	283,902			
Public safety	78,931	27,765		
Public health	28,204			
Transportation	3,109	319,474		
Economic assistance and opportunity	344,256			
Home and community services	100,972			77,361
Assigned for Employee Benefits:				
General government	286,656			
Public safety	397,030			
Public health	287,611			
Transportation	117,853			
Economic assistance and opportunity	388,573			
Culture and recreation	12,301			
Home and community services	56,372			
Assigned for:				
Public safety RAA reserve	1,622,209			
Medicaid audit	500,000			
Rollovers	92,267			
Transportation Fund deficit	337,894			
County Road Fund		2,374,322		
Solid Waste Fund				488,764
	$ 5,632,437	$ 2,721,561	$ -0-	$ 735,618
Unassigned				
Unassigned fund balance (deficit)	$ 23,931,980	$	$ (337,894)	$
Total Unassigned Fund Balance	$ 23,931,980	$ -0-	$ (337,894)	$ -0-

	Special Grant Fund	Debt Service Fund	Capital Projects Fund - Transportation	Non-Major Funds
Nonspendable				
Prepaid expenses	$ 17,596	$	$	$ 14,517
Total Nonspendable Fund Balance	$ 17,596	$ -0-	$ -0-	$ 14,517
Restricted				
Community development	$ 1,153,757	$	$	$
Capital projects - Unspent debt proceeds			6,211,508	5,864,948
Debt Service		1,721,364		1,418,271
Total Restricted Fund Balance	$ 1,153,757	$ 1,721,364	$ 6,211,508	$ 7,283,219
Committed				
Capital projects	$	$	$ 6,446,289	$ 3,485,895
	$ -0-	$ -0-	$ 6,446,289	$ 3,485,895
Assigned - Appropriated for next year's budget				
Assigned for transportation	$	$	$	$ 1,443,541
Total	$ -0-	$ -0-	$ -0-	1,443,541
Unassigned				
Unassigned fund balance (deficit)	$	$	$	$ (531,855)
Total Unassigned Fund Balance (Deficit)	$ -0-	$ -0-	$ -0-	$ (531,855)

Of the $8,726,337 reported as unrestricted net position of the Governmental Activities in the Government-wide Statement of Net Position, the County has designated funds to be set aside for certain purposes or contingencies, as follows:

Unrestricted Net Position	$ 8,726,337
Designated for:	
Ensuing year's budget	863,790
Carry-over of prior year's commitments (encumbrances and rollovers)	1,356,241
Prepaid expenses	1,920,129
Medicaid audit	500,000
Employee benefits	1,546,396
Capital projects	9,400,329
Self Insurance	1,497,722
Workers' Compensation	989,906
Equity interest in joint venture, net of related debt	18,622,399
Public safety	1,622,209
Transportation	4,155,757
Home and community services	488,764
Total Designated Net Position	42,963,642
Unrestricted, Undesignated Net Position (Deficit)	$ (34,237,305)

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget
REVENUES		
Real property taxes	$ 47,202,862	$ 43,947,862
Real property tax items		
Nonproperty tax items	48,428,446	52,444,191
Departmental income	10,499,996	11,281,991
Intergovernmental charges	52,090	151,840
Use of money and property	526,901	526,901
Licenses and permits	2,500	2,500
Fines and forfeitures	320,991	328,291
Sale of property and compensation for loss	634,500	649,828
Miscellaneous local sources	1,708,738	1,624,439
Interfund revenues	553,535	557,955
State sources	25,278,186	27,288,865
Federal sources	18,369,692	18,407,023
Total Revenues	153,578,437	157,211,686
EXPENDITURES		
Current:		
General governmental support	28,804,526	29,784,013
Education	8,503,132	9,088,753
Public safety	16,821,885	18,017,318
Health	18,974,476	19,906,926
Transportation	8,141,021	8,193,465
Economic assistance and opportunity	55,534,781	56,387,304
Culture and recreation	4,956,575	5,083,601
Home and community services	1,567,085	1,742,677
Employee benefits	501,528	56,045
Total Expenditures	143,805,009	148,260,102
Excess of Revenues	9,773,428	8,951,584
OTHER FINANCING SOURCES (USES)		
Interfund transfers (out)	(10,460,031)	(10,543,906)
Total Other Financing (Uses) Sources	(10,460,031)	(10,543,906)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	(686,603)	(1,592,322)
Appropriated Fund Balance	686,603	1,592,322
Net Increase	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 41,938,119	$	$ (2,009,743)
2,473,673		2,473,673
54,041,714		1,597,523
9,361,682		(1,920,309)
736,070		584,230
529,515		2,614
3,889		1,389
191,975		(136,316)
835,906		186,078
1,770,662		146,223
478,369		(79,586)
26,448,724		(840,141)
17,892,481		(514,542)
156,702,779	-0-	(508,907)
28,528,679	283,902	971,432
9,088,736		17
17,835,899	78,931	102,488
17,790,301	28,204	2,088,421
7,324,939	3,109	865,417
53,180,904	344,256	2,862,144
5,018,108		65,493
1,471,826	100,972	169,879
		56,045
140,239,392	839,374	7,181,336
16,463,387	(839,374)	6,672,429
(10,538,906)		5,000
(10,538,906)	-0-	5,000
5,924,481	$ (839,374)	$ 6,677,429
5,924,481		
25,804,805		
$ 31,729,286		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
COUNTY ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget
REVENUES		
Use of money and property	$	$
Licenses and permits	4,000	14,181
Sale of property and compensation for loss	2,500	22,341
Miscellaneous local sources		4,675
State sources	2,023,675	2,260,174
Federal sources		299,200
Total Revenues	2,030,175	2,600,571
EXPENDITURES		
Current:		
Public safety	251,740	264,845
Transportation	5,386,049	6,010,418
Employee benefits	926,041	926,041
Total Expenditures	6,563,830	7,201,304
Excess of (Expenditures)	(4,533,655)	(4,600,733)
OTHER FINANCING SOURCES (USES)		
Interfund transfers in	4,533,655	4,533,655
Interfund transfers (out)		(30,088)
Total Other Financing Sources (Uses)	4,533,655	4,503,567
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	-0-	(97,166)
Appropriated Fund Balance		97,166
Net Increase	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 1,481	$	$ 1,481
14,531		350
40,142		17,801
3,121		(1,554)
2,206,683		(53,491)
53,007		(246,193)
2,318,965	-0-	(281,606)
232,889	27,765	4,191
5,616,586	319,474	74,358
891,319		34,722
6,740,794	347,239	113,271
(4,421,829)	(347,239)	(168,335)
4,533,655		-0-
(30,088)		-0-
4,503,567	-0-	-0-
81,738	$ (347,239)	$ (168,335)
-0-		
81,738		
2,708,317		
$ 2,790,055		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget
REVENUES		
Departmental income	$ 1,471,164	$ 1,496,489
Intergovernmental charges	116,800	116,800
Use of money and property	1,340,288	1,340,288
Miscellaneous local sources	4,840	4,840
State sources	49,000	49,000
Total Revenues	2,982,092	3,007,417
EXPENDITURES		
Current:		
Transportation	2,411,833	2,528,921
Employee benefits	444,499	444,499
Total Expenditures	2,856,332	2,973,420
Excess of Revenues (Expenditures)	125,760	33,997
OTHER FINANCING SOURCES (USES)		
Interfund transfers in		50,000
Interfund transfers (out)	(125,760)	(125,760)
Total Other Financing Sources (Uses)	(125,760)	(75,760)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	-0-	(41,763)
Appropriated Fund Balance		41,763
Net (Decrease)	$ -0-	$ -0-
Fund Balance (Deficit), Beginning of Year		
Fund Balance (Deficit), End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 1,213,858	$	$ (282,631)
110,345		(6,455)
1,394,762		54,474
23,266		18,426
		(49,000)
2,742,231	-0-	(265,186)
2,483,106	18,829	26,986
392,144		52,355
2,875,250	18,829	79,341
(133,019)	(18,829)	(185,845)
50,000		-0-
(125,749)		11
(75,749)	-0-	11
(208,768)	$ (18,829)	$ (185,834)
-0-		
(208,768)		
(97,737)		
$ (306,505)		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
SOLID WASTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget
REVENUES		
Departmental income	$ 4,904,254	$ 4,904,254
Use of money and property	10,000	10,000
Sale of property and compensation for loss	1,038,604	1,038,604
Miscellaneous local sources	2,700	2,700
State sources	175,000	175,000
Total Revenues	6,130,558	6,130,558
EXPENDITURES		
Current:		
Home and community services	5,031,850	5,232,490
Employee benefits	400,544	400,544
Total Expenditures	5,432,394	5,633,034
Excess of Revenues	698,164	497,524
OTHER FINANCING SOURCES (USES)		
Interfund transfers (out)	(910,525)	(910,525)
Total Other Financing Sources (Uses)	(910,525)	(910,525)
Excess of (Expenditures) and Other Financing (Uses)	(212,361)	(413,001)
Appropriated Fund Balance	212,361	413,001
Net (Decrease)	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 4,525,694	$	$ (378,560)
529		(9,471)
792,098		(246,506)
68,360		65,660
36,193		(138,807)
5,422,874	-0-	(707,684)
4,567,862	77,361	587,267
305,877		94,667
4,873,739	77,361	681,934
549,135	(77,361)	(25,750)
(902,807)		7,718
(902,807)	-0-	7,718
(353,672)	$ (77,361)	$ (33,468)
(353,672)		
1,520,322		
$ 1,166,650		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
SPECIAL GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget
REVENUES		
Departmental income	$	$ 200,870
Miscellaneous local sources	30,000	30,000
Interfund revenues	125,571	125,571
State sources	150,800	150,800
Federal sources	1,038,682	1,068,682
Total Revenues	1,345,053	1,575,923
EXPENDITURES		
Current:		
Economic Assistance and Opportunity	1,345,053	1,345,053
Home and Community Services		230,870
Total Expenditures	1,345,053	1,575,923
Excess of Revenues	-0-	-0-
OTHER FINANCING SOURCES (USES)		
Interfund transfers in		
Total Other Financing Sources (Uses)	-0-	-0-
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	-0-	-0-
Appropriated Fund Balance		
Net Increase	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 316,547	$	$ 115,677
43,498		13,498
		(125,571)
		(150,800)
1,122,644		53,962
1,482,689	-0-	(93,234)
1,211,885		133,168
230,868		2
1,442,753	-0-	133,170
39,936	-0-	39,936
125,571		125,571
125,571	-0-	125,571
165,507	$ -0-	$ 165,507
165,507		
1,005,846		
$ 1,171,353		

COUNTY OF TOMPKINS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2014

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
County of Tompkins							
12/31/2014	1/1/2014	$ -0-	$ 88,096,730	$ 88,096,730	0.0%	$ 38,009,373	231.8%
12/31/2013	1/1/2012	$ -0-	$ 82,905,337	$ 82,905,337	0.0%	$ 37,785,616	219.4%
12/31/2012	1/1/2012	$ -0-	$ 76,402,949	$ 76,402,949	0.0%	$ 36,449,633	209.6%
12/31/2011	1/1/2010	$ -0-	$ 81,482,313	$ 81,482,313	0.0%	$ 36,040,953	226.1%
12/31/2010	1/1/2010	$ -0-	$ 75,009,186	$ 75,009,186	0.0%	$ 38,020,577	197.3%
Tompkins County Public Library							
12/31/2014	1/1/2014	$ -0-	$ 5,376,397	$ 5,376,397	0.0%	$ 1,856,968	289.5%
12/31/2013	1/1/2012	$ -0-	$ 5,484,063	$ 5,484,063	0.0%	$ 1,666,666	329.0%
12/31/2012	1/1/2012	$ -0-	$ 5,043,968	$ 5,043,968	0.0%	$ 1,686,350	299.1%
12/31/2011	1/1/2010	$ -0-	$ 5,381,385	$ 5,381,385	0.0%	$ 1,740,164	309.2%
12/31/2010	1/1/2010	$ -0-	$ 4,947,753	$ 4,947,753	0.0%	$ 1,766,247	280.1%

See Independent Auditor's Report and Notes to Required Supplementary Information

COUNTY OF TOMPKINS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles for the General, County Road, Road Machinery, Transportation, Special Grant, Solid Waste, and Debt Service Funds. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or an expenditure in the GAAP based financial statement, but reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. The accompanying Budgetary Comparison Schedules for the General, County Road, Transportation, Special Grant, and Solid Waste Funds present comparisons of the legally adopted budget with actual data.

Note 2 - Reconciliation of Budget Basis to GAAP

No adjustment is necessary to convert excess of expenditures and other uses over revenues and other sources on the GAAP basis to the budget basis as there were no encumbrances added to the actual expenditures recorded in the budgetary comparison schedules.

Note 3 - Schedule of Funding Progress

The Schedule of Funding Progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the Plan's assets are increasing or decreasing over time relative to the actuarial liabilities for benefits.

COUNTY OF TOMPKINS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
ASSETS				
Assets:				
Cash and cash equivalents - Unrestricted	$ 1,208,406	$ 297,039	$ 1,432,432	$ 648,133
- Restricted			4,881,831	
Temporary investments - Restricted				
Due from other funds	227,323		412,763	101,422
Due from state and federal governments		1,618,977		
Other receivables, net	62,105			
Prepaid expenses	11,160			
Total Assets	$ 1,508,994	$ 1,916,016	$ 6,727,026	$ 749,555
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 33,212	$ 1,320,158	$ 490,836	$ 11,680
Accrued liabilities	8,831		574	
Due to other funds	12,250	224,011		
Total Liabilities	54,293	1,544,169	491,410	11,680
Fund Balances:				
Nonspendable	11,160			
Restricted			4,881,831	
Committed		371,847	1,353,785	737,875
Assigned	1,443,541			
Unassigned				
Total Fund (Deficit) Balances	1,454,701	371,847	6,235,616	737,875
Total Liabilities and Fund Balances	$ 1,508,994	$ 1,916,016	$ 6,727,026	$ 749,555

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total
Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	Non-Major Governmental Funds
$ 564,827	$ 19,523	$ 479,140	$	$ 4,649,500
		983,117	108,492	5,973,440
			649,779	649,779
	128,263			869,771
				1,618,977
			660,000	722,105
			3,357	14,517
$ 564,827	$ 147,786	$ 1,462,257	$ 1,421,628	$ 14,498,089
$ 21,579	$ 679,641	$	$	$ 2,557,106
				9,405
				236,261
21,579	679,641	-0-	-0-	2,802,772
			3,357	14,517
		983,117	1,418,271	7,283,219
543,248		479,140		3,485,895
				1,443,541
	(531,855)			(531,855)
543,248	(531,855)	1,462,257	1,421,628	11,695,317
$ 564,827	$ 147,786	$ 1,462,257	$ 1,421,628	$ 14,498,089

COUNTY OF TOMPKINS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
REVENUES				
Use of money and property	$ 933	$ 333	$ 4,171	$ 728
Sale of property and compensation for loss	42,003			
Miscellaneous local sources			11,304	
Interfund revenues	1,603,085			
State sources				
Federal sources		3,436,924		
Total Revenues	1,646,021	3,437,257	15,475	728
EXPENDITURES				
General governmental support				
Transportation	1,333,722			
Employee benefits	156,659			
Debt service (principal and interest)				
Capital outlay		3,148,522	1,500,346	28,818
Total Expenditures	1,490,381	3,148,522	1,500,346	28,818
Excess of Revenues (Expenditures)	155,640	288,735	(1,484,871)	(28,090)
OTHER FINANCING SOURCES (USES)				
Interfund transfers in			412,763	77,255
Proceeds of obligations			4,190,000	
Total Other Financing Sources (Uses)	-0-	-0-	4,602,763	77,255
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	155,640	288,735	3,117,892	49,165
Fund Balances, Beginning of Year	1,299,061	83,112	3,117,724	688,710
Fund Balances (Deficit), End of Year	$ 1,454,701	$ 371,847	$ 6,235,616	$ 737,875

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total
Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	Non-Major Governmental Funds
$ 861	$ 65	$ 547	$ 101	$ 7,739
				42,003
			739,442	750,746
				1,603,085
	128,341			128,341
				3,436,924
861	128,406	547	739,543	5,968,838
			54,173	54,173
				1,333,722
				156,659
			621,903	621,903
218,910	807,248	1,202,383		6,906,227
218,910	807,248	1,202,383	676,076	9,072,684
(218,049)	(678,842)	(1,201,836)	63,467	(3,103,846)
				490,018
		2,185,500		6,375,500
-0-	-0-	2,185,500	-0-	6,865,518
(218,049)	(678,842)	983,664	63,467	3,761,672
761,297	146,987	478,593	1,358,161	7,933,645
$ 543,248	$ (531,855)	$ 1,462,257	$ 1,421,628	$ 11,695,317

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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*

County Legislature
County of Tompkins
Ithaca, 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 governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 27, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cinachi, Dieterchagen, Little, Nielsen & Company LLP

July 27, 2015
Ithaca, New York

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

County Legislature
County of Tompkins
Ithaca, New York

Report on Compliance for Each Major Federal Program

We have audited County of Tompkins' (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

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Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cinadr, Dieterchagen, Little, Nikolson & Company LLP

July 27, 2015
Ithaca, New York

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
U.S. Department of Agriculture			
Passed Through NYS Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(1)	$ 1,706
National School Lunch Program	10.555	(1)	1,899
Total Child Nutrition Cluster			3,605
Passed Through NYS Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children - Administration	10.557	C025804	458,221
Special Supplemental Nutrition Program for Women, Infants and Children - Food Instruments	10.557	(1)	902,442
Total Special Supplemental Nutrition Program for Women, Infants and Children			1,360,663
Passed Through NYS Office of Children and Family Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	1,539,700
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,903,968
U.S. Department of Housing and Urban Development			
Program Income:			
Community Development Block Grants - State's Program	14.228	(1)	-0-
Passed Through NYS Homes and Community Renewal:			
Community Development Block Grants - State's Program	14.228	1144HR63-11	30,000
Total Community Development Block Grants - State's Program			30,000
Passed Through NYS Office of Temporary and Disability Assistance:			
Energy Solutions Grant Program	14.231	C021296	592,105
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			622,105
U.S. Department of Labor			
Passed Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235	(1)	21,728
Passed Through NYS Department of Labor:			
Employment Service/Wagner-Peyser Funded Activities	17.207	(1)	22,198
Trade Adjustment Assistance Workers	17.245	(1)	34,166
WIA National Emergency Grants	17.277	(1)	55,172
WIA Cluster:			
WIA Adult Program	17.258	(1)	176,749
WIA Youth Activities	17.259	(1)	308,290
WIA Dislocated Workers	17.278	(1)	154,593
Total WIA Cluster			639,632
TOTAL U.S. DEPARTMENT OF LABOR			772,896
Subtotal Expenditures of Federal Awards			4,298,969

N/A - Denotes Not Applicable (Direct Program)
(1) - Denotes unable to obtain from Pass-Through Entity

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 4,298,969
U.S. Department of Transportation			
Direct Programs:			
Airport Improvement Program	20.106	N/A	1,426,683
Federal Transit - Formula Grants	20.507	N/A	1,949,420
Passed Through NYS Department of Transportation:			
Highway Planning and Construction	20.205	D022373	1,584,394
Highway Planning and Construction	20.205	D022376	14,547
Highway Planning and Construction	20.205	D031531	1,186,971
Highway Planning and Construction	20.205	D032212	27,700
Highway Planning and Construction	20.205	D033680	12,281
Highway Planning and Construction	20.205	D033922	4,570
Total Highway Planning and Construction			2,830,463
Federal Transit - Metropolitan Planning Grants	20.505	C033460	304,718
Passed Through NYS Governor's Traffic Safety Committee:			
State and Community Highway Safety	20.600	SO-00084	8,325
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			6,519,609
Environmental Protection Agency			
Direct:			
Climate Showcase Communities Grant Program	66.041	N/A	64,999
Passed Through NYS Department of Health:			
State Indoor Radon Grants	66.032	T027075	5,231
State Public Water System Supervision	66.432	C026489	123,661
TOTAL ENVIRONMENTAL PROTECTION AGENCY			193,891
U.S. Department of Education			
Passed through NYS Department of Health:			
Special Education - Grants for Infants and Families with Disabilities	84.181	C027514	36,045
TOTAL U.S. DEPARTMENT OF EDUCATION			36,045
U.S. Department of Health and Human Services			
Direct:			
Drug-Free Communities Support Program Grants	93.276	N/A	125,000
Drug-Free Communities Support Program Grants	93.276	N/A	110,582
Total Drug-Free Communities Support Program Grants			235,582
Affordable Care Act ADRC	93.517	N/A	-0-
Subtotal U.S. Department of Health and Human Services			235,582
Subtotal Expenditures of Federal Awards			11,284,096

N/A - Denotes Not Applicable (Direct Program)
(1) - Denotes unable to obtain from Pass-Through Entity

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 11,284,096
U.S. Department of Health and Human Services (con't.)			
Subtotal U.S. Department of Health and Human Services Brought Forward			235,582
U.S. Department of Health and Human Services			
Passed Through NYS Office for the Aging:			
Title VII, Chapter 2 - Long-term Care Ombudsman Services for Older Individuals	93.042	(1)	12,189
Title III-D, Disease Prevention and Health Promotion Services	93.043	(1)	3,837
Aging Cluster:			
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)	67,236
Title III-C, Nutrition Services	93.045	(1)	119,766
Nutrition Services Incentive Program	93.053	(1)	123,116
Total Aging Cluster			310,118
Title IV and Title II - Discretionary Projects	93.048	(1)	16,831
Title III-E, National Family Caregiver Support	93.052	(1)	26,243
Medical Enrollment Assistance Program	93.071	(1)	10,417
Centers for Medicare and Medical Services Research, Demonstrations and Evaluations	93.779	(1)	31,943
Passed Through NYS Department of Health:			
Immunization Grants	93.268	C023276	-0-
Immunization Grants	93.268	C028325	51,313
Total Immunization Grants			51,313
Maternal and Child Health Services Block Grant to the States:			
Maternal and Child Health Services Block Grant to the States	93.994	C024648	19,309
Maternal and Child Health Services Block Grant to the States	93.994	C026542	33,129
Total Maternal and Child Health Services Block Grant to the States			52,438
Passed Through Health Research, Inc.:			
Public Health Emergency Preparedness	93.069	HRI-1626-10	76,369
Passed Through NYS Office of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	(1)	33,282
Medical Assistance Program	93.778	(1)	302,388
Passed Through NYS Office of Children and Family Services:			
Temporary Assistance to Needy Families	93.558	(1)	7,790,935
Child Support Enforcement	93.563	(1)	451,711
Low-Income Home Energy Assistance	93.568	(1)	2,248,839
Child Care and Development Block Grant	93.575	(1)	1,610,941
Foster Care - Title IV-E	93.658	(1)	1,888,006
Adoption Assistance	93.659	(1)	1,464,917
Social Services Block Grant	93.667	(1)	2,792,087
Chafee Foster Care Independence Program	93.674	(1)	72,169
Medical Assistance Program	93.778	(1)	1,653,083
Passed Through NYS State Office of Alcoholism and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	1,162,622
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			22,298,260
Subtotal Expenditures of Federal Awards			33,346,774

N/A - Denotes Not Applicable (Direct Program)
(1) - Denotes unable to obtain from Pass-Through Entity

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 33,346,774
U.S. Department of Homeland Security			
Passed Through NYS Office of Homeland Security and Emergency Services:			
Homeland Security Grant Program	97.067	T836245	43,326
Homeland Security Grant Program	97.067	C974012	60,840
Homeland Security Grant Program	97.067	C836200	128,263
Total Homeland Security Grant Program			232,429
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			232,429
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 33,579,203

N/A - Denotes Not Applicable (Direct Program)
(1) - Denotes unable to obtain from Pass-Through Entity

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

Community Development Block Grants - State's Program		
Better Housing for Tompkins County	14.228	$ 30,000
Energy Solutions Grant Program		
Rescue Mission	14.231	101,849
Human Services Coalition	14.231	23,414
Catholic Charities	14.231	29,418
The Learning Web	14.231	84,419
Tompkins Community Action	14.231	117,882
Total Energy Soulutions Grant Program		356,982
Employment Service/Wagner-Peyser Funded Activities - ARRA		
Challenge Industries	17.207	48,451
Federal Transit Cluster:		
Federal Transit - Formula Grants		
Cornell Cooperative Extension of Tompkins County	20.507	157,287
FISH, Inc.	20.507	3,322
Gadabout Transportation Services, Inc.	20.507	37,493
Human Services Coalition of Tompkins County, Inc.	20.507	9,328
Ithaca Carshare, Inc.	20.507	27,401
Tompkins Consolidated Area Transit	20.507	1,414,792
Total Federal Transit - Formula Grants		1,649,623
Projects for Assistance in Transition from Homelessness		
Rescue Mission	93.150	16,641
Temporary Assistance for Needy Families		
City of Ithaca Youth Bureau	93.558	138,091
Challenge Industries	93.558	30,846
Total Temporary Assistance for Needy Families		168,937
Block Grants for Prevention and Treatment of Substance Abuse		
Cayuga Addiction Recovery	93.959	945,939
Alcoholism Council	93.959	111,392
Tompkins Seneca Tioga BOCES	93.959	105,291
Total Block Grants for Prevention and Treatment of Substance Abuse		1,162,622
Total Federal Awards to Subrecipients		$ 3,433,256

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TOMPKINS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the County of Tompkins, an entity as defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 - Basis of Accounting

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

Note 3 - Indirect Costs

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented.

Note 4 - Matching Costs

Matching costs, i.e., the County's share of certain program costs, are not included in the reported expenditures.

Note 5 - Department of Social Services - Administrative Costs

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' Federal Financial Reports (RF-2 claims) are due to the allocation of administrative costs to individual programs.

Note 6 - Low-Income Home Energy Assistance

Differences between the amounts reflected in the Schedule of Expenditures of Federal Awards and the Department of Social Services' Federal Financial Reports (RF-8 claims) are due to payments distributed by the State of New York directly to recipients.

COUNTY OF TOMPKINS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2014

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes __√__ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes __√__ none reported

Noncompliance material to financial statements noted? _____ yes __√__ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes __√__ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes __√__ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ yes __√__ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
93.568	Low-Income Home Energy Assistance Program
93.575	Child Care and Development Block Grant
93.658	Foster Care-Title IV-E
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B Programs: $ 1,007,376

Auditee qualified as low-risk auditee: __√__ yes ____ no

Section II - Financial Statement Findings: None

Section III - Federal Award Findings and Questioned Costs: None