

COUNTY OF TOMPKINS

Ithaca, New York

FINANCIAL REPORT

December 31, 2013

COUNTY OF TOMPKINS

FOR THE YEAR ENDED DECEMBER 31, 2013

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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, 2013, 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, 2013, 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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Emphasis of a Matter

During the year ended December 31, 2013, the County implemented Governmental Accounting Standards Board Statement Number 65, "Items Previously Reported as Assets and Liabilities." Our opinion is not modified with respect to this matter.

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 46 through 52 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 September 15, 2014 on our consideration of the County of Tompkins' 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 of Tompkins' internal control over financial reporting and compliance.



September 15, 2014
Ithaca, New York

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013. 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 \$147,824,956 (net position). Of this amount, \$9,887,071 (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 \$(9,217,009), or (5.9%), while unrestricted net position decreased by \$(8,137,627), or (45.1%), largely as a result of recognition of additional other postemployment benefits (OPEB) expense and liability of \$7,954,835 in 2013.
- During the year, the County had revenues of \$165,522,374, as compared to \$166,527,130 in 2012. Expenses of \$174,739,383 increased by \$2,287,366, from \$172,452,017 in the prior year.
- The County invested nearly \$10.6 million in capital assets during the year. Approximately \$4.4 million of this was invested in infrastructure.
- The General Fund recorded a decrease of \$(313,389) in 2013 and ended the year with a fund balance of \$25,804,805. Of this fund balance, \$19,488,413 was unassigned.
- The County's short-term and long-term obligations at year end totaled \$112,183,144, an increase of \$11,070,919 from 2012. This increase is primarily attributable to an increase in OPEB payable of over \$7.9 million and an increase in Bond Anticipation Notes payable of \$3.5 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 through 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.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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 kinds of funds - Governmental, Fiduciary, and Proprietary - use different accounting approaches.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013 decreased \$(9,217,009), from \$157,041,965 to \$147,824,956. In contrast, last year net position decreased by \$(5,924,887).

The largest portion of the County's net position of \$128,962,150, or 87.2%, 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 \$8,975,735, or 6.1%, 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 \$9,887,071 may be used to meet the government's ongoing obligations and services to creditors and citizens. Of these net resources, the County has appropriated \$929,194 for 2014 expenses and designated an additional \$39,712,606 for specific purposes.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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
	2012 (as restated)	2013	2012-2013
<i>Current assets - County</i>	\$ 58,846,924	\$ 63,798,232	8.41%
<i>Current assets - TTASC</i>	701,967	708,377	0.91%
<i>Capital assets, net</i>	179,003,821	179,210,321	0.12%
<i>Other noncurrent assets - County</i>	36,117,292	32,174,012	(10.92%)
<i>Other noncurrent assets - TTASC</i>	649,785	649,784	0.00%
Total Assets	275,319,789	276,540,726	0.44%
<i>Deferred charges on defeased debt</i>	302,169	335,022	10.87%
Total Deferred Outflows of Resources	302,169	335,022	10.87%
<i>Current liabilities - County</i>	25,795,459	29,417,018	14.04%
<i>Current liabilities - TTASC</i>	681,048	851,048	24.96%
<i>Noncurrent liabilities - County</i>	81,032,948	87,592,989	8.10%
<i>Noncurrent liabilities - TTASC</i>	11,070,538	11,189,737	1.08%
Total Liabilities	118,579,993	129,050,792	8.83%
<i>Net investment in capital assets</i>	128,784,324	128,962,150	0.14%
<i>Restricted</i>	10,232,943	8,975,735	(12.29%)
<i>Unrestricted</i>	18,024,698	9,887,071	(45.15%)
Total Net Position	\$ 157,041,965	\$ 147,824,956	(5.87%)

Current assets of the County increased \$4,925,035 primarily as result of an increase in cash balances at year end of \$7,189,191 offset by a decrease in receivables of \$(1,890,869). Capital assets, net increased \$206,500 largely as a result of additional capital additions of \$10,591,771 which exceeded additional depreciation of \$(10,306,631). Other noncurrent assets decreased \$(3,884,154) primarily due to a decrease in revolving loans receivable of \$(224,325) and a decrease of \$(3,579,491) in the County's equity interest in joint ventures during the current year.

Current liabilities of the County increased \$3,621,559 largely as a result of decreases in accounts payable of \$(779,708) and amounts due to other governments of \$(604,741) offset by an increase in refundable advances of \$854,917, and a net increase of \$4,221,679 in long-term obligations due within one year. The County's noncurrent liabilities increased by \$6,560,041 primarily as a result of the recognition of additional other postemployment benefits payable of \$7,954,835 offset by a net decrease of \$(1,629,760) in the long-term portion of debt and other noncurrent obligations.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

The County's total revenues decreased by (0.60%), while the total cost of all programs and services increased by 1.33%. Our analysis in Figure 2 separately considers the operations of Governmental Activities.

Figure 2 - Changes in Net Position

	Governmental Activities		Percent Change
	2012	2013	2012 - 2013
REVENUES			
<i>Program Revenues:</i>			
Charges for services	\$ 19,040,764	\$ 19,692,692	3.42%
Operating grants	44,388,382	42,036,276	(5.30%)
Capital grants	9,389,812	8,725,474	(7.08%)
<i>General Revenues:</i>			
Property taxes and tax items	41,754,531	42,847,755	2.62%
Sales and other taxes	49,645,299	51,318,242	3.37%
Tobacco settlement - County	726,693	674,458	(7.19%)
Tobacco settlement - TTASC	616,520	596,150	(3.30%)
Unrestricted grants	505,532	473,527	(6.33%)
Use of money and property	2,217,456	1,913,183	(13.72%)
Change in equity interest in joint ventures	(2,802,599)	(3,579,491)	(27.72%)
Other	1,044,740	824,108	(21.12%)
Total Revenues	166,527,130	165,522,374	(0.60%)
PROGRAM EXPENSES			
General Government	29,124,558	30,664,936	5.29%
Education	9,052,485	8,032,250	(11.27%)
Public Safety	21,142,377	23,277,227	10.10%
Public Health	18,203,383	19,274,266	5.88%
Transportation	21,912,957	20,716,221	(5.46%)
Economic Assistance and Opportunity	57,365,707	58,171,229	1.40%
Culture and Recreation	4,697,973	4,972,742	5.85%
Home and Community Services	8,412,713	7,612,442	(9.51%)
Interest on debt	2,539,864	2,018,070	(20.54%)
Total Expenses	172,452,017	174,739,383	1.33%
(DECREASE) IN NET POSITION	\$ (5,924,887)	\$ (9,217,009)	55.56%

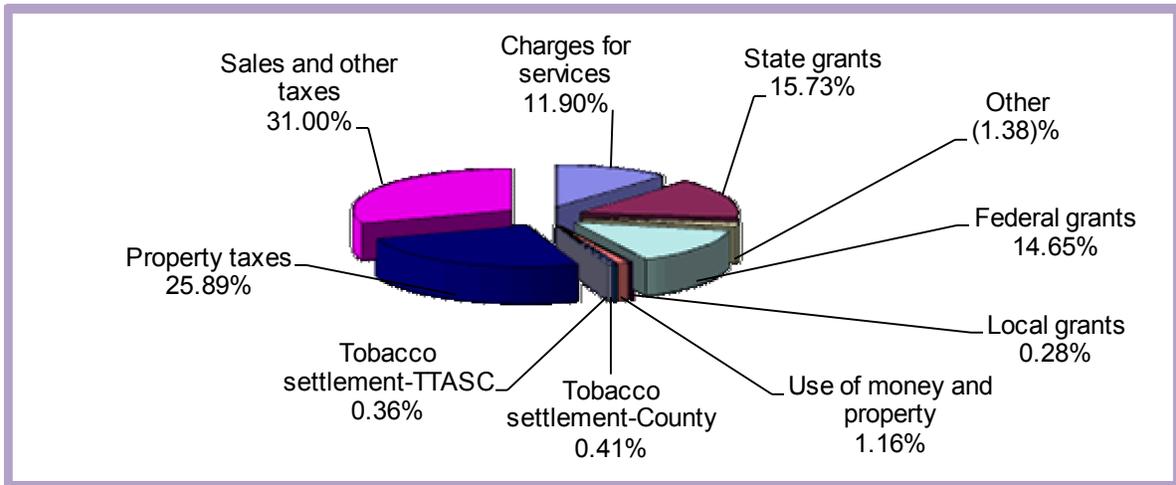
The decrease in revenues of \$(1,004,756) was primarily due to an increase in property taxes and tax items of \$1,093,224, and an increase in sales and other taxes of \$1,672,943; offset by decreases in program revenues of \$(2,364,516) and the decrease in the equity interest in joint ventures of \$(776,892), and the decrease in use of money and property of \$(304,273).

Expenses increased by \$2,287,366, or 1.33%, which is in line with the County's expectations of expenses in the current year.

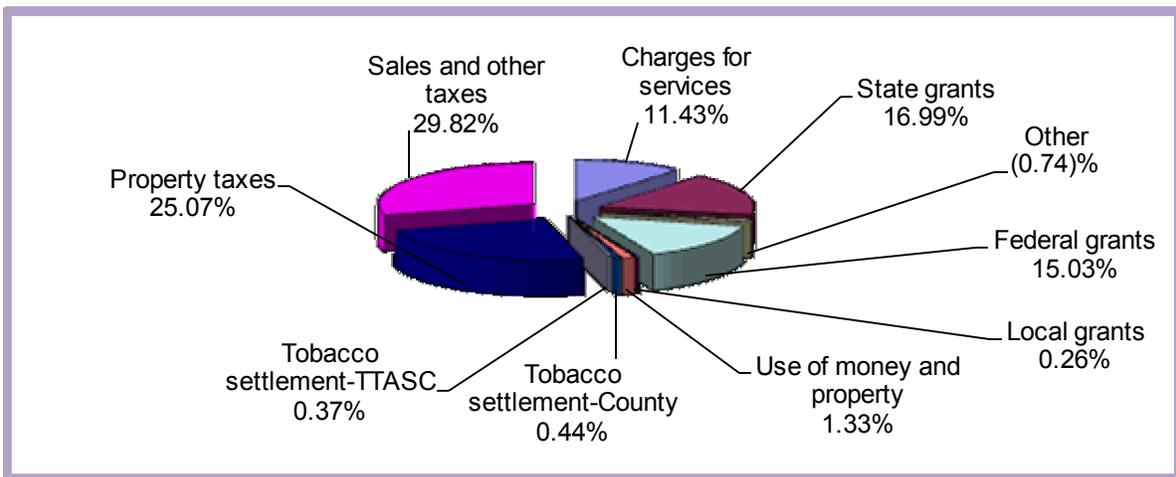
COUNTY OF TOMPKINS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

Figures 3 and 4 show in percentages the sources of revenue for 2013 and 2012.

**Figure 3 - Revenue by Source
 Governmental Activities
 2013**



**Figure 4 - Revenue by Source
 Governmental Activities
 2012**



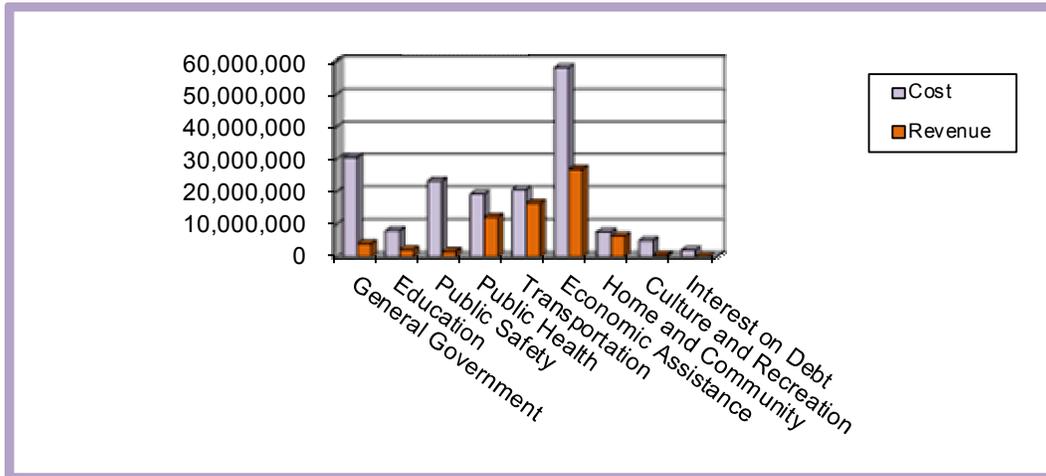
The cost of all Governmental Activities this year was \$174,739,383. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County property and other tax revenues was \$104,284,941, because some of the cost was paid by those who directly 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 \$70,454,442. The County paid for the remaining "public benefit" portion of Governmental Activities with \$95,067,932 in taxes and with other revenues, such as interest and general entitlements.

COUNTY OF TOMPKINS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2013

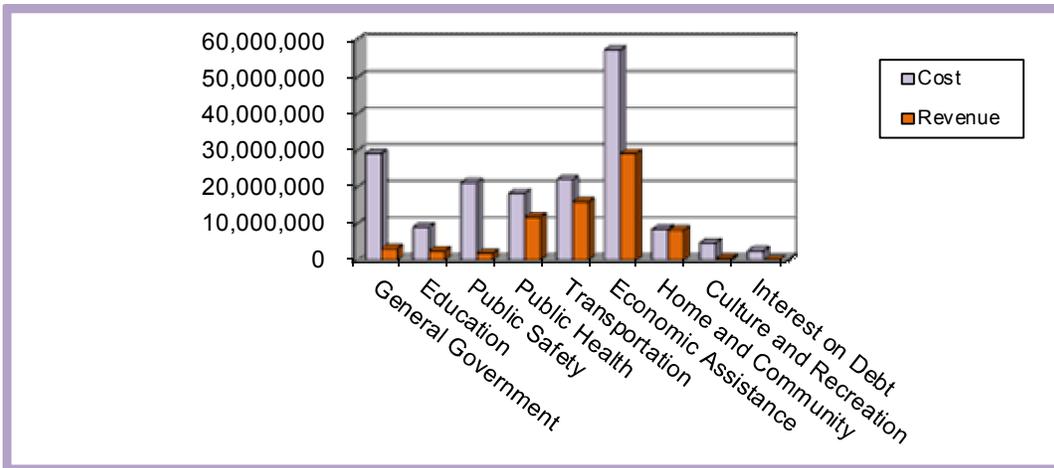
A comparison of program expenses, outlined in Figure 2, highlights the following: general government program activities reflected an increase of \$1,540,378, education program activities decreased \$(1,020,235) and public safety program expenses increased \$2,134,850. Public health expenses increased \$1,070,883, transportation expenses decreased \$(1,196,736) largely as a result of reduced ridership on public transportation and economic assistance opportunity program expenses increased \$805,522. Overall, program expenses of the County's Governmental Activities increased \$2,809,160.

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
2013**



**Figure 6 - Net Program Cost
Governmental Activities
2012**



COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

THE COUNTY'S FUNDS

As the County completed the year, its Governmental Funds, as presented in the balance sheets on pages 6-6a, reported a combined fund balance of \$46,930,455, which is an increase of 11.11% from the prior year. Of this amount, \$2,143,242 is non-spendable, \$10,200,302 is restricted, \$6,383,245 is committed, and \$8,870,283 is assigned, leaving \$19,333,383 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**

	2012	2013	Dollar Change
<i>Major Funds:</i>			
General Fund	\$ 26,118,194	\$ 25,804,805	\$ (313,389)
County Road Fund	2,576,084	2,708,317	132,233
Transportation (Airport) Fund	84,155	(97,737)	(181,892)
Solid Waste Fund	1,680,337	1,520,322	(160,015)
Special Grant Fund	1,106,618	1,005,846	(100,772)
Capital Projects Funds - Transportation	674,651	6,359,255	5,684,604
Debt Service Fund	1,616,471	1,696,002	79,531
<i>Non-Major Funds:</i>			
Road Machinery Fund	1,138,416	1,299,061	160,645
Capital Funds	5,892,807	5,276,423	(616,384)
TTASC Debt Service Fund	1,351,752	1,358,161	6,409
Totals	\$ 42,239,485	\$ 46,930,455	\$ 4,690,970

Fund balance of the County's major funds increased by 15.2% primarily due to an increase in fund balances of the Capital Projects Funds - Transportation related to unspent debt proceeds of \$3,060,256, an increase in state and federal grants of \$1,124,636 and an increase in transfers from other funds of \$559,753.

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 \$772,000 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.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

**Figure 8 - Budgetary Comparison Schedule - General Fund
December 31, 2013**

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
REVENUES				
<i>Real property taxes and tax items</i>	\$ 45,899,172	\$ 45,899,172	\$ 42,513,059	\$ (3,386,113)
<i>Nonproperty tax items</i>	47,412,143	47,581,440	51,318,242	3,736,802
<i>Departmental income</i>	9,304,766	9,898,588	9,757,340	(49,548)
<i>Fines and forfeitures</i>	304,077	304,077	245,010	(59,067)
<i>Use of money and property</i>	495,875	503,777	564,749	60,972
<i>Miscellaneous local sources</i>	1,655,075	1,626,692	271,635	(1,446,757)
<i>Sale of property and compensation for loss</i>	635,000	730,447	764,438	33,991
<i>State sources</i>	24,451,684	25,387,143	23,575,111	(2,093,096)
<i>Federal sources</i>	17,991,942	19,044,727	17,054,981	(1,708,682)
<i>Other</i>	670,370	692,621	1,403,677	711,056
Total Revenues and Other Financing Sources	\$ 148,820,104	\$ 151,668,684	\$ 147,468,242	\$ (4,200,442)
Appropriated Fund Balances	\$ 2,083,665	\$ 3,369,100		
	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
EXPENDITURES				
<i>General Government</i>	\$ 28,966,518	\$ 28,738,943	\$ 28,088,618	\$ 650,325
<i>Education</i>	8,414,821	8,499,960	8,017,083	482,877
<i>Public Safety</i>	16,564,489	18,385,434	18,223,637	161,797
<i>Public Health</i>	18,629,375	18,943,548	16,926,221	2,017,327
<i>Transportation</i>	7,322,724	7,389,781	6,636,104	753,677
<i>Economic Assistance and Opportunity</i>	54,761,376	56,237,926	53,854,592	2,383,334
<i>Culture and Recreation</i>	4,504,174	4,619,605	4,564,571	55,034
<i>Home and Community Services</i>	1,822,871	1,810,193	1,594,556	215,637
<i>Employee Benefits</i>	(215,052)	-0-	-0-	-0-
<i>Other Financing Uses</i>	10,132,473	10,412,394	10,412,394	-0-
Total Expenditures and Other Financing Uses	\$ 150,903,769	\$ 155,037,784	\$ 148,317,776	\$ 6,720,008
<i>Excess of (Expenditures) and Other Financing (Uses)</i>	\$ -0-	\$ -0-	\$ (849,534)	\$ 2,519,526

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2013, the County had \$179,210,321, net of accumulated depreciation of \$142,983,841, 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 \$206,500 from last year.

Figure 9 - Capital Assets, Net of Depreciation

	Governmental Activities		Percent Change
	2012 as restated	2013	2012 - 2013
<i>Land</i>	\$ 7,505,563	\$ 7,509,213	0.05%
<i>Construction in progress</i>	2,488,954	7,886,725	216.87%
<i>Buildings and improvements</i>	48,837,960	45,584,772	(6.66%)
<i>Equipment</i>	8,003,460	7,938,607	(0.81%)
<i>Infrastructure</i>	112,167,884	110,291,004	(1.67%)
Totals	\$ 179,003,821	\$ 179,210,321	0.12%

This year's capital asset activity consisted of:

Land and construction in progress	\$ 5,401,421
Buildings and building improvements	66,582
Machinery and equipment	696,246
Infrastructure	4,427,522
Total Additions	<u>10,591,771</u>
Less net book value of disposals	(78,640)
Less depreciation expense	<u>(10,306,631)</u>
Change in Capital Assets, Net of Accumulated Depreciation	<u>\$ 206,500</u>

Debt Administration

The County's total debt obligations and other long-term liabilities increased in 2013 by \$11,070,919, as shown in Figure 10. Of the total indebtedness of the County, \$45,745,000 was subject to the constitutional debt limit and represented approximately 10% 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 that the TTASC were to default in repayment of the bonds.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

Figure 10 - Outstanding Debt at Years Ended

	Governmental Activities		Dollar Change
	2012	2013	2012 - 2013
<i>Serial bonds</i>	\$ 41,100,563	\$ 41,229,347	\$ 128,784
<i>Bond Anticipation Notes payable</i>	2,500,000	6,000,000	3,500,000
<i>Compensated absences</i>	3,315,435	3,585,797	270,362
<i>Installment purchase debt</i>	5,954,914	4,866,543	(1,088,371)
<i>Workers' compensation claims</i>	824,209	840,319	16,110
<i>Other postemployment benefits liability</i>	35,665,518	43,620,353	7,954,835
<i>Tobacco settlement pass-through bonds</i>	11,751,586	12,040,785	289,199
Totals	\$ 101,112,225	\$ 112,183,144	\$ 11,070,919

The County continues to maintain excellent financial credit as reflected by a Moody's bond rating of Aa1 on its 2013 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, over the past two years, the rate of growth in mandated costs has slowed 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 are beginning to decline in 2014.

The 2014 County Budget was subject to a Tax Levy Limitation Law that restricts the growth of property tax levy to 2.33%. The Tompkins County Legislature chose to override the tax cap limitation because it would have resulted in elimination of many basic services the public values. The \$170.2 million adopted budget, including \$81.4 million in local dollar spending, increases the County tax levy by 2.95% and the countywide average tax rate by approximately 1.34% to \$6.89 per thousand, an increase of \$14.89 for the median county home assessed at \$163,000.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

The 2014 net tax levy of \$41.8 million (after applying sales tax credits as an offset to the County levy in several towns) reflects an increase of \$1.4 million, or 3.5%, over the 2013 levy of \$40.4 million. Property valuations and tax collections remain stable. Taxable values increased modestly from \$6,442,185,862 to \$6,544,437,031, or 1.6%.

The 2014 budget reflects modest reliance on General Fund Balance to support operations of \$0.7 million. 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 \$339,000 over 2013.

The 2014-budgeted salary base is \$38.0 million, as compared to 2013's modified-budgeted salary base of \$36.9 million. The 2014 budget included a 2% wage increase for most employees, and 2 new positions. The wage increase is a part of a 5-year contract that saw total wage growth of just 4% from 2009 through 2014. After four years of sharp increases, the County's pension contribution rate will decrease from 20.9% of payroll in 2013 to 20.1% in 2014. This represents a total savings of nearly \$300,000 to the County.

During 2013 all labor contracts were current with the exception of the Deputy Sheriff's Association. An arbitration award that covered the period March 2008 through February 2010 settled the Sheriff's unit for a two-year period. 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, 2013, the County recognized within the General Fund Assigned Unappropriated Fund Balance resources to provide for retroactive salary adjustments for the Sheriff's unit.

Health insurance costs are projected to increase from \$9.1 million (2013 actual) to \$10.2 million (2014 budget), an increase of 11.6%.

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 2014 budget provides a Contingency Account of \$909,000 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 2014, however, the \$7.7 million of new issuances will be partially offset by \$5.8 million of debt retirement. It will also be necessary in 2014 to issue Bond Anticipation Notes to finance the cash flow needs of several federal road and bridge projects that are 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, 2013

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 27,572,362	\$ 656,546	\$ 624,052	\$ 99,792
Restricted cash	7,073,996	39,457		156,382
Restricted cash - TTASC	109,841			
Taxes receivable, net	5,849,036			
Accounts receivable, net	1,943,998	43,350	19,334	67
Accounts receivable - TTASC, net	595,000			
Loans receivable - Current portion	277,454			
Due from state and federal governments	18,705,680			260,127
Securities and mortgages	236,000			
Prepaid expenses	2,143,242			
Total Current Assets	<u>64,506,609</u>	<u>739,353</u>	<u>643,386</u>	<u>516,368</u>
Noncurrent Assets:				
Restricted cash and cash equivalents	3,930,019	39,260		
Restricted investments - TTASC	649,784			
Investments		1,735,711		
Accounts receivable in more than one year		236,571		
Loans receivable - Long-term portion	1,933,448			
Securities and mortgages	1,580,964			
Equity interest in joint ventures	24,729,581			
Capital assets - Land and construction in progress	15,395,938			
Capital assets - Depreciable, net of accumulated depreciation	163,814,383	744,835		57,072
Total Noncurrent Assets	<u>212,034,117</u>	<u>2,756,377</u>	<u>-0-</u>	<u>57,072</u>
Total Assets	<u>276,540,726</u>	<u>3,495,730</u>	<u>643,386</u>	<u>573,440</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charges on defeased debt	335,022			
Total Deferred Outflows of Resources	<u>335,022</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	7,325,090	46,460		146,457
Accrued liabilities	1,026,433	47,066		416
Interest payable	263,933			
Due to other governments	5,303,369			304,020
Due to employees' retirement system				41,758
Compensated absences				10,858
Refundable advances	2,651,192			156,382
Other	297,631			
Long-term obligations due within one year - County	12,549,370			
Long-term obligations due within one year - TTASC	851,048			
Total Current Liabilities	<u>30,268,066</u>	<u>93,526</u>	<u>-0-</u>	<u>659,891</u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
(CONTINUED)
DECEMBER 31, 2013

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
Total current liabilities carried forward	\$ 30,268,066	\$ 93,526	\$ -0-	\$ 659,891
Noncurrent Liabilities:				
Long-term obligations due after one year	87,592,989	3,094,034		
Long-term obligations due after one year - TTASC	11,189,737			
Total Noncurrent Liabilities	98,782,726	3,094,034	-0-	-0-
 Total Liabilities	 129,050,792	 3,187,560	 -0-	 659,891
<u>NET POSITION</u>				
Net investment in capital assets	128,962,150	744,511		57,072
Restricted for:				
Community Development	3,196,635			
Debt	4,867,591			
Public Safety	294,154			
Economic Assistance and Opportunity	195,162			
Home and Community Services	400,000			
Capital Projects	22,193			
Library - Expendable		338,310		
Library - Nonexpendable		554,912		
Total Restricted Net Position	8,975,735	893,222	-0-	-0-
Unrestricted	9,887,071	(1,329,563)	643,386	(143,523)
 Total Net Position	 \$ 147,824,956	 \$ 308,170	 \$ 643,386	 \$ (86,451)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Revenues			
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Governmental Support	\$ 30,664,936	\$ 2,843,102	\$ 1,158,738	\$ _____
Education	8,032,250	_____	2,211,421	_____
Public Safety	23,277,227	510,839	1,114,105	_____
Health	19,274,266	5,299,955	6,958,101	_____
Transportation	20,716,221	3,163,929	4,667,050	8,719,969
Economic Assistance and Opportunity	58,171,229	1,943,430	25,022,355	_____
Culture and Recreation	4,972,742	205,672	320,766	_____
Home and Community Services	7,612,442	5,725,765	583,740	5,505
Interest on Debt-County	1,190,673	_____	_____	_____
Interest on Debt-TASC	827,397	_____	_____	_____
Total Governmental Activities	\$ 174,739,383	\$ 19,692,692	\$ 42,036,276	\$ 8,725,474
Component Units:				
Tompkins County Public Library	\$ 4,198,797	\$ 94,937	\$ 3,815,406	\$ _____
Industrial Development Agency	299,437	553,755	_____	_____
Soil and Water Conservation	1,343,029	123,538	1,325,416	_____
Total Component Units	\$ 5,841,263	\$ 772,230	\$ 5,140,822	\$ -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, as Restated

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
\$ (26,663,096)	\$ _____	\$ _____	\$ _____
(5,820,829)	_____	_____	_____
(21,652,283)	_____	_____	_____
(7,016,210)	_____	_____	_____
(4,165,273)	_____	_____	_____
(31,205,444)	_____	_____	_____
(4,446,304)	_____	_____	_____
(1,297,432)	_____	_____	_____
(1,190,673)	_____	_____	_____
(827,397)	_____	_____	_____
(104,284,941)	-0-	-0-	-0-
_____	(288,454)	_____	_____
_____	_____	254,318	_____
_____	_____	_____	105,925
-0-	(288,454)	254,318	105,925
(104,284,941)	(288,454)	254,318	105,925
40,416,975	_____	_____	_____
2,430,780	_____	_____	_____
51,318,242	_____	_____	_____
674,458	_____	_____	_____
596,150	_____	_____	_____
473,527	_____	_____	_____
1,913,183	219,814	579	110
530,873	39,119	_____	9,572
293,235	_____	_____	_____
(3,579,491)	_____	_____	_____
95,067,932	258,933	579	9,682
(9,217,009)	(29,521)	254,897	115,607
157,041,965	337,691	388,489	(202,058)
\$ <u>147,824,956</u>	\$ <u>308,170</u>	\$ <u>643,386</u>	\$ <u>(86,451)</u>

COUNTY OF TOMPKINS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Major Funds		
	Special Revenue Funds		
	General Fund	County Road Fund	Transportation Fund
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents - Unrestricted	\$ 16,495,769	\$ 1,248,300	\$ 48,117
- Restricted	2,914,818		
Temporary investments - Restricted			
Taxes receivable, net	5,849,036		
Due from other funds	1,272,561	1,881,469	368,384
Due from Fiduciary Funds	65,954		
Due from state and federal governments	15,232,020	54,381	29,581
Due from other governments			
Other receivables, net	1,258,757		339,551
Prepaid expenses	1,941,403	71,412	57,293
Securities and mortgages			
Loans receivable			
Total Assets	\$ 45,030,318	\$ 3,255,562	\$ 842,926
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 5,446,337	\$ 202,995	\$ 91,774
Accrued liabilities	864,611	42,321	19,385
Due to other funds	2,843,919	301,929	829,504
Due to other governments	5,303,369		
Other liabilities	297,631		
Refundable advances	2,651,192		
Total Liabilities	17,407,059	547,245	940,663
Deferred Inflows of Resources:			
Unavailable tax revenue	1,818,454		
Unavailable securities and mortgages			
Unavailable loans			
Total Deferred Inflows of Resources	1,818,454	-0-	-0-
Fund Balances:			
Nonspendable	1,941,403	71,412	57,293
Restricted	511,509		
Committed			
Assigned	3,863,480	2,636,905	
Unassigned	19,488,413		(155,030)
Total Fund Balances	25,804,805	2,708,317	(97,737)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 45,030,318	\$ 3,255,562	\$ 842,926

See Independent Auditor's Report and Notes to Financial Statements

Major Funds				Total	Total
Special Revenue Funds		Capital Projects Fund		Non-Major	Governmental
Solid Waste Fund	Special Grant Fund	Transportation Fund	Debt Service Fund	Governmental Funds	Governmental Funds
\$ 1,332,687	\$ 88,264	\$ 858,316	\$	\$ 4,672,705	\$ 24,744,158
400,000	832,247	3,060,256	1,604,517	2,302,018	11,113,856
				649,784	649,784
					5,849,036
42,423	40,216	670,506	81,646	159,897	4,517,102
					65,954
	113,086	3,060,544		179,173	18,668,785
36,895					36,895
202,444	184		9,839	662,269	2,473,044
37,560	20,113			15,461	2,143,242
			1,816,964		1,816,964
	2,210,902				2,210,902
<u>\$ 2,052,009</u>	<u>\$ 3,305,012</u>	<u>\$ 7,649,622</u>	<u>\$ 3,512,966</u>	<u>\$ 8,641,307</u>	<u>\$ 74,289,722</u>
\$ 397,879	\$ 45,208	\$ 685,277	\$	\$ 430,059	\$ 7,299,529
19,195	12,051	8,470		60,400	1,026,433
114,613	31,005	596,620		217,203	4,934,793
					5,303,369
					297,631
					2,651,192
531,687	88,264	1,290,367	-0-	707,662	21,512,947
					1,818,454
			1,816,964		1,816,964
	2,210,902				2,210,902
-0-	2,210,902	-0-	1,816,964	-0-	5,846,320
37,560	20,113			15,461	2,143,242
400,000	985,733	3,060,256	1,696,002	3,546,802	10,200,302
		3,298,999		3,084,246	6,383,245
1,082,762				1,287,136	8,870,283
					19,333,383
1,520,322	1,005,846	6,359,255	1,696,002	7,933,645	46,930,455
<u>\$ 2,052,009</u>	<u>\$ 3,305,012</u>	<u>\$ 7,649,622</u>	<u>\$ 3,512,966</u>	<u>\$ 8,641,307</u>	<u>\$ 74,289,722</u>

COUNTY OF TOMPKINS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total Governmental Fund Balances \$ 46,930,455

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	\$ 322,194,162	
Less accumulated depreciation	<u>(142,983,841)</u>	<u>179,210,321</u>

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	\$ 20,691,677	
Tompkins Consolidated Area Transit	<u>4,037,904</u>	<u>24,729,581</u>

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.

5,846,320

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.

2,380,015

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	\$ (263,933)	
Deferred charges on defeased debt	<u>335,022</u>	<u>71,089</u>

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	\$ (41,229,347)	
TTASC tobacco settlement pass-through bonds	(12,040,785)	
Bond Anticipation Notes payable	(6,000,000)	
Installment purchase debt	(4,866,543)	
Other postemployment benefits liability	(43,620,353)	
Compensated absences	<u>(3,585,797)</u>	<u>(111,342,825)</u>

Net Position of Governmental Activities		\$ <u><u>147,824,956</u></u>
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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, 2013

	Major Funds		
	General Fund	Special Revenue Funds	
		County Road Fund	Transportation Fund
<u>REVENUES</u>			
Real property taxes	\$ 40,082,279	\$	\$
Real property tax items	2,430,780		
Nonproperty tax items	51,318,242		
Departmental income	9,757,340		1,301,960
Intergovernmental charges	669,733		102,990
Use of money and property	564,749	552	1,291,007
Licenses and permits	5,305	9,651	
Fines and forfeitures	245,010		
Sale of property and compensation for loss	764,438	14,463	64,316
Miscellaneous local sources	271,635	84,706	8,926
Interfund revenues	728,639		
State sources	23,575,111	2,089,514	
Federal sources	17,054,981	42,699	
Total Revenues	<u>147,468,242</u>	<u>2,241,585</u>	<u>2,769,199</u>
<u>EXPENDITURES</u>			
General governmental support	27,821,118		
Education	8,017,083		
Public safety	18,184,609	231,670	
Health	16,925,765		
Transportation	6,635,333	5,445,447	2,333,332
Economic assistance and opportunity	53,671,068		
Culture and recreation	4,564,571		
Home and community services	1,549,690		
Employee benefits		955,795	418,128
Debt service (principal and interest)			
Capital outlay			
Total Expenditures	<u>137,369,237</u>	<u>6,632,912</u>	<u>2,751,460</u>
Excess of Revenues (Expenditures)	<u>10,099,005</u>	<u>(4,391,327)</u>	<u>17,739</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund transfers in		4,523,560	
Interfund transfers (out)	(10,412,394)		(199,631)
Proceeds of obligations			
Premium on obligations			
Payment to escrow agent			
Sales of capital assets			
Total Other Financing Sources (Uses)	<u>(10,412,394)</u>	<u>4,523,560</u>	<u>(199,631)</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(313,389)</u>	<u>132,233</u>	<u>(181,892)</u>
Fund Balances, Beginning of Year	26,118,194	2,576,084	84,155
Fund Balances, End of Year	<u>\$ 25,804,805</u>	<u>\$ 2,708,317</u>	<u>\$ (97,737)</u>

See Independent Auditor's Report and Notes to Financial Statements

Major Funds				Total	Total
Special Revenue Funds		Capital Projects Fund		Non-Major	Governmental
Solid Waste Fund	Special Grant Fund	Transportation Fund	Debt Service Fund	Governmental Funds	Governmental Funds
\$	\$	\$	\$	\$	\$ 40,082,279
					2,430,780
					51,318,242
4,495,542	298,709				15,853,551
			604,116		1,376,839
526		2,672	202,320	9,058	2,070,884
					14,956
					245,010
934,659				158,615	1,936,491
2,580	130,012		247,838	768,538	1,514,235
				1,492,686	2,221,325
79,233		344,776		(44,222)	26,044,412
	1,642,272	3,948,388		1,560,159	24,248,499
5,512,540	2,070,993	4,295,836	1,054,274	3,944,834	169,357,503
			122,659	50,966	27,994,743
					8,017,083
					18,416,279
					16,925,765
				1,332,610	15,746,722
	1,526,026				55,197,094
					4,564,571
4,339,980	783,592				6,673,262
408,438				158,704	1,941,065
			10,249,414	538,966	10,788,380
		5,257,233		4,157,085	9,414,318
4,748,418	2,309,618	5,257,233	10,372,073	6,238,331	175,679,282
764,122	(238,625)	(961,397)	(9,317,799)	(2,293,497)	(6,321,779)
	137,853	646,001	6,884,581	24,167	12,216,162
(924,137)				(1,000,000)	(12,536,162)
		6,000,000	11,085,000	2,820,000	19,905,000
			1,135,037		1,135,037
			(9,707,288)		(9,707,288)
					-0-
(924,137)	137,853	6,646,001	9,397,330	1,844,167	11,012,749
(160,015)	(100,772)	5,684,604	79,531	(449,330)	4,690,970
1,680,337	1,106,618	674,651	1,616,471	8,382,975	42,239,485
\$ 1,520,322	\$ 1,005,846	\$ 6,359,255	\$ 1,696,002	\$ 7,933,645	\$ 46,930,455

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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 4,690,970

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 depreciation expense and net book value of disposed assets exceeded capital outlay.

Capital outlay	\$ 10,591,771	
Net book value of disposed assets	(78,640)	
Depreciation expense	<u>(10,306,631)</u>	<u>206,500</u>

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. (3,579,491)

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. 75,377

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. (2,351,907)

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	\$ (270,362)	
Other postemployment benefits liability	(7,954,835)	
Accrued interest payable	234,320	
Accreted interest on Series 2005 TTASC bonds	(425,247)	
Amortization of bond premiums, discounts, and deferred charges on defeased debt	<u>(19,605)</u>	<u>(8,435,729)</u>

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. This is the amount by which repayments of \$(307,549) exceeded issuances of \$83,625. (223,924)

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. 401,195

Change in Net Position of Governmental Activities \$ (9,217,009)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
DECEMBER 31, 2013

		<u>Governmental Activities</u> <u>Internal Service Funds</u>
<u>ASSETS</u>		
Cash and cash equivalents		\$ 2,828,204
Due from other funds		<u>418,107</u>
Total Assets		<u>3,246,311</u>
<u>LIABILITIES</u>		
Accounts payable		<u>25,561</u>
Benefits and awards payable		<u>840,319</u>
Due to other funds		<u>416</u>
Total Liabilities		<u>866,296</u>
<u>NET POSITION</u>		
Total Net Position		\$ <u><u>2,380,015</u></u>

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, 2013

	<u>Governmental Activities Internal Service Funds</u>
<u>OPERATING REVENUES</u>	
Charges for services - Governmental Funds	\$ 765,070
Charges for services - External participants	<u>51,242</u>
Charges for services - Interfund transfer	<u>320,000</u>
Other operating revenues	<u>114,588</u>
Total Operating Revenues	<u>1,250,900</u>
<u>OPERATING EXPENSES</u>	
Administrative	<u>84,113</u>
Contractual	<u>121,023</u>
Benefits and awards	<u>572,484</u>
Claims and judgments	<u>76,017</u>
Total Operating Expenses	<u>853,637</u>
Gain from Operations	<u>397,263</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest income	<u>3,932</u>
Total Nonoperating Revenues	<u>3,932</u>
Net Gain Before Transfers	<u>401,195</u>
Change in Net Position	<u>401,195</u>
Total Net Position, Beginning of Year	<u>1,978,820</u>
Total Net Position, End of Year	<u>\$ 2,380,015</u>

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, 2013

	<u>Governmental Activities</u> <u>Internal Service</u> <u>Funds</u>
Cash Flows from Operating Activities:	
Cash received from providing services	\$ 816,312
Cash received from insurance recoveries	114,588
Cash received from interfund transfer	65,394
Cash payments - Suppliers	(268,231)
Cash payments - Claims and benefits	(632,391)
Net Cash Provided by Operating Activities	<u>95,672</u>
Cash Flows from Non-capital Financing Activities	<u>-0-</u>
Cash Flows from Capital and Related Financing Activities	<u>-0-</u>
Cash Flows from Investing Activities:	
Interest income received	3,932
Net Cash Provided by Investing Activities	<u>3,932</u>
Net Increase in Cash and Cash Equivalents	<u>99,604</u>
Cash and Cash Equivalents, January 1,	<u>2,728,600</u>
Cash and Cash Equivalents, December 31,	<u>\$ 2,828,204</u>
Reconciliation of Gain of Income from Operations to Net Cash Provided by Operating Activities:	
Gain from operations	\$ 397,263
(Increase) in interfund receivable	(254,606)
(Decrease) in accounts payable	(62,006)
Increase in accrued liabilities	16,110
(Decrease) in interfund payable	(1,089)
Net Cash Provided by Operating Activities	<u>\$ 95,672</u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
DECEMBER 31, 2013

	Private Purpose Trust Fund	Agency Fund
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Cash and cash equivalents - Unrestricted	\$ 14,741	\$ 7,075,726
Accounts receivable	<u> </u>	<u>84,077</u>
 Total Assets	 <u>14,741</u>	 <u>\$ 7,159,803</u>
 <u>LIABILITIES</u>		
Agency liabilities	<u> </u>	\$ 7,093,849
Due to Governmental Funds	<u> </u>	<u>65,954</u>
 Total Liabilities	 <u>-0-</u>	 <u>\$ 7,159,803</u>
 <u>NET POSITION</u>		
Held in trust for memorials	<u>14,741</u>	
 Total Net Position	 <u>\$ 14,741</u>	

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, 2013

		Private Purpose Trust Fund
	<u>ADDITIONS</u>	
Investment earnings		\$ <u>13</u>
Total Additions		<u>13</u>
	<u>DEDUCTIONS</u>	
Total Deductions		<u>-0-</u>
Change in Net Position		<u>13</u>
Net Position - Beginning of Year		<u>14,728</u>
Net Position - End of Year		\$ <u><u>14,741</u></u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 Number 14, "The Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement Number 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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 Finance Director at Tompkins County 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:

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

- 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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 - Consists 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:

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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 Number 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement Number 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, the County had deferred \$1,818,454 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.

COUNTY OF TOMPKINS
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- 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 Number 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement Number 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 applying GASB Statement Number 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.

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NOTES TO FINANCIAL STATEMENTS
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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, 2013, the County had reserved \$1,364,640 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 2013 amounted to \$51,439.

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 2013, 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:

<u>Year</u>	<u>Liability Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
2013	\$ 824,209	\$ 588,594	\$ (572,484)	\$ 840,319
2012	824,209	\$ 316,049	(316,049)	824,209

An additional \$1,015,375 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, is 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 two 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, 2013, is approximately \$3,585,797, and is recorded as a long-term obligation in the Statement of Net Position. In addition, component units of the County reported \$10,858 in compensated absences at December 31, 2013.

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NOTES TO FINANCIAL STATEMENTS
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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 Number 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.

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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, 2013, per the bank, were \$53,153,751 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	\$ 5,252,433
Debt service	1,686,163
Community development	1,027,409
Public safety	2,115,817
Repairs and replacements	422,193
Public health	500,000
TASC	109,841
Total Governmental Activities	\$ 11,113,856

Restricted investments of \$649,784 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 \$1,816,964 of Securities and Mortgages Receivable offset by Deferred Inflows of Resources of \$1,816,964 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 12/31/13
Serial Bonds	\$ 330,000	2005	Food Net	100%	\$ 155,075
Serial Bonds	105,000	2002	Cooperative Extension of T.C.	100%	47,948
County Funds	180,000	2001	Cooperative Extension of T.C.	100%	86,670
Serial Bonds	2,910,000	2005	Cortland County	36%	376,783
Serial Bonds	1,400,000	2005	Tompkins Community Action	100%	575,360
Serial Bonds	350,000	1995	Cooperative Extension of T.C.	100%	36,346
Serial Bonds	2,800,000	1995	Cortland County	36%	48,538
Serial Bonds	350,000	2012	Cooperative Extension of T.C.	100%	350,000
Serial Bonds	389,566	2013	Cortland County	36%	140,244
Total					\$ 1,816,964

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4. Other Receivables

Accounts receivable as of December 31, 2013, consisted of the following:

General Fund:	
Tobacco settlement revenue receivable	\$ 674,442
Miscellaneous rents and fees	639,994
Due from fiduciary funds	65,954
Allowance for uncollectibles	<u>(55,679)</u>
Total General Fund	1,324,711
Transportation Fund:	
Transportation fees due from airlines	339,551
Solid Waste Fund:	
Solid waste tipping fees	279,980
Allowance for uncollectibles	<u>(77,536)</u>
Total Solid Waste Fund	202,444
Special Grant Fund:	
Grants receivable	184
Debt Service Fund:	
Miscellaneous	9,839
Non-Major Funds:	
Machinery rental	67,269
TTASC Tobacco settlement revenue receivable and accrued interest	<u>595,000</u>
Total Governmental Funds	<u>\$ 2,538,998</u>

5. Property Taxes

At December 31, 2013, total real property tax assets of \$6,322,388 are offset by an allowance for uncollectible taxes of \$(473,352). Current year returned village and school taxes of \$3,556,033 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2014. The remaining portion of tax assets is partially offset by deferred inflows of resources of \$(1,818,454) (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

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6. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Balance at 12/31/12 as restated</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifi- cations</u>	<u>Balance at 12/31/13</u>
<u>Governmental Activities</u>					
Non-Depreciable Capital Assets:					
Land and land improvements	\$ 7,505,563	\$ 3,650	\$	\$	\$ 7,509,213
Construction in progress	2,488,954	5,397,771			7,886,725
Total Non-depreciable Capital Assets	<u>9,994,517</u>	<u>5,401,421</u>	<u>-0-</u>	<u>-0-</u>	<u>15,395,938</u>
Depreciable Capital Assets:					
Buildings	90,881,637	66,582			90,948,219
Machinery and equipment	14,389,829	696,246	(524,270)		14,561,805
Infrastructure	196,860,678	4,427,522			201,288,200
Total Depreciable Capital Assets	<u>302,132,144</u>	<u>5,190,350</u>	<u>(524,270)</u>		<u>306,798,224</u>
Total Historical Cost	<u>312,126,661</u>	<u>10,591,771</u>	<u>(524,270)</u>	<u>-0-</u>	<u>322,194,162</u>
Less Accumulated Depreciation:					
Buildings	(42,043,677)	(3,319,770)			(45,363,447)
Machinery and equipment	(6,386,369)	(682,459)	445,630		(6,623,198)
Infrastructure	(84,692,794)	(6,304,402)			(90,997,196)
Total Accumulated Depreciation	<u>(133,122,840)</u>	<u>(10,306,631)</u>	<u>445,630</u>	<u>-0-</u>	<u>(142,983,841)</u>
Governmental Activities Capital Assets, Net	<u>\$ 179,003,821</u>	<u>\$ 285,140</u>	<u>\$ (78,640)</u>	<u>\$ -0-</u>	<u>\$ 179,210,321</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities</u>	
General governmental support	\$ 791,820
Education	15,167
Public safety	2,197,253
Public health	583,376
Transportation	5,321,338
Economic assistance and opportunity	420,621
Culture and recreation	327,996
Home and community services	<u>649,060</u>
Total Governmental Activities Depreciation Expense	<u>\$ 10,306,631</u>

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

	2013			
	Balance at 12/31/12	Additions	Retirements	Balance at 12/31/13
Historical Cost:				
Equipment	\$ 1,358,088	\$ 49,280	\$ (12,309)	\$ 1,395,059
Collection	5,414,199	234,128	(162,426)	5,485,901
Total Historical Cost	<u>6,772,287</u>	<u>283,408</u>	<u>(174,735)</u>	<u>6,880,960</u>
Less Accumulated Depreciation:				
Equipment	(1,222,653)	(49,492)	12,309	(1,259,836)
Collection	<u>(4,891,970)</u>	<u>(147,069)</u>	<u>162,426</u>	<u>(4,876,613)</u>
Total Accumulated Depreciation	<u>(6,114,623)</u>	<u>(196,561)</u>	<u>174,735</u>	<u>(6,136,449)</u>
 Total Capital Assets, Net	 <u>\$ 657,664</u>	 <u>\$ 86,847</u>	 <u>\$ -0-</u>	 <u>\$ 744,511</u>

The Tompkins County Public Library Foundation also had a net book value of equipment of \$324 at December 31, 2013.

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

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 NYSERS 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. 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 Pension Accumulation Fund.

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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:

	<u>ERS</u>
2013	\$ 7,157,481
2012	6,256,722
2011	5,582,675

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, 2013, 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, 2013, the County did not issue or redeem any RANs.

3. Long-term Debt

a. Constitutional Debt Limit

At December 31, 2013, the total outstanding bonded indebtedness of the County of Tompkins (exclusive of TTASC bonds) aggregated \$46,340,000. Of this amount, \$45,745,000 was subject to the constitutional debt limit and represented approximately 10% 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
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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 \$4,866,543 at December 31, 2013.

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, 2013:

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	Balance 12/31/12 <u>as restated</u>	Additions	Deletions	Balance 12/31/13	Amount Due Within One Year
Serial Bonds	\$ 40,920,000	\$ 4,170,000	\$ (4,750,000)	\$ 40,340,000	\$ 4,680,000
Unamortized premiums	<u>180,563</u>	<u>715,086</u>	<u>(6,302)</u>	<u>889,347</u>	<u>166,559</u>
Total Serial Bonds	41,100,563	4,885,086	(4,756,302)	41,229,347	4,846,559
BANs	2,500,000	6,800,000	(3,300,000)	6,000,000	6,000,000
Compensated absences	3,315,435	270,362		3,585,797	-0-
Workers' compensation claims	824,209	588,594	(572,484)	840,319	546,031
Postemployment benefits	35,665,518	9,256,000	(1,301,165)	43,620,353	-0-
Installment purchase debt	<u>5,954,914</u>		<u>(1,088,371)</u>	<u>4,866,543</u>	<u>1,156,780</u>
Total Primary Government Long-term Debt	89,360,639	21,800,042	(11,018,322)	100,142,359	12,549,370
TTASC Bonds	9,699,440		(150,000)	9,549,440	865,000
Add accreted interest on 2005 bonds	2,255,052	425,247		2,680,299	-0-
Less unamortized bond discount	<u>(202,906)</u>		<u>13,952</u>	<u>(188,954)</u>	<u>(13,952)</u>
Total TASC Bonds	<u>11,751,586</u>	<u>425,247</u>	<u>(136,048)</u>	<u>12,040,785</u>	<u>851,048</u>
Total Long-term Debt	<u>\$ 101,112,225</u>	<u>\$ 22,225,289</u>	<u>\$ (11,154,370)</u>	<u>\$ 112,183,144</u>	<u>\$ 13,400,418</u>

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

The County expensed \$2,018,070 in interest on long term debt during the year.

Cash paid	\$ 2,060,009
Less interest accrued in prior year	(498,253)
Add interest accrued in the current year	263,933
Add accreted interest on the Series 2005 TASC bonds	425,247
Less premiums applied to interest in the current year	(252,471)
Add amortization of deferred charges on defeased debt	11,955
Less amortization of bond premiums	(6,302)
Add amortization of TTASC bond discount	<u>13,952</u>
Total	<u>\$ 2,018,070</u>

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.

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The following is a summary of changes in deferred charges on defeased debt for the period ended December 31, 2013:

	Balance 12/31/12 <u>as restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance 12/31/13	Amount Due Within One Year
Deferred Charges on Defeased Debt	\$ 302,169	\$ 44,808	\$ (11,955)	\$ 335,022	\$ 65,993

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 \$9,495,000 at December 31, 2013.

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 Highway Reconstruction	07/2013	0.358%	07/2014	\$ 6,000,000
Bonds:				
2003 Series A & B Refunding	8/2003	2.00-4.50%	08/2014	740,000
2013 Refunding Bonds	11/2013	2.00-5.00%	11/2020	8,935,000
Add unamortized premiums				889,347
Net Refunding Bonds				<u>10,564,347</u>
2005 Serial Bonds	3/2005	3.80%	03/2020	1,825,000
Public Improvements	3/2006	3.50%	03/2014	1,005,000
Public Improvements	3/2007	3.60-4.00%	03/2027	4,440,000
Public Improvements	12/2010	3.00-4.25%	12/2032	16,265,000
Public Improvements	7/2012	1.00-2.25%	07/2027	2,960,000
Public Improvements	7/2013	3.00-4.00%	07/2030	4,170,000
Total Bonds				<u>\$ 41,229,347</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
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Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
Installment Purchase Debt:				
Public Safety Communications	3/2006	3.760%	9/2016	\$ 2,769,075
Energy Performance Contract	9/2012	1.751%	3/2020	1,609,604
Human Services Annex	2/2011	4.035%	2/2025	487,865
Total Installment Purchase Debt				<u>\$ 4,866,543</u>

TTASC:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 12/31/13
Series 2000 Tobacco Settlement				
Pass-through Bonds	12/2000	6/25	5.25% - 6.30%	\$ 5,915,000
Less: Unamortized bond discount				<u>(127,625)</u>
Carrying Value of Series 2000 Tobacco Settlement Pass-through Bonds				<u>5,787,375</u>
Series 2005 Tobacco Settlement				
Pass-through Bonds	11/2005	6/60	6.0% - 7.85%	3,634,440
Less: Unamortized bond discount				(61,329)
Add: Addition to accreted value				<u>2,680,299</u>
Carrying Value of Series 2005 Tobacco Settlement Pass-through Bonds				<u>6,253,410</u>
Total Carrying Value of Pass-through Bonds				<u>\$ 12,040,785</u>

The full amount of long-term BANs of \$6,000,000 is due in 2014.

The County's Debt Service requirements at December 31, 2013 were as follows:

Year	Serial Bonds		TASC Series 2000 Bonds		Installment Purchase Debt		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 4,680,000	\$ 1,305,480	\$ 865,000	\$ 340,109	\$ 1,156,780	\$ 142,830	\$ 8,490,199
2015	2,910,000	1,270,920	325,000	319,599	1,195,891	103,719	6,125,129
2016	2,995,000	1,189,920	355,000	297,824	1,236,401	63,207	6,137,352
2017	3,105,000	1,088,426	365,000	274,604	284,600	30,473	5,148,103
2018	3,220,000	966,676	475,000	247,564	290,455	24,618	5,224,313
2019-2023	10,240,000	3,402,656	2,795,000	727,207	599,771	54,838	17,819,472
2024-2028	8,310,000	1,889,460	735,000	29,315	102,645	6,489	11,072,913
2029-2033	4,880,000	494,139					5,374,139
Total	<u>\$ 40,340,000</u>	<u>\$ 11,607,677</u>	<u>\$ 5,915,000</u>	<u>\$ 2,236,222</u>	<u>\$ 4,866,543</u>	<u>\$ 426,174</u>	<u>\$ 65,391,620</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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
2019-2023	643,250	925,370	1,568,620
2024-2028	1,246,177	3,399,944	4,646,121
2029-2033	705,376	4,301,921	5,007,297
2034-2038	508,352	4,793,841	5,302,193
2039	27,075	330,210	357,285
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
2014	\$ 433,959
2015	461,448
2016	482,083
2017	499,376
2018	515,594
2019-2023	2,838,485
2024-2028	3,060,483
2029-2033	2,325,053
2034-2038	925,317
2039	11,763
Total Accretion	11,553,561
Accumulated accretion	2,680,299
Principal	3,634,440
Expected Total Debt Service	\$ 17,868,300

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

4. Postemployment Benefits Other than Pensions

a. Tompkins County

In 2008, the County adopted GASB Statement Number 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 Number 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, 2013 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, 2012 for the fiscal years ending December 31, 2012 and 2013. 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 \$1,301,165 represents an actuarially determined estimate of premiums and claims paid on behalf of retirees for the year ended December 31, 2013. 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 Number 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, 2013:

	2013
Normal cost	\$ 4,717,656
Amortization of Unfunded Actuarial Accrued Liability	5,306,934
Total Annual Required Contribution	10,024,590
Interest on net OPEB obligation	1,426,621
Adjustment to annual required contribution	(2,195,211)
Annual OPEB Cost (Expense)	9,256,000
Expected employer contribution	(1,301,165)
Increase in Net OPEB Obligation	7,954,835
Net OPEB Obligation - January 1	35,665,518
Net OPEB Obligation - December 31	\$ 43,620,353

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

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
12/31/2013	\$ 9,256,000	14.1%	\$ 43,620,353
12/31/2012	8,751,963	12.5%	35,665,518
12/31/2011	9,581,945	16.7%	28,003,493

As of December 31, 2013, the Plan was not funded. The actuarial accrued liability for benefits was \$82,905,337; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$37,785,616 and the ratio of the UAAL to the covered payroll was 219.4%.

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.

The actuarial valuation performed for the year ended December 31, 2013, the most recent actuarial valuation date, used the projected unit credit actuarial cost method. Under this method, each Participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially; reduced to an ultimate rate of 5% after 10 years. This rate includes 2.9% inflation rate and 4% discount rate assumptions.

b. Tompkins County Public Library

The Library complies with GASB Statement Number 45 "Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions."

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

An actuarial valuation of the Library's Retiree Healthcare Plan (Plan) was performed as of January 1, 2012 for the fiscal years ending December 31, 2012 and 2013 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, 2013, the Library's expected contributions were \$83,942 to the Plan for current premiums of 16 retirees, compared to \$61,442 in 2012. 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 Number 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:

	<u>2013</u>
Normal cost	\$ 311,769
Amortization of UAAL	<u>351,046</u>
Total Annual Required Contribution	662,815
Interest on net OPEB obligation	97,368
Adjustment to annual required contribution	<u>(149,826)</u>
Annual OPEB Cost (Expense)	610,357
Contributions expected on behalf of 16 employees	<u>(83,942)</u>
Increase in Net OPEB Obligation	526,415
Net OPEB Obligation - January 1	<u>2,434,211</u>
Net OPEB Obligation - December 31	<u>\$ 2,960,626</u>

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
12/31/2013	\$ 610,357	13.8%	\$ 2,960,626
12/31/2012	576,678	10.7%	2,434,211
12/31/2011	629,163	17.8%	1,918,975

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

As of December 31, 2013, the Plan was not funded. The actuarial accrued liability for benefits was \$5,484,063. There are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,666,666, and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 329.0% 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.

The interim actuarial valuation report for the fiscal year December 31, 2013 was based on the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after ten years. The rate included a 2.9% inflation rate and 4% discount rate assumptions.

C. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2013 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
Major Funds:				
General Fund	\$ 1,272,561	\$ 2,843,919	\$	\$ 10,412,394
County Road Fund	1,881,469	301,929	4,523,560	
Transportation Fund	368,384	829,504		199,631
Solid Waste Fund	42,423	114,613		924,137
Special Grant Fund	40,216	31,005	137,853	
Capital Projects Fund - Transportation Fund	670,506	596,620	646,001	
Debt Service Fund	81,646		6,884,581	1,000,000
Non-Major Funds	159,897	217,203	24,167	
Internal Service Fund	<u>418,107</u>	<u>416</u>	<u>320,000</u>	
Total	<u>\$ 4,935,209</u>	<u>\$ 4,935,209</u>	<u>\$ 12,536,162</u>	<u>\$ 12,536,162</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
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FOR THE YEAR ENDED DECEMBER 31, 2013

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 Number 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.

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: \$2,707,400, \$2,680,596, \$2,638,047.
- 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, 2013, outstanding debt related to the 1994 Master Plan was \$1,571,009 in bonds. Cortland County is responsible for 36% or \$565,563 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
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FOR THE YEAR ENDED DECEMBER 31, 2013

- 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, 2009, the County has contributed \$10,785,537 for the Campus Expansion, consisting of \$3,665,537 from tobacco securitization, a \$620,000 budget contribution, and \$6,500,000 of bonds and notes. At December 31, 2013, outstanding debt related to the Campus Expansion was \$5,361,429.
- 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, 2013:

Total Assets	\$	50,460,787
Total Liabilities		27,081,498
Total Equity		23,379,289
Total Revenues		38,849,914
Total Expenses		42,823,283

- The County's share of the College's equity is comprised of the following at December 31, 2013:

68% of the College's total equity	\$	15,897,917
County's share of debt included in total equity		<u>4,793,760</u>
Equity Interest in the College	\$	<u>20,691,677</u>

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 2013 was \$834,683. Its contribution for 2014 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, 2013:

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NOTES TO FINANCIAL STATEMENTS
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FOR THE YEAR ENDED DECEMBER 31, 2013

Total Assets	\$ 16,793,536
Total Liabilities	4,679,825
Total Equity	12,113,711
Total Revenues	13,318,690
Total Expenses	14,820,409

- The County's share of the TCAT's equity amounted to \$4,037,904 at December 31, 2013.

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, 2013, the County has reserved \$1,364,640 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. The County received \$47,395,630 in County imposed sales tax, an amount equal to 50% of total collections and excluding the amount paid directly to the City.

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The County's share amounted to \$32,466,433 during 2013. The balance of \$14,929,197 was divided among the City of Ithaca and towns/villages based upon population as determined by the 2010 census. The towns' share is divided and allocated between incorporated villages and the area of the towns outside said villages, on the basis of population. All of the villages and five towns are paid their total 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. The towns and villages received \$9,923,930 and the City of Ithaca received \$1,720,367. Additionally, the city received direct payments of \$10,322,514 and the villages and towns received another \$3,284,899, which was applied to tax warrants.

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.

Note 6 - Transactions with Discretely Presented Component Units

The County of Tompkins contributed \$2,683,032 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 \$485,118 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 fund balance at December 31, 2013. Principal factors which caused the deficit were decreased revenues from air flights (December 2013 air traffic was down 15.69% compared to December 2012) and increased borrowings from other funds. Revenues at the airport decreased by (1.25)% while expenditures went up 2.94%. The deficit fund balance will decrease as monies are paid back to other funds and air traffic picks up in subsequent years.

Note 8 - Restatement of Net Position

A. Change in Accounting Policy

During the year ended December 31, 2013, the County adopted GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities." This statement requires bond issue costs, which had previously been included in deferred charges on defeased debt, be expensed. Beginning net position was decreased by \$(172,178) as a result of this accounting change.

B. Correction of Errors

During the year ended December 31, 2013, the County conducted a detailed review of its capital assets and determined buildings were overstated by \$27,828 and equipment was understated by \$1,134,371. The net effect of this correction was an increase in prior year net position of \$1,106,543.

During the year ended December 31, 2013, the County conducted a review of its installment purchase debt and determined two payments of principal were made in the year ended December 31, 2012. As a result the beginning balance of installment purchase debt was reduced, and net position was increased by \$30,650.

COUNTY OF TOMPKINS
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Note 9 - Fund Balance Detail

At December 31, 2013, fund balance in the governmental funds was comprised of the following:

	<u>General Fund</u>	<u>County Road Fund</u>	<u>Transportation Fund</u>	<u>Solid Waste Fund</u>
<u>Nonspendable</u>				
Prepaid expenses	\$ 1,941,403	\$ 71,412	\$ 57,293	\$ 37,560
Total Nonspendable Fund Balance	<u>\$ 1,941,403</u>	<u>\$ 71,412</u>	<u>\$ 57,293</u>	<u>\$ 37,560</u>
<u>Restricted</u>				
Economic assistance and opportunity	\$ 195,162	\$	\$	\$
Public safety	294,154			
Repairs and replacements	<u>22,193</u>			<u>400,000</u>
Total Restricted Fund Balance	<u>\$ 511,509</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 400,000</u>
<u>Assigned</u>				
Appropriated for next year's budget	\$ 706,647	\$ 53,054	\$	\$ 169,493
Encumbered for:				
General government	267,500			
Public safety	39,028			
Public health	456			
Transportation	771			
Economic assistance and opportunity	183,524			
Culture and recreation				
Education				
Home and community services	44,866			
Assigned for:				
General government	56,493			
Public safety	1,875,684			
Public health	181,242			
Transportation		2,583,851		
Economic assistance and opportunity				
Culture and recreation				
Home and community services	7,269			913,269
Medicaid audit	<u>500,000</u>			
	<u>\$ 3,863,480</u>	<u>\$ 2,636,905</u>	<u>\$ -0-</u>	<u>\$ 1,082,762</u>
<u>Unassigned</u>				
Unassigned fund balance	\$ 19,488,413	\$	\$ (155,030)	\$
Total Unassigned Fund Balance	<u>\$ 19,488,413</u>	<u>\$ -0-</u>	<u>\$ (155,030)</u>	<u>\$ -0-</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Grant Fund	Debt Service Fund	Capital Projects Fund - Transportation	Non-Major Funds
<u>Nonspendable:</u>				
Prepaid expenses	\$ 20,113	\$	\$	\$ 15,461
Total Nonspendable Fund Balance	<u>\$ 20,113</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 15,461</u>
<u>Restricted:</u>				
Community development	\$ 985,733	\$	\$	\$
Capital projects - Unspent debt proceeds			3,060,256	2,192,177
Debt Service		1,696,002		1,354,625
Total Restricted Fund Balance	<u>\$ 985,733</u>	<u>\$ 1,696,002</u>	<u>\$ 3,060,256</u>	<u>\$ 3,546,802</u>
<u>Committed:</u>				
Capital projects	\$	\$	\$ 3,298,999	\$ 3,084,246
	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,298,999</u>	<u>\$ 3,084,246</u>
<u>Assigned - Appropriated for next year's budget:</u>				
Assigned for transportation	\$	\$	\$	\$ 1,287,136
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,287,136</u>
<u>Unassigned:</u>				
Unassigned fund balance	\$	\$	\$	\$
Total Unassigned Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Of the \$9,887,071 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	\$ 9,887,071
Designated for:	
Ensuing year's budget	929,194
Carry-over of prior year's commitments (encumbrances and rollovers)	835,170
Prepaid expenses	2,143,242
Medicaid audit	500,000
Capital projects	6,383,245
Self Insurance	1,364,640
Workers' Compensation	1,015,375
Equity interest in joint venture, net of related debt	19,935,821
Public safety	1,821,663
Transportation	3,870,987
Home and community services	913,269
Total Designated Net Position	<u>39,712,606</u>
Unrestricted, Undesignated Net (Deficit)	<u>\$ (29,825,535)</u>

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget
<u>REVENUES</u>		
Real property taxes	\$ 43,778,193	\$ 43,778,193
Real property tax items	2,120,979	2,120,979
Nonproperty tax items	47,412,143	47,581,440
Departmental income	9,304,766	9,898,588
Intergovernmental charges	37,945	51,891
Use of money and property	495,875	503,777
Licenses and permits	2,500	5,305
Fines and forfeitures	304,077	304,077
Sale of property and compensation for loss	635,000	730,447
Miscellaneous local sources	1,655,075	1,626,692
Interfund revenues	629,925	635,425
State sources	24,451,684	25,387,143
Federal sources	17,991,942	19,044,727
Total Revenues	<u>148,820,104</u>	<u>151,668,684</u>
<u>EXPENDITURES</u>		
Current:		
General governmental support	28,966,518	28,738,943
Education	8,414,821	8,499,960
Public safety	16,564,489	18,385,434
Health	18,629,375	18,943,548
Transportation	7,322,724	7,389,781
Economic assistance and opportunity	54,761,376	56,237,926
Culture and recreation	4,504,174	4,619,605
Home and community services	1,822,871	1,810,193
Employee benefits	(215,052)	
Debt service (principal and interest)		
Total Expenditures	<u>140,771,296</u>	<u>144,625,390</u>
Excess of Revenues	<u>8,048,808</u>	<u>7,043,294</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers in		
Interfund transfers (out)	(10,132,473)	(10,412,394)
Proceeds of obligations		
Sale of capital assets		
Total Other Financing (Uses) Sources	<u>(10,132,473)</u>	<u>(10,412,394)</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>(2,083,665)</u>	<u>(3,369,100)</u>
Appropriated Fund Balance	<u>2,083,665</u>	<u>3,369,100</u>
Net Increase	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
\$ 40,082,279	\$	\$ (3,695,914)
2,430,780		309,801
51,318,242		3,736,802
9,757,340		(141,248)
669,733		617,842
564,749		60,972
5,305		-0-
245,010		(59,067)
764,438		33,991
271,635		(1,355,057)
728,639		93,214
23,575,111		(1,812,032)
17,054,981		(1,989,746)
147,468,242	-0-	(4,200,442)
27,821,118	267,500	650,325
8,017,083		482,877
18,184,609	39,028	161,797
16,925,765	456	2,017,327
6,635,333	771	753,677
53,671,068	183,524	2,383,334
4,564,571		55,034
1,549,690	44,866	215,637
		-0-
		-0-
137,369,237	536,145	6,720,008
10,099,005	(536,145)	2,519,566
		-0-
(10,412,394)		-0-
		-0-
		-0-
(10,412,394)	-0-	-0-
(313,389)	\$ (536,145)	\$ 2,519,566
(313,389)		
26,118,194		
\$ 25,804,805		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 COUNTY ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Use of money and property	\$	\$
Licenses and permits		
Sale of property and compensation for loss	6,500	19,084
Miscellaneous local sources	48,675	48,675
State sources	1,742,133	2,079,775
Federal sources	299,200	299,200
Total Revenues	<u>2,096,508</u>	<u>2,446,734</u>
<u>EXPENDITURES</u>		
Current:		
Public safety	239,853	239,853
Transportation	5,493,625	5,992,901
Employee benefits	942,590	959,540
Total Expenditures	<u>6,676,068</u>	<u>7,192,294</u>
Excess of (Expenditures)	<u>(4,579,560)</u>	<u>(4,745,560)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers in	4,523,560	4,523,560
Total Other Financing Sources (Uses)	<u>4,523,560</u>	<u>4,523,560</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>(56,000)</u>	<u>(222,000)</u>
Appropriated Fund Balance	<u>56,000</u>	<u>222,000</u>
Net Increase	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 552	\$	\$ 552
9,651		9,651
14,463		(4,621)
84,706		36,031
2,089,514		9,739
42,699		(256,501)
2,241,585	-0-	(205,149)
231,670	4,575	3,608
5,445,447	48,479	498,975
955,795		3,745
6,632,912	53,054	506,328
(4,391,327)	(53,054)	301,179
4,523,560		-0-
4,523,560	-0-	-0-
132,233	\$ (53,054)	\$ 301,179
-0-		
132,233		
2,576,084		
\$ 2,708,317		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Departmental income	\$ 1,447,107	\$ 1,447,107
Intergovernmental charges	109,500	109,500
Use of money and property	1,271,820	1,271,820
Sale of property and compensation for loss	15,000	15,000
Miscellaneous local sources	1,000	1,000
Total Revenues	<u>2,844,427</u>	<u>2,844,427</u>
<u>EXPENDITURES</u>		
Current:		
Transportation	2,278,109	2,278,109
Employee benefits	431,687	431,687
Total Expenditures	<u>2,709,796</u>	<u>2,709,796</u>
Excess of (Expenditures) Revenues	<u>134,631</u>	<u>134,631</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers in	65,000	65,000
Interfund transfers (out)	(199,631)	(199,631)
Proceeds of obligations		
Sale of capital assets		
Total Other Financing Sources (Uses)	<u>(134,631)</u>	<u>(134,631)</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>
Appropriated Fund Balance		
Net (Decrease)	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
\$ 1,301,960	\$	\$ (145,147)
102,990		(6,510)
1,291,007		19,187
64,316		49,316
8,926		7,926
2,769,199	-0-	(75,228)
2,333,332	41,763	(96,986)
418,128		13,559
2,751,460	41,763	(83,427)
17,739	(41,763)	(158,655)
		(65,000)
(199,631)		-0-
		-0-
		-0-
(199,631)	-0-	(65,000)
(181,892)	\$ (41,763)	\$ (223,655)
-0-		
(181,892)		
84,155		
\$ (97,737)		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 SOLID WASTE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget
<u>REVENUES</u>		
Departmental income	\$ 5,815,897	\$ 5,815,897
Use of money and property	10,000	10,000
Licenses and permits	48,000	48,000
Fines and forfeitures	940	940
Sale of property and compensation for loss		
Miscellaneous local sources	2,625	2,625
State sources	108,000	108,000
Total Revenues	5,985,462	5,985,462
<u>EXPENDITURES</u>		
Current:		
Home and community services	5,021,491	5,019,995
Employee benefits	410,005	410,005
Total Expenditures	5,431,496	5,430,000
Excess of Revenues	553,966	555,462
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers (out)	(922,736)	(924,232)
Total Other Financing Sources (Uses)	(922,736)	(924,232)
Excess of (Expenditures) and Other Financing (Uses)	(368,770)	(368,770)
Appropriated Fund Balance	368,770	368,770
Net (Decrease)	\$ -0-	\$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 4,495,542	\$	\$ (1,320,355)
526		(9,474)
		(48,000)
		(940)
934,659		934,659
2,580		(45)
79,233		(28,767)
5,512,540	-0-	(472,922)
4,339,980	414	679,601
408,438		1,567
4,748,418	414	681,168
764,122	(414)	208,246
(924,137)		95
(924,137)	-0-	95
(160,015)	\$ (414)	\$ 208,151
(160,015)		
1,680,337		
\$ 1,520,322		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 SPECIAL GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Departmental income	\$ _____	\$ 400,000
Intergovernmental charges	_____	_____
Miscellaneous local sources	30,000	30,000
State sources	331,801	331,801
Federal sources	891,203	1,055,687
Total Revenues	<u>1,253,004</u>	<u>1,817,488</u>
<u>EXPENDITURES</u>		
Current:		
Economic Assistance and Opportunity	1,377,768	1,555,341
Home and Community Services	_____	400,000
Total Expenditures	<u>1,377,768</u>	<u>1,955,341</u>
Excess of (Expenditures)	<u>(124,764)</u>	<u>(137,853)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers in	124,764	137,853
Total Other Financing Sources (Uses)	<u>124,764</u>	<u>137,853</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>
Appropriated Fund Balance	_____	_____
Net Decrease	\$ <u>-0-</u>	\$ <u>-0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 298,709	\$	\$ (101,291)
		-0-
130,012		100,012
		(331,801)
1,642,272		586,585
2,070,993	-0-	253,505
1,526,026		29,315
783,592		(383,592)
2,309,618	-0-	(354,277)
(238,625)	-0-	(100,772)
137,853		-0-
137,853	-0-	-0-
(100,772)	\$ -0-	\$ (100,772)
(100,772)		
1,106,618		
\$ 1,005,846		

COUNTY OF TOMPKINS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<u>County of Tompkins</u>							
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%
12/31/2009	1/1/2008	\$ -0-	\$ 59,022,702	\$ 59,022,702	0.0%	\$ 38,195,389	154.5%
12/31/2008	1/1/2008	\$ -0-	\$ 53,963,705	\$ 53,963,705	0.0%	\$ 37,580,168	143.6%
<u>Tompkins County Public Library</u>							
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%
12/31/2009	1/1/2008	\$ -0-	\$ 4,078,023	\$ 4,078,023	0.0%	\$ 1,817,937	224.3%
12/31/2008	1/1/2008	\$ -0-	\$ 3,711,182	\$ 3,711,182	0.0%	\$ 1,846,314	201.0%

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, 2013

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 - Stewardship, Compliance, and Accountability

A. Over-expended Appropriations

The following function was over-expended in the Transportation Fund:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Encumbrances</u>	<u>Over-expended</u>
Transportation	\$ <u>2,278,109</u>	\$ <u>2,333,332</u>	\$ <u>41,763</u>	\$ <u>(96,986)</u>

The following function was over-expended in the Special Grant Fund:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Encumbrances</u>	<u>Over-expended</u>
Home and community services	\$ <u>400,000</u>	\$ <u>783,592</u>	\$ <u>-0-</u>	\$ <u>(383,592)</u>

Note 4 - 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, 2013

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
<u>ASSETS</u>				
Assets:				
Cash and cash equivalents - Unrestricted	\$ 1,145,614	\$ 241,177	\$ 1,158,403	\$ 671,388
- Restricted			2,192,177	
Temporary investments - Restricted				
Due from other funds	135,730			24,167
Due from state and federal governments		179,173		
Other receivables, net	67,269			
Prepaid expenses	11,925			
 Total Assets	 <u>\$ 1,360,538</u>	 <u>\$ 420,350</u>	 <u>\$ 3,350,580</u>	 <u>\$ 695,555</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 32,685	\$ 140,985	\$ 180,298	\$ 6,845
Accrued liabilities	7,842		52,558	
Due to other funds	20,950	196,253		
 Total Liabilities	 <u>61,477</u>	 <u>337,238</u>	 <u>232,856</u>	 <u>6,845</u>
 Fund Balances:				
Nonspendable	11,925			
Restricted			2,192,177	
Committed		83,112	925,547	688,710
Assigned	1,287,136			
Unassigned				
Total Fund Balances	<u>1,299,061</u>	<u>83,112</u>	<u>3,117,724</u>	<u>688,710</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,360,538</u>	 <u>\$ 420,350</u>	 <u>\$ 3,350,580</u>	 <u>\$ 695,555</u>

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total Non-Major Governmental Funds
Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	
\$ 820,565	\$ 156,965	\$ 478,593	\$	\$ 4,672,705
			109,841	2,302,018
			649,784	649,784
				159,897
				179,173
			595,000	662,269
			3,536	15,461
<u>\$ 820,565</u>	<u>\$ 156,965</u>	<u>\$ 478,593</u>	<u>\$ 1,358,161</u>	<u>\$ 8,641,307</u>
\$ 59,268	\$ 9,978	\$	\$	\$ 430,059
				60,400
				217,203
59,268	9,978	-0-	-0-	707,662
			3,536	15,461
			1,354,625	3,546,802
761,297	146,987	478,593		3,084,246
				1,287,136
				-0-
761,297	146,987	478,593	1,358,161	7,933,645
<u>\$ 820,565</u>	<u>\$ 156,965</u>	<u>\$ 478,593</u>	<u>\$ 1,358,161</u>	<u>\$ 8,641,307</u>

COUNTY OF TOMPKINS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
<u>REVENUES</u>				
Use of money and property	\$ 545	\$ 309	\$ 4,566	\$ 1,433
Sale of property and compensation for loss	158,615			
Miscellaneous local sources	113			
Interfund revenues	1,492,686			
State sources				5,505
Federal sources		1,560,159		
Total Revenues	1,651,959	1,560,468	4,566	6,938
<u>EXPENDITURES</u>				
General governmental support				
Transportation	1,332,610			
Employee benefits	158,704			
Debt service (principal and interest)				
Capital outlay		1,580,143	2,404,293	24,167
Total Expenditures	1,491,314	1,580,143	2,404,293	24,167
Excess of Revenues (Expenditures)	160,645	(19,675)	(2,399,727)	(17,229)
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund transfers in				24,167
Interfund transfers (out)				(1,000,000)
Proceeds of obligations			2,820,000	
Premium on obligations				
Repayments to escrow agent				
Sale of capital assets				
Total Other Financing Sources (Uses)	-0-	-0-	2,820,000	(975,833)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	160,645	(19,675)	420,273	(993,062)
Fund Balances, Beginning of Year	1,138,416	102,787	2,697,451	1,681,772
Fund Balances, End of Year	\$ 1,299,061	\$ 83,112	\$ 3,117,724	\$ 688,710

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total Non-Major Governmental Funds
Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	
\$ 1,139	\$ 161	\$ 714	\$ 191	\$ 9,058
				158,615
172,275			596,150	768,538
				1,492,686
	(49,727)			(44,222)
				1,560,159
173,414	(49,566)	714	596,341	3,944,834
			50,966	50,966
				1,332,610
				158,704
			538,966	538,966
126,479	22,003			4,157,085
126,479	22,003	-0-	589,932	6,238,331
46,935	(71,569)	714	6,409	(2,293,497)
				24,167
				(1,000,000)
				2,820,000
				-0-
				-0-
				-0-
-0-	-0-	-0-	-0-	1,844,167
46,935	(71,569)	714	6,409	(449,330)
714,362	218,556	477,879	1,351,752	8,382,975
\$ 761,297	\$ 146,987	\$ 478,593	\$ 1,358,161	\$ 7,933,645

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& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

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*, 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, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 15, 2014.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lisa Dietershagen, Little, Mickelson & Company, LLP". The signature is written in a cursive, flowing style.

September 15, 2014
Ithaca, New York

John H. Dietershagen, C.P.A.
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Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 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 the County of Tompkins's (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, 2013. 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, 2013.

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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.



September 15, 2014
Ithaca, New York

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed Through NYS Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(1)	\$ 1,933
National School Lunch Program	10.555	(1)	3,011
Total Child Nutrition Cluster			<u>4,944</u>
Passed Through NYS Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children - Administration	10.557	C025804	449,460
Special Supplemental Nutrition Program for Women, Infants and Children - Food Instruments	10.557	(1)	1,001,202
Total Special Supplemental Nutrition Program for Women, Infants and Children			<u>1,450,662</u>
Passed Through NYS Department of Family Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	1,482,970
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,938,576</u>
<u>U.S. Department of Housing and Urban Development</u>			
Program Income:			
Community Development Block Grants - State's Program	14.228	(1)	219,283
Passed Through NYS Homes and Community Renewal:			
Community Development Block Grants - State's Program	14.228	1144HR63-11	237,734
Total Community Development Block Grants - State's Program			<u>457,017</u>
Passed Through NYS Office of Temporary and Disability Assistance:			
Energy Solutions Grant Program	14.231	C021296	425,975
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>882,992</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	2,489
Equitable Sharing Program	16.922	N/A	988
Passed Through NYS Division of Criminal Justice Services:			
ARRA - Byrne Justice Assistance Grant	16.803	T637074	5,950
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>9,427</u>
<u>U.S. Department of Labor</u>			
Passed Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235	(1)	21,659
Passed Through NYS Department of Labor:			
Employment Service/Wagner-Peyser Funded Activities	17.207	(1)	260,979
Trade Adjustment Assistance Workers	17.245	(1)	32,536
WIA National Emergency Grants	17.277	(1)	102,822
WIA Cluster:			
WIA Adult Program	17.258	(1)	112,673
WIA Youth Activities	17.259	(1)	426,222
WIA Dislocated Workers	17.278	(1)	139,702
Total WIA Cluster			<u>678,597</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>1,096,593</u>
Subtotal Expenditures of Federal Awards			<u>4,927,588</u>

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, 2013

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal Catalog #</u>	<u>Pass-Through Grantor #</u>	<u>Expenditures</u>
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>4,927,588</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Airport Improvement Program	20.106	N/A	2,191,034
Federal Transit - Formula Grants	20.507	N/A	1,938,430
Passed Through NYS Department of Transportation:			
Highway Planning and Construction	20.205	D022373	1,148,682
Highway Planning and Construction	20.205	D022376	65,201
Highway Planning and Construction	20.205	D031531	239,931
Highway Planning and Construction	20.205	D032212	49,734
Highway Planning and Construction	20.205	D033680	42,699
Highway Planning and Construction	20.205	D033922	642,092
Total Highway Planning and Construction			<u>2,188,339</u>
Federal Transit - Metropolitan Planning Grants	20.505	C003719	325,138
Transit Services Programs Cluster:			
Job Access - Reverse Commute Program	20.516	C003814	18,614
Job Access - Reverse Commute Program	20.516	C003877	50,000
Total Job Access - Reverse Commute Program			<u>68,614</u>
New Freedom Program	20.521	C003814	32,530
Total Transit Services Programs Cluster			<u>101,144</u>
Passed Through NYS Governor's Traffic Safety Committee:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	SO-00191	8,360
Occupant Protection Incentive Grants	20.602	(1)	15,000
Total Highway Safety Cluster			<u>23,360</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>6,767,445</u>
<u>Environmental Protection Agency</u>			
Direct:			
Climate Showcase Communities Grant Program	66.041	N/A	139,422
Passed Through NYS Department of Health:			
State Indoor Radon Grants	66.032	T027075	6,138
State Public Water System Supervision	66.432	C026489	143,180
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>288,740</u>
<u>U.S. Department of Education</u>			
Passed through NYS Department of Health:			
Special Education - Grants for Infants and Families with Disabilities	84.181	C021827	38,672
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>38,672</u>
<u>U.S. Department of Health and Human Services</u>			
Direct:			
Drug-Free Communities Support Program Grants	93.276	B4358G1	125,000
Drug-Free Communities Support Program Grants	93.276	B4358P1	67,509
Total Drug-Free Communities Support Program Grants			<u>192,509</u>
Affordable Care Act ADRC	93.517	N/A	9,250
Subtotal U.S. Department of Health and Human Services			<u>201,759</u>
Subtotal Expenditures of Federal Awards			<u>12,224,204</u>

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, 2013

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal Catalog #</u>	<u>Pass-Through Grantor #</u>	<u>Expenditures</u>
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>12,224,204</u>
<u>U.S. Department of Health and Human Services (con't.)</u>			
Subtotal U.S. Department of Health and Human Services Brought Forward			<u>201,759</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through NYS Office for the Aging:			
Title VII, Chapter 2 - Long-term Care Ombudsman Services for Older Individuals	93.042	(1)	13,405
Title III-D, Disease Prevention and Health Promotion Services Aging Cluster:	93.043	(1)	4,065
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)	64,483
Title III-C, Nutrition Services	93.045	(1)	118,103
Nutrition Services Incentive Program	93.053	(1)	<u>124,962</u>
Total Aging Cluster			307,548
Title IV and Title II - Discretionary Projects	93.048	(1)	19,969
Title III-E, National Family Caregiver Support Centers for Medicare and Medical Services Research, Demonstrations and Evaluations	93.052	(1)	38,585
	93.779	(1)	21,099
Passed Through NYS Department of Health:			
Immunization Grants	93.268	C023276	18,268
Immunization Grants	93.268	C028325	<u>33,430</u>
Total Immunization Grants			51,698
Maternal and Child Health Services Block Grant to the States:			
Maternal and Child Health Services Block Grant to the States	93.994	C024648	15,386
Maternal and Child Health Services Block Grant to the States	93.994	C026542	<u>35,381</u>
Total Maternal and Child Health Services Block Grant to the States			50,767
Passed Through Health Research, Inc.:			
Public Health Emergency Preparedness	93.069	HRI-1626-10	108,948
Passed Through NYS Office of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	(1)	34,778
Medical Assistance Program	93.778	(1)	357,297
Passed Through NYS Department of Family Services:			
Temporary Assistance to Needy Families	93.558	(1)	6,942,969
Child Support Enforcement	93.563	(1)	426,311
Low-Income Home Energy Assistance	93.568	(1)	2,142,607
Child Care and Development Block Grant	93.575	(1)	1,976,413
Foster Care - Title IV-E	93.658	(1)	2,064,712
Adoption Assistance	93.659	(1)	1,354,778
Social Services Block Grant	93.667	(1)	2,714,694
Chafee Foster Care Independence Program	93.674	(1)	89,129
Medical Assistance Program	93.778	(1)	1,690,108
Passed Through NYS State Office of Alcoholism and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	1,160,383
Medical Assistance Program	93.778	(1)	<u>8,353</u>
 TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			 <u>21,780,375</u>
Subtotal Expenditures of Federal Awards			<u>33,802,820</u>

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, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>33,802,820</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through NYS Office of Homeland Security and Emergency Services:			
Hazard Mitigation Grants	97.039	(1)	17,025
Homeland Security Grant Program	97.067	T836294	17,530
Homeland Security Grant Program	97.067	T836235	41,399
Homeland Security Grant Program	97.067	T836225	42,101
Homeland Security Grant Program	97.067	C974101	5,603
Homeland Security Grant Program	97.067	C836280	32,675
Homeland Security Grant Program	97.067	T974019	38,409
Homeland Security Grant Program	97.067	T974022	<u>26,500</u>
Total Homeland Security Grant Program			204,217
 TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			 <u>221,242</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ <u>34,024,062</u>

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, 2013

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	\$ 435,399
Energy Solutions Grant Program		
American Red Cross	14.231	78,924
Catholic Charities	14.231	14,383
The Learning Web	14.231	88,281
Tompkins Community Action	14.231	132,184
Total Energy Solutions Grant Program		<u>313,772</u>
Employment Service/Wagner-Peyser Funded Activities - ARRA		
Challenge Industries	17.207	219,147
Federal Transit Cluster:		
Federal Transit - Formula Grants		
Cornell Cooperative Extension of Tompkins County	20.507	125,399
FISH, Inc.	20.507	4,313
Gadabout Transportation Services, Inc.	20.507	7,070
Human Services Coalition of Tompkins County, Inc.	20.507	8,000
Ithaca Carshare, Inc.	20.507	30,426
Tompkins Consolidated Area Transit	20.507	1,513,536
Total Federal Transit - Formula Grants		<u>1,688,744</u>
Transit Services Programs Cluster:		
Job Access - Reverse Commute Program		
Cornell Cooperative Extension of Tompkins County	20.516	50,000
Tompkins Consolidated Area Transit	20.516	18,614
Total Job Access - Reverse Commute Program		<u>68,614</u>
New Freedom Program		
FISH, Inc.	20.521	2,700
Gadabout Transportation Services, Inc.	20.521	29,830
Total New Freedom Program		<u>32,530</u>
Total Transit Services Programs Cluster		<u>101,144</u>
Projects for Assistance in Transition from Homelessness		
American Red Cross	93.150	17,389
Temporary Assistance for Needy Families		
City of Ithaca Youth Bureau	93.558	151,042
Block Grants for Prevention and Treatment of Substance Abuse		
Cayuga Addiction Recovery	93.959	899,444
Alcoholism Council	93.959	155,648
Tompkins Seneca Tioga BOCES	93.959	105,291
Total Block Grants for Prevention and Treatment of Substance Abuse		<u>1,160,383</u>
Total Federal Awards to Subrecipients		<u>\$ 4,087,020</u>

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, 2013

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 totaling \$1,948,171.

COUNTY OF TOMPKINS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>10.561</u>	<u>State Administrative Matching Grants for the SNAP</u>
<u>20.516 & 20.521</u>	<u>Transit Services Programs Cluster</u>
<u>93.558</u>	<u>Temporary Assistance for Needy Families</u>
<u>93.667</u>	<u>Social Services Block Grant</u>
<u>93.778</u>	<u>Medical Assistance Program</u>
<u>93.959</u>	<u>Block Grants for Prevention & Treatment of Substance Abuse</u>

Dollar threshold used to distinguish between Type A and Type B
Programs: \$ 1,020,722

Auditee qualified as low-risk auditee: yes _____ no

Section II - Financial Statement Findings: None

Section III - Federal Award Findings and Questioned Costs: None