

# COUNTY OF TOMPKINS

Ithaca, New York

## FINANCIAL STATEMENTS

December 31, 2017



# COUNTY OF TOMPKINS

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# ***COUNTY OF TOMPKINS***

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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, 2017, 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 did not audit the financial statements of Tompkins Cortland Community College, which represents 3.8% and 8.4% respectively, of the assets and net position of the primary government. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Tompkins Cortland Community College, is based solely on the report of other auditors. 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.

INSERO & Co. CPAs, LLP

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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, based on our audit and the report of other auditors, 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, 2017, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of County's Contributions - NYSLRS Pension Plan, Schedule of the County's Proportionate Share of the Net Pension Liability, Budgetary Comparison Schedules, the Schedule of Funding Progress, and the related notes to required supplementary information on pages 4-4o and 65-74 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The combining nonmajor 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, the combining non-major fund financial statements and the 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 June 26, 2018, on our consideration of the County of Tompkins's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 26, 2018

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017. Please read this information in conjunction with the County's financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- Assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$139,904,137 (net position). Of this amount, \$(7,543,709) (unrestricted) was a deficit in 2017. This deficit is primarily a result of the recognition of long term post-employment liabilities.
- The County's overall net position decreased \$(11,666,401), or (7.7)%, while unrestricted net position decreased by \$(9,388,249), or (509)%, largely as a result of a decrease in the equity interest in joint ventures and changes in the County's share of pension obligations and other postemployment benefits liabilities.
- During the year, the County had revenues of \$176,635,115, as compared to \$180,150,745 in the prior year, a decrease of \$(3,515,630). Expenses of \$188,301,516 increased by \$5,737,069, from \$182,564,447 in 2016.
- The County invested \$11 million in capital assets during the year.
- The General Fund recorded an increase of \$4,050,781 in the current year and ended the year with a fund balance of \$44,886,063. Of this fund balance, \$38,828,594 was unassigned.
- The County's short-term and long-term obligations at year end totaled \$164,025,537, a decrease of \$(3,459,488) from 2016. This decrease is primarily attributable to decreases in bond anticipation notes payable of \$2.1 million, and the proportionate share of net pension liability of \$9.5 million, offset by increases in OPEB payable of \$7 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 5-6a) 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 7. 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. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's Major Fund budgets for the year, a Schedule of Funding Progress related to the County's other postemployment benefits, a Schedule of County's Contributions - NYSLRS Pension Plan, and a Schedule of the County's Proportionate Share of Net Pension Liability.

# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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

### **Reporting the County as a Whole**

Analysis of the County as a whole begins on page 5, 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 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 position and changes in it. The County's net position, the difference between assets 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; complete financial statements can be obtained from the Tompkins County Director of Finance, 125 East Court Street, Ithaca, New York 14850. 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, and Tompkins County Soil and Water Conservation District can be obtained from their administrative offices. See Note 1 to the basic financial statements.



# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

**The County as Trustee:** The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's Fiduciary Activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. 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.

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

### **THE COUNTY AS A WHOLE**

The County's net position for the fiscal year ended December 31, 2017 decreased from \$151,570,538 to \$139,904,137. The County also recorded a net position decrease of \$(2,413,702) during 2016.

The largest portion of the County's net position of \$140,315,389, 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 \$7,132,457, 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 (deficit) of \$(7,543,709) represents the net deficit of County operations at December 31, 2017

The County has appropriated \$2,005,341 for 2018 expenses and designated an additional \$31,355,203 for specific purposes.

# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

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*

	<i>Governmental Activities</i>		<i>Percent Change</i>
	<i>2016</i>	<i>2017</i>	<i>2016-2017</i>
<i>Current assets - County</i>	\$ 89,911,385	\$ 99,073,594	10.19%
<i>Current assets - TTASC</i>	718,115	669,820	-6.73%
<i>Capital assets, net</i>	192,319,230	189,911,763	-1.25%
<i>Other noncurrent assets - County</i>	30,934,320	20,256,595	-34.52%
<i>Other noncurrent assets - TTASC</i>	649,779	649,794	0.00%
<b><i>Total Assets</i></b>	<b>314,532,829</b>	<b>310,561,566</b>	<b>-1.26%</b>
<i>Deferred charges on defeased debt</i>	542,112	435,222	-19.72%
<i>Pensions</i>	25,797,727	13,374,061	-48.16%
<b><i>Total Deferred Outflows of Resources</i></b>	<b>26,339,839</b>	<b>13,809,283</b>	<b>-47.57%</b>
<i>Current liabilities - County</i>	31,317,660	28,991,104	-7.43%
<i>Current liabilities - TTASC</i>	1,098,589	1,588,843	44.63%
<i>Noncurrent liabilities - County</i>	142,078,449	139,726,195	-1.66%
<i>Noncurrent liabilities - TTASC</i>	11,286,616	11,188,582	-0.87%
<b><i>Total Liabilities</i></b>	<b>185,781,314</b>	<b>181,494,724</b>	<b>-2.31%</b>
<i>Pensions</i>	3,520,816	2,971,988	-15.59%
<b><i>Total Deferred Inflows of Resources</i></b>	<b>3,520,816</b>	<b>2,971,988</b>	<b>-15.59%</b>
<i>Net investment in capital assets</i>	141,459,640	140,315,389	-0.81%
<i>Restricted</i>	8,266,358	7,132,457	-13.72%
<i>Unrestricted</i>	1,844,540	(7,543,709)	-508.98%
<b><i>Total Net Position</i></b>	<b>\$ 151,570,538</b>	<b>\$ 139,904,137</b>	<b>-7.70%</b>

Current assets of the County increased \$9,113,914 primarily as result of an increase in cash balances at year end of \$7,398,219, and \$1,606,222 in amounts due from state and federal governments; offset by a decrease in accounts receivables of \$(370,419). Capital assets, net of accumulated depreciation decreased \$(2,407,437) largely as a result of depreciation expense and the net book value of disposals exceeding capital additions. Other noncurrent assets decreased \$(10,677,710) due to a decrease in the equity interests of joint ventures of \$(8,566,607), in addition to a decrease in restricted cash of \$(1,757,653).

Deferred outflows and deferred inflows of resources decreased \$(12,423,666) and \$(548,828), respectively, based on actuarially determined changes related to the County's proportionate share of the New York State and Local Retirement System pension plan.

# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Current liabilities decreased \$(2,326,556) largely as a result of a decrease in BANs payable of \$(2,112,000). The County's noncurrent liabilities decreased by \$(2,352,254) primarily due to a decrease in long-term pension obligations of \$(9,514,987), offset by an increase of \$7,022,847, resulting from recognition of additional other postemployment benefits payable.

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

**Figure 2 - Changes in Net Position**

	<i>Governmental Activities</i>		<i>Percent Change</i>
	<i>2016</i>	<i>2017</i>	<i>2016 - 2017</i>
<b>REVENUES</b>			
<i>Program Revenues</i>			
<i>Charges for services</i>	\$ 19,251,666	\$ 20,710,190	7.58%
<i>Operating grants</i>	46,747,090	47,414,001	1.43%
<i>Capital grants</i>	13,034,232	7,274,824	-44.19%
<i>General Revenues</i>			
<i>Property taxes and tax items</i>	45,511,873	46,948,295	3.16%
<i>Sales and other taxes</i>	53,640,142	56,715,976	5.73%
<i>Tobacco settlement - County</i>	701,300	465,976	-33.56%
<i>Tobacco settlement - TTASC</i>	698,287	460,450	-34.06%
<i>Unrestricted grants</i>	576,721	574,473	-0.39%
<i>Use of money and property</i>	2,307,941	2,232,494	-3.27%
<i>Change in equity interest in joint ventures</i>	(2,386,919)	(8,566,607)	258.90%
<i>Other</i>	68,412	2,405,043	3415.53%
<b>Total Revenues</b>	<b>180,150,745</b>	<b>176,635,115</b>	<b>-1.95%</b>
<b>PROGRAM EXPENSES</b>			
<i>General government</i>	33,436,284	32,530,593	-2.71%
<i>Education</i>	8,725,878	10,115,730	15.93%
<i>Public safety</i>	24,642,491	25,134,536	2.00%
<i>Public health</i>	20,369,001	20,923,879	2.72%
<i>Transportation</i>	23,269,990	26,825,698	15.28%
<i>Economic assistance and opportunity</i>	55,296,836	55,161,835	-0.24%
<i>Culture and recreation</i>	5,769,042	6,917,831	19.91%
<i>Home and community services</i>	8,760,552	8,446,045	-3.59%
<i>Interest on debt</i>	2,294,373	2,245,369	-2.14%
<b>Total Expenses</b>	<b>182,564,447</b>	<b>188,301,516</b>	<b>3.14%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (2,413,702)</b>	<b>\$ (11,666,401)</b>	<b>383.34%</b>

# COUNTY OF TOMPKINS

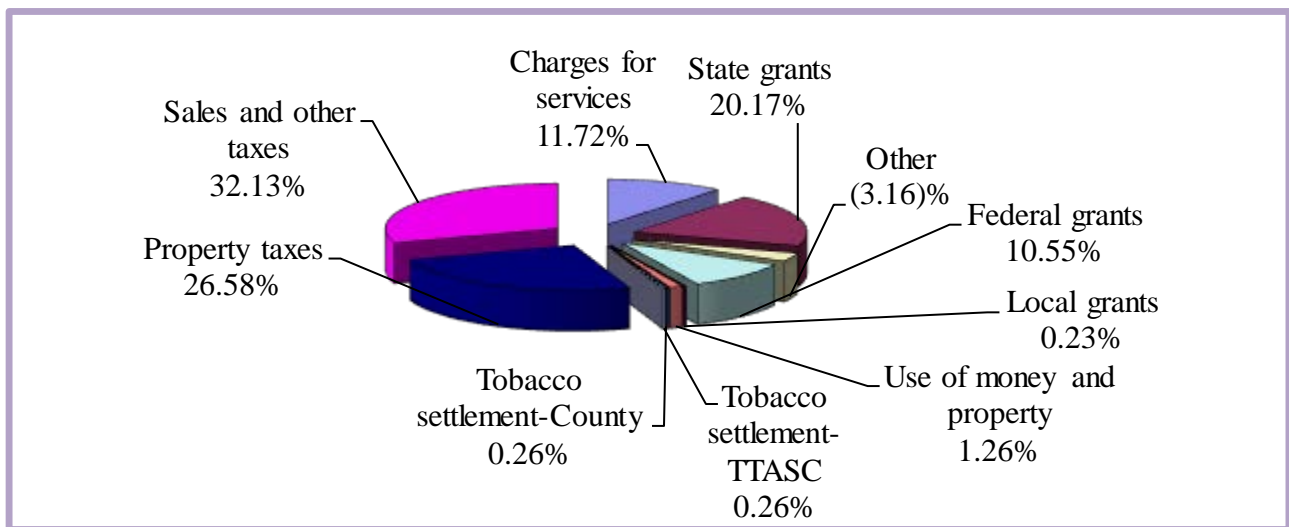
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The decrease in revenue of \$(3,515,630) was primarily due to a decrease in the equity interest in joint ventures over the prior year of \$(6,179,688), and decreased airport grant revenue of \$(3,089,499).

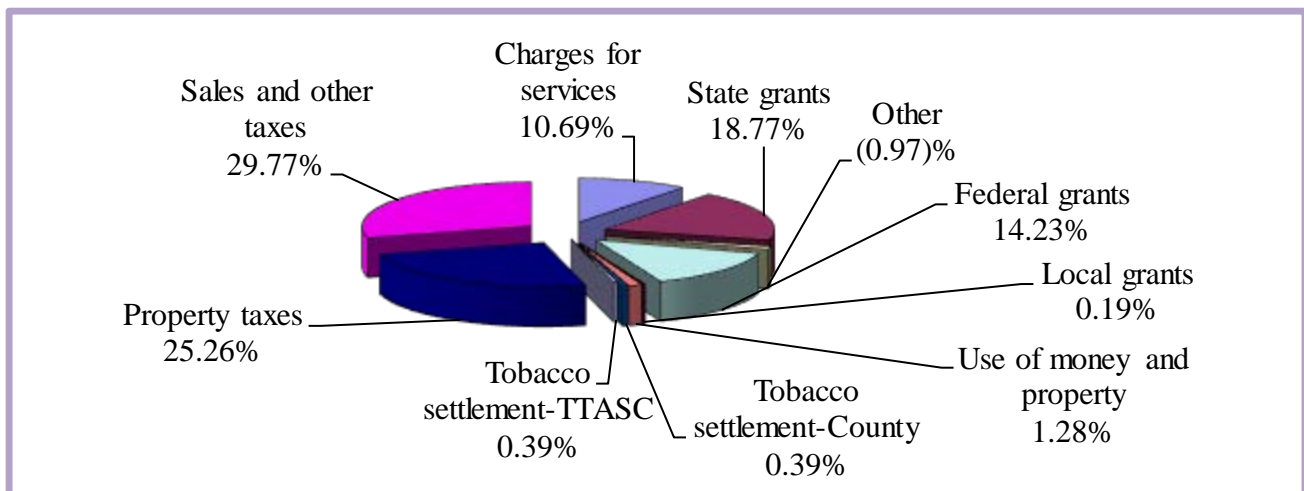
Expenses increased by \$5,737,069, mostly as a result of current year increases in GASB Statement No. 68 pension expense of \$2,359,851, capital improvements to Tompkins Cortland Community College of \$1,140,099, and increases in bus operations of \$1,983,122.

Figures 3 and 4 show in percentages the sources of revenue for 2017 and 2016.

**Figure 3 - Revenue by Source  
Governmental Activities - 2017**



**Figure 4 - Revenue by Source  
Governmental Activities - 2016**



# COUNTY OF TOMPKINS

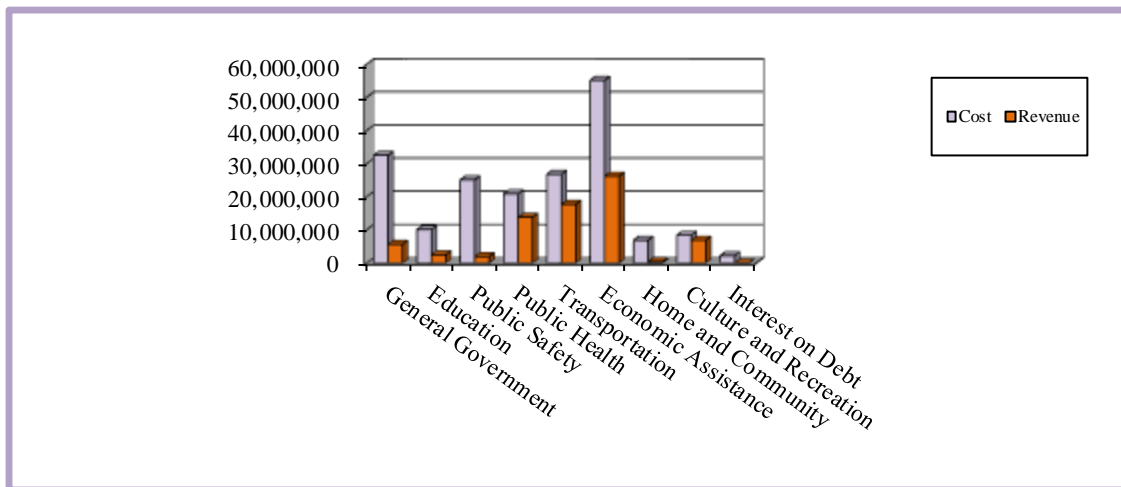
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The cost of all Governmental Activities this year was \$188,301,516. 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 \$112,902,501, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the County's governmental program revenues were \$75,399,015. The County paid for the remaining "public benefit" portion of Governmental Activities with \$101,236,100 in taxes and with other revenues, such as interest and general entitlements.

A comparison of program expenses, outlined in Figure 2, highlights the following: general government program activities reflected a decrease, education, public safety, public health, transportation, and culture and recreation program expenses increased. Economic assistance and opportunity, home and community services, and interest on debt all decreased. Overall, program expenses of the County's Governmental Activities increased \$5,737,069, which is slightly more than 3% over the prior year.

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.

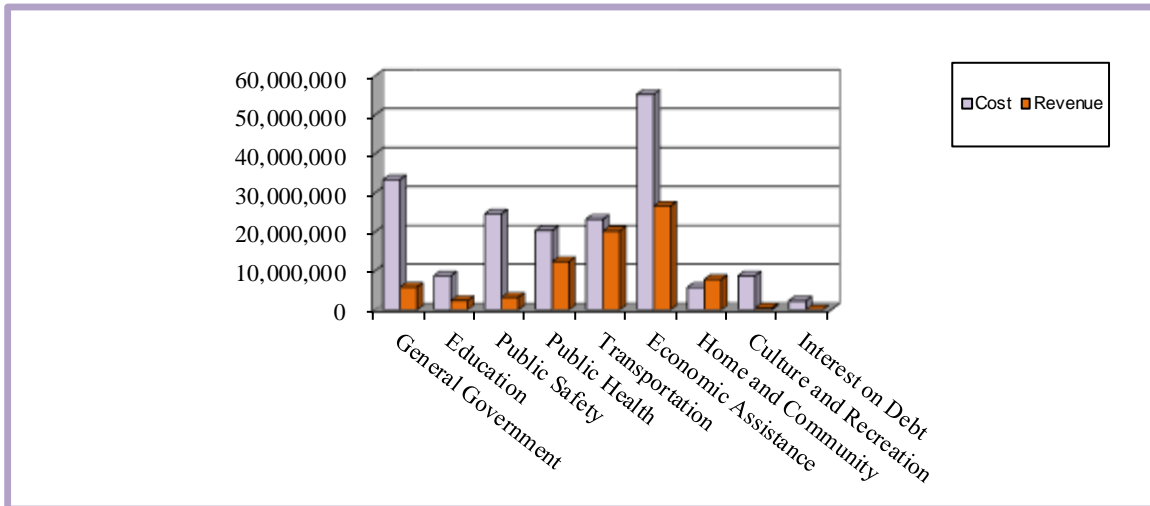
**Figure 5 - Net Program Cost  
Governmental Activities  
2017**



# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

**Figure 6 - Net Program Cost  
Governmental Activities  
2016**



### THE COUNTY'S FUNDS

At December 31, 2017, the County's Governmental Funds, as presented in the balance sheets on pages 7-7a, reported an increase of 16.1% in the combined fund balance from the prior year. Of this amount, \$1,782,420 was nonspendable, \$9,929,236 was restricted, \$2,325,518 was committed, and \$21,228,108 was assigned, leaving \$38,828,594 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**

	2016	2017	Dollar Change
<b>Major Funds</b>			
General Fund	\$ 40,835,282	\$ 44,886,063	\$ 4,050,781
County Road Fund	2,328,057	2,278,782	(49,275)
Transportation (Airport) Fund	35,945	674,184	638,239
Solid Waste Fund	2,325,338	2,971,422	646,084
Special Grant Fund	1,597,346	1,400,092	(197,254)
Capital Projects Funds - Transportation	3,428,226	5,290,717	1,862,491
Capital Projects Funds - General Government	5,459,926	10,154,124	4,694,198
Debt Service Fund	2,118,919	1,535,803	(583,116)
<b>Non-Major Funds</b>			
Road Machinery Fund	1,208,889	1,016,341	(192,548)
Capital Funds	3,093,366	2,566,734	(526,632)
TTASC Debt Service Fund	1,367,894	1,319,614	(48,280)
<b>Totals</b>	<b>\$ 63,799,188</b>	<b>\$ 74,093,876</b>	<b>\$ 10,294,688</b>

# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

Fund balances of the County's major funds increased by 19.0% primarily due to increases in fund balances of the General Fund, the Capital Projects Fund - Transportation, and the Capital Projects Fund - General Government, offset slightly by the Debt Service fund decrease. The increase in General Fund is related to favorable budget variances of \$8,272,985. The increases in the Capital Projects Fund - Transportation and the Capital Projects Fund - General Government are due to transfers in from the general fund.

### 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 did not increase the overall budget. In addition to these transfers, the County Legislature increased the overall budget to provide for unspent appropriations from the previous year (encumbrances) and various grants where the majority of the funding came from federal and state sources.

**Figure 8 - Budgetary Comparison Schedule - General Fund  
December 31, 2017**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual w/Encumbrances</i>	<i>Variance Fav.(Unfav.)</i>
<b>REVENUES</b>				
<i>Real property taxes and tax items</i>	\$ 50,349,618	\$ 50,349,618	\$ 47,298,547	\$ (3,051,071)
<i>Nonproperty tax items</i>	50,504,156	51,485,097	56,715,976	5,230,879
<i>Departmental income</i>	8,567,355	8,561,642	9,473,962	912,320
<i>Fines and forfeitures</i>	249,925	251,925	149,968	(101,957)
<i>Use of money and property</i>	470,651	470,851	481,370	10,519
<i>Miscellaneous local sources</i>	1,983,882	2,248,403	1,063,261	(1,185,142)
<i>Sale of property and compensation for loss</i>	727,000	738,729	547,244	(191,485)
<i>State sources</i>	26,744,143	29,553,045	31,750,629	2,197,584
<i>Federal sources</i>	19,119,145	19,893,871	15,855,980	(4,037,891)
<i>Other</i>	521,853	524,833	1,455,522	930,689
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 159,237,728</b>	<b>\$ 164,078,014</b>	<b>\$ 164,792,459</b>	<b>\$ 714,445</b>
<b>Appropriated Fund Balances</b>	<b>\$ 1,006,127</b>	<b>\$ 5,577,824</b>		
<b>EXPENDITURES</b>				
<i>General government</i>	\$ 31,145,246	\$ 31,680,509	\$ 30,836,473	\$ 844,036
<i>Education</i>	9,109,687	9,290,426	8,924,094	366,332
<i>Public safety</i>	18,249,670	20,093,566	18,866,500	1,227,066
<i>Public health</i>	19,279,726	19,685,151	18,203,839	1,481,312
<i>Transportation</i>	9,836,935	11,520,709	11,259,134	261,575
<i>Economic assistance and opportunity</i>	53,838,971	54,991,713	50,945,188	4,046,525
<i>Culture and recreation</i>	5,571,238	5,710,204	5,619,639	90,565
<i>Home and community services</i>	1,699,035	2,299,052	1,821,374	477,678
<i>Employee benefits</i>	336,642	-	1,236,550	(1,236,550)
<i>Other financing uses</i>	11,176,705	14,384,508	14,384,507	1
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 160,243,855</b>	<b>\$ 169,655,838</b>	<b>\$ 162,097,298</b>	<b>\$ 7,558,540</b>
<b>Excess of (Revenues) and Other Financing (Sources)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,695,161</b>	<b>\$ 8,272,985</b>



# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of December 31, 2017, the County had capital assets with a historical cost \$371,543,213, and accumulated depreciation of \$(181,631,450), invested in a broad range of capital assets, including buildings, machinery and equipment, roads and bridges. This amount represents a net decrease (including additions, disposals and depreciation) over the prior year.

*Figure 9 - Capital Assets, Net of Depreciation*

	<i>Governmental Activities</i>		<i>Percent Change</i>
	<i>2016</i>	<i>2017</i>	<i>2016 - 2017</i>
<i>Land</i>	\$ 7,518,613	\$ 7,518,613	0.00%
<i>Construction in progress</i>	16,694,795	9,152,493	-45.18%
<i>Buildings and improvements</i>	44,093,196	40,778,386	-7.52%
<i>Equipment</i>	9,932,700	11,028,781	11.04%
<i>Infrastructure</i>	114,079,926	121,433,490	6.45%
<b><i>Totals</i></b>	<b>\$ 192,319,230</b>	<b>\$ 189,911,763</b>	<b>-1.25%</b>

Land and construction in progress	\$	5,327,421
Buildings and building improvements		673,039
Machinery and equipment		2,737,133
Infrastructure		2,269,632
Total Additions		11,007,225
Less net book value of disposals		(1,175,116)
Less depreciation expense		(12,239,576)
 <b>Change in Capital Assets, Net of Accumulated Depreciation</b>	 <b>\$</b>	 <b><u>(2,407,467)</u></b>

#### Debt Administration

Of the total indebtedness of the County, \$54,085,921 was subject to the constitutional debt limit and represented approximately 11.06% 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 TTASC were to default on repayment of these bonds.

# COUNTY OF TOMPKINS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

*Figure 10 - Outstanding Debt at Years Ended*

	Governmental Activities		Dollar Change
	2016	2017	2016 - 2017
<i>Serial bonds</i>	\$ 48,804,556	\$ 49,679,232	\$ 874,676
<i>Bond anticipation notes payable</i>	7,605,000	5,493,000	(2,112,000)
<i>Installment purchase debt</i>	1,277,521	992,921	(284,600)
<i>Tobacco settlement pass-through bonds</i>	12,360,878	12,753,840	392,962
<b>Totals</b>	<b>\$ 70,047,955</b>	<b>\$ 68,918,993</b>	<b>\$ (1,128,962)</b>

The County continues to maintain excellent financial credit as reflected by a Moody's bond rating of Aa1 on its 2016 and 2017 Bonds. More detailed information about the County's long-term liabilities is presented in Note 10 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 as of this writing is 3.9%, compared to 3.8% at this time last year, ranking us the fifth lowest in New York State; this compares favorably to the state's current unemployment rate of 4.6%. Importantly, the economy of the central city is robust, with significant taxable development occurring in Ithaca's central business district.

Approximately \$400 million in development, all taxable, has been recently completed, is currently underway, or is expected to begin within the next two years, including:

- 3 hotel projects totaling about 400 rooms, including a new \$32 million Marriott Hotel, located on the newly-refurbished downtown Ithaca Commons. The Marriott project opened in December 2016. A \$15 million comprehensive redevelopment of the existing Hotel Ithaca (formerly Holiday Inn) was completed in 2017 and a \$24 million Boutique Hilton Canopy Hotel began construction in the fall of 2017, with an opening date of fall 2019. Construction has been completed at the Holiday Inn Express on Elmira Road in the City of Ithaca and another hotel has been announced for the Town of Ithaca on Elmira Road.
- Several major residential projects that will add 1,800 new units of housing, mostly within the central core of the City of Ithaca and the Town of Lansing. All told, a total number of 2,434 units of apartments with a total of 4,332 bedrooms have been announced. Additionally Cornell University recently reaffirmed their position to add 2,000 new bedrooms to house all freshmen and sophomores on campus.
- A new \$30 million, 7-story headquarters building in downtown Ithaca for Tompkins Trust Company was completed in May 2018. The building retains 300 Trust Company employees downtown.

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

- Construction is underway on the \$43 million, 12-story, 126,000 square foot Harold's Square in the heart of the Ithaca Commons. The project will bring 12,780 square feet of retail space, 16,000 square feet of office space, and 108 apartments ranging from studios to two-bedroom units. The project will be completed in 2019.
- Construction is underway on the 218,211 square foot City Centre project on the east end of the Ithaca Commons. The \$52 million project is an 8-story mixed use building with 192 market rate apartments and ground floor retail. The project will be completed in 2019.
- The former Tompkins County Library building in downtown Ithaca will be replaced by a four-story, 58-unit residential development that will begin construction in spring 2018. The building will also include community space and a 32 car parking garage.
- The Continuing Care Retirement Community, Kendal at Ithaca, has completed the first phase of construction of a \$30 million expansion, increasing the number of community residences to 250. Internal renovations will be completed over the next year. Conifer has completed construction of a new Senior Housing facility located near the Hospital which will total 68 units and 102 bedrooms.
- Several high tech manufacturing projects, including a \$7.7 million expansion of BinOptics, a \$2 million expansion of Advanced Design Consulting, and a \$7.2 million investment in plant and equipment by Incodema 3D - which is the first recipient of "Start-Up NY" support, aimed at promoting University-private sector collaborations.
- Therm, Incorporated completed a 30,000 square foot expansion to its manufacturing facility in early 2017.
- Cargill, Incorporated will initiate a \$45 million project to construct a new mine shaft to provide emergency access and improved ventilation, increasing the useful life of the salt mine in the Town of Lansing for another 30 years. Construction will begin in June of 2018.
- Ithaca Beer Company completed a \$5 million expansion of its manufacturing facility in June of 2016. The new facility grew capacity from 40,000 to 90,000 barrels per year.
- The William George Agency has added a 14-bed residential treatment facility that was completed in 2017.

In addition to these private sector undertakings, Cornell University continues to make substantial investments on its campus that contribute to its status as one of the world's leading institutions of higher learning and also to its economic impact to the County.

- Construction of the \$61 million Klarman Hall, which houses the University's Arts and Sciences programs, was recently completed.

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

- The University, in conjunction with a private developer, has moved their Executive MBA program off campus to the heart of Collegetown into a new, state-of-the-art \$39 million building that will remain on the tax rolls for 50 years. This project was completed in the fall of 2017.
- The University, in conjunction with a private developer, demolished over 500 beds of tax exempt graduate housing in order to build over 800 beds of graduate housing that will be fully taxable when completed in the summer/fall of 2018.

Major announcements since January 2018:

- Greenstar Co-op Market announced its relocation and expansion, consolidating from three buildings into one, 35,000 square foot building that is being renovated for their use. This is a \$14 million project that should be completed in 2019.
- Organic Waterfront has announced the redevelopment of the Johnson Boatyard on the inlet. The mixed-use development will include medical office buildings, as many as 250 housing units, and various public amenities.

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 4.6% smaller than its peak in fiscal year 2009 and negotiated restrained wage growth with nearly all of its labor unions. The 2018-budgeted salary base is \$43.2 million, as compared to the 2017-budgeted salary base of \$41.8 million. The 2018 budget includes funds for restrained 2018 wage growth. 17.43 new positions (FTEs) were added to the County roster in 2018.

Like all counties in New York State, Tompkins has been affected by the rising cost of state-mandated programs. However, the budgeted local dollar cost of state-mandated human service programs has declined from \$22.6 million in 2013 to \$21.0 million in 2018 as human services caseloads declined following a surge in dependence on public services during the recession, state funding remaining stable, and Medicaid savings associated with the introduction of the Affordable Care Act were shared by the State with the counties. It should be noted if the federal government ultimately enacts changes to the Affordable Care Act that impact Medicaid, or chooses in some other fashion to convert its 52-year Medicaid partnership to a fixed-dollar block grant to States, it is possible New York State will shift a portion of the resulting burden to counties.

Fringe benefit costs, which consist primarily of health insurance and pension expenses, are traditionally a source of significant volatility in local government budgets. In 2018, benefit costs are expected to rise by a relatively constrained 2.82%, or \$580,714, bringing the total cost of employee and retiree benefits to \$21.2 million.

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

The County continues to reap the benefits of participation in the highly successful Greater Tompkins County Municipal Health Insurance Consortium, which advised its municipal members that premiums would rise by a moderate 5% in 2018. The growth in health costs is further mitigated by savings from the introduction of the Consortium's Platinum-level coverage in 2015, which is the plan now offered to all new County employees. All told, health costs are up by 5.3%, to \$10.9 million, in 2018.

Pension rates that soared immediately after the 2008-09 Recession peaked at 20.9% in 2013 and declined every year thereafter to the current rate of 14.9%. After four years of sharp increases, the County's pension contribution rate decreased from 20.9% of payroll in 2013 to 20.1% in 2014, 18.2% in 2015, 15.5% in 2016, 15.3% in 2017, and is projected to decrease to 14.9% in 2018. Retirement cost in dollars shows an increase of \$136,348 in 2018 (budget to budget), based on a larger salary base.

The 2018 County Budget was subject to a Tax Levy Limitation Law that restricts the growth of the property tax levy to 3.53%. The adopted 2.32% tax levy increase is below the projected 3.53% State-imposed property tax cap. The \$180 million adopted budget, which included \$87.5 million in local dollar spending, increases the County tax levy by 2.32% and decreases the countywide average tax rate by approximately 0.6% from \$6.62 to \$6.58 per thousand. The tax bill for the owner of a median-value \$178,000 county home rose by \$11.42.

The 2018 total tax levy of \$45.8 million (after applying sales tax credits and omitted taxes as offsets to the County levy in several towns, and after adding in election chargebacks) reflects an increase of \$924,329, or 2.1%, over the 2017 total tax levy of \$44.9 million (after applying sales tax credits and omitted taxes as offsets to the County levy in several towns, and adding in election chargebacks). Property valuations and tax collections remain stable. Taxable values saw robust growth, rising from \$7,251,365,783 to \$7,472,945,446, or 3.1%.

The 2018 budget reflects modest reliance on General Fund Balance to support operations of \$1,946,513. 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 in 2018 will be equivalent to actual sales tax receipts in 2017, despite the fact that the budget for sales tax receipts in 2018 was estimated to be (2.9)% or \$(1,039,416) lower than 2017's actual receipts. In the 2018 budget, the County was able to budget \$1.2 million in new income derived from the area's two new casinos. This new recurring revenue is the result of a State-negotiated revenue sharing arrangement that distributes taxes on casino revenues to counties throughout the region in which the casino is located. Our region is unique in sharing revenue from two facilities - the Tioga Downs Casino in Nichols and the Del Lago Casino in Tyre.

As of this date, labor agreements are either in place or in progress for all County employees. Negotiations for the period 2018-2020 were successfully concluded with the CSEA White and Blue Collar Units. Negotiations are currently in progress with the Correction Officers Union for a successor agreement to their contract which expired December 31, 2017, and are in progress with the Road Patrol Union for a successor agreement to their contract which expired at the end of fiscal year 2016. The County, as a matter of fiscal policy, reserves funds for anticipated settlements. The adopted 2018 budget provides resources for future contracts consistent with settlements of other employee units.

# ***COUNTY OF TOMPKINS***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2018 budget provides a Contingency Account of \$1,388,520 for such circumstances.

The County will continue to invest in infrastructure replacements. As a matter of policy, the County increases its property tax levy by 0.5% annually, and dedicates the proceeds of that increase to infrastructure investment (including debt service support.) In 2018, the County committed \$6.1 million from its tax levy to its capital program - an increase of \$240,149 over the year before. Most of these funds will be used to pay debt service on projects already authorized by the Legislature, or proposed to be authorized as a part of the 2018-22 Capital Program, 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. The County anticipates completing permanent financing on several projects during 2018, including \$1,825,000 in new bonds. It will also be necessary in 2018 to issue bond anticipation notes to finance the cash flow needs of certain 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, 2017

	Primary	Component Units		
	Government Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 62,660,930	\$ 1,564,292	\$ 836,405	\$ 455,843
Restricted cash	6,489,313			753,291
Restricted cash - TTASC	116,290			
Taxes receivable, net	5,418,067			
Accounts receivable, net	2,792,372	19,886	106,358	
Accounts receivable - TTASC, net	550,000			
Loans receivable - Current portion	198,223			
Due from state and federal governments	18,404,782			35,286
Due from other governments	545,932	3,487		
Securities and mortgages	131,000			
Assets held for sale	654,085			
Prepaid expenses	1,782,420	189,267		6,218
<b>Total Current Assets</b>	<b>99,743,414</b>	<b>1,776,932</b>	<b>942,763</b>	<b>1,250,638</b>
<b>Noncurrent Assets</b>				
Restricted cash and cash equivalents	2,000,196	37,808		
Restricted investments - TTASC	649,794			
Investments		2,174,657		
Accounts receivable in more than one year		47,530		
Loans receivable - Long-term portion	737,191			
Securities and mortgages	876,082			
Equity interest in joint ventures	16,643,126			
Capital assets - Land and construction in progress	16,671,106	690,511		
Capital assets - Depreciable, net of accumulated depreciation	173,240,657	1,179,612		91,080
<b>Total Noncurrent Assets</b>	<b>210,818,152</b>	<b>4,130,118</b>	<b>-</b>	<b>91,080</b>
<b>Total Assets</b>	<b>310,561,566</b>	<b>5,907,050</b>	<b>942,763</b>	<b>1,341,718</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	13,374,061	582,664		70,686
Deferred charges on defeased debt	435,222			
<b>Total Deferred Outflows of Resources</b>	<b>13,809,283</b>	<b>582,664</b>	<b>-</b>	<b>70,686</b>

See Independent Auditor's Report and Notes to Financial Statements

# COUNTY OF TOMPKINS

## STATEMENT OF NET POSITION DECEMBER 31, 2017

	Primary	Component Units		
	Government Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	8,179,340	89,820		33,971
Accrued liabilities	1,689,763	76,220		10,615
Bond anticipation notes payable	5,493,000			
Interest payable	457,720			
Due to other governments	5,456,938	19,410	122,333	238,300
Refundable advances	1,620,821			759,525
Other	64,605			
Long-term obligations due within one year - County	6,052,502			
Long-term obligations due within one year - TTASC	1,565,258			
<b>Total Current Liabilities</b>	<b>30,579,947</b>	<b>185,450</b>	<b>122,333</b>	<b>1,042,411</b>
<b>Noncurrent Liabilities</b>				
Long-term obligations due after one year - County	124,699,980	5,118,516		
Long-term obligations due after one year - TTASC	11,188,582			
Net pension liability - Proportionate share	15,026,215	660,193		89,199
<b>Total Noncurrent Liabilities</b>	<b>150,914,777</b>	<b>5,778,709</b>	-	<b>89,199</b>
<b>Total Liabilities</b>	<b>181,494,724</b>	<b>5,964,159</b>	<b>122,333</b>	<b>1,131,610</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	2,971,988	130,577		55,227
<b>Total Deferred Inflows of Resources</b>	<b>2,971,988</b>	<b>130,577</b>	-	<b>55,227</b>
<b>NET POSITION</b>				
Net investment in capital assets	140,315,389	1,890,481		95,064
<b>Restricted for</b>				
Community development	2,335,425			
Debt	3,858,969			
Public safety	82,654			
Economic assistance and opportunity	586,235			
Capital projects	269,174			
Library - Expendable		79,559		
Library - Nonexpendable		689,926		
<b>Total Restricted Net Position</b>	<b>7,132,457</b>	<b>769,485</b>	-	-
<b>Unrestricted</b>	<b>(7,543,709)</b>	<b>(2,264,988)</b>	<b>820,430</b>	<b>130,503</b>
<b>Total Net Position</b>	<b>\$ 139,904,137</b>	<b>\$ 394,978</b>	<b>\$ 820,430</b>	<b>\$ 225,567</b>



# COUNTY OF TOMPKINS

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General governmental support	\$ 32,530,593	\$ 2,884,310	\$ 2,798,811	\$ _____
Education	10,115,730	_____	2,501,422	_____
Public safety	25,134,536	350,404	1,630,030	3,200
Health	20,923,879	5,366,525	8,475,923	_____
Transportation	26,825,698	3,582,002	6,916,482	7,271,624
Economic assistance and opportunity	55,161,835	1,800,538	24,457,941	_____
Culture and recreation	6,917,831	207,366	215,688	_____
Home and community services	8,446,045	6,519,045	417,704	_____
Interest on debt - County	1,401,696	_____	_____	_____
Interest on debt - TASC	843,673	_____	_____	_____
<b>Total Governmental Activities</b>	<b>\$ 188,301,516</b>	<b>\$ 20,710,190</b>	<b>\$ 47,414,001</b>	<b>\$ 7,274,824</b>
<b>Component Units</b>				
Tompkins County Public Library	\$ 5,619,497	\$ 61,918	\$ 1,933,893	\$ 354,223
Industrial Development Agency	364,116	571,644	_____	_____
Soil and Water Conservation District	1,108,946	11,353	1,253,341	_____
<b>Total Component Units</b>	<b>\$ 7,092,559</b>	<b>\$ 644,915</b>	<b>\$ 3,187,234</b>	<b>\$ 354,223</b>

Net (Expense) and Changes in Net Position

### 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

Gifts and donations

County appropriation

### Total General Revenues

Change in Net Position

Net Position - Beginning of Year

**Net Position - End of Year**

*See Independent Auditor's Report and Notes to Financial Statements*

**Net (Expense) Revenue and Changes in Net Position**

Primary Government	Component Units		
	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
\$ (26,847,472)	\$	\$	\$
(7,614,308)			
(23,150,902)			
(7,081,431)			
(9,055,590)			
(28,903,356)			
(6,494,777)			
(1,509,296)			
(1,401,696)			
(843,673)			
(112,902,501)	-	-	-
	(3,269,463)		
		207,528	
			155,748
-	(3,269,463)	207,528	155,748
(112,902,501)	(3,269,463)	207,528	155,748
44,826,011			
2,122,284			
56,715,976			
465,976			
460,450			
574,473			
2,232,494	1,271	372	1,257
1,739,546	17,797		5,649
665,497			
(8,566,607)			
	2,400		
	3,403,415		
101,236,100	3,424,883	372	6,906
(11,666,401)	155,420	207,900	162,654
151,570,538	239,558	612,530	62,913
<b>\$ 139,904,137</b>	<b>\$ 394,978</b>	<b>\$ 820,430</b>	<b>\$ 225,567</b>

# COUNTY OF TOMPKINS

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

	Major Funds		
	General Fund	Special Revenue Funds	
		County Road Fund	Transportation Fund
<b>ASSETS</b>			
Cash and cash equivalents - Unrestricted	\$ 35,152,926	\$ 2,130,042	\$ 123,655
Cash and cash equivalents - Restricted	919,131		
Temporary investments - Restricted			
Taxes receivable, net	5,418,067		
Due from other funds	135,948	317,013	
Due from Fiduciary Funds	26,473		
Due from state and federal governments	16,590,896	53,088	278,622
Due from other governments	545,932		
Other receivables, net	1,443,426		557,483
Prepaid expenses	1,777,560	37	897
Securities and mortgages			
Loans receivable			
<b>Total Assets</b>	<b>\$ 62,010,359</b>	<b>\$ 2,500,180</b>	<b>\$ 960,657</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 6,541,855	\$ 94,941	\$ 166,810
Accrued liabilities	1,509,286	84,602	40,281
Due to other funds	576,575	41,855	70,827
Due to Fiduciary Funds	7,613		
Due to other governments	5,456,659		
Bond anticipation notes payable			
Other liabilities	64,605		
Unearned revenue	1,612,266		8,555
<b>Total Liabilities</b>	<b>15,768,859</b>	<b>221,398</b>	<b>286,473</b>
<b>Deferred Inflows of Resources</b>			
Unavailable tax revenue	1,355,437		
Unavailable securities and mortgages			
Unavailable loans			
<b>Total Deferred Inflows of Resources</b>	<b>1,355,437</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	1,777,560	37	897
Restricted	723,912		
Committed			
Assigned	3,555,997	2,278,745	673,287
Unassigned	38,828,594		
<b>Total Fund Balances</b>	<b>44,886,063</b>	<b>2,278,782</b>	<b>674,184</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 62,010,359</b>	<b>\$ 2,500,180</b>	<b>\$ 960,657</b>

*See Independent Auditor's Report and Notes to Financial Statements*

Special Revenue Funds		Major Funds			Total Non-Major Governmental Funds	Total Governmental Funds
Solid Waste Fund	Special Grant Fund	Capital Projects Funds	General Government Fund	Debt Service Fund		
		Transportation Fund				
\$ 3,051,220	\$ 86,051	\$ 7,426,748	\$ 8,018,988	\$	\$ 3,395,245	\$ 59,384,875
214,151	1,081,149	1,400,000	3,098,059	1,535,803	357,506	8,605,799
					649,794	649,794
						5,418,067
	200,697	1,060			20,210	674,928
						26,473
	42,763	815,732			623,681	18,404,782
						545,932
199,162	75,681		462,500		550,952	3,289,204
315	81				3,530	1,782,420
				1,007,082		1,007,082
	935,414					935,414
<b>\$ 3,464,848</b>	<b>\$ 2,421,836</b>	<b>\$ 9,643,540</b>	<b>\$ 11,579,547</b>	<b>\$ 2,542,885</b>	<b>\$ 5,600,918</b>	<b>\$ 100,724,770</b>
\$ 454,302	\$ 58,179	\$ 67,936	\$ 23,246	\$	\$ 682,165	\$ 8,089,434
27,091	17,423				11,080	1,689,763
12,033	10,449	191,887	2,177		4,984	910,787
	279					7,613
		4,093,000	1,400,000			5,456,938
						5,493,000
						64,605
						1,620,821
493,426	86,330	4,352,823	1,425,423	-	698,229	23,332,961
						1,355,437
				1,007,082		1,007,082
	935,414					935,414
-	935,414	-	-	1,007,082	-	3,297,933
315	81				3,530	1,782,420
214,151	1,400,011	1,400,000	3,098,059	1,535,803	1,557,300	9,929,236
					2,325,518	2,325,518
2,756,956		3,890,717	7,056,065		1,016,341	21,228,108
						38,828,594
2,971,422	1,400,092	5,290,717	10,154,124	1,535,803	4,902,689	74,093,876
<b>\$ 3,464,848</b>	<b>\$ 2,421,836</b>	<b>\$ 9,643,540</b>	<b>\$ 11,579,547</b>	<b>\$ 2,542,885</b>	<b>\$ 5,600,918</b>	<b>\$ 100,724,770</b>

# COUNTY OF TOMPKINS

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2017

**Total Governmental Fund Balances** **\$ 74,093,876**

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	\$ 371,543,213	
Less accumulated depreciation	<u>(181,631,450)</u>	<u>189,911,763</u>

Certain assets held for sale, reported in the Statement of Net Position, are not financial resources and, therefore, are not reported in the funds.

654,085

The County's proportion of the collective net pension (liability) is not reported in the funds.

(15,026,215)

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	\$ 11,758,323	
Tompkins Consolidated Area Transit	<u>4,884,803</u>	<u>16,643,126</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.

3,297,933

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.

2,352,419

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.

Accrued interest payable		<u>(457,720)</u>
--------------------------	--	------------------

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

ERS deferred inflows - Pensions	\$ (2,971,988)	
ERS deferred outflows - Pensions	13,374,061	
Deferred charges on defeased debt	<u>435,222</u>	<u>10,837,295</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 10-11.

Serial bonds payable	\$ (49,679,232)	
TTASC tobacco settlement pass-through bonds	(12,753,840)	
Installment purchase debt	(992,921)	
Other postemployment benefits liability	(75,344,072)	
Compensated absences	<u>(3,632,360)</u>	<u>(142,402,425)</u>

**Net Position of Governmental Activities** **\$ 139,904,137**

*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, 2017

	Major Funds		
	General Fund	Special Revenue Funds	
	County Road Fund	Transportation Fund	
<b>REVENUES</b>			
Real property taxes	\$ 45,176,263	\$	\$
Real property tax items	2,122,284		
Nonproperty tax items	56,715,976		
Departmental income	9,473,962		1,594,537
Intergovernmental charges	830,247		118,901
Use of money and property	481,370	1,465	1,669,117
Licenses and permits	5,985	8,429	
Fines and forfeitures	149,968		
Sale of property and compensation for loss	547,244	14,183	16,166
Miscellaneous local sources	1,063,261	7,846	13,348
Interfund revenues	619,290		
State sources	31,750,629	2,789,502	234,589
Federal sources	15,855,980	53,088	34,730
<b>Total Revenues</b>	164,792,459	2,874,513	3,681,388
<b>EXPENDITURES</b>			
General governmental support	30,035,608		
Education	8,924,094		
Public safety	18,850,172	230,454	
Health	18,149,036		
Transportation	11,243,340	6,356,960	2,854,785
Economic assistance and opportunity	50,606,961		
Culture and recreation	5,617,800		
Home and community services	1,693,610		
Employee benefits	1,236,550	725,419	375,560
Debt service (principal and interest)			
Capital outlay			
<b>Total Expenditures</b>	146,357,171	7,312,833	3,230,345
Excess of Revenues (Expenditures)	18,435,288	(4,438,320)	451,043
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in		4,881,199	966,948
Interfund transfers (out)	(14,384,507)	(492,154)	(779,752)
Proceeds of obligations			
Premium on obligations			
<b>Total Other Financing Sources (Uses)</b>	(14,384,507)	4,389,045	187,196
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	4,050,781	(49,275)	638,239
Fund Balances, Beginning of Year	40,835,282	2,328,057	35,945
<b>Fund Balances, End of Year</b>	\$ 44,886,063	\$ 2,278,782	\$ 674,184

*See Independent Auditor's Report and Notes to Financial Statements*

<b>Major Funds</b>						<b>Total Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Special Revenue Funds</b>		<b>Capital Projects Funds</b>					
<b>Solid Waste Fund</b>	<b>Special Grant Fund</b>	<b>Transportation Fund</b>	<b>General Government Fund</b>	<b>Debt Service Fund</b>			
\$	\$	\$	\$	\$	\$		\$ 45,176,263
							2,122,284
							56,715,976
5,131,530	262,054						16,462,083
				647,029			1,596,177
3,152		14,164	8,546	134,149	10,243		2,322,206
							14,414
							149,968
820,418			923,965		157,186		2,479,162
4,074	325,891	474,777	581,585	301,716	467,180		3,239,678
	31,363				1,539,034		2,189,687
100,489		197,461			562,500		35,635,170
	1,174,599	1,519,551			3,200		18,641,148
6,059,663	1,793,907	2,205,953	1,514,096	1,082,894	2,739,343		186,744,216
				1,200	63,669		30,100,477
							8,924,094
							19,080,626
							18,149,036
					1,763,889		22,218,974
	1,269,204						51,876,165
							5,617,800
4,857,508	896,740						7,447,858
298,192					131,073		2,766,794
				6,203,568	451,453		6,655,021
		5,037,599	1,692,409		2,284,056		9,014,064
5,155,700	2,165,944	5,037,599	1,692,409	6,204,768	4,694,140		181,850,909
903,963	(372,037)	(2,831,646)	(178,313)	(5,121,874)	(1,954,797)		4,893,307
	174,783	1,252,932	3,972,511	5,471,325	427,255		17,146,953
(257,879)		(75,795)		(966,948)	(339,918)		(17,296,953)
		3,517,000	900,000		1,100,000		5,517,000
				34,381			34,381
(257,879)	174,783	4,694,137	4,872,511	4,538,758	1,187,337		5,401,381
646,084	(197,254)	1,862,491	4,694,198	(583,116)	(767,460)		10,294,688
2,325,338	1,597,346	3,428,226	5,459,926	2,118,919	5,670,149		63,799,188
<b>\$ 2,971,422</b>	<b>\$ 1,400,092</b>	<b>\$ 5,290,717</b>	<b>\$ 10,154,124</b>	<b>\$ 1,535,803</b>	<b>\$ 4,902,689</b>		<b>\$ 74,093,876</b>

# 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, 2017

**Net Change in Fund Balances - Total Governmental Funds** **\$ 10,294,688**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and net book value of disposed assets.

Capital outlay	\$	11,007,225	
Net book value of disposed assets		(1,175,116)	
Assets held for sale		654,085	
Depreciation expense		<u>(12,239,576)</u>	<u>(1,753,382)</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 County's interest in joint ventures. (8,566,607)

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. (159,998)

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. (860,400)

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	\$	59,087	
Other postemployment benefits liability		(7,022,847)	
Accrued interest payable		(17,420)	
Accreted interest on Series 2005 TTASC bonds		(524,010)	
Amortization of bond premiums, discounts, and deferred charges on defeased debt		<u>294,482</u>	<u>(7,210,708)</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. (588,447)

Changes in the County's proportionate share of net pension liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the County's deferred outflows of resources and deferred inflows of resources related to pensions do not effect current financial resources and are also not reported in the Governmental Funds.

ERS (2,359,851)

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 in the Internal Service Fund is reported with Governmental Activities. (461,696)

**Change in Net Position of Governmental Activities** **\$ (11,666,401)**

*See Independent Auditor's Report and Notes to Financial Statements*



# COUNTY OF TOMPKINS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,276,055
Accounts receivable, net	<u>26,695</u>
Due from other funds	<u>235,859</u>
<b>Total Assets</b>	<u>3,538,609</u>
<b>LIABILITIES</b>	
Accounts payable	<u>82,293</u>
Benefits and awards payable	<u>1,103,897</u>
<b>Total Liabilities</b>	<u>1,186,190</u>
<b>NET POSITION</b>	
<b>Total Net Position</b>	<u>\$ 2,352,419</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, 2017

	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services - Governmental Funds	\$ 710,859
Charges for services - External participants	30,611
Charges for services - Interfund transfer	150,000
Other operating revenues	90,875
<b>Total Operating Revenues</b>	<b>982,345</b>
<b>OPERATING EXPENSES</b>	
Administrative	240,424
Contractual	85,859
Benefits and awards	786,119
Claims and judgments	336,086
<b>Total Operating Expenses</b>	<b>1,448,488</b>
Loss from Operations	(466,143)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	4,447
<b>Total Nonoperating Revenues</b>	<b>4,447</b>
Change in Net Position	(461,696)
Total Net Position, Beginning of Year	2,814,115
<b>Total Net Position, End of Year</b>	<b>\$ 2,352,419</b>

*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, 2017

	<b>Governmental Activities Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from providing services	\$ 714,775
Cash received from insurance recoveries	90,875
Cash received from interfund transfer	153,724
Cash payments - Suppliers	(292,640)
Cash payments - Claims and benefits	(901,504)
<b>Net Cash (Used) by Operating Activities</b>	<b>(234,770)</b>
<b>Cash Flows from Non-capital Financing Activities</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>	
Interest income received	4,447
<b>Net Cash Provided by Investing Activities</b>	<b>4,447</b>
Net Change in Cash and Cash Equivalents	(230,323)
Cash and Cash Equivalents, January 1,	3,506,378
<b>Cash and Cash Equivalents, December 31,</b>	<b>\$ 3,276,055</b>
<b>Reconciliation of Gain of Income from Operations to Net Cash Provided by Operating Activities</b>	
Gain from operations	(466,143)
Decrease in interfund receivable	3,724
(Increase) in other receivables	(26,695)
Increase in accounts payable	33,643
Increase in accrued liabilities	220,701
<b>Net Cash (Used) by Operating Activities</b>	<b>\$ (234,770)</b>

*See Independent Auditor's Report and Notes to Financial Statements*

# COUNTY OF TOMPKINS

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2017

	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents - Unrestricted	\$ 14,785	\$ 8,432,512
Accounts receivable	<u>                    </u>	<u>691,876</u>
Due from Governmental Funds	<u>                    </u>	<u>7,613</u>
<b>Total Assets</b>	<u>14,785</u>	<u><u>\$ 9,132,001</u></u>
<b>LIABILITIES</b>		
Agency liabilities	<u>                    </u>	\$ 9,105,528
Due to Governmental Funds	<u>                    </u>	<u>26,473</u>
<b>Total Liabilities</b>	<u>-</u>	<u><u>\$ 9,132,001</u></u>
<b>NET POSITION</b>		
Held in trust for memorials	<u>14,785</u>	
<b>Total Net Position</b>	<u><u>\$ 14,785</u></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, 2017

	<b>Private Purpose Trust Fund</b>
<b>ADDITIONS</b>	
Investment earnings	\$ 11
<b>Total Additions</b>	<u>11</u>
<b>DEDUCTIONS</b>	
<b>Total Deductions</b>	<u>-</u>
Change in Net Position	<u>11</u>
Net Position - Beginning of Year	<u>14,774</u>
<b>Net Position - End of Year</b>	<b>\$ <u><u>14,785</u></u></b>

*See Independent Auditor's Report and Notes to Financial Statements*

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***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.

#### **Financial Reporting Entity**

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

The County provides the following basic services: general governmental support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, public improvements, planning and zoning, and home and community services.

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

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

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

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Blended Component Unit**

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

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

#### **Discretely Presented Component Units**

Tompkins County Public Library (the 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 County but the County exercises no oversight responsibility. TCIDA members have complete responsibility for management of the agency and accountability for fiscal matters. The County is not liable for TCIDA bonds or notes.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Units - Continued**

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 (the 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 76.1% of the District's General Fund operational revenue. The 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.

#### **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:

Tompkins Cortland Community College (the 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. Tompkins Cortland Community College is an activity undertaken jointly with the County of Cortland and accordingly, the proportionate share of the College's equity is reported as an asset on the County's Statement of Net Position. See Note 14 for additional disclosures regarding this joint venture.



# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Joint Ventures - Continued**

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 Note 14 for additional disclosures regarding this joint venture.

#### **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 presented in the Proprietary Activities.

#### **Government-wide Financial Statements**

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

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

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

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

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."

### **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:

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:

### **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 FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Major Funds - Special Revenue Funds - Continued**

- 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 Innovation and Opportunity Act (Enacted July 22, 2014).
- Capital Projects Funds - Account for and report financial resources to be used for the acquisition, construction, or renovation of major capital transportation facilities, equipment or transportation system as well as general government 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 - 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).

#### **Non-Major Funds**

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

#### **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:

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Proprietary Funds - Continued**

- 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.

#### **Fiduciary Funds**

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

- Agency Fund - Accounts for money and/or property received and held in the capacity of trustee, custodian or agent.
- Private Purpose Trust Fund - Reports all trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The County uses this fund to report funds provided for cemetery maintenance.

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 outflows of resources, liabilities, and deferred inflows of resources, 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.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

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.

### **Equity Classifications - Government-wide Financial Statements**

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

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

### **Equity Classifications - Governmental Fund Financial Statements**

The County complies with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which requires classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

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, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

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

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **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, 2017, the County had deferred \$1,355,437 of real property tax revenue in the General Fund.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Budgetary Data**

The budget policies are as follows:

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.

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

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.

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.

#### **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.

#### **Investments**

Investments are stated at cost, which approximates market value.

#### **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.



# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position reports 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to pensions in the Statement of Net Position. The types of deferred outflows of resources related to pensions and debt are described in Notes 8 and 10, respectively.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred inflows of resources related to unavailable revenues in the Balance Sheet. The County reports deferred inflows related to pensions in the Statement of Net Position which are further described in Note 8.

#### **Revenues**

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

#### **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, 2017, the County had reserved \$1,472,878 in the Internal Service Fund to fund any settlements (See Note 15). Additionally, the County is self-insured for unemployment and reimburses New York State dollar for dollar for any unemployment claims. Unemployment charges for 2017 amounted to \$85,859.

# *COUNTY OF TOMPKINS*

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

*Note 1*     **Summary of Significant Accounting Policies - Continued**

**Self-Insurance - Continued**

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 2017, 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>
2017	\$ 883,196	\$ 1,006,820	\$ (786,119)	\$ 1,103,897
2016	1,055,991	267,404	(440,199)	883,196

An additional \$879,541 is reserved in the Internal Service Fund to fund any workers' compensation claims.

**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

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Vacation, 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 on length of employment, are earned by each full time permanent and provisional employee. Benefits accrue upon commencement of employment. Sick/disability leave credits accumulate to a maximum of 120 days. Upon termination of employment, employees are compensated for unused vacation time up to a maximum of three years. Employees are eligible to receive unused sick benefits, unused holiday time, and unused compensatory time in cash or credit to be used to pay for health insurance during retirement. The value of these benefits at December 31, 2017, is approximately \$3,632,360, and is recorded as a long-term obligation in the Statement of Net Position.

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.

#### **Postemployment Benefits**

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

During 2008, the County adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The County's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 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.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **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.

#### **Use of Estimates**

The presentation of financial statements in conformity with the prescribed basis of accounting as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **New Accounting Standards**

The County adopted and implemented, as applicable, the following current Statements of the Governmental Accounting Standards Board (GASB) effective for the year ended December 31, 2017:

- GASB has issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68,” effective for the year ended December 31, 2017.
- GASB has issued Statement No. 80, “Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14,” effective for the year ended December 31, 2017.
- GASB has issued Statement No. 81, “Irrevocable Split-Interest Agreements,” effective for the year ended December 31, 2017.
- GASB has issued Statement No. 82, “Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73,” effective for the year ended December 31, 2017, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,” effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions,” as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.”
- GASB has issued Statement No. 83, “Certain Asset Retirement Obligations,” effective for the year ending December 31, 2019.
- GASB has issued Statement No. 84, “Fiduciary Activities,” effective for the year ending December 31, 2019. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.
- GASB has issued Statement No. 85, “Omnibus 2017,” effective for the year ending December 31, 2018.
- GASB has issued Statement No. 86, “Certain Debt Extinguishment Issues,” effective for the year ending December 31, 2018.
- GASB has issued Statement No. 87, “Leases,” effective for the year ending December 31, 2020.

The County will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

### ***Note 2* 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.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 2* **Cash and Investments - Continued**

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, 2017, per the bank, were \$81,579,088 for the primary government.

### *Note 3* **Restricted Cash**

Restricted cash and cash equivalents, reported on the primary government's government-wide Financial Statements consists of:

<u>Governmental Activity</u>	<u>Amount</u>
Unspent debt proceeds	\$ 4,739,275
Debt service	1,535,803
Community development	1,667,384
Public safety	134,087
Repairs and replacements	269,174
Public health	36,492
General government	37,437
Economic assistance	46,724
Culture and recreation	1,553
Home and community	6,860
Transportation	14,720
TASC	116,290
<b>Total</b>	<b>\$ <u>8,605,799</u></b>

Restricted investments of \$649,794 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.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 4 Securities and Mortgages Receivable**

The County has recorded \$1,007,082 of securities and mortgages receivable offset by deferred inflows of resources of \$1,007,082 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:

<u>Indebtedness</u>	<u>Original Amount</u>	<u>Date Issued</u>	<u>Party Involved</u>	<u>% Share</u>	<u>Balance 12/31/17</u>
Serial Bonds	\$ 1,400,000	2005	Tompkins Community Action	100%	\$ 301,228
Serial Bonds	330,000	2005	Food Net	100%	71,802
Serial Bonds	105,000	2002	Cooperative Extension of T.C.	100%	22,200
County Funds	180,000	2001	Cooperative Extension of T.C.	100%	44,052
Serial Bonds	350,000	2012	Cooperative Extension of T.C.	100%	350,000
Serial Bonds	389,566	2013	Cortland County	36%	54,701
Serial Bonds	734,063	2014	Cortland County	36%	163,099
<b>Total</b>					<b>\$ <u><u>1,007,082</u></u></b>

**Note 5 State and Federal Aid Receivables**

State and federal aid receivables at December 31, 2017 consisted of the following, which are stated at net realizable value. The County has deemed the amounts to be fully collectible.

<u>Description</u>	<u>Amount</u>
Social services	\$ 6,861,359
Sales tax	3,862,487
STOA	2,243,913
NYSDOT	1,589,062
Handicap education	1,013,647
Other	2,834,314
<b>Total</b>	<b>\$ <u><u>18,404,782</u></u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 6 Property Taxes**

At December 31, 2017, total real property tax assets of \$5,794,337 are offset by an allowance for uncollectible taxes of \$376,270. Current year returned village and school taxes of \$3,458,381 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2017. The remaining portion of tax assets is partially offset by deferred inflows of resources of \$1,355,437 (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

**Note 7 Capital Assets**

Capital asset activity for the year ended December 31, 2017, was as follows:

<u>Governmental Activities</u>	<u>Balance at 12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification</u>	<u>Balance at 12/31/17</u>
Non-Depreciable Capital Assets:					
Land and land improvements	\$ 7,518,613	\$	\$	\$	\$ 7,518,613
Construction in progress	16,694,795	5,327,421		(12,869,723)	9,152,493
Total Non-depreciable Capital Assets	<u>24,213,408</u>	<u>5,327,421</u>	<u>-</u>	<u>(12,869,723)</u>	<u>16,671,106</u>
Depreciable Capital Assets:					
Buildings	99,292,318	673,039	(2,851,133)		97,114,224
Machinery and equipment	14,873,900	2,737,133	(728,234)		16,882,799
Infrastructure	225,735,729	2,269,632		12,869,723	240,875,084
Total Depreciable Capital Assets	<u>339,901,947</u>	<u>5,679,804</u>	<u>(3,579,367)</u>	<u>12,869,723</u>	<u>354,872,107</u>
Total Historical Cost	<u>364,115,355</u>	<u>11,007,225</u>	<u>(3,579,367)</u>	<u>-</u>	<u>371,543,213</u>
Less Accumulated Depreciation:					
Buildings	(55,199,122)	(3,188,652)	2,051,936		(56,335,838)
Machinery and equipment	(4,941,200)	(1,265,133)	352,315		(5,854,018)
Infrastructure	(111,655,803)	(7,785,791)			(119,441,594)
Total Accumulated Depreciation	<u>(171,796,125)</u>	<u>(12,239,576)</u>	<u>2,404,251</u>	<u>-</u>	<u>(181,631,450)</u>
<b>Governmental Activities Capital Assets, Net</b>	<b><u>\$ 192,319,230</u></b>	<b><u>\$ (1,232,351)</u></b>	<b><u>\$ (1,175,116)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 189,911,763</u></b>



# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 7 Capital Assets - Continued**

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General governmental support	\$ 597,768
Education	15,167
Public safety	2,815,412
Public health	622,561
Transportation	6,809,040
Economic assistance and opportunity	477,303
Culture and recreation	327,996
Home and community services	<u>574,329</u>
<b>Total</b>	<b>\$ <u><u>12,239,576</u></u></b>

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

	<b>Balance at 12/31/16</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at 12/31/17</b>
Historical Cost:				
Construction in progress	\$	\$ 690,511	\$	\$ 690,511
Equipment	1,620,394	326,695	(3,905)	1,943,184
Collection	<u>5,791,764</u>	<u>278,090</u>	<u>(173,753)</u>	<u>5,896,101</u>
Total Historical Cost	<u>7,412,158</u>	<u>1,295,296</u>	<u>(177,658)</u>	<u>8,529,796</u>
Less Accumulated Depreciation:				
Equipment	(1,368,657)	(86,443)	3,905	(1,451,195)
Collection	<u>(5,122,291)</u>	<u>(259,940)</u>	<u>173,753</u>	<u>(5,208,478)</u>
Total Accumulated Depreciation	<u>(6,490,948)</u>	<u>(346,383)</u>	<u>177,658</u>	<u>(6,659,673)</u>
<b>Total Capital Assets, Net</b>	<b>\$ <u><u>921,210</u></u></b>	<b>\$ <u><u>948,913</u></u></b>	<b>\$ <u><u>-</u></u></b>	<b>\$ <u><u>1,870,123</u></u></b>

Depreciation on all capital assets is computed on the straight-line basis over the estimated useful lives of the assets. Depreciation expense amounted to \$346,383 for the year ended December 31, 2017.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 7 Capital Assets - Continued**

Capital asset activity of Tompkins County Soil and Water Conservation District was as follows:

	<b>Balance at 12/31/16</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at 12/31/17</b>
Equipment	\$ 245,278	\$ 13,050	\$ -	\$ 258,328
Less: accumulated depreciation	(150,214)	(17,034)	-	(167,248)
<b>Total Capital Assets, Net</b>	<b>\$ 95,064</b>	<b>\$ (3,984)</b>	<b>\$ -</b>	<b>\$ 91,080</b>

Depreciation on all capital assets is computed on the straight-line basis over the estimated useful lives of the assets. Depreciation expense amounted to \$17,034 for the year ended December 31, 2017.

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS)**

**Plan Descriptions and Benefits Provided**

**Employees' Retirement System (ERS)**

The County participates in the New York State and Local Employees' Retirement System (ERS) (System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The County also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

#### **Employees' Retirement System (ERS) - Continued**

ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

#### **Summary of Significant Accounting Policies**

The System's financial statements from which the System's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual reports.

#### **Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program, and were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
County	\$ 5,985,813	\$ 6,385,773	\$ 6,563,490
Library	260,850	303,722	288,556
District	24,493	33,317	7,463

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2017, the County reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the County by the ERS System.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

	<b>ERS</b>
Actuarial valuation date	April 1, 2016
Net pension liability	\$ 9,396,223,126
County's proportionate share of the Plan's total net pension liability	15,026,215
Library's proportionate share of the Plan's total net pension liability	660,193
District's proportionate share of the Plan's total net pension liability	89,199
County's share of the net pension liability	0.1599580%
Library's share of the net pension liability	0.0070260%
District's share of the net pension liability	0.0009493%

For the year ended December 31, 2017, the County, the Library and the District recognized pension expense of \$8,491,768, \$348,039, and \$35,592, respectively, for ERS in the financial statements. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to the pensions were reported from the following sources:

	<b>County</b>	<b>Library</b>	<b>District</b>
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience	\$ 376,543	\$ 16,544	\$ 2,235
Changes of assumptions	5,133,505	225,546	30,474
Net differences between projected and actual earnings on pension plan investments	3,001,345	131,867	17,817
Changes in proportion and differences between the County's contributions and proportionate share of contributions	233,000	10,237	405
County's contributions subsequent to the measurement date	4,629,668	198,470	19,745
<b>Total</b>	<b>\$ 13,374,061</b>	<b>\$ 582,664</b>	<b>\$ 70,676</b>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	\$ (2,281,816)	\$ (100,254)	\$ (13,545)
Changes in proportion and differences between the County's contributions and proportionate share of contributions	(690,172)	(30,323)	(41,682)
<b>Total</b>	<b>\$ (2,971,988)</b>	<b>\$ (130,577)</b>	<b>\$ (55,227)</b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

Employer contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	County	Library	District
2018	\$ 2,651,469	\$ 116,495	\$ 1,381
2019	2,651,469	116,495	1,381
2020	2,509,096	110,240	8,687
2021	(2,039,629)	(89,613)	(15,745)
2022			
Thereafter			

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS
Measurement date	March 31, 2017
Actuarial valuation date	April 1, 2016
Interest rate of return	7.0%
Salary increases	3.8%
Cost of living adjustments	1.3%
Inflation rate	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 8* Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

#### Actuarial Assumptions - Continued

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	<u>ERS</u> March 31, 2017
Asset Type:	
Domestic equities	4.55%
International equities	6.35%
Real estate	5.80%
Private equity/Alternative investments	7.75%
Absolute return strategies	4.00%
Opportunistic portfolio	5.89%
Real assets	5.54%
Cash	-0.25%
Inflation-indexed bonds	1.50%
Mortgages and bonds	1.31%

#### Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

<u>ERS</u>	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's proportionate share of the net pension liability	\$ 47,990,755	\$ 15,026,215	\$ (12,845,240)
Library's proportionate share of the net pension liability	2,108,526	660,193	(564,370)
District's proportionate share of the net pension liability	284,884	89,199	(76,252)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of the respective valuation dates were as follows:

	<u>Dollars in Thousands</u>
	<u>ERS</u>
Measurement date	March 31, 2017
Employers' total pension liability	\$ 177,400,586
Plan net position	(168,004,363)
<b>Employers' Net Pension Liability</b>	<b>\$ 9,396,223</b>

Ratio of Plan Net Position to the Employers' Total Pension Liability 94.7%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2017 represent the projected employer contribution for the period of April 1, 2017 through December 31, 2017 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2017 amounted to \$-0-.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Current Year Changes**

Changes in the net pension liability and deferred outflows and deferred inflows of resources for the year ended December 31, 2017 resulted in the following effect on net position:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>County</b>			
Net pension liability	\$ (24,541,202)	\$ 9,514,987	\$ (15,026,215)
Deferred outflows of resources	25,797,727	(12,423,666)	13,374,061
Deferred inflows of resources	(3,520,816)	548,828	(2,971,988)
<b>County Total</b>	<b>\$ (2,264,291)</b>	<b>\$ (2,359,851)</b>	<b>\$ (4,624,142)</b>
<b>Library</b>			
Net pension liability	\$ (1,168,629)	\$ 508,436	\$ (660,193)
Deferred outflows of resources	1,210,320	(627,656)	582,664
Deferred inflows of resources	(167,657)	37,080	(130,577)
<b>Library Total</b>	<b>\$ (125,966)</b>	<b>\$ (82,140)</b>	<b>\$ (208,106)</b>
<b>District:</b>			
Net pension liability	\$ (175,403)	\$ 86,204	\$ (89,199)
Deferred outflows of resources	170,631	(99,955)	70,676
Deferred inflows of resources	(59,253)	4,026	(55,227)
<b>District Total</b>	<b>\$ (64,025)</b>	<b>\$ (9,725)</b>	<b>\$ (73,750)</b>

**Note 9 Short-term Debt**

**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.

Outstanding balances of BANs payable were comprised of the following at December 31, 2017:

	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Balance Outstanding December 31, 2017</b>
BAN - dated 7/7/2017 - Series C	2.25%	2/21/2018	\$ 3,949,000
BAN - dated 2/21/2017 - Series A	1.56%	2/21/2018	544,000
BAN - dated 2/21/2017 - Series B	1.47%	2/21/2018	1,000,000
<b>Total</b>			<b>\$ 5,493,000</b>



# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 9 Short-term Debt - Continued**

**Bond Anticipation Notes - Continued**

The following is a summary of changes in BAN's payable for the period ended December 31, 2017:

	<b>Balance 12/31/16</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/17</b>
BAN - dated 10/13/2016 - Road Construction	2,306,000		(2,306,000)	-
BAN - dated 7/7/2016 - Roads and Library	5,299,000		(5,299,000)	-
BAN - dated 7/7/2017 - Purpose C		3,949,000		3,949,000
BAN - dated 2/21/2017 - Purpose A		544,000		544,000
BAN - dated 2/21/2017 - Purpose B		1,000,000		1,000,000
<b>Total BAN Activity</b>	<b>\$ 7,605,000</b>	<b>\$ 5,493,000</b>	<b>\$ (7,605,000)</b>	<b>\$ 5,493,000</b>

The County expensed \$121,258 in interest on short-term debt during the year.

Cash paid	\$ 114,978
Less interest accrued in prior year	(56,691)
Add interest accrued in the current year	62,971
<b>Total</b>	<b>\$ 121,258</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, 2017, the County did not issue or redeem any RANs.

**Note 10 Long-term Debt**

**Constitutional Debt Limit**

At December 31, 2017, the total outstanding bonded indebtedness of the County of Tompkins (exclusive of TTASC bonds) aggregated \$56,165,153. Of this amount, \$54,085,921 was subject to the constitutional debt limit and represented approximately 11.06% of its statutory debt limit.

**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 FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 10 Long-term Debt - Continued

#### Serial Bonds - Continued

On February 21, 2017, the County issued \$5,455,000 of public improvement (serial) bonds, with interest rates between 1.50% and 2.25%. The County used the proceeds to provide long-term financing for new money projects consisting of road and bridge construction projects, facilities projects, and a roof replacement project at Tompkins Cortland Community College.

#### 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 \$12,881,442 for equipment and \$548,000 for buildings, with total lease commitments outstanding of \$992,921 at December 31, 2017. Net book value of the related assets was \$10,917,539 at year end.

#### Summary of Long-term Debt

The following is a schedule of long-term debt and with corresponding maturity schedules:

<u>Description</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance Outstanding</u>
Bonds:				
2013 Refunding Bonds	11/2013	2.00-5.00%	11/2020	\$ 3,485,000
2014 Refunding Bonds - Series A	11/2014	2.00-5.00%	03/2027	3,930,000
2014 Refunding Bonds - Series B	11/2014	2.00-5.00%	12/2032	12,185,000
Add unamortized premiums				<u>2,079,232</u>
Net Refunding Bonds				21,679,232
Public Improvement Bonds 2012	07/2012	1.00-2.25%	07/2027	2,175,000
Public Improvement Bonds 2013	07/2012	3.00-4.00%	07/2030	3,075,000
Public Improvement Bonds 2014	11/2014	2.00-3.00%	10/2029	6,340,000
Public Improvement Bonds 2015	07/2015	2.00-3.00%	07/2030	8,605,000
Public Improvement Bonds 2016	07/2016	2.00%	07/2027	2,350,000
Public Improvement Bonds 2017	02/2017	1.50-2.25%	02/2028	<u>5,455,000</u>
<b>Total Bonds</b>				<b>\$ <u>49,679,232</u></b>
Installment Purchase Debt:				
Energy Performance Contract	09/2012	1.75%	03/2020	\$ 640,754
Human Services Annex	02/2011	4.04%	02/2025	<u>352,167</u>
<b>Total Installment Purchase Debt</b>				<b>\$ <u>992,921</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 10 Long-term Debt - Continued

#### Summary of Long-term Debt - Continued

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
TTASC Bonds:				
Series 2000 Tobacco Settlement Pass-through Bonds	12/2000	5.25% - 6.30%	06/2025	\$ 4,605,000
Less: Unamortized bond discount				(84,789)
Carrying Value of Series 2000 Tobacco Settlement Pass-through Bonds				<u>4,520,211</u>
Series 2005 Tobacco Settlement Pass-through Bonds	11/2005	6.0% - 7.85%	06/2060	3,634,440
Less: Unamortized bond discount				(48,358)
Add: Addition to accreted value				<u>4,647,547</u>
Carrying Value of Series 2005 Tobacco Settlement Pass-through Bonds				<u>8,233,629</u>
<b>Total Carrying Value of Pass-through Bonds</b>				<b><u>\$ 12,753,840</u></b>

The County's Debt Service requirements at December 31, 2017 were as follows:

Year	Serial Bonds		TTASC Series 2000 Bonds		Installment Purchase		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$ 4,705,000	\$ 1,553,444	\$ 1,075,000	\$ 247,564	\$ 290,455	\$ 24,618	\$ 7,896,081
2019	4,525,000	1,347,026	490,000	216,551	296,448	18,625	6,893,650
2020	4,165,000	1,203,814	530,000	183,547	171,046	12,490	6,265,897
2021	3,190,000	1,092,876	555,000	147,903	42,326	9,674	5,037,779
2022	3,275,000	997,551	595,000	109,809	44,068	7,932	5,029,360
2023-2027	17,995,000	3,393,722	1,360,000	98,712	148,578	12,606	23,008,618
2028-2032	9,745,000	774,037					10,519,037
<b>Total</b>	<b><u>\$ 47,600,000</u></b>	<b><u>\$ 10,362,470</u></b>	<b><u>\$ 4,605,000</u></b>	<b><u>\$ 1,004,086</u></b>	<b><u>\$ 992,921</u></b>	<b><u>\$ 85,945</u></b>	<b><u>\$ 64,650,422</u></b>

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.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 10 Long-term Debt - Continued

#### Summary of Long-term Debt - Continued

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 Corporation would begin making payments based on this amortization. However, no payments on this debt have been made. The current portion represents scheduled payments for 2015-2018.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 504,210	\$ 482,574	\$ 986,784
2019	162,460	198,534	360,994
2020	157,337	213,570	370,907
2021	156,605	235,058	391,663
2022	152,214	251,649	403,863
2023-2027	1,059,348	3,055,818	4,115,166
2028-2032	783,514	4,163,986	4,947,500
2033-2037	542,944	4,700,357	5,243,301
2038-2039	115,808	1,269,649	1,385,457
<b>Expected Total Debt Service</b>	<b>\$ <u>3,634,440</u></b>	<b>\$ <u>14,571,195</u></b>	<b>\$ <u>18,205,635</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 10* Long-term Debt - Continued

#### Summary of Long-term Debt - Continued

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

	<b>Amount of Yearly Accretion and Amortization of Bond Discount</b>
2018	\$ 541,740
2019	559,511
2020	577,275
2021	595,356
2022	614,900
2023-2027	3,129,026
2028-2032	2,517,761
2033-2037	1,314,971
2038-2039	73,108
Total Accretion	9,923,648
Accumulated accretion	4,647,547
Principal	3,634,440
<b>Expected Total Debt Service</b>	<b>\$ <u>18,205,635</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 10 Long-term Debt - Continued

#### 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.

#### Summary of Changes in Long-term Obligations

The following is a summary of changes in long-term obligations for the period ended December 31, 2017:

	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Amount Due</u> <u>Within One</u>
Serial Bonds	\$ 46,310,000	\$ 5,455,000	\$ (4,165,000)	\$ 47,600,000	\$ 4,705,000
Unamortized premiums	2,494,556		(415,324)	2,079,232	351,895
Total Serial Bonds	<u>48,804,556</u>	<u>5,455,000</u>	<u>(4,580,324)</u>	<u>49,679,232</u>	<u>5,056,895</u>
Compensated absences	3,691,447		(59,087)	3,632,360	
Workers' compensation claims	883,196	1,006,820	(786,119)	1,103,897	705,152
Installment purchase debt	1,277,521		(284,600)	992,921	290,455
Total Primary Government	<u>54,656,720</u>	<u>6,461,820</u>	<u>(5,710,130)</u>	<u>55,408,410</u>	<u>6,052,502</u>
TTASC Bonds	8,384,440		(145,000)	8,239,440	1,579,210
Add accreted interest on 2005 bonds	4,123,537	524,010		4,647,547	
Less unamortized bond discount	(147,099)		13,952	(133,147)	(13,952)
Total TASC	<u>12,360,878</u>	<u>524,010</u>	<u>(131,048)</u>	<u>12,753,840</u>	<u>1,565,258</u>
<b>Total</b>	<b><u>\$ 67,017,598</u></b>	<b><u>\$ 6,985,830</u></b>	<b><u>\$ (5,841,178)</u></b>	<b><u>\$ 68,162,250</u></b>	<b><u>\$ 7,617,760</u></b>

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

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 10 Long-term Debt - Continued

#### Summary of Changes in Long-term Obligations - Continued

The County expensed \$2,124,111 in interest on long term debt during the year.

Cash paid	\$ 1,883,443
Less interest accrued in prior year	(383,609)
Add interest accrued in the current year	394,749
Add accreted interest on the Series 2005 TASC bonds	524,010
Add amortization of deferred charges on defeased debt	106,890
Less amortization of bond premiums	(415,324)
Add amortization of TTASC bond discount	<u>13,952</u>
<b>Total</b>	<b>\$ <u>2,124,111</u></b>

#### Deferred Outflows of Resources

The County reports deferred outflows of resources related to deferred charges on defeased debt in the government-wide Statement of Net Position. A deferred charge on defeased debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

The following is a summary of changes in deferred charges on defeased debt for the period ended December 31, 2017:

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/17</u>	<u>Amount Due</u> <u>Within One Year</u>
Deferred Charges on Defeased Debt	\$ <u>542,112</u>	\$ <u>-</u>	\$ <u>(106,890)</u>	\$ <u>435,222</u>	\$ <u>86,206</u>

### Note 11 Other Postemployment Benefits - Tompkins County

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

The actuarial accrued liability and the annual Other Postemployment Benefits (OPEB) cost for the fiscal year ending December 31, 2017 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, 2016. The Plan is a single-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.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 11 Other Postemployment Benefits - Tompkins County - Continued**

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 \$1,363,724 represents an actuarially determined estimate of premiums and claims paid on behalf of 219 retirees for the year ended December 31, 2017. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit. The costs of administering the Plan are paid by the County.

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

The following table shows the components of the County's annual OPEB cost for the fiscal year ended December 31, 2017:

	<b>2017</b>
Normal cost	\$ 4,808,717
Amortization of unfunded actuarial accrued liability	5,677,764
Total Annual Required Contribution	10,486,481
Interest on net OPEB obligation	2,391,243
Adjustment to annual required contribution	(4,491,153)
Annual OPEB Cost (Expense)	8,386,571
Expected employer contribution	(1,363,724)
Increase in Net OPEB Obligation	7,022,847
 Net OPEB Obligation - January 1	 68,321,225
 <b>Net OPEB Obligation - December 31</b>	 <b>\$ 75,344,072</b>

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
12/31/2017	\$ 8,386,571	16.30%	\$ 75,344,072
12/31/2016	7,975,437	14.80%	68,321,225
12/31/2015	10,423,079	12.20%	61,525,787



# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### **Note 11 Other Postemployment Benefits - Tompkins County - Continued**

As of December 31, 2017, the Plan was not funded. The actuarial accrued liability for benefits was \$83,451,626; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$41,923,499 and the ratio of the UAAL to the covered payroll was 199.1%.

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 the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 5% initially, increased by increments to an ultimate rate of 6% after ten years. The rate included 2.9% inflation rate and 3.5% discount rate assumptions.

### **Other Postemployment Benefits - Tompkins County Public Library**

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

An actuarial valuation of the Library's Retiree Healthcare Plan (Plan) was performed as of January 1, 2016 for the fiscal year ending December 31, 2017 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.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 11* **Other Postemployment Benefits - Tompkins County Public Library - Continued**

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, 2017, the Library’s expected contributions were \$74,462 to the Plan for current premiums of 19 retirees, compared to \$65,731 in 2016. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit.

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

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

	<b>2017</b>
Normal cost	\$ 349,387
Amortization of UAAL	362,114
Total Annual Required Contribution	711,501
Interest on net OPEB obligation	157,072
Adjustment to annual required contribution	(295,008)
Annual OPEB Cost (Expense)	573,565
Contributions expected on behalf of 19 employees	(74,462)
Increase in Net OPEB Obligation	499,103
Net OPEB Obligation - January 1	4,487,780
<b>Net OPEB Obligation - December 31</b>	<b>\$ 4,986,883</b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### **Note 11 Other Postemployment Benefits - Tompkins County Public Library - Continued**

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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2017	\$ 573,565	13.00%	\$ 4,986,883
12/31/2016	544,226	12.10%	4,487,780
12/31/2015	629,987	14.40%	4,009,285

As of December 31, 2017, the Plan was not funded. The actuarial accrued liability for benefits was \$5,322,348. There are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,021,371 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 263.3% percent.

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

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

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

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 5% initially, increased by increments to an ultimate rate of 6% after ten years. The rate included 2.9% inflation rate and 3.5% discount rate assumptions.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 12 Interfund Receivables and Payables**

Interfund receivable and payable balances at December 31, 2017 are as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>	<b>Interfund Revenue</b>	<b>Interfund Expenditures</b>
Major Funds:				
General Fund	\$ 135,948	\$ 576,575	\$	\$ 14,384,507
County Road Fund	317,013	41,855	4,881,199	492,154
Transportation Fund		70,827	966,948	779,752
Solid Waste Fund		12,033		257,879
Special Grant Fund	200,697	10,449	174,783	
Capital Projects Fund -				
Transportation Fund	1,060	191,887	1,252,932	75,795
General Government Fund		2,177	3,972,511	
Debt Service Fund			5,471,325	966,948
Non-Major Funds	20,210	4,984	427,255	339,918
Internal Service Fund	235,859		150,000	
<b>Total</b>	<b>\$ 910,787</b>	<b>\$ 910,787</b>	<b>\$ 17,296,953</b>	<b>\$ 17,296,953</b>

**Note 13 Deferred Compensation Plan**

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

At the March 17, 2015 meeting of the Legislature, with a unanimous vote, the New York State Deferred Compensation Plan (NYSDCP) was approved to be the new deferred compensation provider. The decision to change providers was based on the NYS Plan's lower costs/fees to employees and retirees who participate, along with the consistently strong performance of the Plan. The transition from ICMA-RC, the former provider, to the NYSDCP took place on June 10, 2015.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 14* Joint Ventures**

#### **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 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 \$3,105,937, \$2,929,730, and \$2,872,284, respectively.
- 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 by the ratio of resident students in attendance.

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 14* Joint Ventures - Continued**

#### **Tompkins Cortland Community College - Continued**

- 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, 2017, outstanding debt related to the 1994 Master Plan was \$604,999 in bonds. Cortland County is responsible for 36% or \$217,800 of the bonds payable. Tompkins County reports 100% of the debt in its Statement of Net Position and also reports a receivable for the 36% in "securities and mortgages" in its Debt Service Fund.
- In 2005, the College began another campus expansion program estimated at a cost of approximately \$34 million. The sponsoring counties have committed \$13.5 million to match NYS participation in the expansion, with the College required to raise funds over and above the amount approved by New York State. Under the 2005 Campus Expansion, each county became responsible for issuing debt to finance the project. The County has contributed \$12,971,037 for the Campus Expansion, consisting of \$3,665,537 from a tobacco securitization, a \$620,000 budget contribution, and \$8,685,500 of bonds and notes. At December 31, 2017, outstanding debt related to the 2005 Campus Expansion (consisting of 2014 Refunding Series A Bonds and 2014 Refunding Series B Bonds) was \$3,886,803.
- In 2014, the College began another Master Plan improvement project estimated at a cost of approximately \$7 million. The sponsoring counties have committed \$3,525,000 to match NYS participation in the expansion, with the college required to raise funds over and above the amount approved by New York State. Under the 2014 Campus Expansion, each county became responsible for issuing debt to finance the project. Tompkins County bonded \$2,185,500 on November 6, 2014 for this project; outstanding debt related to the 2014 Master Plan improvement project was \$1,795,000.
- In 2016, the College began a roof replacement project estimated at a cost of approximately \$3.5 million. The sponsoring counties have committed \$1,750,000 to match the NYS participation in the project. On February 21, 2017 the County issued \$1,100,000 in bonds to provide its share of funding to the College for the roof replacement project. At December 31, 2017, the outstanding debt related to the roof replacement project was \$1,100,000.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 14 Joint Ventures - Continued

- 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, 2017:

Total Assets	\$ 51,578,581
Total Deferred Outflows of Resources	3,426,603
Total Liabilities	35,426,989
Total Deferred Inflows of Resources	2,286,543
Total Equity	17,291,652
Total Revenues	45,488,287
Total Expenses	61,295,111

- The County's share of the College's equity is comprised of the following at December 31, 2017:

68% of the College's total equity      \$ 11,758,323

### **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 debt acquired by TCAT shall be shared equally.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### **Note 14 Joint Ventures - Continued**

- Each party makes an annual contribution of equal amounts to the venture for TCAT's operating budget. The County's contribution for 2017 was \$837,432. Its contribution for TCAT's operating budget for 2018 will be \$837,432.
- 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, 2017:

Total Assets	\$ 16,525,059
Total Liabilities	1,870,649
Total Equity	14,654,410
Total Revenues	15,544,115
Total Expenses	15,687,875

- The County's share of the TCAT's equity amounted to \$4,884,803 at December 31, 2017.

### **Note 15 Contingencies**

The County of Tompkins is defendant in several tax certiorari claims brought by taxpayers in an attempt to reduce their real property value assessments. These lawsuits arise 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 settlement of such cases has the potential to be substantial but not predictable.

The County of Tompkins is a defendant in several tort claims. There are always various cases pending against the County, but we are not aware of any of these cases presenting a material adverse effect upon the County's financial condition, nor would any of these cases affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of its obligations. 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, 2017, the County has reserved \$1,472,878 for unreported claims, which is included in the net position in the Internal Services Fund.

As of this date, labor agreements are either in place or in progress for all County employees. Negotiations for the period 2018-2020 were successfully concluded with the CSEA White and Blue Collar Units. Negotiations are currently in progress with the Correction Officers Union for a successor agreement to their contract which expired December 31, 2017, and are in progress with the Road Patrol Union for a successor agreement to their contract which expired at the end of fiscal year 2016. The County, as a matter of fiscal policy, reserves funds for anticipated settlements. The adopted 2018 budget provides resources for future contracts consistent with settlements of other employee units.



# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### **Note 16 Sales Tax**

The County, under the general authority of Article 29 of the Tax Law, imposes a 3% 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 tax are administered and collected by the State Tax Commission in the same manner as that relating to the State imposed 4% sales and compensating use tax. Net collections, meaning monies collected after deducting expenses of administration and collections and amounts refunded or to be refunded, but inclusive to any applicable penalties and interest, are paid by the State to the County and the City, respectively. Of the total sales tax received by the County, an amount equal to 50% of total collections, excluding the amount paid directly to the City, is retained by the County. The balance is divided among the towns based upon population as determined by the 2010 census. The towns' share is divided and allocated between incorporated villages (located wholly or partially within the town) and the area of the towns outside said villages, on the basis of population. All the villages and five townships are paid their share in cash. The town outside villages' share are retained by the County and applied in the first instance to the taxes to be relieved for county purposes in the respective towns' levy.

During 1992, the State Legislature granted authority to increase the County sales tax rate from 3% to 4%. The new taxing authority became effective December 1, 1992, with an initial expiration of November 30, 1995. The State Legislature has subsequently renewed the additional tax rate to November 30, 2020.

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

<u>Year</u>	<u>County Share</u>	<u>City Share</u>	<u>Town/ Village Share</u>
2017	\$ 35,262,872	\$ 13,360,645	\$ 14,066,078
2016	33,198,140	12,555,002	13,266,597
2015	33,385,002	12,419,075	13,546,566
2014	34,002,586	12,600,667	13,845,767
2013	32,466,433	12,042,881	13,208,830

The 2018 County Budget includes \$34,223,456 in sales tax to support operations.

### **Note 17 Transactions with Discretely Presented Component Units**

The County of Tompkins contributed \$3,403,415 and \$237,383 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 \$483,179 worth of debt service on the building occupied by the Library.

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

**Note 18 Fund Balance Detail**

At December 31, 2017, fund balance in the governmental funds was comprised of the following:

	General Fund	County Road Fund	Transportation Fund	Solid Waste Fund
<b>Nonspendable</b>				
Prepaid expenses	\$ 1,777,560	\$ 37	\$ 897	\$ 315
<b>Total Nonspendable Fund Balance</b>	<b><u>\$ 1,777,560</u></b>	<b><u>\$ 37</u></b>	<b><u>\$ 897</u></b>	<b><u>\$ 315</u></b>
<b>Restricted</b>				
Economic assistance and opportunity	\$ 586,235	\$	\$	\$
Public safety	82,654			
Capital reserve	55,023			214,151
<b>Total Restricted Fund Balance</b>	<b><u>\$ 723,912</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 214,151</u></b>
<b>Assigned</b>				
Appropriated for next year's budget	\$ 2,005,341	\$	\$	\$
Encumbered for:				
General government	800,865			
Public safety	16,328			
Public health	54,803			
Economic assistance	15,794			
Transportation	338,227	27,492	69,592	
Culture and recreation	1,839			
Home and community services	127,764			813
Assigned for Employee Benefits:				
General government	2,135			
Public safety	2,933			
Public health	2,081			
Transportation	840			
Economic assistance and opportunity	2,665			
Culture and recreation	89			
Home and community services	391			
Assigned for:				
Public safety RAA reserve	159,637			
Culture and recreation, County Historian	24,265			
Rollovers				
Residual fund balance		2,251,253	603,695	2,756,143
<b>Total Assigned Fund Balance</b>	<b><u>\$ 3,555,997</u></b>	<b><u>\$ 2,278,745</u></b>	<b><u>\$ 673,287</u></b>	<b><u>\$ 2,756,956</u></b>
<b>Unassigned</b>				
Unassigned fund balance	\$ 38,828,594	\$	\$	\$
<b>Total Unassigned Fund Balance</b>	<b><u>\$ 38,828,594</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 18 Fund Balance Detail - Continued

	<u>Special Grant Fund</u>	<u>Capital Projects Fund - Transportation</u>	<u>Capital Projects Fund - General Government</u>	<u>Debt Service Fund</u>	<u>Non-Major Funds</u>
<b>Nonspendable</b>					
Prepaid expenses	\$ 81	\$ -	\$ -	\$ -	\$ 3,530
<b>Total Nonspendable Fund Balance</b>	<b><u>\$ 81</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,530</u></b>
<b>Restricted</b>					
Community development	\$ 1,400,011	\$ -	\$ -	\$ -	\$ -
Capital projects - Unspent debt proceeds	-	1,400,000	3,098,059	-	241,216
Debt Service	-	-	-	1,535,803	1,316,084
<b>Total Restricted Fund Balance</b>	<b><u>\$ 1,400,011</u></b>	<b><u>\$ 1,400,000</u></b>	<b><u>\$ 3,098,059</u></b>	<b><u>\$ 1,535,803</u></b>	<b><u>\$ 1,557,300</u></b>
<b>Committed</b>					
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ 2,325,518
<b>Total Committed Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,325,518</u></b>
<b>Assigned</b>					
Assigned for transportation	\$ -	\$ 3,890,717	\$ 7,056,065	\$ -	\$ 1,016,341
<b>Total Assigned Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ 3,890,717</u></b>	<b><u>\$ 7,056,065</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,016,341</u></b>
<b>Unassigned</b>					
Unassigned fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Unassigned Fund Balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### Note 18 Fund Balance Detail - Continued

Of the \$(7,543,709) reported as unrestricted net position (deficit) 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:

<b>Unrestricted Net Position</b>	<b>\$ (7,543,709)</b>
Designated for:	
Ensuing year's budget	2,005,341
Carry-over of prior year's commitments (encumbrances and rollovers)	1,541,387
Prepaid expenses	1,782,420
Employee benefits	11,134
Capital projects	2,325,518
Self insurance	1,472,878
Workers' compensation	879,541
Equity interest in joint venture, net of related debt	16,643,126
Public safety	159,637
Transportation	3,783,419
Home and community services	2,756,143
Total Designated Net Position	<u>33,360,544</u>
<b>Unrestricted, Undesignated Net Position (Deficit)</b>	<b>\$ <u>(40,904,253)</u></b>

### Reconciliation Between Restricted Fund Balance and Restricted Net Position

Restricted fund balances and restricted net position differ because unspent debt proceeds are reported as restricted fund balance in the fund financial statements and as a portion of invested in capital, net of related debt in the Statement of Net Position. Restricted fund balances and restricted net position also differ because loan balances in the special grant fund and the debt service fund are reported as unavailable revenue in the fund financial statements and as a portion of restricted net position, in the Statement of Net Position.

Restricted fund balance in the fund financial statements	\$ 9,929,236
Plus securities, mortgages, and loan balances	1,942,496
Less unspent debt proceeds	<u>(4,739,275)</u>
<b>Restricted Net Position in the Government-wide Financial Statements</b>	<b>\$ <u>7,132,457</u></b>

# COUNTY OF TOMPKINS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 19* Tax Abatements

For the year ended December 31, 2017, the County was subject to tax abatements negotiated by the Tompkins County Industrial Development Agency (TCIDA), a discretely presented component unit, the Town of Ithaca, New York (the Town), the City of Ithaca, New York (the City), the Village of Freeville, New York, and the Village of Groton (the Villages).

Under TCIDA, economic development agreements entered into can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

Information relevant to disclosure of the program for the year ended December 31, 2017 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development:	
Real Property Tax	\$ 2,259,161
Sales Tax	1,074,938
Mortgage Tax	<u>233,336</u>
<b>Total</b>	<b>\$ <u><u>3,567,435</u></u></b>

The City, Town, and the Villages entered into a property tax abatement agreement with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City, Town or Villages. Under this program, the City, Town, and Villages abated taxes by 95% to an apartment complex.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Economic Development:	
Real Property Tax	\$ <u>168,230</u>
<b>Total</b>	<b>\$ <u><u>168,230</u></u></b>

# ***COUNTY OF TOMPKINS***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

### ***Note 20* Subsequent Events**

On February 21, 2018, the County issued \$1,825,000 of serial bonds with various years of maturity; February 1, 2019-2028. The proceeds of the bonds, along with \$1,100,000 in available funds, will redeem a \$1,400,000 portion of the \$3,949,000 BANs which mature February 21, 2018. The purpose of the bonds is for various capital improvements.

On February 21, 2018, the County issued \$5,174,000 of BANs due February 21, 2019. The proceeds of the Series A Notes will provide \$2,156,000 in new monies for various public improvement projects.

On December 19, 2017, the County approved the sale of the Old Library building. The sales price, net of seller expenses amounted to \$923,965. The County received \$461,465 (50% of sales price less seller's expense) prior to the end of the year. The remainder was received on June 21, 2018. The building will be replaced by a four-story, 58-unit residential/mixed use development. The building will also include community space and a 32 car parking garage.

On May 31, 2017, the County authorized the acquisition and improvement of the Tompkins Trust Building at 106-112 North Tioga Street to serve as the home of the History Center and other various organizations. The total cost of the building is \$2,000,000. The closing occurred on May 31, 2018.

On January 25, 2018, the County sold the Tompkins Community Action building for \$321,199. The building was removed from the County's long term assets as of December 31, 2017.

# COUNTY OF TOMPKINS

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Real property taxes	\$ 50,349,618	\$ 50,349,618	\$ 45,176,263	\$	\$ (5,173,355)
Real property tax items			2,122,284		2,122,284
Nonproperty tax items	50,504,156	51,485,097	56,715,976		5,230,879
Departmental income	8,567,355	8,561,642	9,473,962		912,320
Intergovernmental charges			830,247		830,247
Use of money and property	470,651	470,851	481,370		10,519
Licenses and permits	3,500	3,500	5,985		2,485
Fines and forfeitures	249,925	251,925	149,968		(101,957)
Sale of property and compensation for loss	727,000	738,729	547,244		(191,485)
Miscellaneous local sources	1,983,882	2,248,403	1,063,261		(1,185,142)
Interfund revenues	518,353	521,333	619,290		97,957
State sources	26,744,143	29,553,045	31,750,629		2,197,584
Federal sources	19,119,145	19,893,871	15,855,980		(4,037,891)
<b>Total Revenues</b>	<u>159,237,728</u>	<u>164,078,014</u>	<u>164,792,459</u>	-	<u>714,445</u>
<b>EXPENDITURES</b>					
General governmental support	31,145,246	31,421,323	30,035,608	800,865	584,850
Education	9,109,687	9,290,426	8,924,094		366,332
Public safety	18,249,670	19,754,000	18,850,172	16,328	887,500
Health	19,279,726	19,417,532	18,149,036	54,803	1,213,693
Transportation	9,836,935	11,512,511	11,243,340	15,794	253,377
Economic assistance and opportunity	53,838,971	54,669,991	50,606,961	338,227	3,724,803
Culture and recreation	5,571,238	5,698,728	5,617,800	1,839	79,089
Home and community services	1,699,035	2,270,269	1,693,610	127,764	448,895
Employee benefits	336,642	1,236,550	1,236,550		-
<b>Total Expenditures</b>	<u>149,067,150</u>	<u>155,271,330</u>	<u>146,357,171</u>	<u>1,355,620</u>	<u>7,558,539</u>
Excess of Revenues	<u>10,170,578</u>	<u>8,806,684</u>	<u>18,435,288</u>	<u>(1,355,620)</u>	<u>8,272,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers (out)	(11,176,705)	(14,384,508)	(14,384,507)		1
<b>Total Other Financing (Uses) Sources</b>	<u>(11,176,705)</u>	<u>(14,384,508)</u>	<u>(14,384,507)</u>	-	<u>1</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>(1,006,127)</u>	<u>(5,577,824)</u>	<u>4,050,781</u>	<u>\$ (1,355,620)</u>	<u>\$ 8,272,985</u>
Appropriated Fund Balance	<u>1,006,127</u>	<u>5,577,824</u>			
<b>Net Increase</b>	<u>\$ -</u>	<u>\$ -</u>	<u>4,050,781</u>		
Fund Balance, Beginning of Year			<u>40,835,282</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 44,886,063</u>		

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

# COUNTY OF TOMPKINS

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) COUNTY ROAD FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Use of money and property	\$	\$ 1,226	\$ 1,465	\$	\$ 239
Licenses and permits	4,000	7,623	8,429		806
Sale of property and compensation for loss	2,500	14,209	14,183		(26)
Miscellaneous local sources	2,000	7,847	7,846		(1)
State sources	2,486,188	2,778,461	2,789,502		11,041
Federal sources			53,088		53,088
<b>Total Revenues</b>	<u>2,494,688</u>	<u>2,809,366</u>	<u>2,874,513</u>	<u>-</u>	<u>65,147</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	266,844	277,577	230,454		47,123
Transportation	6,131,518	6,523,215	6,356,960	27,492	138,763
Employee benefits	901,730	895,243	725,419		169,824
<b>Total Expenditures</b>	<u>7,300,092</u>	<u>7,696,035</u>	<u>7,312,833</u>	<u>27,492</u>	<u>355,710</u>
Excess of (Expenditures)	<u>(4,805,404)</u>	<u>(4,886,669)</u>	<u>(4,438,320)</u>	<u>(27,492)</u>	<u>420,857</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	4,680,404	4,881,199	4,881,199		-
Interfund transfers (out)		(492,154)	(492,154)		-
<b>Total Other Financing Sources</b>	<u>4,680,404</u>	<u>4,389,045</u>	<u>4,389,045</u>	<u>-</u>	<u>-</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(497,624)</u>	<u>(49,275)</u>	<u>\$ (27,492)</u>	<u>\$ 420,857</u>
Appropriated Fund Balance	<u>125,000</u>	<u>497,624</u>			
<b>Net (Decrease)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(49,275)</u>		
Fund Balance, Beginning of Year			<u>2,328,057</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 2,278,782</u>		

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



# COUNTY OF TOMPKINS

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) TRANSPORTATION FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Departmental income	\$ 1,435,083	\$ 1,435,083	\$ 1,594,537	\$	\$ 159,454
Intergovernmental charges	109,500	109,500	118,901		9,401
Use of money and property	1,652,062	1,652,062	1,669,117		17,055
Sale of property and compensation for loss	16,000	16,000	16,166		166
Miscellaneous local sources	13,225	13,225	13,348		123
State sources		234,589	234,589		-
Federal sources			34,730		34,730
<b>Total Revenues</b>	<u>3,225,870</u>	<u>3,460,459</u>	<u>3,681,388</u>	<u>-</u>	<u>220,929</u>
<b>EXPENDITURES</b>					
Transportation	2,686,405	3,013,434	2,854,785	69,592	89,057
Employee benefits	415,856	415,856	375,560		40,296
<b>Total Expenditures</b>	<u>3,102,261</u>	<u>3,429,290</u>	<u>3,230,345</u>	<u>69,592</u>	<u>129,353</u>
Excess of Revenues	<u>123,609</u>	<u>31,169</u>	<u>451,043</u>	<u>(69,592)</u>	<u>350,282</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	-	748,583	966,948		218,365
Interfund transfers (out)	(123,609)	(779,752)	(779,752)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(123,609)</u>	<u>(31,169)</u>	<u>187,196</u>	<u>-</u>	<u>218,365</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>638,239</u>	<u>\$ (69,592)</u>	<u>\$ 568,647</u>
Appropriated Fund Balance					
<b>Net Increase</b>	<u>\$ -</u>	<u>\$ -</u>	<u>638,239</u>		
Fund Balance (Deficit), Beginning of Year			<u>35,945</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 674,184</u>		

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

# COUNTY OF TOMPKINS

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) SOLID WASTE FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Departmental income	\$ 5,300,982	\$ 5,460,958	\$ 5,131,530	\$	\$ (329,428)
Use of money and property	750	750	3,152		2,402
Licenses and permits	93,000	93,000			(93,000)
Fines and forfeitures	950	950			(950)
Sale of property and compensation for loss			820,418		820,418
Miscellaneous local sources	5,250	5,250	4,074		(1,176)
State sources	40,000	40,000	100,489		60,489
<b>Total Revenues</b>	<u>5,440,932</u>	<u>5,600,908</u>	<u>6,059,663</u>	<u>-</u>	<u>458,755</u>
<b>EXPENDITURES</b>					
Home and community services	4,881,347	5,037,003	4,857,508	813	178,682
Employee benefits	354,170	341,650	298,192		43,458
<b>Total Expenditures</b>	<u>5,235,517</u>	<u>5,378,653</u>	<u>5,155,700</u>	<u>813</u>	<u>222,140</u>
Excess of Revenues	<u>205,415</u>	<u>222,255</u>	<u>903,963</u>	<u>(813)</u>	<u>680,895</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers (out)	<u>(205,415)</u>	<u>(257,879)</u>	<u>(257,879)</u>		<u>-</u>
<b>Total Other Financing (Uses)</b>	<u>(205,415)</u>	<u>(257,879)</u>	<u>(257,879)</u>	<u>-</u>	<u>-</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>-</u>	<u>(35,624)</u>	<u>646,084</u>	<u>\$ (813)</u>	<u>\$ 680,895</u>
Appropriated Fund Balance		<u>35,624</u>			
<b>Net Increase</b>	<u>\$ -</u>	<u>\$ -</u>	<u>646,084</u>		
Fund Balance, Beginning of Year			<u>2,325,338</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 2,971,422</u>		

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

# COUNTY OF TOMPKINS

## BUDGETARY COMPARISON SCHEDULE (NON-GAAP) SPECIAL GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Departmental income	\$ 119,631	\$ 121,113	\$ 262,054	\$	\$ 140,941
Use of money and property		1,057,095			(1,057,095)
Miscellaneous local sources	31,500	31,500	325,891		294,391
Interfund revenues			31,363		31,363
Federal sources	1,140,777	1,370,647	1,174,599		(196,048)
<b>Total Revenues</b>	<u>1,291,908</u>	<u>2,580,355</u>	<u>1,793,907</u>	<u>-</u>	<u>(786,448)</u>
<b>EXPENDITURES</b>					
Economic assistance and opportunity	1,448,576	1,466,691	1,269,204		197,487
Home and community services		1,395,052	896,740		498,312
<b>Total Expenditures</b>	<u>1,448,576</u>	<u>2,861,743</u>	<u>2,165,944</u>	<u>-</u>	<u>695,799</u>
Excess of Revenues	<u>(156,668)</u>	<u>(281,388)</u>	<u>(372,037)</u>	<u>-</u>	<u>(90,649)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	141,980	174,783	174,783		-
<b>Total Other Financing Sources</b>	<u>141,980</u>	<u>174,783</u>	<u>174,783</u>	<u>-</u>	<u>-</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(14,688)</u>	<u>(106,605)</u>	<u>(197,254)</u>	<u>\$ -</u>	<u>\$ (90,649)</u>
Appropriated Fund Balance	<u>14,688</u>	<u>106,605</u>			
<b>Net Increase</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(197,254)</u>		
Fund Balance, Beginning of Year			<u>1,597,346</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 1,400,092</u>		

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

# COUNTY OF TOMPKINS

## SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED DECEMBER 31, 2017

<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>
<b>County of Tompkins</b>							
12/31/2017	1/1/2016	\$ -	\$ 83,451,626	\$ 83,451,626	0.0%	\$ 41,923,499	199.1%
12/31/2016	1/1/2016	-	77,280,697	77,280,697	0.0%	41,210,792	187.5%
12/31/2015	1/1/2014	-	95,598,255	95,598,255	0.0%	38,299,679	249.6%
12/31/2014	1/1/2014	-	88,096,730	88,096,730	0.0%	38,009,373	231.8%
12/31/2013	1/1/2012	-	82,905,337	82,905,337	0.0%	37,785,616	219.4%
12/31/2012	1/1/2012	-	76,402,949	76,402,949	0.0%	36,449,633	209.6%
<b>Tompkins County Public Library</b>							
12/31/2017	1/1/2016	\$ -	\$ 5,322,348	\$ 5,322,348	0.0%	\$ 2,021,371	263.3%
12/31/2016	1/1/2016	-	4,879,717	4,879,717	0.0%	1,927,244	253.2%
12/31/2015	1/1/2014	-	5,816,371	5,816,371	0.0%	1,846,332	315.0%
12/31/2014	1/1/2014	-	5,376,397	5,376,397	0.0%	1,856,968	289.5%
12/31/2013	1/1/2012	-	5,484,063	5,484,063	0.0%	1,666,666	329.0%
12/31/2012	1/1/2012	-	5,043,968	5,043,968	0.0%	1,686,350	299.1%

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

# ***COUNTY OF TOMPKINS***

## **SCHEDULE OF CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>County:</b>			
Contractually required contribution	\$ <b>5,985,813</b>	\$ 6,385,773	\$ 6,563,490
Contributions in relation to the contractually required contribution	<b>(5,985,813)</b>	(6,385,773)	(6,563,490)
Contribution deficiency (excess)	-	-	-
County's covered - employee payroll	<b>38,441,581</b>	36,639,368	34,194,313
Contributions as a percentage of covered - employee payroll	<b>15.6%</b>	17.4%	19.2%
<b>Library:</b>			
Contractually required contribution	<b>260,850</b>	303,722	288,556
Contributions in relation to the contractually required contribution	<b>(260,850)</b>	(303,722)	(288,556)
Contribution deficiency (excess)	-	-	-
Library's covered - employee payroll	<b>1,852,253</b>	1,798,141	1,685,339
Contributions as a percentage of covered - employee payroll	<b>14.1%</b>	16.9%	17.1%
<b>District:</b>			
Contractually required contribution	<b>24,493</b>	33,317	7,463
Contributions in relation to the contractually required contribution	<b>(24,493)</b>	(33,317)	(7,463)
Contribution deficiency (excess)	-	-	-
District's covered - employee payroll	<b>184,267</b>	164,198	162,338
Contributions as a percentage of covered - employee payroll	<b>13.3%</b>	20.1%	4.6%

\* Information unavailable

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

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 7,383,294	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
(7,383,294)	*	*	*	*	*	*
-	*	*	*	*	*	*
33,948,487	*	*	*	*	*	*
21.7%	N/A	N/A	N/A	N/A	N/A	N/A
320,152	265,631	227,295	188,229	*	*	*
(320,152)	(265,631)	(227,295)	(188,229)	*	*	*
-	-	-	-	*	*	*
1,489,640	1,532,665	1,457,033	1,536,141	*	*	*
21.5%	17.3%	15.6%	12.3%	N/A	N/A	N/A
55,175	60,305	27,641	23,197	16,109	19,721	17,308
(55,175)	(60,305)	(27,641)	(23,197)	(16,109)	(19,721)	(17,308)
-	-	-	-	-	-	-
183,540	272,532	257,394	204,541	232,186	245,443	236,590
30.1%	22.1%	10.7%	11.3%	6.9%	8.0%	7.3%

# *COUNTY OF TOMPKINS*

## SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>County:</b>			
Proportion of the net pension liability	<b>0.1599580%</b>	0.1528740%	0.1492680%
Proportionate share of the net pension liability	\$ <b>15,026,215</b>	\$ 24,541,202	\$ 5,040,765
Covered-employee payroll during the measurement period	<b>37,427,166</b>	34,275,974	33,949,328
Proportionate share of the net pension liability as a percentage of covered-employee payroll	<b>40.15%</b>	71.60%	14.85%
Plan fiduciary net position as a percentage of the total pension liability	<b>94.7%</b>	90.7%	97.9%
<b>Library:</b>			
Proportion of the net pension liability	<b>0.007000%</b>	0.0073000%	0.0062000%
Proportionate share of the net pension (asset) liability	\$ <b>(660,193)</b>	\$ 1,168,629	\$ (209,698)
Covered-employee payroll during the measurement period	<b>1,811,285</b>	1,758,709	1,465,228
Proportionate share of the net pension liability as a percentage of covered-employee payroll	<b>-36.45%</b>	66.45%	-14.31%
Plan fiduciary net position as a percentage of the total pension liability	<b>94.7%</b>	90.7%	97.9%
<b>District:</b>			
Proportion of the net pension liability	<b>0.0009490%</b>	0.0010930%	0.0010680%
Proportionate share of the net pension liability	\$ <b>89,199</b>	\$ 175,403	\$ 36,068
Covered-employee payroll during the measurement period	<b>163,940</b>	164,973	154,433
Proportionate share of the net pension liability as a percentage of covered-employee payroll	<b>54.41%</b>	106.32%	23.36%
Plan fiduciary net position as a percentage of the total pension liability	<b>94.7%</b>	90.7%	97.9%

*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, 2017

**Note 1 Budget Basis of Accounting**

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

**Note 2 Reconciliation of Budget Basis to GAAP**

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

**Note 3 Schedule of Funding Progress**

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

**Note 4 Schedules of the County's Proportionate Share of the Net Pension Liability**

The Schedules of the County's Proportionate Share of the Net Pension Liability, required supplementary information, present three years of information. This schedule will present ten years of information as it becomes available from the pension plans.

**Note 5 Schedules of County's Contributions - NYSLRS Pension Plans and Schedules of the County's Proportionate Share of the Net Pension Liability**

**NYSLRS**

**Changes in Benefit Terms**

There were no significant legislative changes in benefits for the April 1, 2016 actuarial valuation.

**Changes of Assumptions**

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2016 actuarial valuation.



# COUNTY OF TOMPKINS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

### *Note 5* Schedules of County's Contributions - NYSLRS Pension Plans and Schedules of the County's Proportionate Share of the Net Pension Liability - Continued

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2016 actuarial valuation determines the employer rates for contributions payable in fiscal year 2017. The following actuarial methods and assumptions were used:

Actuarial cost method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset valuation period	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary scale	3.8% in ERS, indexed by service.
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation.
Cost of living adjustments	1.3% annually

# COUNTY OF TOMPKINS

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2017

	<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>	
	<b>Road Machinery Fund</b>	<b>TCAT Fund</b>	<b>Home and Community Services Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents - Unrestricted	\$ 1,085,209	\$ 75,190	\$ 733,108
Cash and cash equivalents - Restricted			235,665
Temporary investments - Restricted			
Due from other funds	20,210		
Due from state and federal governments		564,086	
Other receivables, net	952		
Prepaid expenses			
<b>Total Assets</b>	<b>\$ 1,106,371</b>	<b>\$ 639,276</b>	<b>\$ 968,773</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 73,966	\$ 562,500	\$ 45,699
Accrued liabilities	11,080		
Due to other funds	4,984		
<b>Total Liabilities</b>	<b>90,030</b>	<b>562,500</b>	<b>45,699</b>
<b>Fund Balances</b>			
Nonspendable			
Restricted			235,665
Committed		76,776	687,409
Assigned	1,016,341		
<b>Total Fund Balances</b>	<b>1,016,341</b>	<b>76,776</b>	<b>923,074</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,106,371</b>	<b>\$ 639,276</b>	<b>\$ 968,773</b>

*See Independent Auditor's Report*

<b>Capital Projects Funds</b>			<b>Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Public Health Fund</b>	<b>Public Safety Fund</b>	<b>Education Fund</b>	<b>TTASC Fund</b>	
\$ 961,650	\$ 58,586	\$ 481,502	\$	\$ 3,395,245
		5,551	116,290	357,506
			649,794	649,794
				20,210
	59,595			623,681
			550,000	550,952
			3,530	3,530
<b>\$ 961,650</b>	<b>\$ 118,181</b>	<b>\$ 487,053</b>	<b>\$ 1,319,614</b>	<b>\$ 5,600,918</b>
\$	\$	\$	\$	\$ 682,165
				11,080
				4,984
-	-	-	-	698,229
			3,530	3,530
		5,551	1,316,084	1,557,300
961,650	118,181	481,502		2,325,518
				1,016,341
961,650	118,181	487,053	1,319,614	4,902,689
<b>\$ 961,650</b>	<b>\$ 118,181</b>	<b>\$ 487,053</b>	<b>\$ 1,319,614</b>	<b>\$ 5,600,918</b>

# COUNTY OF TOMPKINS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>	
	<b>Road Machinery Fund</b>	<b>TCAT Fund</b>	<b>Home and Community Services Fund</b>
<b>REVENUES</b>			
Use of money and property	\$ 897	\$ 61	\$ 789
Sale of property and compensation for loss	157,186		
Miscellaneous local sources	5,297	979	
Interfund revenues	1,539,034		
State sources		562,500	
Federal sources			
<b>Total Revenues</b>	1,702,414	563,540	789
<b>EXPENDITURES</b>			
General governmental support			
Transportation	1,763,889		
Employee benefits	131,073		
Debt service (principal and interest)			
Capital outlay		568,260	415,987
<b>Total Expenditures</b>	1,894,962	568,260	415,987
Excess of Revenues (Expenditures)	(192,548)	(4,720)	(415,198)
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers in			277,255
Interfund transfers (out)			(339,918)
Proceeds of obligations			
<b>Total Other Financing Sources (Uses)</b>	-	-	(62,663)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	(192,548)	(4,720)	(477,861)
Fund Balances, Beginning of Year	1,208,889	81,496	1,400,935
<b>Fund Balances, End of Year</b>	<b>\$ 1,016,341</b>	<b>\$ 76,776</b>	<b>\$ 923,074</b>

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

<b>Capital Projects Funds</b>			<b>Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Public Health Fund</b>	<b>Public Safety Fund</b>	<b>Education Fund</b>	<b>TTASC Fund</b>	
\$ 813	\$ 218	\$ 1,073	\$ 6,392	\$ 10,243
				157,186
	454		460,450	467,180
				1,539,034
				562,500
	3,200			3,200
813	3,872	1,073	466,842	2,739,343
			63,669	63,669
				1,763,889
				131,073
			451,453	451,453
37,911	85,429	1,176,469		2,284,056
37,911	85,429	1,176,469	515,122	4,694,140
(37,098)	(81,557)	(1,175,396)	(48,280)	(1,954,797)
150,000				427,255
				(339,918)
		1,100,000		1,100,000
150,000	-	1,100,000	-	1,187,337
112,902	(81,557)	(75,396)	(48,280)	(767,460)
848,748	199,738	562,449	1,367,894	5,670,149
<b>\$ 961,650</b>	<b>\$ 118,181</b>	<b>\$ 487,053</b>	<b>\$ 1,319,614</b>	<b>\$ 4,902,689</b>

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

County Legislature  
County of Tompkins  
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins, New York (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 26, 2018. Our report includes a reference to other auditors who audited the financial statements of Tompkins Cortland Community College, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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.

**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 County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 26, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

County Legislature  
County of Tompkins  
Ithaca, New York

**Report on Compliance for Each Major Federal Program**

We have audited the County of Tompkins, New York's (the County) compliance with the types of compliance requirements described in the *OMB 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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, 2017.



### **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 Uniform Guidance, 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 a 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,



Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 26, 2018

# COUNTY OF TOMPKINS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Agriculture</b>				
Direct Program:				
Farmers Market Promotion Program	10.168	N/A	\$ 26,450	\$ 26,450
Passed Through NYS Department of Health:				
Special Supplemental Nutrition Program for Women, Infants and Children - Administration	10.557	C025804		482,992
Special Supplemental Nutrition Program for Women, Infants and Children - Food Instruments	10.557	(1)		740,297
Total Special Supplemental Nutrition Program for Women, Infants and Children			-	1,223,289
Passed Through NYS Office of Temporary and Disability Assistance: SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)		1,186,827
Total SNAP Cluster			-	1,186,827
<b>Total U.S. Department of Agriculture</b>			26,450	2,436,566
<b>U.S. Department of Housing and Urban Development</b>				
Passed Through NYS Homes and Community Renewal:				
Community Development Block Grants - State's Program	14.228	1144CRFHR99-14	207,169	209,674
Community Development Block Grants - State's Program	14.228	1144H0337-15	229,390	229,870
Total Community Development Block Grants - State's Program			436,559	439,544
<b>Total U.S. Department of Housing and Urban Development</b>			436,559	439,544
<b>U.S. Department of Justice</b>				
Direct Program:				
Equitable Sharing Program	16.922	N/A		30,363
<b>Total U.S. Department of Justice</b>			-	30,363
<b>U.S. Department of Labor</b>				
Passed Through NYS Office for the Aging:				
Senior Community Service Employment Program	17.235	(1)		26,034
Passed Through NYS Department of Labor:				
Trade Adjustment Assistance Workers	17.245	(1)		8,959
WIA Cluster:				
WIA Adult Program	17.258	(1)		116,481
WIA Youth Activities	17.259	(1)		327,703
WIA Dislocated Workers	17.278	(1)		89,360
Total WIA Cluster			-	533,544
<b>Total U.S. Department of Labor</b>			-	568,537
Subtotal Expenditures of Federal Awards			463,009	3,475,010

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 FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ 463,009	\$ 3,475,010
<b>U.S. Department of Transportation</b>				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Formula Grants	20.507	N/A	1,630,316	1,703,440
Total Federal Transit Cluster			1,630,316	1,703,440
Transit Services Programs Cluster:				
Job Access and Reverse Commute Program	20.516	N/A	152,113	152,113
Total Transit Services Programs Cluster			152,113	152,113
Airport Improvement Program	20.106	N/A		1,040,875
Passed Through NYS Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	D022373		449,944
Highway Planning and Construction	20.205	D035388		63,428
Highway Planning and Construction	20.205	D034773		51,753
Highway Planning and Construction	20.205	D032212		1,428
Highway Planning and Construction	20.205	D035080		63,973
Total Highway Planning and Construction Cluster			-	630,526
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	C033460		284,136
Passed Through NYS Governor's Traffic Safety Committee:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SO-00093		5,370
Total Highway Safety Cluster				5,370
<b>Total U.S. Department of Transportation</b>			1,782,429	3,816,460
<b>Environmental Protection Agency</b>				
Passed Through NYS Department of Health:				
State Indoor Radon Grants	66.032	T30724GG		12,334
<b>Total Environmental Protection Agency</b>			-	12,334
<b>U.S. Department of Education</b>				
Passed through NYS Department of Health:				
Special Education - Grants for Infants and Families with Disabilities	84.181	C027514		29,681
<b>Total U.S. Department of Education</b>			-	29,681
<b>U.S. Department of Health and Human Services</b>				
Direct:				
Drug-Free Communities Support Program Grants	93.276	B4358P1		48,258
Subtotal U.S. Department of Health and Human Services			-	48,258
Subtotal Expenditures of Federal Awards			2,245,438	7,381,743

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 FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ 2,245,438	\$ 7,381,743
Subtotal U.S. Department of Health and Human Services Brought Forward			-	48,258
<b>U.S. Department of Health and Human Services (con't.)</b>				
Passed Through NYS Office for the Aging:				
Title III-D, Disease Prevention and Health Promotion Services Aging Cluster:	93.043	(1)		6,052
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)		72,555
Title III-C, Nutrition Services	93.045	(1)		135,979
Nutrition Services Incentive Program	93.053	(1)		109,245
Total Aging Cluster			-	317,779
Title III-E, National Family Caregiver Support	93.052	(1)		34,013
Medical Enrollment Assistance Program	93.071	(1)		8,892
Medical Assistance Program	93.778	(1)		74,811
Passed Through NYS Department of Health:				
Immunization Grants	93.268	C028325		56,198
Maternal and Child Health Services Block Grant to the States:				
Maternal and Child Health Services Block Grant to the States	93.994	C029746		18,095
Maternal and Child Health Services Block Grant to the States	93.994	C30925GG		29,993
Total Maternal and Child Health Services Block Grant to the States			-	48,088
Medical Assistance Program	93.778	(1)		1,104,293
Passed Through Health Research, Inc.:				
Public Health Emergency Preparedness	93.069	HRI-1626-10		83,829
Passed Through NYS Office of Mental Health:				
Projects for Assistance in Transition from Homelessness	93.150	(1)	33,280	33,280
Passed Through NYS Office of Temporary and Disability Assistance:				
TANF Cluster:				
Temporary Assistance to Needy Families	93.558	(1)	282,161	6,028,905
Total TANF Cluster			282,161	6,028,905
Child Support Enforcement	93.563	(1)		570,959
Low-Income Home Energy Assistance	93.568	(1)		1,760,643
Passed Through NYS Office of Children and Family Services:				
Promoting Safe and Stable Families, Title IV-B, subpart 2	93.556	(1)		5,810
CCDF Cluster:				
Child Care and Development Block Grant	93.575	(1)		1,328,744
Total CCDF Cluster			-	1,328,744
Foster Care - Title IV-E	93.658	(1)		1,326,726
Adoption Assistance	93.659	(1)		1,688,705
Social Services Block Grant	93.667	(1)		181,768
Chafee Foster Care Independence Program	93.674	(1)		65,463
Children's Health Insurance Program	93.767	(1)		8,042
Passed Through NYS State Office of Alcoholism and Substance Abuse Services:				
Substance Abuse and Mental Health Services Administration	93.243	(1)	-	10,939
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	216,389	216,389
<b>Total U.S. Department of Health and Human Services</b>			<b>531,830</b>	<b>15,008,586</b>
Subtotal Expenditures of Federal Awards			2,777,268	22,342,071

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 FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>2,777,268</u>	\$ <u>22,342,071</u>
<b>U.S. Department of Homeland Security</b>				
Passed Through NYS Office of Homeland Security and Emergency Services:				
Homeland Security Grant Program	97.067	T180021		2,179
Homeland Security Grant Program	97.067	T974062		3,200
Total Homeland Security Grant Program			-	5,379
Passed Through NYS Emergency Management Office:				
Hazard Mitigation Grants	97.039	2008-025	30,116	30,116
<b>Total U.S. Department of Homeland Security</b>			30,116	35,495
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ <u><u>2,807,384</u></u>	\$ <u><u>22,377,566</u></u>
<b>Program Totals and Clusters Obscured Above:</b>				
Medical Assistance Program- Medicaid Cluster	93.778			\$ <u><u>1,179,104</u></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***

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2017**

***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. The County has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

***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***     **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 directly to recipients by the State of New York. The difference amounted to \$1,637,941 for the year ended December 31, 2017.

# COUNTY OF TOMPKINS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS DECEMBER 31, 2017

**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 \_X\_ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_ yes \_X\_ none reported

Noncompliance material to financial statements noted? \_\_\_ yes \_X\_ no

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes \_X\_ no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_ yes \_X\_ 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 2 CFR 200.516(a)? \_\_\_ yes \_X\_ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children - Administration
20.106	Airport Improvement Program
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.658	Foster Care - Title IV-E
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee: \_X\_ yes \_\_\_ no

**Section II - Financial Statement Findings:** None

**Section III - Federal Award Findings and Questioned Costs:** None