

COUNTY OF TOMPKINS

Ithaca, New York

FINANCIAL REPORT

December 31, 2009

COUNTY OF TOMPKINS

FOR THE YEAR ENDED DECEMBER 31, 2009

Independent Auditor's Report	1-1a
Required Supplementary Information	
Management's Discussion and Analysis	2-2k
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	3-4
Statement of Activities	5-5a
Fund Financial Statements	
Balance Sheet - Governmental Funds	6-6a
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8-8a
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
Statement of Net Assets - Proprietary Funds	10
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	11
Statement of Cash Flows - Proprietary Fund Types	12
Statement of Fiduciary Net Assets - Fiduciary Funds	13
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	14
Notes to Financial Statements	15-46
Required Supplementary Information	
Budgetary Comparison Schedule (Non-GAAP) - General Fund	47-47a
Budgetary Comparison Schedule (Non-GAAP) - County Road Fund	48-48a
Budgetary Comparison Schedule (Non-GAAP) - Transportation Fund	49-49a
Budgetary Comparison Schedule (Non-GAAP) - Solid Waste Fund	50-50a
Budgetary Comparison Schedule (Non-GAAP) - Special Grant Fund	51-51a
Schedule of Funding Progress	52
Notes to Required Supplementary Information	53
Supplementary Information	
Combining Balance Sheet - Non-Major Governmental Funds	54-54a
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	55-55a
Report Required Under Government Auditing Standards	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56-57
Reports Required Under the Single Audit Act (OMB Circular A-133)	
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	58-59
Schedule of Expenditures of Federal Awards	60-64
Notes to Schedule of Expenditures of Federal Awards	65
Schedule of Findings and Questioned Costs	66-67

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

INDEPENDENT AUDITOR'S REPORT

County Legislature
County of Tompkins
Ithaca, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Tompkins (the County) as of and for the year ended December 31, 2009, which collectively comprise the County of Tompkins's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins, as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

- 1 -

CORTLAND

39 Church Street
Cortland, New York 13045
607-753-7439
fax 607-753-7874

ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
607-272-4444
fax 607-273-8372
www.cdlim.com

WATKINS GLEN

108 West Fourth Street
Watkins Glen, New York 14891
607-535-4443
fax 607-535-6220

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and the Schedule of Funding Progress on pages 2 through 2j, 47 through 53, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Tompkins's financial statements as a whole. The combining Non-Major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining non-major fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Lisa Dietershagen, Little, Mickelson & Company, CPA". The signature is written in black ink and is positioned above the date and location information.

August 23, 2010
Ithaca, New York

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009. Please read this information in conjunction with the County's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$151,335,836 (net assets). Of this amount, \$26,539,864 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's overall net assets decreased by \$(3,665,460), or (2.4%), while unrestricted net assets decreased by \$(9,785,953), or (27.0%).
- During the year, the County had revenues of \$157,087,049, as compared to \$163,927,241 in 2008. Expenses of \$160,752,509 decreased by \$(170,355), from \$160,922,864 in the prior year. The decrease in revenue was the result of declines in sales tax revenue and the decrease in the County's equity in joint ventures.
- The County invested over \$17 million in capital assets during the year. Approximately \$5.5 million of this was invested in a new Public Health Building and \$10.6 million was invested in Transportation infrastructure.
- The General Fund recorded a decrease of \$(160,143) in 2009 and ended the year with a fund balance of \$16,986,511. Of this fund balance, \$2,677,622 was reserved for future expenditures, \$3,269,886 was designated to support the 2010 budget, and \$11,039,003 was unreserved and undesignated.
- The County's short-term and long-term obligations at year end totaled \$107,156,963, an increase of \$28,204,186 from 2008. \$17.1 million of the increased debt is temporary, resulting from the advanced funding of Bond Anticipation Notes which matured in early 2010. The remaining \$11.1 million in debt was attributable to investment in Health and Transportation infrastructure, as well as recognizing the increase in the unpaid actuarial accrued liability related to other postemployment benefits as required by Governmental Accounting Standards Board (GASB) Number 45.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3 through 5a) provide information about the County as a whole and present a longer-term view of the County's finances. Governmental Fund financial statements start on page 6. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in greater detail than the Government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the Government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

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

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Reporting the County as a Whole

Analysis of the County as a whole begins on page 3, with the Government-wide financial statements. The Statement of Net Assets 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 assets and changes in them. The County's net assets, the difference between assets and liabilities, are one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets 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 Assets 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 - the Tompkins County Public Library, the Tompkins County Industrial Development Agency, the Tompkins County Soil and Water Conservation District, and the Tompkins Tobacco Asset Securitization Corporation (TTASC). The TTASC is reported as a blended component unit with the County's Governmental Activities. The other three component units are reported discretely. Although legally separate, these component units are important because the County is financially accountable for them. Complete financial statements for the Tompkins County Public Library, the Tompkins County Industrial Development Agency, the Tompkins County Soil and Water Conservation District, and Note 1-A-1 can be obtained from their administrative offices. See Note 1-A-2 to the basic financial statements.

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

Reporting the County's Most Significant Funds

Governmental Fund Financial Statements

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

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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 Assets 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 Assets on page 13. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE COUNTY AS A WHOLE

The County's net assets for fiscal year ended December 31, 2009 decreased \$(3,665,460), from \$155,001,296 to \$151,335,836. In contrast, last year net assets increased by \$3,004,377.

The largest portion of the County's net assets of \$113,204,306 (74.8%) 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 assets of \$11,591,666 (7.7%) represents resources that are subject to external restrictions on how they may be used and are reported as restricted net assets. These net assets consist of unspent funds that are restricted for community development and debt service.

The remaining category of total net assets, unrestricted net assets of \$26,539,864 may be used to meet the government's ongoing obligations and services to creditors and citizens. Of these net assets, the County has appropriated \$3,533,400 for 2010 expenses and designated another \$20,835,389 for specific purposes.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Figure 1 - Net Assets

	Governmental Activities		Percent Change
	2008	2009	2008-2009
<i>Current assets - County</i>	\$ 48,236,815	\$ 48,092,257	(0.3%)
<i>Assets - TTASC</i>	1,847,203	1,559,285	(15.6%)
<i>Capital assets, net</i>	167,825,852	176,176,869	5.0%
<i>Other noncurrent assets - County</i>	29,880,965	47,795,920	60.0%
Total Assets	247,790,835	273,624,331	10.4%
<i>Current liabilities - County</i>	31,011,013	59,498,929	91.9%
<i>Current liabilities - TTASC</i>	221,048	246,048	11.3%
<i>Noncurrent liabilities - County</i>	50,600,971	51,774,713	2.3%
<i>Noncurrent liabilities - TTASC</i>	10,956,507	10,768,805	(1.7%)
Total Liabilities	92,789,539	122,288,495	31.8%
<i>Invested in capital assets, net of debt</i>	106,975,487	113,204,306	5.8%
<i>Restricted</i>	11,699,992	11,591,666	(0.9%)
<i>Unrestricted</i>	36,325,817	26,539,864	(26.9%)
Total Net Assets	\$ 155,001,296	\$ 151,335,836	(2.4%)

The County's total revenues decreased by (4.2%), while the total cost of all programs and services decreased by (0.1%). Our analysis in Figure 2 separately considers the operations of Governmental Activities.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Figure 2 - Changes in Net Assets

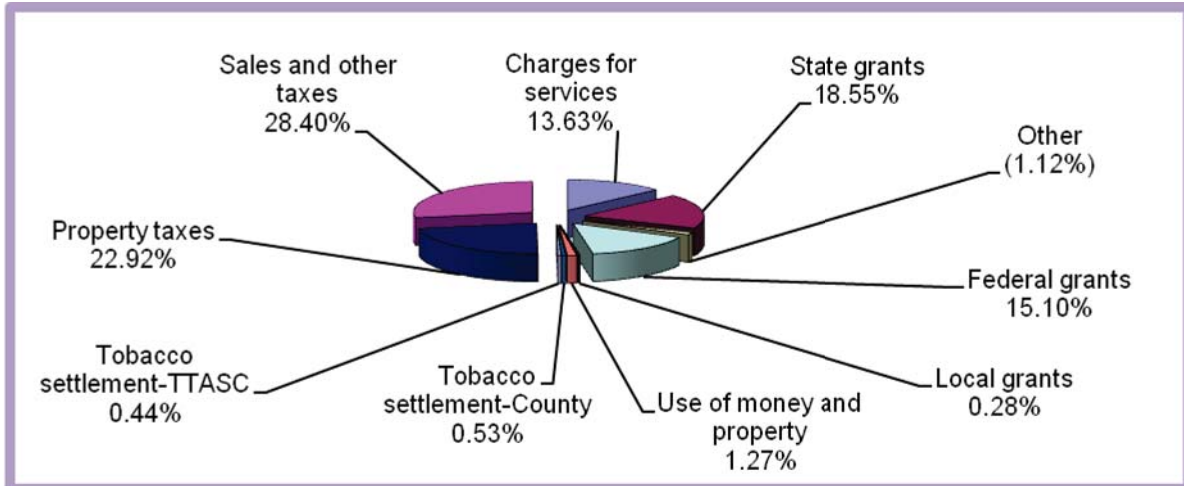
	Governmental Activities		Percent Change
	2008	2009	2008 - 2009
REVENUES			
<i>Program Revenues:</i>			
Charges for services	\$ 22,144,189	\$ 21,414,533	(3.3%)
Operating grants	39,629,950	44,149,745	11.4%
Capital grants	14,262,959	9,164,800	(35.8%)
<i>General Revenues:</i>			
Property taxes and tax items	35,379,253	36,010,837	1.8%
Sales and other taxes	46,687,986	44,595,572	(4.5%)
Tobacco settlement - County	741,359	831,959	12.2%
Tobacco settlement - TTASC	741,359	690,000	(6.9%)
Unrestricted grants	748,363	419,449	(44.0%)
Use of money and property	2,921,062	1,996,528	(31.7%)
Change in equity interest in joint ventures	(64,706)	(2,786,341)	(4,206.2%)
Other	735,467	599,967	(18.5%)
Total Revenues	163,927,241	157,087,049	(4.2%)
PROGRAM EXPENSES			
General Government	28,288,373	27,787,830	(1.8%)
Education	8,714,705	8,198,754	(5.9%)
Public Safety	19,781,036	18,323,684	(7.4%)
Public Health	19,802,859	20,122,043	1.6%
Transportation	18,272,345	19,197,935	5.1%
Economic Assistance and Opportunity	50,073,870	51,822,929	3.5%
Culture and Recreation	5,159,391	5,336,275	3.4%
Home and Community Services	7,522,495	7,078,587	(5.9%)
Interest on long-term debt	3,307,790	2,884,472	(12.8%)
Total Expenses	160,922,864	160,752,509	(0.1%)
INCREASE (DECREASE) IN NET ASSETS	\$ 3,004,377	\$ (3,665,460)	(222.0%)

In 2009, net assets decreased by \$(3.7) million largely due to a significant decrease in revenues. The decrease in revenues of \$(6.8) million was primarily due to a decrease in program revenues of \$(1.3) million, a decrease in sales and other taxes of \$(2.1) million and a decrease in the County's equity in joint ventures of \$(2.8) million.

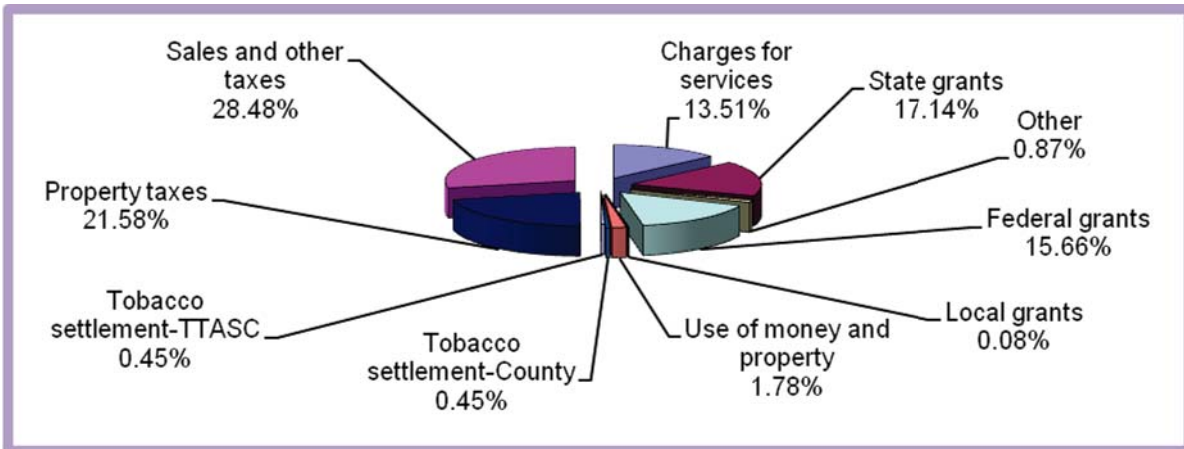
COUNTY OF TOMPKINS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

Figures 3 and 4 show in percentages the sources of revenues for 2009 and 2008.

**Figure 3 - Revenue by Source
 Governmental Activities
 2009**



**Figure 4 - Revenue by Source
 Governmental Activities
 2008**



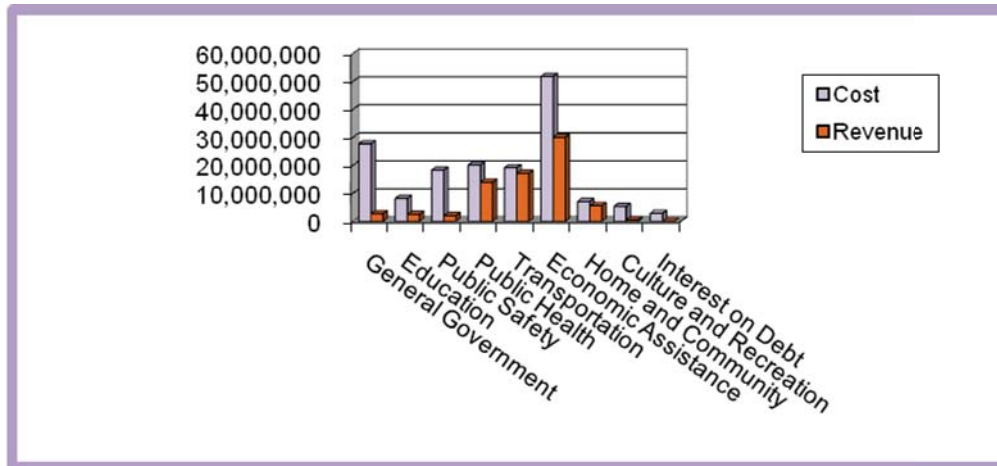
The cost of all Governmental Activities this year was \$160,752,509. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County property and other tax revenues was \$86,023,431, because some of the cost was paid by those who directly 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 \$74,729,078. The County paid for the remaining "public benefit" portion of Governmental Activities with \$82,357,971 in taxes and with other revenues, such as interest and general entitlements.

COUNTY OF TOMPKINS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

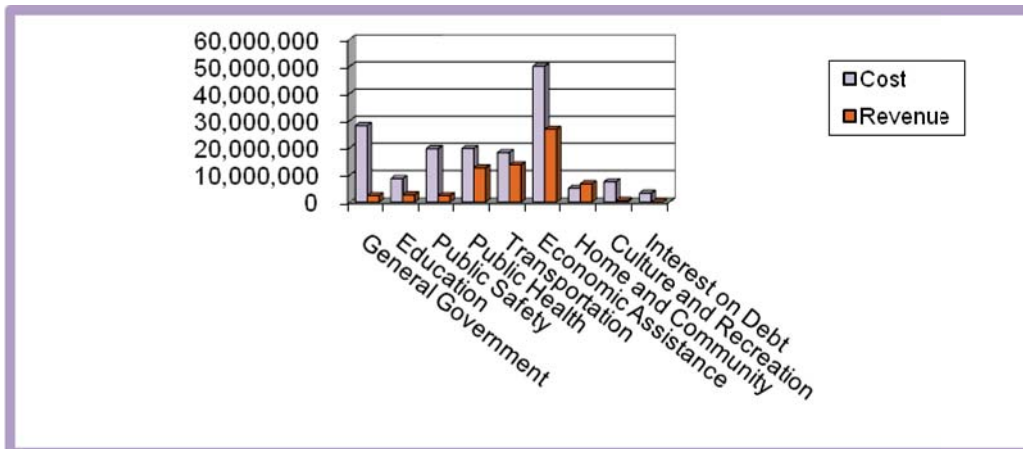
A comparison of program expenses, outlined in Figure 2, highlights the following: general government program activities reflected a decrease of \$(0.5) million; education expenses decreased \$(0.5) million; public safety program expenses reflected a decrease of approximately \$(1.5) million. Transportation expenses increased \$0.9 million; economic assistance opportunity program expenses increased \$1.7 million. Overall, program expenses of the County's Governmental Activities decreased less than \$(0.5) million.

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
2009**



**Figure 6 - Net Program Cost
Governmental Activities
2008**



COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

THE COUNTY'S FUNDS

As the County completed the year, its Governmental Funds, as presented in the balance sheets on pages 6 - 6a, reported a combined fund balance of \$37,256,462, which is 4.1% higher than last year's total, largely due to capital project financing during the year. Of this amount, \$7,537,810 is reserved for future expenditures and \$3,533,400 is designated for 2010 expenditures, leaving \$26,185,252 in unreserved and undesignated fund balances. However, of these fund balances, \$10,874,707 is restricted for capital projects. Figure 7 shows the changes in fund balance for the County's Governmental Funds.

**Figure 7 - Governmental Funds
Fund Balance at Years Ended**

	2008	2009	Dollar Change
<i>Major Funds:</i>			
General Fund	\$ 17,146,654	\$ 16,986,511	\$ (160,143)
County Road Fund	2,195,456	2,226,674	31,218
Transportation (Airport) Fund	275,046	295,920	20,874
Solid Waste Fund	1,946,673	1,412,612	(534,061)
Special Grant Fund	1,361,669	1,091,054	(270,615)
Capital Projects Fund - Transportation Fund	3,898,794	4,819,072	920,278
Capital Projects Fund - Public Health	98,168	1,046,716	948,548
Debt Service Fund	1,544,269	2,069,023	524,754
<i>Non-Major Funds:</i>			
Road Machinery Fund	517,861	879,135	361,274
TCAT Capital Project Fund	216,591	200,217	(16,374)
General Government Capital Project Fund	2,421,152	2,327,200	(93,952)
Home and Community Service Capital Project Fund	1,100,498	1,157,624	57,126
Public Safety Capital Project Fund	763,126	742,041	(21,085)
Education Capital Project Fund	589,046	581,837	(7,209)
TTASC Debt Service Fund	1,701,533	1,420,826	(280,707)
Totals	\$ 35,776,536	\$ 37,256,462	\$ 1,479,926

The County's major operating funds increased by 5.2% primarily due to an increase in the fund balances of the Debt Service Fund of 34.0%, the Transportation Capital Projects Fund of 23.6% and the Public Health Capital Fund of 966.2%, offset by decreases in the fund balances of the Solid Waste Fund of (27.5%) and the Special Grant Fund of (19.9%). The increase in the Debt Service Fund is largely the result of an increase of \$464,017 in reimbursements of debt services expenditures from other governmental entities. The increase in the Transportation and Public Health Capital Projects Funds is primarily a result of additional Bond financing. The decrease in the fund balances of the Solid Waste Fund is a result of weak markets for recycled materials. The decrease in the Special Grant Fund is primarily the result of an increase in program expenditures of \$424,745.

General Fund Budgetary Highlights

Over the course of the year, the County Legislature revised the County budget several times. These budget amendments consist of budget transfers between functions, which do not increase the overall budget. 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. At the close of the year it was necessary to transfer approximately \$868,000 from the Contingent Fund in order to offset over-runs in mandated programs.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

**Figure 8 - Budgetary Comparison Schedule - General Fund
December 31, 2009**

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
REVENUES				
<i>Real property taxes and tax items</i>	\$ 38,134,645	\$ 35,569,313	\$ 35,831,516	\$ 262,203
<i>Nonproperty tax items</i>	33,483,510	44,875,679	44,595,572	(280,107)
<i>Departmental income</i>	11,970,804	12,153,119	11,231,448	(921,671)
<i>Fines and forfeitures</i>	215,091	215,091	206,207	(8,884)
<i>Use of money and property</i>	814,000	814,000	580,001	(233,999)
<i>Miscellaneous local sources</i>	1,871,567	2,256,733	818,060	(1,438,673)
<i>Sale of property and compensation for loss</i>	719,500	1,027,158	927,004	(100,154)
<i>State sources</i>	23,616,102	27,115,439	27,011,544	(103,895)
<i>Federal sources</i>	14,933,439	16,831,888	15,598,414	(1,233,474)
<i>Other</i>	875,313	885,539	1,118,964	233,425
Total Revenues and Other Financing Sources	\$ 126,633,971	\$ 141,743,959	\$ 137,918,730	\$ (3,825,229)
Appropriated Fund Balance	\$ 4,403,181	\$ 5,270,923		
	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
EXPENDITURES				
<i>General Government</i>	\$ 13,778,620	\$ 24,378,122	\$ 23,676,787	\$ 701,335
<i>Education</i>	8,518,995	8,625,157	8,172,672	452,485
<i>Public Safety</i>	12,158,851	12,522,937	11,871,325	651,612
<i>Public Health</i>	17,910,304	17,267,773	15,735,448	1,532,325
<i>Transportation</i>	5,063,777	6,807,493	6,319,431	488,062
<i>Economic Assistance and Opportunity</i>	45,294,544	46,701,963	44,938,318	1,763,645
<i>Culture and Recreation</i>	4,844,305	4,887,400	4,836,062	51,338
<i>Home and Community Services</i>	1,436,940	1,630,544	1,147,244	483,300
<i>Employee Benefits</i>	10,742,082	12,826,749	12,163,369	663,380
<i>Other Financing Uses</i>	11,288,734	11,366,744	10,345,720	1,021,024
Total Expenditures and Other Financing Uses	\$ 131,037,152	\$ 147,014,882	\$ 139,206,376	\$ 7,808,506
<i>Excess of (Expenditures), Encumbrances and Other Financing (Uses)</i>	\$ -0-	\$ -0-	\$ (1,287,646)	\$ 3,983,277

COUNTY OF TOMPKINS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Actual charges to appropriations (expenditures) were 5.4% below the final budgeted amounts, however in many instances such balances were offset by unrealized revenue. Unspent budget allocations for the General Government activities were reflective of delays in activities related to project grants for the implementation of a Health Insurance Consortium, and the Help American Vote Act, and the education balances are related to billings for Pre School Services. Unexpended balances for Public Safety are related to Probation services and deferral of expenditures on computer aided dispatch system upgrades. Balances within the Health function were the result of lower than expected cost for the Early Intervention Program and reductions in external service contracts. Transportation balances are reflective of lower than anticipated grants. Economic Assistance and Opportunity activities are reflective of the transfer of HEAP activities to NYS, lower than anticipated expenses in Child Care, and other Social Service programs. Home and Community Services balances are related to unrealized grants for transportation and open space preservation. Employee Benefits reflect reduced expenses resulting from continuing stalemates in employee contract negotiations. The unexpended balance in Other Financing Uses is the result of budget management necessary to offset declines in revenues.

Estimated revenues budgeted to support operations were \$3,825,229, or 2.7% below actual revenues recorded in the current year. The County closely managed the budget during the year to mitigate projected budget shortfalls. The recession significantly impacted sales tax collections and investment income. The County was able to offset an approximate decline of \$1.8 million in sales tax by utilizing the federal stimulus program (ARRA) enhanced Medicaid reimbursements to temporarily offset declines in local revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2009, the County had \$176,176,869, net of accumulated depreciation of \$104,003,284, invested in a broad range of capital assets, including buildings, machinery and equipment, roads and bridges. This amount represents a net increase (including additions and deductions) of \$8,351,017 over last year.

Figure 9 - Capital Assets, Net of Depreciation

	Governmental Activities		Percent Change
	2008	2009	2008 - 2009
<i>Land</i>	\$ 7,120,899	\$ 7,125,999	0.1%
<i>Construction in progress</i>	2,688,300	10,772,311	300.7%
<i>Buildings and improvements</i>	48,194,461	45,678,311	(5.2%)
<i>Equipment</i>	6,185,633	6,223,518	0.6%
<i>Infrastructure</i>	103,636,559	106,376,730	2.6%
Totals	\$ 167,825,852	\$ 176,176,869	5.0%

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

This year's capital asset activity consisted of:

Land and construction in progress	\$ 8,127,611
Buildings and building improvements	173,389
Machinery and equipment	683,807
Infrastructure	<u>8,325,326</u>
Total Additions	17,310,133
Less net book value of disposals	(153,698)
Less depreciation expense	<u>(8,805,418)</u>
 Change in Capital Assets, Net of Accumulated Depreciation	 <u>\$ 8,351,017</u>

Debt Administration

Total debt obligations and other long-term liabilities increased in 2009 by \$28,204,186, as shown in Figure 10. This was largely the result the issuance of Bond Anticipation Notes to fund capital projects in accordance with its capital plan and the implementation of GASB Statement Number 45, which resulted in a second year liability of \$6,245,348. Of the total indebtedness of the County, \$32,260,000 was subject to the constitutional debt limit and represented 12% of the County's statutory debt limit. Tobacco settlement pass-through bonds are debt of the Tompkins Tobacco Asset Securitization Corporation (TTASC), under which 50% of the County's future tobacco settlement proceeds were securitized. The County is not responsible for this debt in the event that the TTASC were to default in repayment of the bonds.

Figure 10 - Outstanding Debt at Years Ended

	Governmental Activities		Dollar Change
	2008	2009	2008 - 2009
<i>Serial bonds</i>	\$ 35,691,736	\$ 31,848,507	\$ (3,843,229)
<i>Bond Anticipation Notes payable</i>	12,140,000	38,509,488	26,369,488
<i>Compensated absences</i>	3,648,807	3,839,649	190,842
<i>Installment purchase debt</i>	9,357,005	8,433,732	(923,273)
<i>Workers' compensation claims</i>	634,999	642,808	7,809
<i>Self insurance claims</i>	281,500	601,403	319,903
<i>Other postemployment benefits liability</i>	6,021,175	12,266,523	6,245,348
<i>Tobacco settlement pass-through bonds</i>	11,177,555	11,014,853	(162,702)
Totals	\$ 78,952,777	\$ 107,156,963	\$ 28,204,186

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Tompkins County benefits from a stable economy anchored by Cornell University and Ithaca College. While this strong economic base provides unique stability, it has not insulated the county from the ravages of the national economic decline and fiscal dependence on the New York State (NYS) government.

COUNTY OF TOMPKINS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

The County's operations will continue to be challenged by a structural imbalance between program cost and revenue growth. Policy makers are sensitive to the property tax burden and have instituted policies that promote stability and predictability. The budget adopted for 2010 maintains service levels but recognized that operations are stretched thin. The 2010 budget provides a reasonable level of protection against a continuing economic decline and retrenchment of financial support from NYS by utilizing one time savings from federal stimulus program as a hedge against uncertainty rather than to supplant local funding.

The 2010 tax levy of \$35.9 million reflects an increase of \$1.4 million or 4.1% over the 2009 levy of \$34.5 million. Actual property tax rates increased from \$5.94 to \$6.00. Property valuations and tax collections remain stable. Taxable values increased from \$6,209,475,156 to \$6,387,983,316 or 2.9%.

The 2010 budget reflects modest reliance on General Fund Balance to support operations of \$3.3 million as compared to \$3.5 million in 2009. Sales tax receipts are estimated to decline by \$1 million or (3.3%), in recognition of four consecutive quarters of decline. The 2010 sales tax estimate is comparable to 2007 level of activity.

The County continues to anticipate and fiscally plan for those areas which are outside of our control that could have a material effect on future tax levies.

The County has requested authorization from the NYS Legislature to impose a 0.25% Mortgage Tax in order to divert pressure from the property tax. Current expectations are that this could provide an additional \$1 million to support services.

The second area of concern is fringe benefit cost. During 2008, the County implemented GASB Statement Number 45, however, no provisions have been initiated to address the funding of the OPEB liability which is stated at \$12.2 million at year end. Health insurance costs have been increasing by \$1 million a year. The County is working on the establishment of a Countywide Municipal Health Insurance Cooperative, which because of its larger membership, would have the potential to reduce cost and growth by spreading risk over a larger base. Another cost pressure is New York State Retirement contributions. The retirement contribution rates are projected to rise dramatically in the near term. Contributions are expected to increase from \$2.9 million in 2009 to \$4.5 million in 2010, and rise to \$6.7 million in 2011.

The third area outside of our control is the possible effect of the New York State budget on County governments. A reduction in state reimbursements, and an increasing trend on the part of the State Legislature to pass down costs to County governments, could substantially impair fiscal stability.

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 the Finance Director, Tompkins County, 125 East Court Street, Ithaca, New York 14850.

COUNTY OF TOMPKINS
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 18,349,750	\$ 867,297	\$ 587,420	\$ 533,298
Restricted cash	2,935,168			
Restricted cash - TTASC	77,286			
Taxes receivable, net	5,293,905			
Accounts receivable, net	4,302,717	354,571	96,511	2,223
Accounts receivable - TTASC, net	690,000			
Loans receivable - Current portion	414,875			
Due from state and federal governments	15,583,135			14,938
Due from other governments	131,210			
Securities and mortgages	300,000			
Prepaid expenses	785,253			
Total Current Assets	<u>48,863,299</u>	<u>1,221,868</u>	<u>683,931</u>	<u>550,459</u>
Noncurrent Assets:				
Restricted cash and cash equivalents	24,342,228			
Restricted investments - TTASC	649,784			
Investments		1,311,335		37,479
Accounts receivable in more than one year		62,984	140,000	
Loans receivable - Long-term portion	3,757,839			
Securities and mortgages	2,001,894			
Unamortized bond issue costs - TTASC	138,459			
Equity interest in joint ventures	17,693,959			
Capital assets - Land and construction in progress	17,898,310			
Capital assets - Depreciable, net of accumulated depreciation	158,278,559	961,921		58,139
Total Noncurrent Assets	<u>224,761,032</u>	<u>2,336,240</u>	<u>140,000</u>	<u>95,618</u>
Total Assets	<u>273,624,331</u>	<u>3,558,108</u>	<u>823,931</u>	<u>646,077</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	6,678,146	368,773		23,210
Accrued liabilities	913,446	27,992		2,926
Bond Anticipation Notes payable	17,180,000			
Interest payable	897,104			
Due to other governments	3,289,650		36,618	
Due to employees' retirement system				12,199
Compensated absences				19,704
Retained percentages	586,263			
Deferred revenue	2,615,893			727,550
Other	151,030			
Long-term obligations due within one year - County	27,187,397			
Long-term obligations due within one year - TTASC	246,048			
Total Current Liabilities	<u>59,744,977</u>	<u>396,765</u>	<u>36,618</u>	<u>785,589</u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET ASSETS
(CONTINUED)
DECEMBER 31, 2009

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
Total current liabilities carried forward	\$ 59,744,977	\$ 396,765	\$ 36,618	\$ 785,589
Noncurrent Liabilities:				
Long-term obligations due after one year - County	51,774,713	1,003,802		
Long-term obligations due after one year - TTASC	10,768,805			
Total Noncurrent Liabilities	62,543,518	1,003,802	-0-	-0-
 Total Liabilities	 122,288,495	 1,400,567	 36,618	 785,589
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	113,204,306	960,971		58,139
Restricted for:				
Community Development	5,263,768			
Public Safety	351,463			
Economic Assistance and Opportunity	184,692			
Debt	5,791,743			
Library - Expendable		142,910		
Library - Nonexpendable		483,580		
Total Restricted Net Assets	11,591,666	626,490	-0-	-0-
Unrestricted	26,539,864	570,080	787,313	(197,651)
Total Net Assets	\$ 151,335,836	\$ 2,157,541	\$ 787,313	\$ (139,512)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Revenues			
<u>FUNCTIONS/PROGRAMS</u>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Governmental Support	\$ 27,787,830	\$ 2,420,019	\$ 328,240	\$ _____
Education	8,198,754	_____	2,487,871	_____
Public Safety	18,323,684	1,057,997	923,788	51,786
Health	20,122,043	6,481,441	7,512,354	_____
Transportation	19,197,935	3,415,028	4,656,440	9,113,014
Economic Assistance and Opportunity	51,822,929	2,454,653	27,619,426	_____
Culture and Recreation	5,336,275	200,655	361,163	_____
Home and Community Services	7,078,587	5,384,740	260,463	_____
Interest on Debt-County	2,113,961	_____	_____	_____
Interest on Debt-TASC	770,511	_____	_____	_____
Total Governmental Activities	\$ 160,752,509	\$ 21,414,533	\$ 44,149,745	\$ 9,164,800
Component Units:				
Tompkins County Public Library	\$ 4,344,785	\$ 116,072	\$ 3,611,845	\$ _____
Industrial Development Agency	416,914	10,121	_____	_____
Soil and Water Conservation	805,311	61,571	697,557	_____
Total Component Units	\$ 5,567,010	\$ 187,764	\$ 4,309,402	\$ -0-

Net (Expense) and Changes in Net Assets brought forward

GENERAL REVENUES

Taxes:

 Property taxes, levied for general purposes

 Property tax items

 Sales and other taxes

Tobacco settlement payments - County

Tobacco settlement payments - TTASC

Grants and contributions not restricted to
specific programs

Use of money and property

Miscellaneous

Sale of property and compensation for loss

Change in equity in joint ventures

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See Independent Auditor's Report and Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets

Primary Government Total Governmental Activities	Component Units		
	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
\$ (25,039,571)	\$ _____	\$ _____	\$ _____
(5,710,883)	_____	_____	_____
(16,290,113)	_____	_____	_____
(6,128,248)	_____	_____	_____
(2,013,453)	_____	_____	_____
(21,748,850)	_____	_____	_____
(4,774,457)	_____	_____	_____
(1,433,384)	_____	_____	_____
(2,113,961)	_____	_____	_____
(770,511)	_____	_____	_____
(86,023,431)	-0-	-0-	-0-
_____	(616,868)	_____	_____
_____	_____	(406,793)	_____
_____	_____	_____	(46,183)
-0-	(616,868)	(406,793)	(46,183)
(86,023,431)	(616,868)	(406,793)	(46,183)
34,281,479	_____	_____	_____
1,729,358	_____	_____	_____
44,595,572	_____	_____	_____
831,959	_____	_____	_____
690,000	_____	_____	_____
419,449	_____	_____	_____
1,996,528	322,375	4,922	13,537
537,650	111,198	_____	11,589
62,317	_____	_____	_____
(2,786,341)	_____	_____	_____
82,357,971	433,573	4,922	25,126
(3,665,460)	(183,295)	(401,871)	(21,057)
155,001,296	2,340,836	1,189,184	(118,455)
\$ <u>151,335,836</u>	\$ <u>2,157,541</u>	\$ <u>787,313</u>	\$ <u>(139,512)</u>

COUNTY OF TOMPKINS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Major Funds		
	Special Revenue Funds		
	General Fund	County Road Fund	Transportation Fund
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents - Unrestricted	\$ 8,040,643	\$ 2,157,488	\$ 9,421
- Restricted	1,786,037		
Temporary investments - Restricted			
Taxes receivable, net	5,293,905		
Due from other funds	461,477	1,119,140	371,625
Due from state and federal governments	12,242,522	52,527	37,050
Due from other governments	74,512		
Other receivables, net	3,888,340	4,771	283,956
Prepaid expenses	703,903	34,307	12,475
Securities and mortgages			
Loans receivable			
Total Assets	\$ 32,491,339	\$ 3,368,233	\$ 714,527
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,535,927	\$ 130,271	\$ 59,516
Accrued liabilities	852,290	28,313	10,686
Due to other funds	2,305,136	982,975	348,405
Due to other governments	3,289,650		
Bond Anticipation Notes payable			
Retained percentages			
Other liabilities	151,030		
Deferred revenues	4,370,795		
Total Liabilities	15,504,828	1,141,559	418,607
Fund Balances:			
Fund Balances - Reserved:			
Encumbrances	1,127,503	89,630	9,811
Repairs and replacements			
Miscellaneous reserve	1,550,119		175,000
Debt			
Total Reserved	2,677,622	89,630	184,811
Fund Balances - Unreserved			
Appropriated	3,269,886		
Fund Balances - Unreserved			
Unappropriated, Reported in:			
General Fund	11,039,003		
Special Revenue Funds		2,137,044	111,109
Capital Projects Funds			
Total Unreserved	14,308,889	2,137,044	111,109
Total Fund Balances	16,986,511	2,226,674	295,920
Total Liabilities and Fund Balances	\$ 32,491,339	\$ 3,368,233	\$ 714,527

See Independent Auditor's Report and Notes to Financial Statements

Major Funds					Total Non-Major Governmental Funds	Total Governmental Funds
Special Revenue Funds		Capital Projects Funds		Debt Service Fund		
Solid Waste Fund	Special Grant Fund	Transportation Fund	Public Health Fund			
\$ 1,393,556	\$ 100	\$ 14,558	\$ 460,968	\$	\$ 4,250,765	\$ 16,327,499
400,000	824,772	20,665,842	1,046,716	1,972,192	659,123	27,354,682
					649,784	649,784
						5,293,905
162,214	148,579	6,313	9,945,000	60,918	1,152,232	13,427,498
	185,792	2,487,832			577,400	15,583,123
12			56,698			131,222
72,096	11,639			37,413	694,502	4,992,717
12,775	13,068				8,725	785,253
				2,301,894		2,301,894
	4,172,714					4,172,714
<u>\$ 2,040,653</u>	<u>\$ 5,356,664</u>	<u>\$ 23,174,545</u>	<u>\$ 11,509,382</u>	<u>\$ 4,372,417</u>	<u>\$ 7,992,531</u>	<u>\$ 91,020,291</u>
\$ 502,806	\$ 70,533	\$ 473,792	\$ 203,196	\$ 1,000	\$ 661,295	\$ 6,638,336
10,728	7,427				4,002	913,446
114,507	14,936	10,333,225	42,237	500	17,780	14,159,701
						3,289,650
		7,235,000	9,945,000			17,180,000
		313,456	272,233			585,689
					574	151,604
	4,172,714			2,301,894		10,845,403
628,041	4,265,610	18,355,473	10,462,666	2,303,394	683,651	53,763,829
35,113	3,606	657,179				1,922,842
400,000						400,000
						1,725,119
				2,069,023	1,420,826	3,489,849
435,113	3,606	657,179	-0-	2,069,023	1,420,826	7,537,810
263,514					-0-	3,533,400
						11,039,003
713,985	1,087,448				879,135	4,928,721
		4,161,893	1,046,716		5,008,919	10,217,528
977,499	1,087,448	4,161,893	1,046,716	-0-	5,888,054	29,718,652
1,412,612	1,091,054	4,819,072	1,046,716	2,069,023	7,308,880	37,256,462
<u>\$ 2,040,653</u>	<u>\$ 5,356,664</u>	<u>\$ 23,174,545</u>	<u>\$ 11,509,382</u>	<u>\$ 4,372,417</u>	<u>\$ 7,992,531</u>	<u>\$ 91,020,291</u>

COUNTY OF TOMPKINS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009

Total Governmental Fund Balances \$ 37,256,462

Amounts reported for Governmental Activities in the Statement of Net Assets 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	\$ 280,180,153	
Less accumulated depreciation	<u>(104,003,284)</u>	<u>176,176,869</u>

Equity interest in joint ventures are not reported in the Governmental Fund financial statements because they do not represent current resources. These are the investments in the County's joint ventures:

Tompkins Cortland Community College	\$ 13,991,851	
Tompkins Consolidated Area Transit	<u>3,702,108</u>	<u>17,693,959</u>

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 8,229,510

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 Assets. 1,470,433

Certain accrued expenses, such as interest on debt, reported in the Statement of Net Assets, do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds. Similarly, unamortized bond issue costs are not recognized as assets in the Governmental Fund financial statements.

Accrued interest payable	\$ (897,104)	
TTASC unamortized bond issue costs	<u>138,459</u>	<u>(758,645)</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. See Notes 2-B-2, 3 and 4.

Serial Bonds payable	\$ (31,848,507)	
TTASC tobacco settlement pass-through bonds	(11,014,853)	
Bond Anticipation Notes payable	(21,329,488)	
Installment purchase debt	(8,433,732)	
Other postemployment benefits liability	(12,266,523)	
Compensated absences	<u>(3,839,649)</u>	<u>(88,732,752)</u>

Net Assets of Governmental Activities \$ 151,335,836

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, 2009

	Major Funds		
	General Fund	Special Revenue Funds	
		County Road Fund	Transportation Fund
<u>REVENUES</u>			
Real property taxes	\$ 34,102,158	\$	\$
Real property tax items	1,729,358		
Nonproperty tax items	44,595,572		
Departmental income	11,231,448		1,276,347
Intergovernmental charges	635,279		150,212
Use of money and property	580,001	6,721	1,053,445
Licenses and permits	2,110	8,199	
Fines and forfeitures	206,207		
Sale of property and compensation for loss	927,004	17,994	2,025
Miscellaneous local sources	818,060	103,922	8,631
Interfund revenues	481,575		
State sources	27,011,544	1,794,108	
Federal sources	15,598,414	399,104	
Total Revenues	<u>137,918,730</u>	<u>2,330,048</u>	<u>2,490,660</u>
<u>EXPENDITURES</u>			
General Governmental Support	23,488,738		
Education	8,172,672		
Public safety	11,388,846	280,593	
Health	15,669,615		
Transportation	6,319,431	6,126,718	2,110,057
Economic Assistance and Opportunity	44,653,740		
Culture and Recreation	4,835,448		
Home and Community Services	1,041,294		
Employee Benefits	12,163,369	646,519	257,915
Debt Service (principal and interest)			
Capital Outlay			
Total Expenditures	<u>127,733,153</u>	<u>7,053,830</u>	<u>2,367,972</u>
Excess of Revenues (Expenditures)	<u>10,185,577</u>	<u>(4,723,782)</u>	<u>122,688</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund transfers in		4,755,000	
Interfund transfers (out)	(10,345,720)		(101,814)
Proceeds of obligations			
Premium on obligations			
Total Other Financing Sources (Uses)	<u>(10,345,720)</u>	<u>4,755,000</u>	<u>(101,814)</u>
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(160,143)</u>	<u>31,218</u>	<u>20,874</u>
Fund Balances, Beginning of Year	17,146,654	2,195,456	275,046
Fund Balances, End of Year	<u>\$ 16,986,511</u>	<u>\$ 2,226,674</u>	<u>\$ 295,920</u>

See Independent Auditor's Report and Notes to Financial Statements

Major Funds					Total Non-Major Governmental Funds	Total Governmental Funds
Special Revenue Funds		Capital Projects Funds		Debt Service Fund		
Solid Waste Fund	Special Grant Fund	Transportation Fund	Public Health Fund			
\$	\$	\$	\$	\$	\$	\$ 34,102,158
						1,729,358
						44,595,572
4,764,014	443,996					17,715,805
				627,151	24,152	1,436,794
7,395		17,226	35,924	273,253	37,755	2,011,720
25,887						36,196
954						207,161
519,354					122,908	1,589,285
22,746	319	900		246,093	690,234	1,890,905
	21,009				1,721,579	2,224,163
	25,414	312,018				29,143,084
	1,590,551	3,860,649			2,275,274	23,723,992
5,340,350	2,081,289	4,190,793	35,924	1,146,497	4,871,902	160,406,193
				5,987	44,210	23,538,935
						8,172,672
						11,669,439
						15,669,615
					1,385,875	15,942,081
	1,636,108					46,289,848
						4,835,448
4,542,106	821,825					6,405,225
234,306					98,791	13,400,900
				8,013,773	927,206	8,940,979
		5,842,920	5,551,452		2,716,241	14,110,613
4,776,412	2,457,933	5,842,920	5,551,452	8,019,760	5,172,323	168,975,755
563,938	(376,644)	(1,652,127)	(5,515,528)	(6,873,263)	(300,421)	(8,569,562)
	106,029	324,000		6,928,529	299,494	12,413,052
(1,097,999)		(1,011,595)	(35,924)		-0-	(12,593,052)
		3,260,000	6,500,000		-0-	9,760,000
				469,488		469,488
(1,097,999)	106,029	2,572,405	6,464,076	7,398,017	299,494	10,049,488
(534,061)	(270,615)	920,278	948,548	524,754	(927)	1,479,926
1,946,673	1,361,669	3,898,794	98,168	1,544,269	7,309,807	35,776,536
\$ 1,412,612	\$ 1,091,054	\$ 4,819,072	\$ 1,046,716	\$ 2,069,023	\$ 7,308,880	\$ 37,256,462

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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 1,479,926

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	\$	17,310,133	
Net book value of disposed assets		(153,698)	
Depreciation expense		<u>(8,805,418)</u>	<u>8,351,017</u>

Equity interests in joint ventures are not reported in the Governmental Fund financial statements because they do not represent current resources. This is the change in the investments in the County's joint ventures. (2,786,341)

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 revenues. (28,381)

Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds of debt of \$9,760,000 exceeded the repayment of debt principal of \$6,308,300. (3,451,700)

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. These expenses include an increase in compensated absences, a decrease in accrued interest payable, payment of rental commitments, and the amortization of bond premium, discounts and issuance costs.

Compensated absences	\$	(190,842)	
Other postemployment benefits liability		(6,245,348)	
Accrued interest payable		80,562	
Accreted interest on Series 2005 TTASC bonds		(268,373)	
Premium on obligations		(424,488)	
Amortization of bond premiums, discounts, bond issuance costs, and amounts deferred on refunding bonds		<u>(108,982)</u>	<u>(7,157,471)</u>

Cash outflows from the issuance of loans to qualified recipients under revolving loan programs are recorded as expenditures, whereas loan repayments and payments on long-term receivables are recorded as revenue in the Governmental Fund financial statements. In the Government-wide financial statements, these transactions affect only cash and loans receivable and are not recorded in the Statement of Activities. This is the amount by which repayments of \$394,263 was exceeded by issuances of \$551,530. 157,267

Internal Service Funds are used by management to charge the costs of certain activities, such as workers compensation and insurance, to individual funds. The net (expense) of the Internal Service Fund is reported with Governmental Activities. (229,777)

Change in Net Assets of Governmental Activities \$ (3,665,460)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
DECEMBER 31, 2009

		<u>Governmental Activities</u> <u>Internal Service</u> <u>Funds</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$	<u>2,022,251</u>
Due from other funds		<u>732,203</u>
Total Current Assets		<u>2,754,454</u>
Noncurrent Assets:		
Total Noncurrent Assets		<u>-0-</u>
Total Assets		<u>2,754,454</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable		<u>39,810</u>
Benefits and awards payable		<u>385,685</u>
Claims and judgments payable		<u>534,903</u>
Total Current Liabilities		<u>960,398</u>
Noncurrent Liabilities:		
Benefits and awards payable		<u>257,123</u>
Claims and judgments payable		<u>66,500</u>
Total Noncurrent Liabilities		<u>323,623</u>
Total Liabilities		<u>1,284,021</u>
<u>NET ASSETS</u>		
Total Net Assets	\$	<u>1,470,433</u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Activities Internal Service Funds</u>
<u>OPERATING REVENUES</u>	
Charges for services - Governmental Funds	\$ 732,203
Charges for services - External participants	28,694
Charges for services - Interfund transfer	180,000
Other operating revenues	68,703
Total Operating Revenues	<u>1,009,600</u>
<u>OPERATING EXPENSES</u>	
Administrative	92,303
Contractual	141,733
Benefits and awards	482,894
Claims and judgments	537,292
Total Operating Expenses	<u>1,254,222</u>
(Loss) from Operations	<u>(244,622)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest income	14,845
Total Nonoperating Revenues	<u>14,845</u>
Net (Loss) Before Transfers	<u>(229,777)</u>
Change in Net Assets	<u>(229,777)</u>
Total Net Assets, Beginning of Year	<u>1,700,210</u>
Total Net Assets, End of Year	<u>\$ 1,470,433</u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from providing services	\$ 760,897
Cash received from insurance recoveries	68,703
Cash received from interfund transfer	193,577
Cash payments - Suppliers	(164,599)
Cash payments - Claims and benefits	(692,474)
Net Cash Provided by Operating Activities	<u>166,104</u>
Cash Flows from Non-capital Financing Activities	<u>-0-</u>
Cash Flows from Capital and Related Financing Activities	<u>-0-</u>
Cash Flows from Investing Activities:	
Interest income received	<u>14,845</u>
Net Cash Provided by Investing Activities	<u>14,845</u>
Net Increase in Cash and Cash Equivalents	<u>180,949</u>
Cash and Cash Equivalents, January 1,	<u>1,841,302</u>
Cash and Cash Equivalents, December 31,	\$ <u><u>2,022,251</u></u>
Reconciliation of Gain of Income from Operations to Net Cash Provided by Operating Activities:	
(Loss) from operations	\$ <u>(244,622)</u>
Decrease in interfund receivable	<u>13,577</u>
(Decrease) in prepaid expenses	<u>64,734</u>
Increase in accounts payable	<u>4,703</u>
Increase in accrued liabilities	<u>327,712</u>
Net Cash Provided by Operating Activities	\$ <u><u>166,104</u></u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
DECEMBER 31, 2009

	Private Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Cash and cash equivalents - Unrestricted	\$ 14,648	\$ 5,054,572
Accounts receivable	<u> </u>	<u>409,390</u>
 Total Assets	 <u>14,648</u>	 <u>\$ 5,463,962</u>
 <u>LIABILITIES</u>		
Agency liabilities	<u> </u>	<u>\$ 5,463,962</u>
 Total Liabilities	 <u>-0-</u>	 <u>\$ 5,463,962</u>
 <u>NET ASSETS</u>		
Held in Trust for Memorials	<u>14,648</u>	
 Total Net Assets	 <u>\$ 14,648</u>	

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

		Private Purpose Trust Fund
	<u>ADDITIONS</u>	
Investment earnings		\$ <u>73</u>
Total Additions		<u>73</u>
	<u>DEDUCTIONS</u>	
Total Deductions		<u>-0-</u>
Change in Net Assets		<u>73</u>
Net Assets - Beginning of Year		<u>14,575</u>
Net Assets - End of Year		\$ <u><u>14,648</u></u>

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County of Tompkins have been prepared in conformity with generally accepted accounting principles (GAAP). The GASB (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The County has the option to apply FASB pronouncements issued after that date to its Governmental Activities and has elected to do so. The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

The County of Tompkins (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 as set forth in GASB Statement Number 14, "The Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units."

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement Number 14, "The Financial Reporting Entity," as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units," including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following are included as component units:

1. Blended Component Units

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

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

2. Discretely Presented Component Units

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

Tompkins County Industrial Development Agency - A Public Benefit Corporation created by State Legislation to promote the economic welfare, recreational opportunities, and prosperity of Tompkins County residents. Members of the Agency are appointed by the municipality but exercise no oversight responsibility. Agency members have complete responsibility for management of the agency and accountability for fiscal matters. The municipality is not liable for Agency bonds or notes. The Agency is deemed to be a component unit of the County and is presented as a discretely presented component unit. Complete financial statements can be obtained from the Tompkins County Industrial Development Agency, 200 E. Buffalo Street, Suite 102A, Ithaca, NY 14850.

Tompkins County Soil and Water Conservation District - Established under provisions of Article 3, Section 30 of the General Municipal Law to provide for the conservation of soil and water resources. Members of the District's Board of Directors are appointed by the County Legislature and the County provides 14% of the District's General Fund revenue. The Soil and Water Conservation District is considered a component unit of the County and is a discretely presented component unit. Complete financial statements can be obtained from their administrative office at 903 Hanshaw Road, Ithaca, NY 14850.

3. Joint Ventures

Although the following organizations are related to the County of Tompkins, they are not included in the County of Tompkins' reporting entity:

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

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

- b. The Tompkins Consolidated Area Transit (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 interest of each party was not changed. TCAT is governed by a Board of Directors consisting of nine voting members with three members being appointed by each participant in the venture. The General Manager of TCAT is a non-voting ex-officio member of the Board. In addition, the nine voting members of the Board select five additional non-voting, ex-officio members. Interest of each party in surpluses, losses, property, and debt acquired by TCAT shall be shared equally. Each party makes an annual contribution of equal amounts to the venture. See Notes 3 and 4 for additional disclosure regarding this joint venture.

B. Basic Financial Statements

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

1. Government-wide Financial Statements

The Government-wide financial statements include a Statement of Net Assets 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 assets resulting from the current year's activities.

In the Government-wide Statement of Net Assets, 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 assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

2. Governmental Fund Financial Statements

The financial transactions of the County are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, 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

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.

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

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

Solid Waste Fund - Accounts for County solid waste activities.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Capital Projects Funds

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

Public Health Fund - Accounts for and reports 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 - Consists of general government, home and community service, public safety, and education, and TCAT funds, which are used to account for and report financial resources to be used for the acquisition, construction, or renovation of major capital facilities, equipment or transportation system.

TTASC Debt Service 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. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following Proprietary Funds are utilized:

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

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the local government in a trustee or custodial capacity.

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

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities 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 and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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

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

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

D. Equity Classifications

1. Government-wide Financial Statements

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

Invested in capital assets, net of related debt - 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 net assets - Consists of net assets with constraints placed on the 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Unrestricted net assets - Consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2. Governmental Fund Financial Statements

Governmental Fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary Fund equity is classified the same as the Government-wide financial statements. The following Reserve Funds are used by the County. Any capital gains or interest earned on Reserve Fund resources becomes part of the respective Reserve Fund. While a separate bank account is not necessary for each Reserve Fund, a separate identity for each Reserve Fund must be maintained.

Reserve for Encumbrances - Represents the amount of outstanding encumbrances at the end of the fiscal year and is utilized by any of the Governmental Funds, as needed.

Miscellaneous Reserve - Used for various purposes and is aggregated and reported in the General and Transportation Funds.

Reserve for Repairs and Replacements - Provides funds for the financing of all or part of the cost of: a) the construction, reconstruction or acquisition of a specific capital improvement or the acquisition of a specific item or specific items of equipment, or b) the construction, reconstruction or acquisition of a type of capital improvement or the acquisition of a type of equipment.

Reserve for Debt - Provides funds for the payment of the County's bonded indebtedness and is reported in the Debt Service Funds.

Refuse and Garbage Fund - Accounts for expense of operation and program income of the solid waste and recycling facility.

E. Property Taxes

The authority of levying taxes for the support of County and town government, inclusive of special districts, and for relieving 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 is guaranteed by the County, is paid to supervisors out of the first money received. A five percent 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Commencing in 1995, the County began enforcing delinquent taxes under the provisions of Article 11 of the Real Property Tax Law.

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 not so available is treated as deferred revenue. At December 31, 2009, the County had deferred \$1,754,902 of real property tax revenue in the General Fund.

F. Budgetary Data

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

- a. No later than November 10, the County Administrator (as budget officer) submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 10, the governing board adopts the budget.
- c. Budget modifications in excess of \$5,000 are authorized by resolution of the County Legislature. Unencumbered budgetary appropriations lapse at the close of each fiscal year with the exception of capital projects. There is an adopted Fiscal Plan which is reviewed annually. The Fiscal Plan allows County departments to apply for the reappropriation of unspent appropriations from the previous year.
- d. Capital project budgets are established in the capital projects annual budget (which coincides with the operations budget) and through the County Legislature resolutions authorizing individual projects. These resolutions remain in effect for the life of the project.

G. Cash and Cash Equivalents

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

H. Investments

Investments are stated at cost, which approximates market value.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

I. Receivables

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

J. Revenues

Substantially all Governmental Fund revenues are accrued. Property tax receivables expected to be received later than 60 days after year end are deferred. In applying GASB Statement Number 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Subsidies and grants to Proprietary Funds that finance either capital or current operations are reported as nonoperating revenue, based on GASB Statement Number 33. The County first utilizes restricted resources to finance qualifying activities.

K. 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, 2009, the County had reserved \$655,701 in the Internal Service Fund to fund any settlements (See Note 4). At year end, there was \$44,500 of incurred claims pending. Additionally, the County is self-insured for unemployment and reimburses New York State dollar for dollar for any unemployment claims. Unemployment charges for 2009 amounted to \$82,116.

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 2009, the County was not subject to retrospective premiums for claims incurred prior to the County becoming self-insured. The Self-Insured Workers' Compensation Plan as of December 31, 2009, reflected \$642,808 as an accrual for claims incurred but not paid.

An additional \$814,732 is reserved in the Internal Service Fund to fund any claims. Activity for workers' compensation claims is as follows:

<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>
2009	\$ 634,999	\$ 482,894	\$ 475,085	\$ 642,808
2008	634,999	433,058	433,058	634,999

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

L. 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 Assets. 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

M. Vacation and Sick Leave and Compensatory Absences

County of Tompkins' employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Two to four weeks of vacation time, depending upon length of employment, is earned by each full time permanent and provisional employee. Benefits accrue upon commencement of employment. Sick/disability leave credits accumulate to a maximum of 120 days. Upon termination of employment, employees are compensated for unused vacation time up to a maximum of two years. 760 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, 2009, is approximately \$3,839,649, and is recorded as a long-term obligation in the Statement of Net Assets. In addition, component units of the County reported \$138,503 in compensated absences at December 31, 2009.

Payment of vacation and sick leave recorded in the Statement of Net Assets 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.

N. Postemployment Benefits

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

During 2008, the County adopted GASB Statement Number 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The County's liability for other postemployment benefits has been recorded in the Statements of Net Assets, in accordance with the statement. See Note 4.A for additional information.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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.

O. Interfund Activity

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

Note 2 - Detail Notes

A. Assets

1. Cash and Investments

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

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

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, 2009, per the bank, were \$52,045,102 and \$1,697,316 for the primary government and component units, respectively.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Restricted Cash

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

Governmental Activity	Amount
Capital Projects - Unspent bond proceeds	\$ 22,294,395
Debt Service	2,110,396
Community Development	824,772
Public Safety	351,463
Repairs and Replacements	400,000
Home and Community	184,692
Home and Community - Open space protection	1,013,964
Transportation	175,000
Total Governmental Activities	\$ 27,354,682

Restricted investments of \$649,784 represent amounts held in a mandated TASC liquidity reserve, which is held in trust and comprised of U.S. Treasury money market funds recorded at cost, which approximates fair value.

Investments of the Tompkins County Public Library Foundation

Investments of the Tompkins County Public Library Foundation, a component unit of the Tompkins County Public Library are stated at fair value and consist of Mutual Funds, as follows:

	2009		
	Cost	Fair Value	Unrealized Appreciation
Mutual Funds	\$ 1,266,811	\$ 1,311,335	\$ 44,524

2. Securities and Mortgages Receivable

The County has recorded \$2,301,894 of Securities and Mortgages Receivable offset by Deferred Revenues of \$2,301,894 in the Debt Service Fund. In the Statement of Net Assets, this receivable is not deferred. The receivable represents the portion of debt reflected in the Statement of Net Assets which third parties have contractual responsibility for reimbursing the County for future debt service requirements. The following summarizes the parties and obligations involved:

Indebtedness	Original Amount	Date Issued	Party Involved	% Share	Balance 12/31/09
Serial Bond	\$ 330,000	2003	Food Net	100%	\$ 226,451
BAN	105,000	2002	Cooperative Extension of T.C.	100%	70,016
BAN	2,910,000	2001	Cortland County	36%	550,204
BAN	1,400,000	2001	Tompkins Community Action	100%	840,189
Serial Bond	350,000	1995	Cooperative Extension of T.C.	100%	129,783
Serial Bond	2,800,000	1995	Cortland County	36%	249,250
Serial Bond	1,000,000	1998	Cortland County	36%	236,001
Total					\$ 2,301,894

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

3. Other Receivables

Accounts receivable as of December 31, 2009, is as follows:

General Fund:	
Sales tax revenue - 4 th quarter	\$ 2,833,180
Tobacco settlement revenue receivable	616,959
Miscellaneous rents and fees	507,589
Allowance for uncollectibles	<u>(69,388)</u>
Total General Fund	3,888,340
County Road Fund:	
Miscellaneous reimbursements	4,771
Transportation Fund:	
Transportation fees due from airlines	283,956
Solid Waste Fund:	
Solid waste tipping fees	143,301
Allowance for uncollectibles	<u>(71,205)</u>
Total Solid Waste Fund	72,096
Special Grant Fund:	
Grants receivable	11,639
Debt Service Fund:	
Rents receivable	25,200
Other	<u>12,213</u>
Total Debt Service Fund	<u>37,413</u>
Non-Major Funds:	
TTASC Tobacco settlement revenue receivable and accrued interest	690,000
Charges for services	<u>4,502</u>
Total Non-Major Funds	<u>694,502</u>
Total Governmental Funds	<u>\$ 4,992,717</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

4. Property Taxes

At December 31, 2009, total real property tax assets of \$5,827,132 are offset by an allowance for uncollectible taxes of \$533,227. Current year returned village and school taxes of \$3,105,052 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2009. The remaining portion of tax assets is (partially) offset by deferred tax revenue of \$1,754,902 (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

5. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	<u>Balance at</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifi-</u> <u>cation</u>	<u>Balance at</u> <u>12/31/09</u>
<u>Governmental Activities:</u>					
Non-depreciable Capital Assets:					
Land and land improvements	\$ 7,120,899	\$ 5,100	\$	\$	\$ 7,125,999
Construction in progress	<u>2,688,300</u>	<u>8,122,511</u>	<u></u>	<u>(38,500)</u>	<u>10,772,311</u>
Total Non-depreciable Capital Assets	<u>9,809,199</u>	<u>8,127,611</u>	<u>-0-</u>	<u>(38,500)</u>	<u>17,898,310</u>
Depreciable Capital Assets:					
Buildings	77,924,914	173,389		38,500	78,136,803
Machinery and equipment	12,177,432	683,807	(914,301)		11,946,938
Infrastructure	<u>163,872,776</u>	<u>8,325,326</u>	<u></u>	<u></u>	<u>172,198,102</u>
Total Depreciable Capital Assets	<u>253,975,122</u>	<u>9,182,522</u>	<u>(914,301)</u>	<u>38,500</u>	<u>262,281,843</u>
Total Historical Cost	<u>263,784,321</u>	<u>17,310,133</u>	<u>(914,301)</u>	<u>-0-</u>	<u>280,180,153</u>
Less Accumulated Depreciation:					
Buildings	(29,730,453)	(2,728,039)			(32,458,492)
Machinery and equipment	(5,991,799)	(492,224)	760,603		(5,723,420)
Infrastructure	<u>(60,236,217)</u>	<u>(5,585,155)</u>	<u></u>	<u></u>	<u>(65,821,372)</u>
Total Accumulated Depreciation	<u>(95,958,469)</u>	<u>(8,805,418)</u>	<u>760,603</u>	<u>-0-</u>	<u>(104,003,284)</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,825,852</u>	<u>\$ 8,904,715</u>	<u>\$ (153,698)</u>	<u>\$ -0-</u>	<u>\$ 176,176,869</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	
General Governmental Support	\$ 665,612
Education	15,167
Public Safety	1,989,428
Public Health	244,690
Transportation	4,649,342
Economic Assistance and Opportunity	420,621
Culture and Recreation	327,996
Home and Community Services	<u>492,562</u>
Total Governmental Activities Depreciation Expense	<u>\$ 8,805,418</u>

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

<u>Historical Cost:</u>	<u>Balance at</u> <u>12/31/08</u>	<u>Additions</u>	<u>Reclassifications</u> <u>/Retirements</u>	<u>Balance at</u> <u>12/31/09</u>
Equipment	\$ 1,319,753	\$ 80,521	\$ (105,077)	\$ 1,295,197
Collection	4,987,674	296,516	(149,630)	5,134,560
Total Historical Cost	<u>6,307,427</u>	<u>377,037</u>	<u>(254,707)</u>	<u>6,429,757</u>
Less Accumulated Depreciation:				
Equipment	(845,955)	(260,898)	105,077	(1,001,776)
Collection	<u>(4,302,746)</u>	<u>(313,894)</u>	<u>149,630</u>	<u>(4,467,010)</u>
Total Accumulated Depreciation	<u>(5,148,701)</u>	<u>(574,792)</u>	<u>254,707</u>	<u>(5,468,786)</u>
Total Capital Assets, Net	<u>\$ 1,158,726</u>	<u>\$ (197,755)</u>	<u>\$ -0-</u>	<u>\$ 960,971</u>

The Tompkins County Public Library Foundation also had a net book value of equipment of \$950 at December 31, 2009.

B. Liabilities

1. Pension Plans

General Information

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

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and have fewer than ten years of credited service. These members contribute 3% of their salary. Prior to October 2000, all County employees who joined after July 27, 1976 were required to contribute 3%, but the laws were modified to forgive the 3% contribution for those with ten or more years of service time. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members which shall be used in computing the contributions required to be made by the employer to the Pension Accumulation Fund.

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

	<u>ERS</u>
2009	\$ 2,854,148
2008	2,997,178
2007	3,243,593

The County's contributions made to the System were equal to 100% of the contributions required for each of the years. The System's pension relief legislation (New York State Chapter 620, Laws of 2004) was enacted to provide employers with relief in payment of their annual ERS cost. This legislation provides several options to employers, including delaying their payments from December 15 to February 6 of the ensuing year, payment of a portion of their cost over an amortized period, and the means to issue serial bonds to provide funding for the employer's liability. In addition, the employer was given the option of making full payment on December 15 at a discounted amount. The County exercised its option of making payment on December 15, 2009, equal to 100% of the contributions required for the year.

The New York State Legislature has authorized local governments to make available retirement incentive programs. The County participates in early retirement programs when they are offered and has elected to pay the related cost over a five year amortization period, which includes interest at rates ranging from 8% to 8.5%. There is no remaining liability for these incentive programs at December 31, 2009.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2007. The County has opted not to amortize.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

2. Short-term Debt

a. BANs

The County may issue 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.

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, 2009, the County did not issue or redeem any RANs.

c. Summary Short-term Debt

The following is a summary of short-term liabilities outstanding at December 31, 2009:

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
<u>BANs</u>				
Public Improvements	12/2009	2.00%	12/2010	\$ 17,180,000
Total BANs				\$ <u>17,180,000</u>

The following is a summary of changes in short-term obligations for the period ended December 31, 2009:

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
BANs	\$ -0-	\$ 17,180,000	\$ -0-	\$ 17,180,000

3. Long-term Debt

a. Constitutional Debt Limit

At December 31, 2009, the total outstanding bonded indebtedness of the County of Tompkins (exclusive of TTASC bonds) aggregated \$70,300,000. Of this amount, \$32,260,000 was subject to the constitutional debt limit and represented approximately 12% of its statutory debt limit.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

b. Serial Bonds

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

c. BANs

BANs are reflected as current or long-term liabilities depending on the refinancing status. For Governmental Funds, if all legal steps have been taken to refinance the BANs, the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis in accordance with the criteria set forth in FASB Statement Number 6, "Classification of Short-term Obligations Expected to be Refinanced," the proceeds of the debt issue are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Such notes are recorded as liabilities in the Government-wide financial statements.

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

d. Other Long-term Debt

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) **Long-term Rental Commitments:** Represents operating lease commitments extending beyond one year and is liquidated in the General Fund.
- 3) **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.
- 4) **Installment Purchase Debt:** Represents long-term lease commitments and is liquidated in the General Fund. Amount capitalized in relation to these lease commitments was \$16,512,501 for infrastructure, with total lease commitments of \$8,433,732 at December 31, 2009.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

e. Summary Long-term Debt

The following is a summary of long-term liabilities outstanding at December 31, 2009:

<u>Liability</u>		
Serial Bonds	\$ 32,260,000	
Less deferred charges on defeased debt	<u>(411,493)</u>	\$ 31,848,507
 BANs	 20,860,000	
Add premium	<u>469,488</u>	21,329,488
 Installment purchase debt		 8,433,732
TTASC Bonds	\$ 10,119,440	
Add accreted interest	1,140,174	
Less unamortized bond discount	<u>(244,761)</u>	<u>11,014,853</u>
 Total Long-term Debt		 <u>\$ 89,806,580</u>

f. Summary of Changes in Long-term Obligations

The following is a summary of changes in long-term obligations for the period ended December 31, 2009:

	Balance			Balance	Amount Due
	12/31/08	Additions	Deletions	12/31/09	Within One
					Year
Serial Bonds	\$ 36,205,000	\$	\$ (3,945,000)	\$ 32,260,000	\$ 4,070,000
Less deferred charges on defeased debt	<u>(513,264)</u>		<u>101,771</u>	<u>(411,493)</u>	<u>(90,910)</u>
Total Serial Bonds	35,691,736	-0-	(3,843,229)	31,848,507	3,979,090
 BANs	 12,140,000	 10,229,488	 (1,040,000)	 21,329,488	 21,329,488
Compensated absences	3,648,807	190,842		3,839,649	-0-
Workers' compensation claims	634,999	482,894	(475,085)	642,808	385,685
Self insurance claims	281,500	319,903		601,403	534,903
Postemployment benefits	6,021,175	6,245,348		12,266,523	-0-
Installment purchase debt	<u>9,357,005</u>		<u>(923,273)</u>	<u>8,433,732</u>	<u>958,231</u>
 Total Primary Government Long-term Debt	 67,775,222	 17,468,475	 (6,281,587)	 78,962,110	 27,187,397
 TTASC Bonds	 10,564,467		 (445,027)	 10,119,440	 260,000
Add accreted interest on 2005 bonds	871,801	268,373		1,140,174	-0-
Less unamortized bond discount	<u>(258,713)</u>		<u>13,952</u>	<u>(244,761)</u>	<u>(13,952)</u>
Total TASC Bonds	<u>11,177,555</u>	<u>268,373</u>	<u>(431,075)</u>	<u>11,014,853</u>	<u>246,048</u>
 Total Long-term Debt	 <u>\$ 78,952,777</u>	 <u>\$ 34,916,848</u>	 <u>\$ (6,712,662)</u>	 <u>\$ 89,976,963</u>	 <u>\$ 27,433,445</u>

COUNTY OF TOMPKINS
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

The County expensed \$2,884,472 in interest on the bonds and BANs during the year.

Cash paid	\$	2,632,679
Less interest accrued in prior year		(991,618)
Add interest accrued in the current year		897,104
Add accreted interest on the Series 2005 TASC bonds		268,373
Less premiums on obligations in prior year		(45,000)
Add amortization of amounts deferred on refunding		101,771
Add amortization of TTASC bond premium, discount and issue costs		<u>21,163</u>
 Total		 <u>\$ 2,884,472</u>

g. Long-term Debt Maturity Schedule

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

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
BANs				
Public Improvements	12/2009	2.00%	12/2010	\$ 3,260,000
Public Improvements	01/2009	1.75%	01/2010	3,500,000
Public Improvements	01/2009	1.75%	01/2010	1,600,000
Public Improvements	01/2009	1.75%	01/2010	2,500,000
Public Improvements	01/2009	1.75%	01/2010	3,500,000
Public Improvements	02/2009	1.75%	02/2010	6,500,000
Add unamortized premium				<u>469,488</u>
Total BANs				<u>\$ 21,329,488</u>
Bonds				
2003 Series A & B Refunding	8/2003	2.00-4.50%	8/2014	\$ 3,800,000
Add unamortized premium				49,815
Less unamortized deferred amount on refunding				(94,505)
Less unamortized bond issue costs				<u>(34,087)</u>
Net Refunding Bonds				3,721,223
Mental Health Bldg.	12/1989	6.40%	6/2010	250,000
Public Improvements	5/1992	5.60-6.00%	5/2012	475,000
1996 NYSEFC Bonds	2/1996	2.79%	2/2012	435,000
2005 Bonds	3/2005	3.80%	3/2020	2,665,000
Public Improvements	3/2006	3.50%	3/2014	4,695,000
Public Improvement Refunding	10/2004	2.50-5.00%	2/2020	14,620,000
Add unamortized premium				356,583
Less unamortized deferred amount on refunding				(590,515)
Less unamortized bond issue costs				<u>(98,784)</u>
Net Refunding Public Improvement Bonds				<u>14,287,284</u>
Public Improvements	3/2007	3.60-4.00%	3/2027	<u>5,320,000</u>
Total Bonds				<u>\$ 31,848,507</u>
Installment Purchase Debt				
Public Safety Communications	3/2006	3.75%	9/2016	\$ 6,012,286
Energy Performance Contract	3/2006	3.76%	3/2020	<u>2,421,446</u>
Total Installment Purchase Debt				<u>\$ 8,433,732</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

TTASC:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding December 31, 2006
Series 2000 Tobacco Settlement Pass-through Bonds	12/00	6/25	5.25% - 6.30%	\$ 6,485,000
Less: Unamortized bond discount				<u>(170,461)</u>
Carrying Value of Series 2000 Tobacco Settlement Pass-through Bonds				<u>6,314,539</u>
Series 2005 Tobacco Settlement Pass-through Bonds	11/05	6/60	6.0% - 7.85%	3,634,440
Less: Unamortized bond discount				(74,300)
Add: Addition to accreted value				<u>1,140,174</u>
Carrying Value of Series 2005 Tobacco Settlement Pass-through Bonds				<u>4,700,314</u>
Total Carrying Value of Pass- through Bonds				<u>\$ 11,014,853</u>

The full amount of Long-term BANs of \$20,860,000 is due in 2010.

The County's Debt Service requirements at December 31, 2009 were as follows:

Year	Serial Bonds		TASC Bonds		Installment Purchase Debt		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 4,070,000	\$ 1,276,221	\$ 260,000	\$ 410,865	\$ 958,231	\$ 307,505	\$ 7,282,822
2011	3,565,000	1,111,515	270,000	394,621	994,514	271,223	6,606,873
2012	3,715,000	968,627	285,000	377,584	1,032,169	233,567	6,611,947
2013	3,405,000	825,513	300,000	359,553	1,071,251	194,485	6,155,802
2014	3,535,000	684,694	320,000	340,109	1,111,813	153,924	6,145,540
2015-2019	9,955,000	1,845,144	2,466,643	1,981,124	3,127,746	247,054	19,622,711
2020-2024	2,850,000	428,759	3,727,182	1,803,410	138,008	2,592	8,949,951
2025-2029	1,165,000	71,100	1,409,238	4,071,519			6,716,857
2030-2034			661,760	4,411,359			5,073,119
2035-2039			419,617	4,199,896			4,619,513
Total	<u>\$ 32,260,000</u>	<u>\$ 7,211,573</u>	<u>\$ 10,119,440</u>	<u>\$ 18,350,040</u>	<u>\$ 8,433,732</u>	<u>\$ 1,410,350</u>	<u>\$ 77,785,135</u>

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
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

There are no scheduled principal and interest payments on the 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.

4. Postemployment Benefits Other than Pensions

a. Tompkins County

In 2008, the County adopted GASB Statement Number 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." In the past, the County reported the cost of retiree health care on a "pay-as-you-go" basis. Based on GASB Number 45 guidelines, an employer with more than 200 participants must complete a full actuarial valuation at least biennially. However, a new valuation is required if significant changes have occurred since the previous actuarial valuation.

As no significant changes have occurred, the interim valuation for the fiscal year 2009 is based on the Annual Required Contribution (ARC) from the actuarial valuation of the County of Tompkins Postretirement Health Care Benefits Program (the Plan) performed as of January 1, 2008 for the fiscal year ending December 31, 2008. The Plan is a single-employer defined benefit Other Postemployment Benefits Plan administered by the County. The Plan provides for continuation of medical and prescription drug insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The obligations of the Plan members, employers and other entities are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution is based on projected pay-as-you-go financing requirements and varies depending on the applicable agreement. For the year ended December 31, 2009, the County contributed \$1,084,256 to the Plan for current premiums. The expected employer contribution of \$1,135,024 represents an actuarially determined estimate of premiums and claims paid on behalf of retirees. 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.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of thirty years.

The following table shows the components of the County's annual OPEB cost for the fiscal year then ended, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

	<u>2009</u>
Normal cost	\$ 4,005,163
Amortization of UAAL	3,475,253
Interest	<u>-0-</u>
Total Annual Required Contribution	7,480,416
Interest on net OPEB obligation	240,847
Adjustment to annual required contribution	<u>(340,891)</u>
Annual OPEB Cost (Expense)	7,380,372
Contributions made on behalf of employees	<u>(1,135,024)</u>
Increase in Net OPEB Obligation	6,245,348
Net OPEB Obligation - January 1	<u>6,021,175</u>
Net OPEB Obligation - December 31	<u>\$ 12,266,523</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ending December 31, 2009 and 2008 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	\$ 7,380,372	15.4%	\$ 12,266,523
12/31/2008	6,971,844	13.6%	6,021,175

The year ended December 31, 2008 was the first year the OPEB obligation was actuarially determined.

As of December 31, 2009, the Plan was not funded. The actuarial accrued liability for benefits was \$59,022,702; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$38.2 million and the ratio of the UAAL to the covered payroll was 154.5 percent.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

For the year ended December 31, 2008 actuarial valuation, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. Under this method, each Participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. The actuarial assumptions included an annual healthcare cost trend rate of 10 percent initially reduced to an ultimate rate of 5 percent after 11 years. This rate includes a 4.0 percent inflation assumption.

b. Tompkins County Public Library

In 2008, the Library adopted Government Accounting Standards Board (GASB) Statement Number 45 "Accounting and Financial Reporting by Employees for Postemployment Benefits Other than Pensions." In the past, the Library reported the cost of retiree health care on a "pay-as-you-go" basis. Based on GASB Number 45 guidelines, an employer with more than 200 participants must complete a full actuarial valuation at least biennially. However, a new valuation is required if significant changes have occurred since the previous actuarial valuation.

As no significant changes have occurred, the interim valuation for the fiscal year 2009 is based on the ARC from the actuarial valuation of the Library's Retiree Medical Plan (The Plan) performed as of January 1, 2008 for the fiscal year ending December 31, 2008. The Plan is a single-employer defined benefit Healthcare Plan administered by the County of Tompkins. The Plan provides medical, hospital, drug, and Part B Premium Reimbursements to eligible retirees and their spouses. The authority to establish and amend benefit provisions to 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
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

The contribution requirements of Plan members and the Library are established and may be amended by the Tompkins Public 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. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2009, the Library contributed \$76,850 to the Plan for current premiums. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit.

The Library's annual OPEB cost (expense) is calculated based on the ARC of the employer ARC, an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years.

The following table shows the 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:

Normal cost	\$	295,922
Amortization of UAAL		240,114
Total Annual Required Contribution		536,036
Interest on net OPEB obligation		17,320
Adjustment to annual required contribution		(24,515)
Annual OPEB Cost (Expense)		528,841
Contributions made on behalf of employees		(76,850)
Increase in Net OPEB Obligation		451,991
 Net OPEB Obligation - January 1, 2009		 433,012
 Net OPEB Obligation - December 31, 2009	\$	 885,003

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, for the years ended December 31, 2008 and 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/09	\$ 528,841	14.5%	\$ 885,003
12/31/08	\$ 449,158	14.7%	\$ 433,012

The year ended December 31, 2008 was the first year that the OPEB obligation was actuarially determined.

As of December 31, 2009, the Plan was not funded. The actuarial accrued liability for benefits was \$4,078,023; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,817,937 and the ratio of the UAAL to the covered payroll was 224.3 percent.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

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 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 December 31, 2008 actuarial valuation, the most recent valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of ten percent initially reduced by decrements to an ultimate rate of five percent after ten years. The rate included a four percent inflation assumption.

C. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2009 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
Major Funds:				
General Fund	\$ 461,477	\$ 2,305,136	\$	\$ 10,345,720
County Road Fund	1,119,140	982,975	4,755,000	
Transportation Fund	371,625	348,405		101,814
Special Grant Fund	148,579	14,936	106,029	
Solid Waste Fund	162,214	114,507		1,097,999
Public Health Capital Projects Fund	9,945,000	42,237		
Transportation Capital Projects Fund	6,313	10,333,225	324,000	1,011,595
Debt Service Fund	60,918	500	6,928,529	
Non-Major Funds	1,152,232	17,780	299,494	35,924
Internal Service Fund	<u>732,203</u>		<u>180,000</u>	
Total	<u>\$ 14,159,701</u>	<u>\$ 14,159,701</u>	<u>\$ 12,593,052</u>	<u>\$ 12,593,052</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

D. Deferred Compensation Plan

Employees of the County of Tompkins may elect to participate in the ICMA-RC Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. GASB Statement Number 32, "Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Plans," requires Plan assets to be held by an outside trustee, and are not reported in the County's financial statements.

Note 3 - Joint Ventures

Tompkins Cortland Community College

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

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

- The College is administered by a Board of Trustees consisting of nine voting members; five of whom are appointed by the Legislative Boards of the two counties under an apportionment made between the two counties by the State University Trustee, and four by the Governor.
- Ownership of existing capital facilities and capital expenses are shared in the following ratios:

County of Tompkins	68%
County of Cortland	32%

- Subsidies to meet operational expenses are shared in the ratio of residents in attendance. The County's share of operations for the current year and the two preceding years were: \$2,561,211, \$2,399,905, and \$2,285,624.
- The governing body has established that the County of Tompkins and the County of Cortland will each provide 30% of the operational costs of the College. Subsidies to meet operational expenses are shared in the ratio of resident students in attendance.

All monies incidental to college operations are received and expended by the College except for those monies relating to Debt Service for which the counties, as sponsors, are responsible. During 1994 the sponsors authorized a Campus Master Plan Improvement Program in the amount of \$8,689,572. The sponsors are responsible for approximately 50% of the cost associated with the Master Plan improvements. Tompkins County is the lead agency in financing of 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, 2009, the outstanding debt related to the 1994 Master Plan was \$2,876,263 in bonds.

COUNTY OF TOMPKINS
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Cortland County is responsible for 36% or \$1,035,455 of the bonds payable. Tompkins County reports 100% of the debt in its Statement of Net Assets and also reports a receivable for the 36% in “securities and mortgages” in its Debt Service Fund.

In 2005, the College began another campus expansion program estimated at a cost of approximately \$33,000,000. The sponsoring counties have committed \$13,500,000 to match New York State participation in the expansion, with the College required to raise funds over and above the amount of approved by New York State. Under the 2005 Campus Expansion, each County will be responsible for issuing debt to finance the project. At December 31, 2009, the County has contributed \$10,785,537 for the Campus Expansion, consisting of \$3,665,537 from a tobacco securitization, a \$620,000 budget contribution, and \$6,500,000 of bonds and notes. At December 31, 2009, the outstanding debt related to the Campus Expansion was \$6,300,000.

- 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, 2009:

Total Assets	\$ 62,531,522
Total Liabilities and Deferred Revenue	44,662,343
Joint Venture Equity	17,869,180
Total Revenues	40,484,380
Total Expenses	44,823,928

Tompkins Consolidated Area Transit

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

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

- TCAT is governed by a Board of Directors consisting of nine voting members with three members being appointed by each participant in the venture. The General Manager of TCAT is a non-voting ex-officio member of the Board. In addition, the nine voting members of the Board select five additional non-voting, ex-officio members.
- Interest of each party in surpluses, losses, property, and in debt acquired by TCAT shall be shared equally.
- Each party makes an annual contribution of equal amounts to the venture. The County’s contribution for 2009 was \$829,781. Its contribution for 2010 will be \$829,781.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

- The financial statements of TCAT are independently audited annually and may be obtained from their administrative office. The following is an audited summary of financial information included in financial statements for the joint venture as of December 31, 2009:

Total Assets	\$ 14,633,655
Total Liabilities	3,415,146
Joint Venture Equity	11,218,509
Total Revenues	13,495,974
Total Expenses	12,322,480

Note 4 - Contingencies

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

The County of Tompkins is a defendant in several tax certiorari claims brought by large taxpayers in an attempt to reduce their real property value assessments. These lawsuits result from a county-wide reappraisal of property assessments performed each year. The County's attorney in the defense of these cases has expressed the opinion that the impact of the settlement of these cases has the potential to be substantial but not predictable.

The County of Tompkins is a defendant in several tort claims. The County is self-insured for the amounts claimed, and is paying for the defense of these cases. It maintains reserves, in amounts recommended by its insurance administrator, which it considers adequate to cover potential settlements or damages awarded. In late December 2009, a \$503,000 court award for a vehicle accident claim resulted in a 48% decline in resources held for claims. As of December 31, 2009, the County has reserved \$655,701 for unreported claims which is included in net assets in the Internal Service Fund.

Note 5 - Sales Tax

The County, under the general authority of Article 29 of the Tax Law, imposes a three percent sales tax in the towns outside the City of Ithaca, and a one and one half percent sales tax within its boundaries. Both the County and City-imposed taxes are administered and collected by the New York State Tax Commission in the same manner as that relating to the State's imposed four percent sales and compensating use tax. Net collections, meaning monies collected, after deducting expenses and amounts refunded or to be refunded, but inclusive to any applicable penalties and interest, are paid by the State to the County and City, respectively. The County received \$41,984,900 in County imposed sales tax, an amount equal to fifty percent of total collections and excluding the amount paid directly to the city.

The County's share amounted to \$28,787,485 during 2009. The balance of \$13,197,415 was divided among the City of Ithaca and the towns/villages based upon population as determined by the 2000 census. The towns' share is divided and allocated between incorporated villages and the area of the towns outside said villages, on the basis of population. All of the villages and five towns are paid their total share in cash. The town outside villages' share are retained by the County and applied in the first instance to the taxes to be relieved for County purposes in the respective towns' levy. The towns and villages received \$9,310,565 and the City of Ithaca received \$1,535,602. Additionally, the city received direct payments of \$9,192,951 and the villages and towns received another \$2,351,248 which was applied tax warrants.

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

During 1992, the State Legislature granted authority to increase the County sales tax rate from three percent to four percent. The new taxing authority became effective December 1, 1992, and was authorized through November 30, 2009.

Note 6 - Transactions with Discretely Presented Component Units

The County of Tompkins contributed \$2,700,789 and \$113,000 to the Tompkins County Public Library and the Tompkins County Soil and Water Conservation District, respectively. Additionally, the Library's facilities are owned by the County and provided to the Library at no charge. The County provided \$485,234 worth of Debt Service on the building occupied by the Library.

Note 7 - Subsequent Events

A. BANs

Subsequent to December 31, 2009, the County redeemed \$17,600,000 of BANs with appropriations of \$420,000 and \$17,180,000 of the proceeds of \$20,440,000 notes sold in December 2009. The advance funding of these notes resulted in a temporary increase of \$17,180,000 in debt at year end.

The County began implementation of a new Payroll and Human Resources system in January 2010. The new system cut-over is projected for July 2010. The new system will result in significant changes in payroll processing and information reporting capabilities.

Note 8 - Net Assets - Statement of Net Assets

Of the \$26,539,864 reported as unrestricted net assets of the Governmental Activities in the Government-wide Statement of Net Assets, the County Legislature has designated funds to be set aside for certain purposes or contingencies, as follows:

Unrestricted Net Assets	\$ 26,539,864
Designated for:	
Ensuuing year's budget:	
General Fund	3,269,886
Solid Waste Fund	263,514
Carry-over of prior year's commitments (encumbrances)	1,922,842
Repairs and replacements	400,000
Home and Community - Open space protection	1,013,964
Self insurance	1,470,433
Transportation	175,000
Equity interest in joint venture, net of related debt	<u>15,853,150</u>
Total Designated Net Assets	<u>24,368,789</u>
Unrestricted, Undesignated Net Assets	<u>\$ 2,171,075</u>

COUNTY OF TOMPKINS
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 9 - Impact of Future Standards of the GASB

The County is in the process of assessing the future effects of the following GASB Statements.

A. GASB Statement Number 51, "Accounting and Financial Reporting for Intangible Assets"

Governments possess many different types of assets that may be considered Intangible Assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The guidance specific to Intangible Assets referred to above includes guidance on recognition. This Statement requires an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing Intangible Assets that are internally generated. Effectively, outlays associated with the development of such assets should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred.

This Statement also provides guidance on recognizing internally generated computer software as an intangible asset. This guidance serves as an application of the specified-conditions approach described above to the development cycle of computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

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

This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in Governmental Funds. The initial distinction made in reporting fund balance information is identifying amounts considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints which control how specific amounts can be spent. Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying accounting policies to determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

The definitions of the General Fund, Special Revenue Fund type, Capital Projects Fund type, Debt Service Fund type, and Permanent Fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the Special Revenue Fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds.

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Real property taxes	\$ 36,837,645	\$ 34,327,313
Real property tax items	<u>1,297,000</u>	<u>1,242,000</u>
Nonproperty tax items	<u>33,483,510</u>	<u>44,875,679</u>
Departmental income	<u>11,970,804</u>	<u>12,153,119</u>
Intergovernmental charges	<u>95,045</u>	<u>101,845</u>
Use of money and property	<u>814,000</u>	<u>814,000</u>
Licenses and permits	<u>2,500</u>	<u>2,500</u>
Fines and forfeitures	<u>215,091</u>	<u>215,091</u>
Sale of property and compensation for loss	<u>719,500</u>	<u>1,027,158</u>
Miscellaneous local sources	<u>1,871,567</u>	<u>2,256,733</u>
Interfund revenues	<u>777,768</u>	<u>781,194</u>
State sources	<u>23,616,102</u>	<u>27,115,439</u>
Federal sources	<u>14,933,439</u>	<u>16,831,888</u>
Total Revenues	<u>126,633,971</u>	<u>141,743,959</u>
<u>EXPENDITURES</u>		
Current:		
General Governmental Support	<u>13,778,620</u>	<u>24,378,122</u>
Education	<u>8,518,995</u>	<u>8,625,157</u>
Public Safety	<u>12,158,851</u>	<u>12,522,937</u>
Health	<u>17,910,304</u>	<u>17,267,773</u>
Transportation	<u>5,063,777</u>	<u>6,807,493</u>
Economic Assistance and Opportunity	<u>45,294,544</u>	<u>46,701,963</u>
Culture and Recreation	<u>4,844,305</u>	<u>4,887,400</u>
Home and Community Services	<u>1,436,940</u>	<u>1,630,544</u>
Employee Benefits	<u>10,742,082</u>	<u>12,826,749</u>
Total Expenditures	<u>119,748,418</u>	<u>135,648,138</u>
Excess of Revenues	<u>6,885,553</u>	<u>6,095,821</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers (out)	<u>(11,288,734)</u>	<u>(11,366,744)</u>
Total Other Financing Sources (Uses)	<u>(11,288,734)</u>	<u>(11,366,744)</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>(4,403,181)</u>	<u>(5,270,923)</u>
Appropriated Fund Balance	<u>4,403,181</u>	<u>5,270,923</u>
Net (Decrease)	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 34,102,158	\$	\$ (225,155)
1,729,358		487,358
44,595,572		(280,107)
11,231,448		(921,671)
635,279		533,434
580,001		(233,999)
2,110		(390)
206,207		(8,884)
927,004		(100,154)
818,060		(1,438,673)
481,575		(299,619)
27,011,544		(103,895)
15,598,414		(1,233,474)
137,918,730	-0-	(3,825,229)
23,488,738	188,049	701,335
8,172,672		452,485
11,388,846	482,479	651,612
15,669,615	65,833	1,532,325
6,319,431		488,062
44,653,740	284,578	1,763,645
4,835,448	614	51,338
1,041,294	105,950	483,300
12,163,369		663,380
127,733,153	1,127,503	6,787,482
10,185,577	(1,127,503)	2,962,253
(10,345,720)		1,021,024
(10,345,720)	-0-	1,021,024
(160,143)	\$ (1,127,503)	\$ 3,983,277
(160,143)		
17,146,654		
\$ 16,986,511		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 COUNTY ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Use of money and property	\$	\$
Licenses and permits	<u>7,500</u>	<u>7,500</u>
Sale of property and compensation for loss	<u>3,500</u>	<u>3,500</u>
Miscellaneous local sources	<u>93,500</u>	<u>93,500</u>
State sources	<u>1,684,617</u>	<u>1,684,617</u>
Federal sources	<u>24,800</u>	<u>24,800</u>
Total Revenues	<u>1,813,917</u>	<u>1,813,917</u>
<u>EXPENDITURES</u>		
Current:		
Public Safety	<u>284,173</u>	<u>284,173</u>
Transportation	<u>6,017,942</u>	<u>6,022,005</u>
Employee Benefits	<u>786,886</u>	<u>788,775</u>
Total Expenditures	<u>7,089,001</u>	<u>7,094,953</u>
Excess of (Expenditures)	<u>(5,275,084)</u>	<u>(5,281,036)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers in	<u>5,275,084</u>	<u>5,275,084</u>
Total Other Financing Sources (Uses)	<u>5,275,084</u>	<u>5,275,084</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u> </u>	<u>(5,952)</u>
Appropriated Fund Balance	<u> </u>	<u>5,952</u>
Net Increase	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 6,721	\$	\$ 6,721
8,199		699
17,994		14,494
103,922		10,422
1,794,108		109,491
399,104		374,304
2,330,048	-0-	516,131
280,593		3,580
6,126,718	89,630	(194,343)
646,519		142,256
7,053,830	89,630	(48,507)
(4,723,782)	(89,630)	467,624
4,755,000		(520,084)
4,755,000	-0-	(520,084)
31,218	\$ (89,630)	\$ (52,460)
-0-		
31,218		
2,195,456		
\$ 2,226,674		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 TRANSPORTATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Departmental income	\$ 1,283,328	\$ 1,308,328
Intergovernmental charges	775	775
Use of money and property	1,009,085	1,009,085
Sale of property and compensation for loss	5,000	5,000
Miscellaneous local sources	4,840	4,840
Federal sources	151,490	151,490
Total Revenues	<u>2,454,518</u>	<u>2,479,518</u>
<u>EXPENDITURES</u>		
Current:		
Transportation	2,164,839	2,189,839
Employee Benefits	262,865	262,865
Total Expenditures	<u>2,427,704</u>	<u>2,452,704</u>
Excess of Revenues	<u>26,814</u>	<u>26,814</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers (out)	(101,814)	(101,814)
Total Other Financing Sources (Uses)	<u>(26,814)</u>	<u>(26,814)</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>
Net Increase	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
\$ 1,276,347	\$	\$ (31,981)
150,212		149,437
1,053,445		44,360
2,025		(2,975)
8,631		3,791
		(151,490)
2,490,660	-0-	11,142
2,110,057	9,811	69,971
257,915		4,950
2,367,972	9,811	74,921
122,688	(9,811)	86,063
(101,814)		-0-
(101,814)	-0-	(75,000)
20,874	\$ (9,811)	\$ 11,063
20,874		
275,046		
\$ 295,920		

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 SOLID WASTE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Original Budget	Final Budget
<u>REVENUES</u>		
Departmental income	\$ 4,779,530	\$ 4,779,530
Use of money and property	20,000	20,000
Licenses and permits	20,000	20,000
Fines and forfeitures	1,200	1,200
Sale of property and compensation for loss	960,121	960,121
Miscellaneous local sources	29,700	29,700
State sources	285,000	285,000
Total Revenues	6,095,551	6,095,551
<u>EXPENDITURES</u>		
Current:		
Home and Community Services	4,895,979	4,895,979
Employee Benefits	238,728	238,728
Total Expenditures	5,134,707	5,134,707
Excess of Revenues	960,844	960,844
<u>OTHER FINANCING SOURCES (USES)</u>		
Interfund transfers (out)	(1,097,999)	(1,097,999)
Total Other Financing Sources (Uses)	(1,097,999)	(1,097,999)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	(137,155)	(137,155)
Appropriated Fund Balance	137,155	137,155
Net Increase (Decrease)	\$ -0-	\$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 4,764,014	\$ _____	\$ (15,516)
7,395	_____	(12,605)
25,887	_____	5,887
954	_____	(246)
519,354	_____	(440,767)
22,746	_____	(6,954)
_____	_____	(285,000)
5,340,350	-0-	(755,201)
_____	_____	_____
4,542,106	35,113	318,760
234,306	_____	4,422
4,776,412	35,113	323,182
_____	_____	_____
563,938	(35,113)	(432,019)
_____	_____	_____
(1,097,999)	_____	-0-
(1,097,999)	-0-	-0-
_____	_____	_____
(534,061)	\$ (35,113)	\$ (432,019)
_____	_____	_____
(534,061)	_____	_____
1,946,673	_____	_____
\$ 1,412,612	_____	_____

COUNTY OF TOMPKINS
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 SPECIAL GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>
<u>REVENUES</u>		
Departmental income	\$	\$ 540,000
Miscellaneous local sources	19,881	19,881
Interfund revenues	106,029	106,029
State sources	88,981	135,781
Federal sources	857,423	1,257,312
Total Revenues	<u>1,072,314</u>	<u>2,059,003</u>
<u>EXPENDITURES</u>		
Current:		
Economic Assistance and Opportunity	1,072,314	1,529,083
Home and Community Services		741,225
Total Expenditures	<u>1,072,314</u>	<u>2,270,308</u>
Excess of (Expenditures) Revenues	<u>-0-</u>	<u>(211,305)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	<u>-0-</u>	<u>(211,305)</u>
Net (Decrease)	<u>\$ -0-</u>	<u>\$ (211,305)</u>
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 443,996	\$	\$ (96,004)
319		(19,562)
21,009		(85,020)
25,414		(110,367)
1,590,551		333,239
2,081,289	-0-	22,286
1,636,108	3,606	(110,631)
821,825		(80,600)
2,457,933	3,606	(191,231)
(376,644)	(3,606)	(168,945)
106,029	-0-	106,029
(270,615)	\$ (3,606)	\$ (62,916)
(270,615)		
1,361,669		
\$ 1,091,054		

COUNTY OF TOMPKINS
 SCHEDULE OF FUNDING PROGRESS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<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>
County of	12/31/2009	\$ -0-	\$ 59,022,702	\$ 59,022,702	0.0%	\$ 38,195,389	154.5%
Tompkins	12/31/2008	\$ -0-	\$ 53,963,705	\$ 53,963,705	0.0%	\$ 37,580,168	143.6%
Tompkins County	12/31/2009	\$ -0-	\$ 4,078,023	\$ 4,078,023	0.0%	\$ 1,817,937	224.3%
Public Library	12/31/2008	\$ -0-	\$ 3,711,182	\$ 3,771,182	0.0%	\$ 1,846,314	204.3%

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

COUNTY OF TOMPKINS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009

Note 1 - Budget Basis of Accounting

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

Note 2 - Reconciliation of Budget Basis to GAAP

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

Note 3 - Stewardship, Compliance, and Accountability

A. Over-expended Appropriations

The following functions were over-expended in the County Road Fund:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Over-expended</u>
Transportation	\$ 6,022,005	\$ 6,126,718	\$ 89,630	\$ (194,343)

The following functions were over-expended in the Special Grant Funds:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Over-expended</u>
Economic Assistance and Opportunity	\$ 1,529,083	\$ 1,636,108	\$ 3,606	\$ (110,631)
Home and Community Services	741,225	821,825		(80,600)
Total	\$ 2,270,308	\$ 2,457,933	\$ 3,606	\$ (191,231)

Note 4 - Schedule of Funding Progress

The Schedule of Funding Progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits. Because the year ended December 31, 2008 was the first year of implementation for the County and the Library, only two years of information is presented for the year ending December 31, 2009.

COUNTY OF TOMPKINS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue Fund	Capital Projects Funds	
	Road Machinery Fund	TCAT Fund	General Government Fund
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents - Unrestricted	\$ 815	\$ 230,024	\$ 2,131,481
- Restricted	_____	_____	_____
Temporary investments - Restricted	_____	_____	_____
Due from other funds	924,598	_____	200,000
Due from state and federal governments	_____	577,400	_____
Other receivables, net	4,289	_____	_____
Prepaid expenses	4,969	_____	_____
 Total Assets	 \$ 934,671	 \$ 807,424	 \$ 2,331,481
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 36,380	\$ 607,207	\$ 1,081
Accrued liabilities	4,002	_____	_____
Due to other funds	15,154	_____	2,626
Retained percentages	_____	_____	574
 Total Liabilities	 55,536	 607,207	 4,281
Fund Balances:			
Fund Balances - Reserved:			
Debt	_____	_____	_____
Total Reserved	-0-	-0-	-0-
Fund Balances - Unreserved, Reported in:			
Unappropriated, Reported in:			
Special Revenue Funds	879,135	_____	_____
Capital Projects Funds	_____	200,217	2,327,200
Total Fund Balances	879,135	200,217	2,327,200
 Total Liabilities and Fund Balances	 \$ 934,671	 \$ 807,424	 \$ 2,331,481

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total Non-Major Governmental Funds
Home and Community Services Fund	Public Safety Fund	Education Fund	TTASC Fund	
\$ 1,166,941	\$ 721,504	\$	\$	\$ 4,250,765
		581,837	77,286	659,123
			649,784	649,784
	27,634			1,152,232
				577,400
	213		690,000	694,502
			3,756	8,725
<u>\$ 1,166,941</u>	<u>\$ 749,351</u>	<u>\$ 581,837</u>	<u>\$ 1,420,826</u>	<u>\$ 7,992,531</u>
\$ 9,317	\$ 7,310	\$	\$	\$ 661,295
				4,002
				17,780
				574
<u>9,317</u>	<u>7,310</u>	<u>-0-</u>	<u>-0-</u>	<u>683,651</u>
			1,420,826	1,420,826
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,420,826</u>	<u>1,420,826</u>
				879,135
<u>1,157,624</u>	<u>742,041</u>	<u>581,837</u>		<u>5,008,919</u>
<u>1,157,624</u>	<u>742,041</u>	<u>581,837</u>	<u>1,420,826</u>	<u>7,308,880</u>
<u>\$ 1,166,941</u>	<u>\$ 749,351</u>	<u>\$ 581,837</u>	<u>\$ 1,420,826</u>	<u>\$ 7,992,531</u>

COUNTY OF TOMPKINS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Fund	Capital Projects Funds	
	Road Machinery Fund	TCAT Fund	General Government Fund
<u>REVENUES</u>			
Intergovernmental charges	\$	\$	\$
Use of money and property	1,433	2,084	15,120
Sale of property and compensation for loss	122,908		
Miscellaneous local sources	20		
Interfund revenues	1,721,579		
Federal sources		2,247,640	
Total Revenues	1,845,940	2,249,724	15,120
<u>EXPENDITURES</u>			
General Governmental Support			
Transportation	1,385,875		
Employee Benefits	98,791		
Debt Service (principal and interest)			
Capital Outlay		2,277,447	309,072
Total Expenditures	1,484,666	2,277,447	309,072
Excess of Revenues (Expenditures)	361,274	(27,723)	(293,952)
<u>OTHER FINANCING SOURCES (USES)</u>			
Interfund transfers in		11,349	200,000
Total Other Financing Sources (Uses)	-0-	11,349	200,000
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	361,274	(16,374)	(93,952)
Fund Balances, Beginning of Year	517,861	216,591	2,421,152
Fund Balances, End of Year	\$ 879,135	\$ 200,217	\$ 2,327,200

See Independent Auditor's Report

Capital Projects Funds			Debt Service Fund	Total Non-Major Governmental Funds
Home and Community Services Fund	Public Safety Fund	Education Fund	TTASC Fund	
\$	\$ 24,152	\$	\$	\$ 24,152
8,353	6,350	3,706	709	37,755
				122,908
	214		690,000	690,234
				1,721,579
	27,634			2,275,274
8,353	58,350	3,706	690,709	4,871,902
			44,210	44,210
				1,385,875
				98,791
			927,206	927,206
39,372	79,435	10,915		2,716,241
39,372	79,435	10,915	971,416	5,172,323
(31,019)	(21,085)	(7,209)	(280,707)	(300,421)
88,145				299,494
88,145	-0-	-0-	-0-	299,494
57,126	(21,085)	(7,209)	(280,707)	(927)
1,100,498	763,126	589,046	1,701,533	7,309,807
\$ 1,157,624	\$ 742,041	\$ 581,837	\$ 1,420,826	\$ 7,308,880

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

**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 the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Tompkins (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 23, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

- 56 -

CORTLAND

39 Church Street
Cortland, New York 13045
607-753-7439
fax 607-753-7874

ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
607-272-4444
fax 607-273-8372
www.cdlim.com

WATKINS GLEN

108 West Fourth Street
Watkins Glen, New York 14891
607-535-4443
fax 607-535-6220

We noted certain matters that we reported to management of the County, in a separate letter dated August 23, 2010.

This report is intended solely for the information and use of the County Legislature, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lincoln, Dietershagen, Little, Minkler & Company LLP

August 23, 2010
Ithaca, New York

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Legislature
County of Tompkins
Ithaca, New York

Compliance

We have audited the compliance of County of Tompkins (the County), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County of Tompkins, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

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

- 58 -

CORTLAND

39 Church Street
Cortland, New York 13045
607-753-7439
fax 607-753-7874

ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
607-272-4444
fax 607-273-8372
www.cdlim.com

WATKINS GLEN

108 West Fourth Street
Watkins Glen, New York 14891
607-535-4443
fax 607-535-6220

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we consider the finding identified as 09-1 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

This report is intended solely for the information and use of the County Legislature, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

August 23, 2010
Ithaca, New York

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Program:			
School Breakfast Program	10.553	N/A	\$ 3,721
National School Lunch Program	10.555	N/A	5,761
Passed Through NYS Department of Social Services:			
Food Stamps	10.551	(1)	11,959,281
State Administrative Matching Grants for the Supplemental Nutrition Assistance Proram (formerly Food Stamps)	10.561	(1)	1,271,953
State Administrative Matching Grants for the Supplemental Nutrition Assistance Proram (formerly Food Stamps) - ARRA	10.561	(1)	38,653
Total Nutrition Cluster			<u>13,269,887</u>
Passed Through NYS Health Department:			
Special Supplemental Nutrition Program for Women, Infants, and Children - Administration	10.557	C019318	398,125
Special Supplemental Nutrition Program for Women, Infants, and Children - Food Instruments	10.557	(1)	897,291
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>14,574,785</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grants - Small Cities Program	14.219	N/A	532,992
Passed Through NYS Governor's Office for Small Cities:			
Community Development Block Grants - State's Program	14.228	(1)	288,833
Direct Program:			
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	N/A	465,794
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,287,619</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Supervised Visitation Safe Havens for Children	16.527	(1)	61,928
<u>U.S. Department of Labor</u>			
Passed Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235	(1)	36,716
Passed Through NYS Department of Labor:			
Trade Adjustment Assistance Workers	17.245	(1)	34,899
WIA Adult Program	17.258	(1)	120,418
WIA Adult Program - ARRA	17.258	(1)	28,334
WIA Youth Activities	17.259	(1)	344,701
WIA Youth Activities - ARRA	17.259	(1)	299,978
WIA Dislocated Workers	17.260	(1)	145,866
WIA Dislocated Workers - ARRA	17.260	(1)	84,121
Total WIA Cluster			<u>1,023,418</u>
Passed Through National Retail Federation:			
Employment and Training Admin. Pilots, Demonstrations and Research Program	17.261	(1)	19,770
Work Incentives Program	17.266	(1)	57,505
TOTAL U.S. DEPARTMENT OF LABOR			<u>1,172,308</u>
Subtotal Expenditures of Federal Awards			<u>17,096,640</u>

N/A - Denotes Not Applicable (Direct Program)

(1) - Denotes unable to obtain from Pass-Through Entity

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

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal Catalog #</u>	<u>Pass-Through Grantor #</u>	<u>Expenditures</u>
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>17,096,640</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Airport Improvement Program	20.106	N/A	1,684,424
Federal Transit - Capital Investment Grants	20.500	N/A	140,805
Job Access - Reverse Commute	20.516	N/A	129,800
Formula Transit - Formula Grants	20.507	N/A	2,080,571
Formula Transit - Formula Grants - ARRA	20.507	N/A	138,904
Passed Through NYS Department of Transportation:			
Highway Planning and Construction	20.205	DO22373	67,472
Highway Planning and Construction	20.205	DO22376	24,570
Highway Planning and Construction	20.205	DO22378	2,685
Highway Planning and Construction	20.205	DO31531	35,640
Highway Planning and Construction - ARRA	20.205	DO22377	2,091,189
Total Highway Planning and Construction			<u>2,221,556</u>
Federal Transit - Metropolitan Planning Grants	20.505	CO003719	309,037
Passed Through NYS Department of Motor Vehicles:			
State and Community Highway Safety	20.600	CS5500172	15,487
Selective Traffic Enforcement Program	20.601	PT5500152	1,788
Selective Traffic Enforcement Program	20.601	PT5500181	6,093
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>6,728,465</u>
<u>Environmental Protection Agency</u>			
Passed Through NYS Health Department:			
State Indoor Radon Grants	66.032	C022171	4,925
State Public Water System Supervision	66.432	C023058	37,597
State Public Water System Supervision	66.432	C023508	109,728
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>152,250</u>
<u>U.S. Department of Education</u>			
Passed through NYS Department of Health:			
Special Education - Grants for Infants and Families with Disabilities	84.181	C021827	48,661
Passed through NYS Department of Education			
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397A	(1)	436,658
Passed through NYS Department of Labor:			
Rehabilitation Services	84.126	(1)	15,410
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>500,729</u>
<u>Election Assistance Commission</u>			
Passed through NYS Board of Elections:			
Help America Vote Act Requirements Payments	90.401	T002634	7,876
TOTAL ELECTION ASSISTANCE COMMISSION			<u>7,876</u>
Subtotal Expenditures of Federal Awards			<u>24,485,960</u>

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

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

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>24,485,960</u>
<u>U.S. Department of Health and Human Services</u>			
Direct:			
Drug-Free Communities Support Program Grants	93.276		100,000
Passed Through NYS Office for the Aging:			
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.042	(1)	11,382
Aging Cluster:			
Title III-D, Disease Prevention and Health Promotion Services	93.043	(1)	4,302
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)	64,952
Title III-C, Nutrition Services	93.045	(1)	122,229
Aging Congregate Nutrition Services for States-ARRA	93.707	(1)	17,661
Total Aging Cluster			<u>209,144</u>
Special Programs for Aging - Discretionary Projects	93.048	(1)	11,843
National Family Caregiver Support	93.052	(1)	36,525
Nutrition Services Incentive	93.053	(1)	111,678
Low-Income Home Energy Assistance	93.568	(1)	34,378
Centers for Medicare and Medical Services Research, Demonstrations and Evaluations	93.779	(1)	24,676
Immunization Grants	93.268	C023276	44,654
Maternal and Child Health Services Block Grant to the States	93.994	C020635	29,000
Maternal and Child Health Services Block Grant to the States	93.994	C024648	13,150
Maternal and Child Health Services Block Grant to the States	93.994	C021584	10,243
Passed Through Health Research, Inc.:			
Public Health Emergency Preparedness	93.069	001626-07	50,591
Maternal and Child Health Services Block Grant to the States	93.994	C021667	42,700
Passed Through NYS Mental Health Department:			
Projects for Assistance in Transition from Homelessness	93.150	(1)	40,530
Medical Assistance Program	93.778	(1)	183,043
Block Grants for Community Mental Health Services	93.958	(1)	39,350
Passed Through NYS Department of Social Services:			
Temporary Assistance to Needy Families	93.558	(1)	5,534,410
TANF Emergency - ARRA	93.714	(1)	431,847
Child Support Enforcement	93.563	(1)	306,115
Child Support Enforcement - ARRA	93.563	(1)	45,990
Refugee and Entrant Assistance - State Administered Programs	93.566	(1)	569
Low-Income Home Energy Assistance	93.568	(1)	3,290,783
Child Care and Development Block Grant	93.575	(1)	1,701,138
Foster Care - Title IV-E	93.658	(1)	1,372,175
Foster Care - Title IV-E - ARRA	93.658	(1)	81,248
Adoption Assistance	93.659	(1)	1,295,585
Adoption Assistance - ARRA	93.659	(1)	158,793
Social Services Block Grant	93.667	(1)	3,621,093
Chafee Foster Care Independent Living	93.674	(1)	65,374
Medical Assistance Program	93.778	(1)	1,630,404
Subtotal U.S. Department of Health and Human Services			<u>20,528,411</u>
Subtotal Expenditures of Federal Awards			<u>45,014,371</u>

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

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

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			\$ <u>45,014,371</u>
<u>U.S. Department of Health and Human Services (con't.)</u>			
Subtotal U.S. Department of Health and Human Services Brought Forward			20,528,411
Passed Through NYS State Office of Alcoholism and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	825,189
Medical Assistance Program	93.778	(1)	4,092
Passed Through NYS Department of Labor:			
Temporary Assistance to Needy Families	93.558	(1)	<u>340,262</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>21,697,954</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through NYS Division of Criminal Justice Services:			
Homeland Security Grant Program	97.067	WM04836240	30,000
Homeland Security Grant Program	97.067	WM06836260	29,500
Homeland Security Grant Program	97.067	WM07836272	66,900
Homeland Security Grant Program	97.067	WM08836282	<u>23,870</u>
Total Homeland Security Grant Program			150,270
Passed Through NYS Emergency Management Office:			
Disaster Grants - Public Assistance	97.036	(1)	<u>342,963</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>493,233</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ <u>46,677,147</u>

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

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

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

SUBRECIPIENTS

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

WIA Cluster		
WIA Youth Activities		
Tompkins Cortland Community College - ARRA	17.259	26,120
WIA Youth Activities		
Tompkins Community Action	17.259	94,732
WIA Incentive Program		
Challenge Industries	17.266	51,236
WIA Dislocated Workers		
Challenge Industries	17.260	5,009
Total WIA Needy Families		<u>187,115</u>
Temporary Assistance to (TANF)		
City of Ithaca	93.558	171,596
Tompkins Community Action	93.558	91,768
Total TANF		<u>263,364</u>
Community Development Block Grants - Small Cities		
Better Housing for Tompkins County	14.219	<u>66,272</u>
Projects for Individuals in Transition from Homelessness		
American Red Cross	93.150	<u>17,764</u>
Block Grants for Prevention and Treatment of Substance Abuse		
Cayuga Addiction Recovery	93.959	<u>780,489</u>
Formula Transit Formula Grants		
Federal Transit - Capital Investment Grant	20.500	140,805
Tompkins Consolidated Area Transit	20.507	<u>2,219,475</u>
Homelessness Prevention and Rapid Recovery Program (HPRP) - ARRA		
Human Services Coalition	27.716	27,716
Legal Assistance of Western NY		4,300
Catholic Charities		244,777
Tompkins Community Action		152,298
Total HPRP		<u>429,091</u>
Total Federal Awards to Subrecipients		<u><u>4,104,375</u></u>

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

COUNTY OF TOMPKINS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009

Note 1 - Basis of Presentation

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

Note 2 - Basis of Accounting

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

Note 3 - Indirect Costs

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

Note 4 - Matching Costs

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

Note 5 - Department of Social Services - Administrative Costs

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

Note 6 - Non-Monetary Federal Program

The County is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs." During the year ended December 31, 2009, Tompkins County distributed \$7,590,011 worth of food stamps to eligible persons participating in the Food Stamp Program (CFDA Number 10.551) and \$963,622 worth of food instruments to eligible persons participating in the Special Supplemental Food Program for Women, Infants and Children (WIC) (CFDA Number 10.557).

COUNTY OF TOMPKINS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes no

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

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes no

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.551/10.561	Food Stamp Cluster
14.257	Homelessness Prevention and Rapid Re-housing Program
93.575	Child Care and Development Block Grant
20.205	Highway Planning and Construction
93.558/93.714	Temporary Assistance for Needy Families Cluster
17.258/17.259/17.260	WIA Cluster
93.659	Adoption Assistance
93.658	Foster Care - Title IV-E
93.563	Child Support Enforcement
20.507	Formula Transit - Formula Grants

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,400,314

Auditee qualified as low-risk auditee: yes _____ no

COUNTY OF TOMPKINS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
DECEMBER 31, 2009

Section II - Financial Statement Findings: None

Section III - Federal Award Findings and Questioned Costs: 09-1

09-01 Time Reporting by Department of Social Services Personnel

Condition:

Certain Department of Social Services personnel are assigned to departments that perform services to more than one grant. Their time is allocated based upon staff input and caseload analysis rather than quarterly time studies.

Criteria:

New York State guidance required salaries to be allocated for certain grants based on quarterly time studies.

Effect:

Salary expenditures per grant could be inaccurately reported. While possible questioned costs cannot be readily determined, it is believed that such amounts would not be material to any one grant.

Recommendation:

We recommend the Department of Social Services conduct time studies in accordance with New York State guidance.

Corrective Action Plan:

The Department agrees and will implement time studies immediately.