COUNTY OF TOMPKINS

Ithaca, New York

FINANCIAL REPORT

December 31, 2012

COUNTY OF TOMPKINS

FOR THE YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

County Legislature
County of Tompkins
Ithaca, New York

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, and Schedule of Funding Progress on pages 3 through 3k and 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cinachi, Dieterchagen, Little, Nikolson & Company LLP

August 26, 2013
Ithaca, New York

Our discussion and analysis of the County of Tompkins' financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2012. Please read this information in conjunction with the County's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $156,076,950 (net position). Of this amount, $18,166,226 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's overall net position decreased by $(5,984,459), or (3.7%), while unrestricted net position decreased by $(8,309,503), or (31.4%), largely as a result of recognition of additional Other Postemployment Benefits (OPEB) payable.

- During the year, the County had revenues of $166,527,130, as compared to $168,631,699 in 2011. Expenses of $172,511,589 decreased by $(849,494), from $173,361,083 in the prior year.

- The County invested over $8.4 million in capital assets during the year. Approximately $5.7 million of this was invested in infrastructure.

- The General Fund recorded an increase of $2,695,321 in 2012 and ended the year with a fund balance of $26,118,194. Of this fund balance, $18,026,978 was unassigned.

- The County's short-term and long-term obligations at year end totaled $101,142,875, an increase of $2,759,141 from 2011. This increase is primarily attributable to an increase in OPEB payable of over $7.6 million, offset by a decrease in bonded debt due to scheduled repayments.

USING THIS ANNUAL REPORT

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

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

Reporting the County as a Whole

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

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

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

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

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

Component Units: The County includes four separate legal entities in its report - 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 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.

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

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

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

THE COUNTY AS A WHOLE

The County's net position for the fiscal year ended December 31, 2012 decreased $(5,984,459), from $162,061,409 to $156,076,950. In contrast, last year net position decreased by $(4,729,384).

The largest portion of the County's net position of $127,677,781 (81.8%) 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 position of $10,232,943 (6.6%) represents resources that are subject to external restrictions on how they may be used and are reported as restricted.

The remaining category of total net position, unrestricted net position of $18,166,226 may be used to meet the government's ongoing obligations and services to creditors and citizens. Of these net resources, the County has appropriated $1,681,507 for 2013 expenses and designated an additional $40,883,177 for specific purposes.

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

Figure 1 - Net Position

	Governmental Activities		Percent Change
	2011	2012	2011-2012
Current assets - County	$ 57,626,811	$ 58,956,937	2.31%
Assets - TTASC	1,449,161	1,468,581	1.34%
Capital assets, net	179,960,155	177,897,278	(1.15%)
Other noncurrent assets - County	39,725,570	36,364,797	(8.46%)
Total Assets	**278,761,697**	**274,687,593**	**(1.46%)**
Current liabilities - County	29,298,923	25,826,109	(11.85%)
Current liabilities - TTASC	526,048	681,048	29.46%
Noncurrent liabilities - County	75,915,617	81,032,948	6.74%
Noncurrent liabilities - TTASC	10,959,700	11,070,538	1.01%
Total Liabilities	**116,700,288**	**118,610,643**	**1.64%**
Net investment in capital assets	126,001,120	127,677,781	1.33%
Restricted	9,584,560	10,232,943	6.76%
Unrestricted	26,475,729	18,166,226	(31.39%)
Total Net Position	**$ 162,061,409**	**$ 156,076,950**	**(3.69%)**

Current assets of the County increased $1,330,126 primarily as result of an increase in cash balances at year end of $380,793 and an increase in prepaid expenses of $750,829. Capital assets, net decreased $(2,062,877) largely as a result of additional capital additions of $8,428,246 exceeded by additional depreciation of $(10,450,402). Other noncurrent assets decreased $(3,360,773) primarily due to a decrease in revolving loans receivable of $(555,363) and a decrease of $(2,802,599) in equity interest in joint ventures during the current year.

Current liabilities of the County decreased $(3,472,814) largely as a result of a decrease in accounts payable of $(829,235), an increase in amounts due to other governments of $305,806 and a net decrease of $(2,624,028) in long-term obligations due within one year. The County's noncurrent liabilities increased by $5,117,331 primarily as a result of the recognition of additional other postemployment benefits payable of $7,662,025 offset by a net decrease of $(2,195,633) in the long-term portion of debt obligations.

The County's total revenues decreased by (1.25%), while the total cost of all programs and services decreased by (0.49%). Our analysis in Figure 2 separately considers the operations of Governmental Activities.

Figure 2 - Changes in Net Position

	Governmental Activities		Percent Change
	2011	2012	2011 - 2012
REVENUES			
Program Revenues:			
Charges for services	$ 20,431,031	$ 19,040,764	(6.80%)
Operating grants	43,604,833	44,388,382	1.80%
Capital grants	11,444,481	9,389,812	(17.95%)
General Revenues:			
Property taxes and tax items	40,075,729	41,754,531	4.19%
Sales and other taxes	48,450,766	49,645,299	2.47%
Tobacco settlement - County	557,985	726,693	30.24%
Tobacco settlement - TTASC	542,928	616,520	13.55%
Unrestricted grants	379,667	505,532	33.15%
Use of money and property	1,883,184	2,217,456	17.75%
Change in equity interest in joint ventures	(539,385)	(2,802,599)	(419.59%)
Other	1,800,480	1,044,740	(41.97%)
Total Revenues	**168,631,699**	**166,527,130**	**(1.25%)**
PROGRAM EXPENSES			
General Government	28,431,858	29,158,594	2.56%
Education	9,124,387	9,052,485	(0.79%)
Public Safety	20,268,676	21,142,377	4.31%
Public Health	19,300,145	18,203,383	(5.68%)
Transportation	25,970,031	21,916,782	(15.61%)
Economic Assistance and Opportunity	54,250,004	57,365,707	5.74%
Culture and Recreation	4,722,598	4,697,973	(0.52%)
Home and Community Services	8,222,584	8,412,713	2.31%
Interest on debt	3,070,800	2,561,575	(16.58%)
Total Expenses	**173,361,083**	**172,511,589**	**(0.49%)**
(DECREASE) IN NET POSITION	**$ (4,729,384)**	**$ (5,984,459)**	**26.54%**

The decrease in revenues of $(2,104,569) was primarily due to an increase in property taxes and tax items of $1,678,802, an increase in sales and other taxes of $1,194,533 offset by decreases in program revenues of $(2,661,387) and the decrease in the equity interest in joint ventures.

Expenses decreased by $(849,494) largely as a result of decreases in transportation project expenses and interest expenses.

Figures 3 and 4 show in percentages the sources of revenue for 2012 and 2011.

Figure 3 - Revenue by Source
Governmental Activities
2012

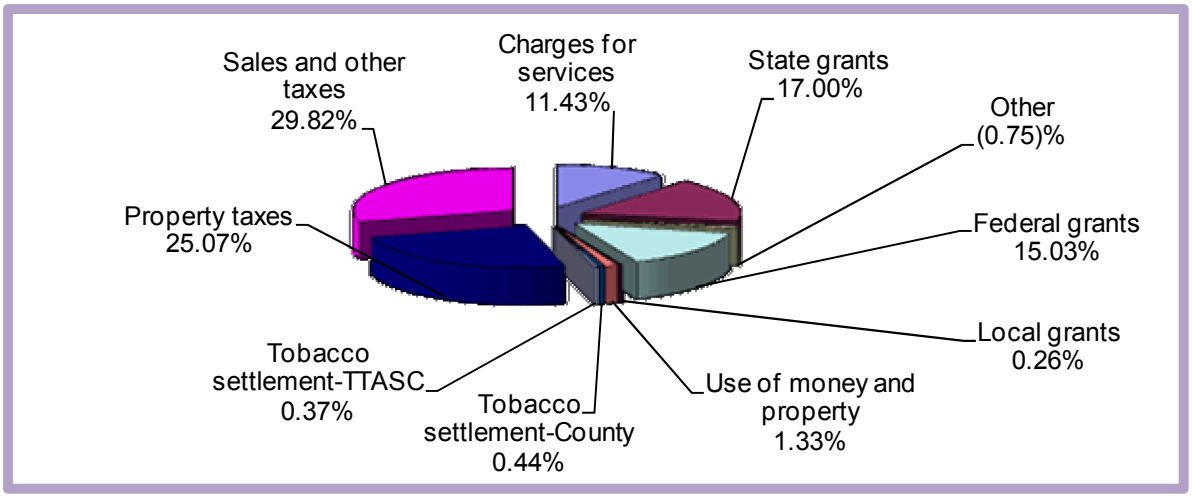
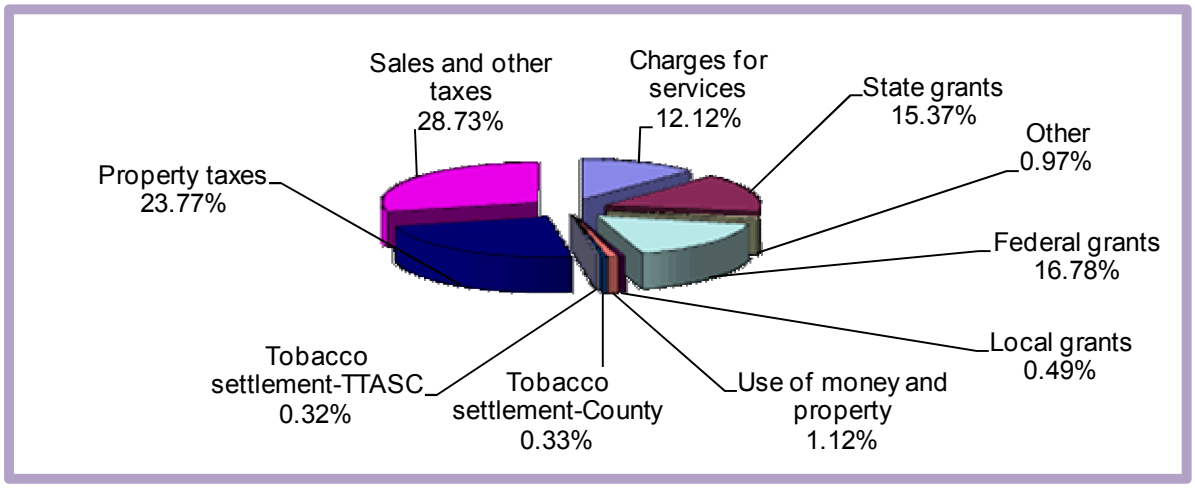


Figure 4 - Revenue by Source
Governmental Activities
2011



The cost of all Governmental Activities this year was $172,511,589. 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 $99,692,631, 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 $72,818,958. The County paid for the remaining "public benefit" portion of Governmental Activities with $93,708,172 in taxes and with other revenues, such as interest and general entitlements.

A comparison of program expenses, outlined in Figure 2, highlights the following: general government program activities reflected an increase of $726,736, education program activities decreased $(71,902) and public safety program expenses increased $873,701. Public health expenses decreased $(1,096,762) primarily due to the elimination of home health care services. Transportation expenses decreased $(4,053,249) largely as a result of reduced ridership on public transportation. Economic assistance opportunity program expenses increased $3,115,703 primarily as a result of increased demand for child care assistance. Overall, program expenses of the County's Governmental Activities decreased $(849,494).

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
2012

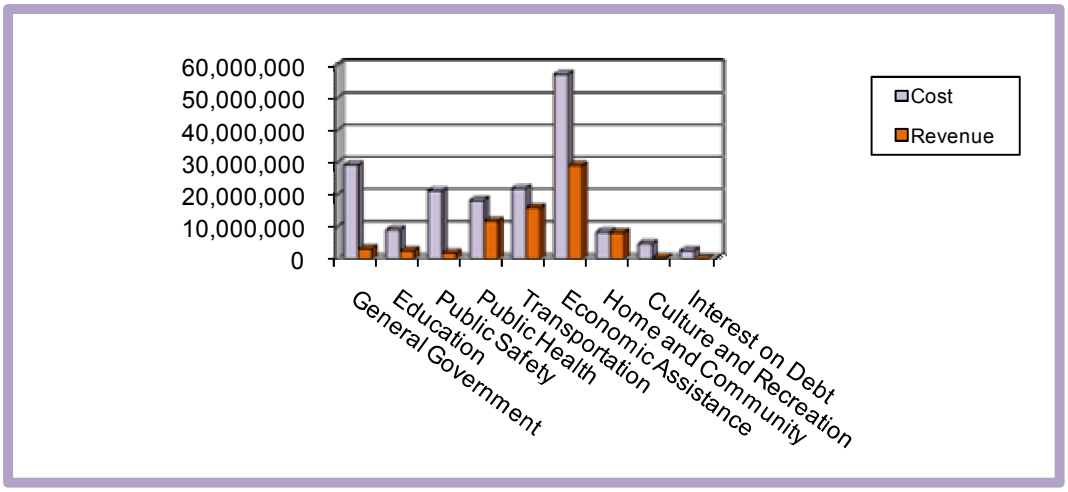
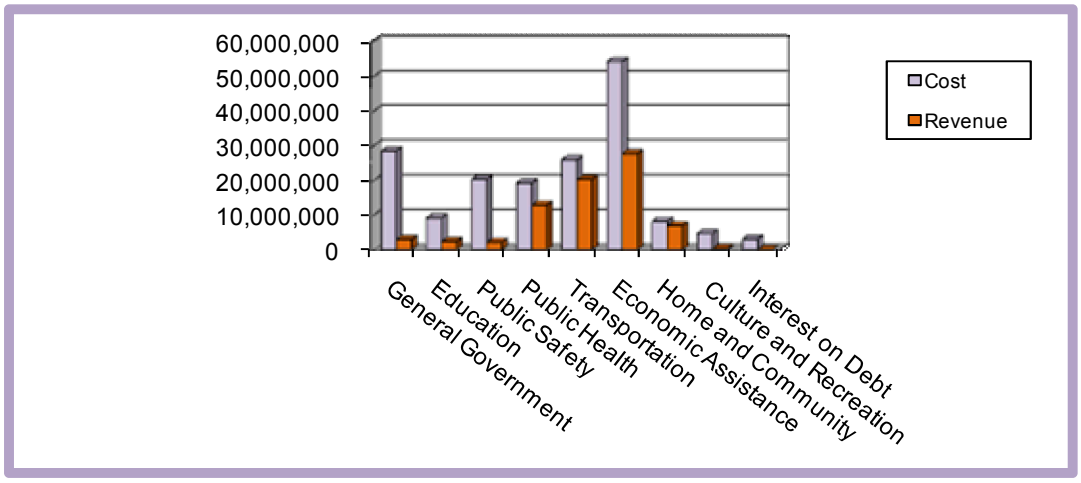


Figure 6 - Net Program Cost
Governmental Activities
2011



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 $42,239,485, which is an increase of 4.16% from the prior year. Of this amount, $2,456,299 is nonspendable, $6,764,927 is restricted, $4,790,988 is committed, and $10,200,293 is assigned, leaving $18,026,978 in unassigned fund balance. Figure 7 shows the changes in fund balance for the County's Governmental Funds.

Figure 7 - Governmental Funds
Fund Balance at Years Ended

	2011	*2012*	*Dollar Change*
Major Funds:			
General Fund	$ 23,422,873	$ 26,118,194	$ 2,695,321
County Road Fund	2,711,530	2,576,084	(135,446)
Transportation (Airport) Fund	146,676	84,155	(62,521)
Solid Waste Fund	2,316,788	1,680,337	(636,451)
Special Grant Fund	842,462	1,106,618	264,156
Debt Service Fund	1,906,192	1,616,471	(289,721)
Non-Major Funds:			
Road Machinery Fund	1,235,556	1,138,416	(97,140)
Capital Funds	6,647,080	6,567,458	(79,622)
TTASC Debt Service Fund	1,325,122	1,351,752	26,630
Totals	**$ 40,554,279**	**$ 42,239,485**	**$ 1,685,206**

Fund balance of the County's major funds increased by 4.16% primarily due to an increase in the fund balances of the General Fund of 11.51%. The increase in the General Fund is largely the result of an increase of $1.6 million in property taxes and tax items and an increase of $1.2 million in sales and other taxes. The decrease in the Solid Waste Fund is primarily a result of a decrease in revenues of (14.94%) while expenditures increased 8.29%.

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 $825,000 from the contingent fund in order to offset over-runs in mandated programs.

Figure 8 - Budgetary Comparison Schedule - General Fund
December 31, 2012

	Original Budget	Final Budget	Actual w/ Encumbrances	Variance Fav.-(Unfav.)
REVENUES				
Real property taxes and tax items	$ 44,543,579	$ 44,543,579	$ 41,696,303	$ (2,847,276)
Nonproperty tax items	45,877,412	45,325,414	49,645,299	4,319,885
Departmental income	11,298,299	11,357,921	9,756,057	(1,601,864)
Fines and forfeitures	310,851	311,866	232,174	(79,692)
Use of money and property	494,300	504,300	550,304	46,004
Miscellaneous local sources	1,600,689	1,352,065	963,817	(388,248)
Sale of property and compensation for loss	630,000	630,000	787,566	157,566
State sources	23,694,633	26,705,802	24,876,093	(1,829,709)
Federal sources	17,945,022	19,124,548	18,022,988	(1,101,560)
Other	706,763	706,763	934,521	227,758
Total Revenues and Other Financing Sources	**$ 147,101,548**	**$ 150,562,258**	**$ 147,465,122**	**$ (3,097,136)**
Appropriated Fund Balances	**$ 2,303,790**	**$ 3,131,088**		
	Original Budget	***Final Budget***	***Actual w/ Encumbrances***	***Variance Fav.-(Unfav.)***
EXPENDITURES				
General Government	$ 27,668,887	$ 27,955,278	$ 26,894,033	$ 1,061,245
Education	8,420,748	9,880,748	9,040,818	839,930
Public Safety	16,127,688	17,090,290	16,740,774	349,516
Public Health	20,061,117	18,748,909	15,999,213	2,749,696
Transportation	6,027,944	7,248,609	6,742,261	506,348
Economic Assistance and Opportunity	53,184,788	54,318,006	53,654,634	663,372
Culture and Recreation	4,293,527	4,335,576	4,304,476	31,100
Home and Community Services	2,425,053	3,130,078	2,344,259	785,819
Employee Benefits	1,196,502	1,116,284	-0-	1,116,284
Other Financing Uses	9,999,084	9,869,568	10,161,102	(291,534)
Total Expenditures and Other Financing Uses	**$ 149,405,338**	**$ 153,693,346**	**$ 145,881,570**	**$ 7,811,776**
Excess of Revenues and Other Financing Sources	$ -0-	$ -0-	$ 1,583,552	$ 4,714,640

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2012, the County had $177,897,278, net of accumulated depreciation of $133,122,840, invested in a broad range of capital assets, including buildings, machinery and equipment, roads and bridges. This amount represents a net decrease (including additions, disposals and depreciation) of $(2,062,877) from last year.

Figure 9 - Capital Assets, Net of Depreciation

	Governmental Activities		*Percent Change*
	2011	*2012*	*2011 - 2012*
Land	$ 7,341,479	$ 7,505,563	2.24%
Construction in progress	3,055,863	2,488,954	(18.55%)
Buildings and improvements	49,948,275	48,865,788	(2.17%)
Equipment	6,675,517	6,869,089	2.90%
Infrastructure	112,939,021	112,167,884	(0.68%)
Totals	**$ 179,960,155**	**$ 177,897,278**	**(1.15%)**

This year's capital asset activity consisted of:

Land and construction in progress	$ 397,175
Buildings and building improvements	1,480,975
Machinery and equipment	868,845
Infrastructure	5,681,251
Total Additions	8,428,246
Less net book value of disposals	(40,721)
Less depreciation expense	(10,450,402)
Change in Capital Assets, Net of Accumulated Depreciation	$ (2,062,877)

Debt Administration

The County's total debt obligations and other long-term liabilities increased in 2012 by $2,759,141, as shown in Figure 10. Of the total indebtedness of the County, $43,420,000 was subject to the constitutional debt limit and represented approximately 11% 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
	2011	2012	2011 - 2012
Serial bonds	$ 42,305,544	$ 41,100,563	$ (1,204,981)
Bond Anticipation Notes payable	5,071,257	2,500,000	(2,571,257)
Compensated absences	3,664,496	3,315,435	(349,061)
Installment purchase debt	7,028,987	5,985,564	(1,043,423)
Workers' compensation claims	824,209	824,209	-0-
Other postemployment benefits liability	28,003,493	35,665,518	7,662,025
Tobacco settlement pass-through bonds	11,485,748	11,751,586	265,838
Totals	**$ 98,383,734**	**$ 101,142,875**	**$ 2,759,141**

The County continues to maintain excellent financial credit as reflected by a Moody's bond rating of Aa1 on its 2012 Bonds. 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 continues to benefit from a stable tax base with a substantial tax-exempt component anchored by Cornell University and Ithaca College. While these institutions provide unique stability to the employment base, their operations, endowments and enrollments have also been challenged by economic volatility and as a result limit their capacity to provide direct support to the county. The County however continues to benefit substantially from off campus real estate development and technology transfer business development.

The County's operations, substantially dependent on state and federal resources will continue to be challenged by a structural imbalance between program cost and revenue growth. The County has expectations that NYS government recognizes the partnership that counties contribute in performing vital services and as a result will likely continue funding programs at current levels. There is considerable uncertainty regarding federal support of programs because of the federal budget sequester and continuing legislative gridlock.

During the 2013 Legislative session, the County submitted home rule requests for enactment of a .25% Mortgage Tax which could generate an estimated $1 million annually for the transit system (TCAT) and a renewal of a 1% sales tax. Both of these requests were subsequently approved.

The 2013 County Budget was subject to a Tax Levy Limitation Law that restricts the growth of property tax levy to 2%. The Tompkins County Legislature chose to override the tax cap limitation because it would have resulted in elimination of many basic services the public values.

The 2013 net tax levy of $40.4 million reflects an increase of $1.2 million or 3.1% over the 2012 levy of $39.2 million. Actual property tax rates increased from $6.67 to $6.80. Property valuations and tax collections remain stable. Taxable values increased modestly from $6,325,315,790 to $6,442,185,862 or 1.8%.

The 2013 budget reflects modest reliance on General Fund Balance to support operations of $1.3 million. Sales tax receipts are estimated to increase by $0.9 million over 2012.

During 2012 all labor contracts were current with the exception of Deputy Sheriff's Association. An arbitration award that covered the period March 2008 through February 2010 settled the Sheriff's unit for a two year period. At December 31, 2012 the County recognized within the General Fund Assigned Unappropriated Fund Balance resources to provide for retroactive salary adjustments for the Sheriff unit.

The 2013 budgeted salary base is $36.8 million, as compared to actual 2012 expenses of $36.4 million. While the 2013 budget reflects containment of salary growth, significant challenges remain because of pension and health insurance costs. Pension costs are projected to increase from $6.2 million to $7.2 million, an increase of 16%. Health insurance cost is projected to increase from $8.8 million to $9.6 million, an increase of 9%.

The County continues to anticipate and fiscally plan for those areas outside of our control which could have a material effect on future tax levies. The most significant area outside of our control is mid-year funding cutbacks from state and federal government and or unanticipated increases in mandated programs. The 2013 budget provides a contingency account of $772,000 for such circumstances.

The County will continue to invest in infrastructure replacements. There is a Capital Improvement Plan that provides guidance on the management of debt. The County anticipates completing permanent financing on several projects during 2013, however it is likely that the $4 million of new issuances will be offset by comparable amount of debt retirement. It will also be necessary in 2013 to issue Bond Anticipation Notes to finance the cash flow needs of several federal road and bridge projects that are on a cost reimbursement basis. The Bond Anticipation Notes will be retired upon receipt of project cost reimbursements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 23,855,963	$ 543,030	$ 364,822	$ (82,404)
Restricted cash	3,601,204	40,857		485,474
Restricted cash - TTASC	103,388			
Taxes receivable, net	5,645,273			
Accounts receivable, net	2,841,918	89,383	23,667	20,335
Accounts receivable - TTASC, net	595,000			
Loans receivable - Current portion	277,053			
Due from state and federal governments	19,902,793			258,490
Securities and mortgages	270,000			
Prepaid expenses	2,456,299			
Unamortized bond issue costs	110,013			
Total Current Assets	59,658,904	673,270	388,489	681,895
Noncurrent Assets:				
Restricted cash and cash equivalents	3,844,164	70,852		
Restricted investments - TTASC	649,785			
Investments		1,559,915		32
Accounts receivable in more than one year		45,945		
Loans receivable - Long-term portion	2,157,773			
Securities and mortgages	1,806,283			
Unamortized bond issue costs	247,505			
Unamortized bond issue costs - TTASC	116,829			
Equity interest in joint ventures	28,309,072			
Capital assets - Land and construction in progress	9,994,517			
Capital assets - Depreciable, net of accumulated depreciation	167,902,761	658,881		86,915
Total Noncurrent Assets	215,028,689	2,335,593	-0-	86,947
Total Assets	274,687,593	3,008,863	388,489	768,842
LIABILITIES				
Current Liabilities:				
Accounts payable	8,104,798	77,099		124,409
Accrued liabilities	830,297	39,915		3,177
Interest payable	498,253			
Due to other governments	5,908,110			324,249
Due to employees' retirement system				11,612
Compensated absences				21,979
Retained percentages	219,984			
Deferred revenue	1,796,275			485,474
Other	110,051			
Long-term obligations due within one year - County	8,358,341			
Long-term obligations due within one year - TTASC	681,048			
Total Current Liabilities	26,507,157	117,014	-0-	970,900

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
(CONTINUED)
DECEMBER 31, 2012

	Primary Government	Component Units		
	Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
Total current liabilities carried forward	$ 26,507,157	$ 117,014	$ -0-	$ 970,900
Noncurrent Liabilities:				
Long-term obligations due after one year	81,032,948	2,554,158		
Long-term obligations due after one year - TTASC	11,070,538			
Total Noncurrent Liabilities	92,103,486	2,554,158	-0-	-0-
Total Liabilities	118,610,643	2,671,172	-0-	970,900
NET POSITION				
Net investment in capital assets	127,677,781	657,664		86,915
Restricted for:				
Community Development	3,516,419			
Debt	5,040,927			
Public Safety	358,251			
Economic Assistance and Opportunity	156,276			
Home and Community Services	400,000			
Capital Projects	761,070			
Library - Expendable		203,598		
Library - Nonexpendable		530,411		
Total Restricted Net Position	10,232,943	734,009	-0-	-0-
Unrestricted	18,166,226	(1,053,982)	388,489	(288,973)
Total Net Position	$ 156,076,950	$ 337,691	$ 388,489	$ (202,058)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Governmental Support	$ 29,158,594	$ 2,825,579	$ 283,724	$
Education	9,052,485		2,531,446	
Public Safety	21,142,377	587,186	1,173,766	49,727
Health	18,203,383	4,806,725	6,944,280	
Transportation	21,916,782	3,028,715	4,667,534	8,215,231
Economic Assistance and Opportunity	57,365,707	2,288,555	26,821,483	
Culture and Recreation	4,697,973	177,735	259,938	
Home and Community Services	8,412,713	5,326,269	1,706,211	1,124,854
Interest on Debt-County	1,753,585			
Interest on Debt-TASC	807,990			
Total Governmental Activities	$ 172,511,589	$ 19,040,764	$ 44,388,382	$ 9,389,812
Component Units:				
Tompkins County Public Library	$ 4,169,324	$ 104,039	$ 3,283,049	$
Industrial Development Agency	469,844	45,911		
Soil and Water Conservation	1,618,695	290,247	1,348,053	
Total Component Units	$ 6,257,863	$ 440,197	$ 4,631,102	$ -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 Position

Net Position - Beginning of Year, as Restated

Net Position - End of Year

See Independent Auditor's Report and Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government	Component Units		
Total Governmental Activities	Tompkins County Public Library	Industrial Development Agency	Soil and Water Conservation District
$ (26,049,291)	$	$	$
(6,521,039)			
(19,331,698)			
(6,452,378)			
(6,005,302)			
(28,255,669)			
(4,260,300)			
(255,379)			
(1,753,585)			
(807,990)			
(99,692,631)	-0-	-0-	-0-
	(782,236)		
		(423,933)	
			19,605
-0-	(782,236)	(423,933)	19,605
(99,692,631)	(782,236)	(423,933)	19,605
39,163,798			
2,590,733			
49,645,299			
726,693			
616,520			
505,532			
2,217,456	192,049	595	979
908,470	28,888		80,592
136,270			
(2,802,599)			
93,708,172	220,937	595	81,571
(5,984,459)	(561,299)	(423,338)	101,176
162,061,409	898,990	811,827	(303,234)
$ 156,076,950	$ 337,691	$ 388,489	$ (202,058)

COUNTY OF TOMPKINS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Major Funds		
		Special Revenue Funds	
	General Fund	County Road Fund	Transportation Fund
ASSETS			
Assets:			
Cash and cash equivalents - Unrestricted	$ 13,147,356	$ 1,143,218	$ 112,349
- Restricted	3,014,488		
Temporary investments - Restricted			
Taxes receivable, net	5,645,273		
Due from other funds	1,143,974	1,768,613	254,768
Due from Fiduciary Funds	159,182		
Due from state and federal governments	17,155,709	117,601	33,686
Other receivables, net	2,180,548		296,012
Prepaid expenses	2,266,431	69,315	49,902
Securities and mortgages			
Loans receivable			
Total Assets	$ 44,712,961	$ 3,098,747	$ 746,717
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 6,060,743	$ 288,340	$ 89,571
Accrued liabilities	739,136	43,587	19,681
Due to other funds	2,496,694	190,736	553,310
Due to other governments	5,908,110		
Other liabilities	110,051		
Deferred revenues	3,280,033		
Total Liabilities	18,594,767	522,663	662,562
Fund Balances:			
Nonspendable	2,266,431	69,315	49,902
Restricted	542,220		
Committed			
Assigned	5,282,565	2,506,769	34,253
Unassigned	18,026,978		
Total Fund Balances	26,118,194	2,576,084	84,155
Total Liabilities and Fund Balances	$ 44,712,961	$ 3,098,747	$ 746,717

See Independent Auditor's Report and Notes to Financial Statements

Major Funds			Total	
Special Revenue Funds			Non-Major	Total
Solid Waste Fund	Special Grant Fund	Debt Service Fund	Governmental Funds	Governmental Funds
$ 1,447,271	$ 225,879	$ 50,523	$ 5,000,767	$ 21,127,363
400,000	810,207	1,444,203	1,879,858	7,548,756
			649,785	649,785
				5,645,273
363,163	135,750	172,678	275,640	4,114,586
				159,182
	133,984		2,461,813	19,902,793
64,369	1,652	2,277	732,878	3,277,736
32,762	25,025		12,864	2,456,299
		2,076,283		2,076,283
	2,434,826			2,434,826
$ 2,307,565	$ 3,767,323	$ 3,745,964	$ 11,013,605	$ 69,392,882
$ 396,907	$ 174,377	$ 52,800	$ 954,493	$ 8,017,231
14,166	10,757		222,954	1,050,281
216,155	40,745	410	778,532	4,276,582
				5,908,110
				110,051
	2,434,826	2,076,283		7,791,142
627,228	2,660,705	2,129,493	1,955,979	27,153,397
32,762	25,025		12,864	2,456,299
400,000	1,081,593	1,616,471	3,124,643	6,764,927
			4,790,988	4,790,988
1,247,575			1,129,131	10,200,293
				18,026,978
1,680,337	1,106,618	1,616,471	9,057,626	42,239,485
$ 2,307,565	$ 3,767,323	$ 3,745,964	$ 11,013,605	$ 69,392,882

COUNTY OF TOMPKINS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total Governmental Fund Balances		$ 42,239,485
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Historical cost of capital assets	$ 311,020,118	
Less accumulated depreciation	(133,122,840)	177,897,278
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	$ 23,770,595	
Tompkins Consolidated Area Transit	4,538,477	28,309,072
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,994,867
Internal Service Funds are used by management to charge the costs of certain activities, such as health and workers' compensation insurance. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.		1,978,820
Certain accrued expenses, such as interest on debt, reported in the Statement of Net Position, do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds. Similarly, unamortized bond issue costs are not recognized as assets in the Governmental Fund financial statements.		
Accrued interest payable	$ (498,253)	
County unamortized bond issue costs	357,518	
TTASC unamortized bond issue costs	116,829	(23,906)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. See Notes 2-B-2, 3 and 4.		
Serial Bonds payable	$ (41,100,563)	
TTASC tobacco settlement pass-through bonds	(11,751,586)	
Bond Anticipation Notes payable	(2,500,000)	
Installment purchase debt	(5,985,564)	
Other postemployment benefits liability	(35,665,518)	
Compensated absences	(3,315,435)	(100,318,666)
Net Position of Governmental Activities		$ 156,076,950

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, 2012

	Major Funds		
		Special Revenue Funds	
	General Fund	County Road Fund	Transportation Fund
REVENUES			
Real property taxes	$ 39,105,570	$	$
Real property tax items	2,590,733		
Nonproperty tax items	49,645,299		
Departmental income	9,756,057		1,374,969
Intergovernmental charges	259,865		126,155
Use of money and property	550,304	738	1,262,164
Licenses and permits	3,330	7,181	
Fines and forfeitures	232,174		
Sale of property and compensation for loss	787,566	13,546	28,644
Miscellaneous local sources	963,817	1,077	12,379
Interfund revenues	671,326		
State sources	24,876,093	1,651,600	
Federal sources	18,022,988	74,193	
Total Revenues	147,465,122	1,748,335	2,804,311
EXPENDITURES			
General governmental support	26,541,194		
Education	9,037,318		
Public safety	16,657,675	205,166	
Health	15,960,016		
Transportation	6,740,012	5,049,309	2,292,424
Economic assistance and opportunity	53,201,446		
Culture and recreation	4,303,250		
Home and community services	2,167,788		
Employee benefits		751,935	399,867
Debt service (principal and interest)			
Capital outlay			
Total Expenditures	134,608,699	6,006,410	2,692,291
Excess of Revenues (Expenditures)	12,856,423	(4,258,075)	112,020
OTHER FINANCING SOURCES (USES)			
Interfund transfers in		4,122,629	
Interfund transfers (out)	(10,161,102)		(174,541)
Proceeds of obligations			
Premium on obligations			
Total Other Financing Sources (Uses)	(10,161,102)	4,122,629	(174,541)
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	2,695,321	(135,446)	(62,521)
Fund Balances, Beginning of Year	23,422,873	2,711,530	146,676
Fund Balances, End of Year	$ 26,118,194	$ 2,576,084	$ 84,155

See Independent Auditor's Report and Notes to Financial Statements

Major Funds			Total	
Special Revenue Funds			Non-Major	Total
Solid Waste Fund	Special Grant Fund	Debt Service Fund	Governmental Funds	Governmental Funds
$	$	$	$	$ 39,105,570
				2,590,733
				49,645,299
4,631,832	412,718			16,175,576
		615,170		1,001,190
483		171,342	12,928	1,997,959
				10,511
				232,174
818,701			36,379	1,684,836
2,533	30,000	251,705	673,777	1,935,288
			1,243,888	1,915,214
	331,841		1,456,990	28,316,524
	1,440,314		5,486,193	25,023,688
5,453,549	2,214,873	1,038,217	8,910,155	169,634,562
		29,713	47,208	26,618,115
				9,037,318
				16,862,841
				15,960,016
			1,250,463	15,332,208
	1,412,183			54,613,629
				4,303,250
4,496,392	640,370			7,304,550
378,415			130,717	1,660,934
		7,541,895	542,896	8,084,791
			8,777,779	8,777,779
4,874,807	2,052,553	7,571,608	10,749,063	168,555,431
578,742	162,320	(6,533,391)	(1,838,908)	1,079,131
	101,836	6,217,595	788,776	11,230,836
(1,215,193)				(11,550,836)
			900,000	900,000
		26,075		26,075
(1,215,193)	101,836	6,243,670	1,688,776	606,075
(636,451)	264,156	(289,721)	(150,132)	1,685,206
2,316,788	842,462	1,906,192	9,207,758	40,554,279
$ 1,680,337	$ 1,106,618	$ 1,616,471	$ 9,057,626	$ 42,239,485

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, 2012

Net Change in Fund Balances - Total Governmental Funds		$ 1,685,206
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and net book value of disposed assets exceeded capital outlay.		
Capital outlay	$ 8,428,246	
Net book value of disposed assets	(40,721)	
Depreciation expense	(10,450,402)	(2,062,877)
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.		(2,802,599)
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.		173,781
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds of debt were exceeded by the repayment of debt principal.		4,878,423
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. Changes in these expenses include the following.		
Compensated absences	$ 349,061	
Other postemployment benefits liability	(7,662,025)	
Accrued interest payable	200,913	
Accreted interest on Series 2005 TTASC bonds	(396,886)	
Premiums on obligations	21,257	
Amortization of bond premiums, discounts, bond issuance costs, and amounts deferred on refunding bonds	(87,702)	(7,575,382)
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 $(468,273) and write-offs of $(185,732) exceeded issuances of $93,750.		(560,255)
Internal Service Funds are used by management to charge the costs of certain activities, such as workers compensation and insurance, to individual funds. Net gain of the Internal Service Fund is reported with Governmental Activities.		279,244
Change in Net Position of Governmental Activities		$ (5,984,459)

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Governmental Activities
	Internal Service Funds
ASSETS	
Cash and cash equivalents	$ 2,728,600
Accounts receivable, net	
Due from other funds	163,501
Total Assets	2,892,101
LIABILITIES	
Accounts payable	87,567
Benefits and awards payable	824,209
Claims and judgments payable	
Due to other funds	1,505
Total Liabilities	913,281
NET POSITION	
Total Net Position	$ 1,978,820

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for services - Governmental Funds	$ 595,203
Charges for services - External participants	1,000
Charges for services - Interfund transfer	320,000
Other operating revenues	26,404
Total Operating Revenues	942,607
OPERATING EXPENSES	
Administrative	144,768
Contractual	108,066
Benefits and awards	316,049
Claims and judgments	97,785
Total Operating Expenses	666,668
Gain from Operations	275,939
NONOPERATING REVENUES (EXPENSES)	
Interest income	3,305
Total Nonoperating Revenues	3,305
Net Gain Before Transfers	279,244
Change in Net Position	279,244
Total Net Position, Beginning of Year	1,699,576
Total Net Position, End of Year	$ 1,978,820

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, 2012

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from providing services	$ 602,601
Cash received from insurance recoveries	26,404
Cash received from interfund transfer	416,973
Cash payments - Suppliers	(278,998)
Cash payments - Claims and benefits	(413,834)
Net Cash Provided by Operating Activities	353,146
Cash Flows from Non-capital Financing Activities	-0-
Cash Flows from Capital and Related Financing Activities	-0-
Cash Flows from Investing Activities:	
Interest income received	3,305
Net Cash Provided by Investing Activities	3,305
Net Increase in Cash and Cash Equivalents	356,451
Cash and Cash Equivalents, January 1,	2,372,149
Cash and Cash Equivalents, December 31,	$ 2,728,600
Reconciliation of Gain of Income from Operations to Net Cash Provided by Operating Activities:	
Gain from operations	$ 275,939
Decrease in interfund receivable	96,973
Decrease in other receivables	6,398
Increase in accounts payable	(24,469)
Increase in interfund payable	(1,695)
Net Cash Provided by Operating Activities	$ 353,146

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents - Unrestricted	$ 14,728	$ 6,146,959
Accounts receivable		22,637
Total Assets	14,728	$ 6,169,596
LIABILITIES		
Agency liabilities		$ 6,010,414
Due to Governmental Funds		159,182
Total Liabilities	-0-	$ 6,169,596
NET POSITION		
Held in Trust for Memorials	14,728	
Total Net Position	$ 14,728	

See Independent Auditor's Report and Notes to Financial Statements

COUNTY OF TOMPKINS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Private Purpose Trust Fund
ADDITIONS	
Investment earnings	$ 16
Total Additions	16
DEDUCTIONS	
Total Deductions	-0-
Change in Net Position	16
Net Position - Beginning of Year	14,712
Net Position - End of Year	$ 14,728

See Independent Auditor's Report and Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

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

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

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

2. Discretely Presented Component Units

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

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

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

TCIDA is 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, 401 East State Street, Suite 402B, Ithaca, New York 14850.

Tompkins County Soil and Water Conservation District - Established under provisions of Article 3, Section 30 of the General Municipal Law to provide for the conservation of soil and water resources. Members of the District's Board of Directors are appointed by the County Legislature and the County provides 14% of the District's General Fund revenue. The Soil and Water Conservation District is 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, New York 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. 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.

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

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

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

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

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

2. Governmental Fund Financial Statements

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

a. Governmental Funds

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

1) Major Funds

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

Special Revenue Funds:

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

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

Solid Waste Fund - Accounts for County solid waste activities.

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

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

2) Non-Major Funds

Special Revenue Fund

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

Capital Projects Funds - Consists of general government, home and community service, public safety, education, TCAT, public health and transportation 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.

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

b. Proprietary Funds

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

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

c. Fiduciary Funds

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

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

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

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures/expenses and the related assets 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 Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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

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

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

D. Equity Classifications

1. Government-wide Financial Statements

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

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

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

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

2. Governmental Fund Financial Statements

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

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

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

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

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

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

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

The County has, by resolution, adopted a fiscal policy which states the County must maintain an unassigned fund balance of at least 5% of the General Fund operating budget. The County's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

E. Property Taxes

The authority of levying taxes for the support of County and town government, inclusive of special districts, and for relevying 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 5% penalty is added to unpaid items at the time of settlement; thereafter, unpaids, inclusive of this penalty, bear interest at an annual variable rate determined by the New York State Commission of Taxation and Finance.

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

Real property taxes levied are recognized as revenue in the Governmental Fund financial statements only if they are "available" within 60 days following the end of the fiscal year. Tax revenue deemed not available is treated as deferred revenue. At December 31, 2012, the County had deferred $1,483,758 of real property tax revenue in the General Fund.

F. Budgetary Data

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

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

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

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

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

G. Cash and Cash Equivalents

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

H. Investments

Investments are stated at cost, which approximates market value.

I. Receivables

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

J. 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, 2012, the County had reserved $1,111,602 in the Internal Service Fund to fund any settlements (See Note 4). At year end, there was $66,500 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 2012 amounted to $41,174.

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 2012, 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, 2012, reflected $824,209 as an accrual for claims incurred but not paid.

An additional $867,218 is reserved in the Internal Service Fund to fund any claims. Activity for workers' compensation claims is as follows:

Year	Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Liability End of Year
2012	$ 824,209	$ 316,049	$ (316,049)	$ 824,209
2011	665,100	738,628	(579,519)	824,209

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 Position. Contributed fixed assets are recorded at fair market value at the date received. The estimated useful lives for governmental capital assets are as follows:

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

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. 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, 2012, is approximately $3,315,435, and is recorded as a long-term obligation in the Statement of Net Position In addition, component units of the County reported $119,947 in compensated absences at December 31, 2012.

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

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 Position, in accordance with the statement. See Note 4.A for additional information.

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

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% 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, 2012, per the bank, were $39,220,285 for the primary government.

2. Restricted Cash

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

Governmental Activity	Amount
Unspent bond proceeds	$ 1,776,470
Debt service	1,616,471
Community development	966,483
Public safety	2,158,251
Repairs and replacements	427,693
Public health	500,000
TASC	103,388
Total Governmental Activities	$ 7,548,756

Restricted investments of $649,785 represent amounts held in a mandated TASC liquidity reserve, which is held in trust and comprised of U.S. Treasury money market funds recorded at cost, which approximates fair value.

3. Securities and Mortgages Receivable

The County has recorded $2,076,283 of Securities and Mortgages Receivable offset by Deferred Revenues of $2,076,283 in the Debt Service Fund. In the Statement of Net Position, this receivable is not deferred. The receivable represents the portion of debt reflected in the Statement of Net Position for which third parties have contractual responsibility to reimburse the County for future debt service requirements. The following summarizes the parties and obligations involved:

Indebtedness	Original Amount	Date Issued	Party Involved	% Share	Balance 12/31/12
Serial Bonds	$ 330,000	2005	Food Net	100%	$ 173,769
Serial Bonds	105,000	2002	Cooperative Extension of T.C.	100%	53,728
County Funds	180,000	2001	Cooperative Extension of T.C.	100%	96,191
Serial Bonds	2,910,000	2005	Cortland County	36%	422,203
Serial Bonds	1,400,000	2005	Tompkins Community Action	100%	644,721
Serial Bonds	350,000	1995	Cooperative Extension of T.C.	100%	61,720
Serial Bonds	2,800,000	1995	Cortland County	36%	95,436
Serial Bonds	1,000,000	1998	Cortland County	36%	178,515
Serial Bonds	350,000	2012	Cooperative Extension of T.C.	100%	350,000
Total					$ 2,076,283

4. Other Receivables

Accounts receivable as of December 31, 2012, consisted of the following:

General Fund:		
Tobacco settlement revenue receivable	$	595,762
Miscellaneous rents and fees		437,529
TC3 retirement contributions		1,196,777
Due from Fiduciary Funds		159,182
Allowance for uncollectibles		(55,679)
Total General Fund		2,339,730
Transportation Fund:		
Transportation fees due from airlines		296,012
Solid Waste Fund:		
Solid waste tipping fees		138,288
Allowance for uncollectibles		(73,919)
Total Solid Waste Fund		64,369
Special Grant Fund:		
Grants receivable		1,652
Debt Service Fund:		
Miscellaneous		2,277
Non-Major Funds:		
Machinery rental		137,878
TTASC Tobacco settlement revenue receivable and accrued interest		595,000
Total Governmental Funds	$	3,436,918

5. Property Taxes

At December 31, 2012, total real property tax assets of $6,123,695 are offset by an allowance for uncollectible taxes of $478,422. Current year returned village and school taxes of $3,646,062 are offset by liabilities to the villages and school districts which will be paid no later than April 1, 2013. The remaining portion of tax assets is partially offset by deferred tax revenue of $1,483,758 (which represents an estimate of the taxes which will not be collected within the first sixty (60) days of the subsequent year).

6. Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance at 12/31/11	Additions	Deletions	Reclassifi-cations	Balance at 12/31/12
Governmental Activities:					
Non-depreciable Capital Assets:					
Land and land improvements	$ 7,341,479	$ 164,084	$	$	$ 7,505,563
Construction in progress	3,055,863	233,091		(800,000)	2,488,954
Total Non-depreciable Capital Assets	10,397,342	397,175	-0-	(800,000)	9,994,517
Depreciable Capital Assets:					
Buildings	88,728,490	1,480,975		700,000	90,909,465
Machinery and equipment	12,670,913	868,845	(284,300)		13,255,458
Infrastructure	191,079,427	5,681,251		100,000	196,860,678
Total Depreciable Capital Assets	292,478,830	8,031,071	(284,300)	800,000	301,025,601
Total Historical Cost	302,876,172	8,428,246	(284,300)	-0-	311,020,118
Less Accumulated Depreciation:					
Buildings	(38,780,215)	(3,263,462)			(42,043,677)
Machinery and equipment	(5,995,396)	(634,552)	243,579		(6,386,369)
Infrastructure	(78,140,406)	(6,552,388)			(84,692,794)
Total Accumulated Depreciation	(122,916,017)	(10,450,402)	243,579	-0-	(133,122,840)
Governmental Activities Capital Assets, Net	$ 179,960,155	$ (2,022,156)	$ (40,721)	$ -0-	$ 177,897,278

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General governmental support	$ 721,783
Education	15,167
Public safety	2,205,312
Public health	582,626
Transportation	5,535,644
Economic assistance and opportunity	420,621
Culture and recreation	327,996
Home and community services	641,253
Total Governmental Activities Depreciation Expense	$ 10,450,402

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

	2012			
Historical Cost:	Balance at 12/31/11	Additions	Retirements	Balance at 12/31/12
Equipment	$ 1,318,200	$ 46,181	$ (6,293)	$ 1,358,088
Collection	5,336,011	238,268	(160,080)	5,414,199
Total Historical Cost	6,654,211	284,449	(166,373)	6,772,287
Less Accumulated Depreciation:				
Equipment	(1,177,105)	(51,841)	6,293	(1,222,653)
Collection	(4,791,565)	(260,485)	160,080	(4,891,970)
Total Accumulated Depreciation	(5,968,670)	(312,326)	166,373	(6,114,623)
Total Capital Assets, Net	$ 685,541	$ (27,877)	$ -0-	$ 657,664

The Tompkins County Public Library Foundation also had a net book value of equipment of $1,217 at December 31, 2012.

B. Liabilities

1. Pension Plans

a. General Information

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

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

b. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining NYSERS on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. 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:

	ERS
2012	$ 6,256,722
2011	5,582,675
2010	4,410,419

The County's contributions made to the System were equal to 100% of the contributions required for each of the years.

2. Short-term Debt

a. Bond Anticipation Notes

The County may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. During the year ended December 31, 2012, the County did not issue or redeem any short-term BANs.

b. Revenue Anticipation Notes

The County may issue Revenue Anticipation Notes (RANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. RANs represent a liability that will be extinguished by the use of expendable, available resources. During the year ended December 31, 2012, the County did not issue or redeem any RANs.

3. Long-term Debt

a. Constitutional Debt Limit

At December 31, 2012, the total outstanding bonded indebtedness of the County of Tompkins (exclusive of TTASC bonds) aggregated $43,420,000. Of this amount, $43,420,000 was subject to the constitutional debt limit and represented approximately 11% of its statutory debt limit.

b. Serial Bonds

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

c. BANs

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

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

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

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

4) Installment Purchase Debt: Represents long-term lease commitments and is liquidated in the General Fund. The amount capitalized in relation to these lease commitments was $16,512,501 for infrastructure and $548,000 for buildings, with total lease commitments outstanding of $5,985,564 at December 31, 2012.

e. Summary of Long-term Debt

1) Summary of Changes in Long-term Obligations

The following is a summary of changes in long-term obligations for the period ended December 31, 2012:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Amount Due Within One Year
Serial Bonds	$ 42,060,000	$ 3,150,000	$ (4,290,000)	$ 40,920,000	$ 4,190,000
Unamortized premiums	245,544		(64,981)	180,563	54,797
Total Serial Bonds	42,305,544	3,150,000	(4,354,981)	41,100,563	4,244,797
BANs	5,071,257	2,500,000	(5,071,257)	2,500,000	2,500,000
Compensated absences	3,664,496		(349,061)	3,315,435	-0-
Workers' compensation claims	824,209	316,049	(316,049)	824,209	494,525
Postemployment benefits	28,003,493	8,751,963	(1,089,938)	35,665,518	-0-
Installment purchase debt	7,028,987	1,841,442	(2,884,865)	5,985,564	1,119,019
Total Primary Government Long-term Debt	86,897,986	16,559,454	(14,066,151)	89,391,289	8,358,341
TTASC Bonds	9,844,440		(145,000)	9,699,440	695,000
Add accreted interest on 2005 bonds	1,858,166	396,886		2,255,052	-0-
Less unamortized bond discount	(216,858)		13,952	(202,906)	(13,952)
Total TASC Bonds	11,485,748	396,886	(131,048)	11,751,586	681,048
Total Long-term Debt	$ 98,383,734	$ 16,956,340	$ (14,197,199)	$ 101,142,875	$ 9,039,389

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

The County expensed $2,561,575 in interest on long term debt during the year.

Cash paid	$ 2,306,367
Less interest accrued in prior year	(699,166)
Add interest accrued in the current year	498,253
Add accreted interest on the Series 2005 TASC bonds	396,886
Less premiums on obligations in prior year	(21,257)
Add amortization of bond issue costs on refunding	131,521
Less amortization of bond premiums	(64,981)
Add amortization of TTASC bond discount	13,952
Total	$ 2,561,575

2) Bond Issue Costs

The following is a summary of changes in unamortized bond issue costs for the period ended December 31, 2012:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Amount Due Within One Year
Unamortized bond issue costs - County	$ 489,039	$	$ (131,521)	$ 357,518	$ 110,013
Unamortized bond issue costs - TTASC	124,039		(7,210)	116,829	
Total Unamortized bond issue costs	$ 613,078	$ -0-	$ (138,731)	$ 474,347	$ 110,013

3) Long-term Debt Maturity Schedule

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

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
BANs				
Road and Highway Reconstruction	12/2011	0.74%	7/2012	$ 1,500,000
Public Improvements	7/2010	0.59%	7/2012	1,000,000
Total BANs				$ 2,500,000
Bonds				
2003 Series A & B Refunding	8/2003	2.00-4.50%	8/2014	$ 1,455,000
Add unamortized premiums				13,083
Net Refunding Bonds				1,468,083
Public Improvement Refunding	10/2004	2.50-5.00%	2/2020	10,760,000
Add unamortized premiums				167,480
Net Refunding Public Improvement Bonds				10,927,480
2005 Serial Bonds	3/2005	3.80%	3/2020	2,045,000
Public Improvements	3/2006	3.50%	3/2014	1,975,000
Public Improvements	3/2007	3.60-4.00%	3/2027	4,675,000
Public Improvements	12/2010	3.00-4.25%	12/2032	16,860,000
Public Improvements	7/2012	1.00-2.25%	7/2027	3,150,000
Total Bonds				$ 41,100,563

Description	Date Issued	Interest Rate	Maturity Date	Balance Outstanding
Installment Purchase Debt				
Public Safety Communications	9/2012	1.751%	3/2020	$ 1,841,442
Energy Performance Contract	3/2006	3.760%	3/2020	3,625,607
Human Services Annex	2/2011	4.035%	2/2025	518,515
Total Installment Purchase Debt				$ 5,985,564

TTASC:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 12/31/12
Series 2000 Tobacco Settlement				
Pass-through Bonds	12/00	6/25	5.25% - 6.30%	$ 6,065,000
Less: Unamortized bond discount				(138,334)
Carrying Value of Series 2000 Tobacco Settlement Pass-through Bonds				5,926,666
Series 2005 Tobacco Settlement				
Pass-through Bonds	11/05	6/60	6.0% - 7.85%	3,634,440
Less: Unamortized bond discount				(64,572)
Add: Addition to accreted value				2,255,052
Carrying Value of Series 2005 Tobacco Settlement Pass-through Bonds				5,824,920
Total Carrying Value of Pass-through Bonds				$ 11,751,586

The full amount of long-term BANs of $2,500,000 is due in 2013.

The County's Debt Service requirements at December 31, 2012 were as follows:

	Serial Bonds		TASC Series 2000 Bonds		Installment Purchase Debt		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2013	$ 4,190,000	$ 1,477,145	$ 695,000	$ 359,553	$ 1,119,019	$ 180,591	$ 8,021,308
2014	4,345,000	1,318,314	320,000	340,109	1,156,780	142,830	7,623,033
2015	2,705,000	1,158,914	325,000	319,599	1,195,891	103,719	5,808,123
2016	2,825,000	1,045,064	355,000	297,824	1,236,401	63,207	5,822,496
2017	2,945,000	935,195	365,000	274,604	284,600	30,473	4,834,872
2018-2022	11,035,000	3,270,447	2,645,000	905,374	844,343	73,339	18,773,503
2023-2027	7,520,000	1,898,443	1,360,000	98,712	148,530	12,606	11,038,291
2028-2032	5,355,000	682,363					6,037,363
Total	$ 40,920,000	$ 11,785,885	$ 6,065,000	$ 2,595,775	$ 5,985,564	$ 606,765	$ 67,958,989

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

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

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

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

	Principal	Interest	Total
2015	$ 53,421	$ 40,285	$ 93,706
2016	143,433	123,490	266,923
2017-2021	783,758	965,961	1,749,719
2022-2026	986,921	2,182,238	3,169,159
2027-2031	877,304	4,019,228	4,896,532
2032-2036	579,040	4,599,626	5,178,666
2037-2039	210,563	2,303,032	2,513,595
Expected Total Debt Service	$ 3,634,440	$ 14,233,860	$ 17,868,300

4. Postemployment Benefits Other than Pensions

a. Tompkins County

In 2008, the County adopted GASB Statement Number 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” In the past, the County reported the cost of retiree health care on a “pay-as-you-go” basis. Based on GASB Number 45 guidelines, an employer with more than 200 participants must complete a full actuarial valuation at least biennially.

The actuarial accrued liability and the annual Other Postemployment Benefits (OPEB) cost for the fiscal year ending December 31, 2012 is based on an actuarial valuation of the County of Tompkins Postretirement Health Care Benefits Program (the Plan) which was performed as of January 1, 2012 for the fiscal year ending December 31, 2012. The Plan is an agent multi-employer defined benefit OPEB plan administered by the County. The Plan provides for continuation of medical and prescription drug insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The obligations of the Plan members, employers and other entities are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution is based on projected pay-as-you-go financing requirements and varies depending on the applicable agreement. The expected employer contribution of $1,089,938 represents an actuarially determined estimate of premiums and claims paid on behalf of retirees for the year ended December 31, 2012. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit. The costs of administering the Plan are paid by the County.

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years.

The following table shows the components of the County's annual OPEB cost for the fiscal year ended December 31, 2012:

	2012
Normal cost	$ 4,536,208
Amortization of Unfunded Actuarial Accrued Liability	4,780,332
Total Annual Required Contribution	9,316,540
Interest on net OPEB obligation	1,120,140
Adjustment to annual required contribution	(1,684,717)
Annual OPEB Cost (Expense)	8,751,963
Expected employer contribution	(1,089,938)
Increase in Net OPEB Obligation	7,662,025
Net OPEB Obligation - January 1	28,003,493
Net OPEB Obligation - December 31	$ 35,665,518

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	$ 8,751,963	12.5%	$ 35,665,518
12/31/2011	9,581,945	16.7%	28,003,493
12/31/2010	9,136,717	15.1%	12,266,523

As of December 31, 2012, the Plan was not funded. The actuarial accrued liability for benefits was $76,402,949; there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was $36 million and the ratio of the UAAL to the covered payroll was 209.6%.

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

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

The actuarial valuation performed for the year ended December 31, 2012, the most recent actuarial valuation date, used the projected unit credit actuarial cost method. Under this method, each Participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially; reduced to an ultimate rate of 5% after 10 years. This rate includes 2.9% inflation rate and 4% discount rate assumptions.

b. Tompkins County Public Library

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.

The Library's actuarial evaluation is stated as a subcomponent of the total County liability. The Plan is a single-employer defined benefit Healthcare Plan administered by the County. The Plan provides medical, hospital, drug and Part B premium reimbursements to eligible retirees and their spouses. Authority to establish and amend the Plan rests with the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Prescription co-payments and contribution requirements of Plan members and the Library are established and may be amended by the Library subject to applicable collective bargaining and employment agreements. The Library has negotiated collective bargaining agreements which include obligations of Plan members and the Library. Required contribution is based on projected "pay-as-you-go" financing requirements. For the year ended December 31, 2012, the Library's expected contributions were $61,442 to the Plan for current premiums of 16 retirees. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit

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

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

	2012
Normal cost	$ 299,778
Amortization of UAAL	315,588
Total Annual Required Contribution	615,366
Interest on net OPEB obligation	76,759
Adjustment to annual required contribution	(115,447)
Annual OPEB Cost (Expense)	576,678
Contributions expected on behalf of 16 employees	(61,442)
Increase in Net OPEB Obligation	515,236
Net OPEB Obligation - January 1	1,918,975
Net OPEB Obligation - December 31	$ 2,434,211

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	$ 576,678	10.7%	$ 2,434,211
12/31/11	629,163	17.8%	1,918,975
12/31/10	599,560	13.8%	1,401,984

As of December 31, 2012, the Plan was not funded. The actuarial accrued liability for benefits was $5,043,968. There are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was $1,686,350, and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 299% percent.

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

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

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

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. Actuarial assumptions included an annual medical cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after ten years. The rate included 2.9% inflation rate and 4% discount rate assumptions.

C. Interfund Receivables and Payables

Interfund receivable and payable balances at December 31, 2012 are as follows:

	Interfund Receivables	Interfund Payables	Interfund Revenue	Interfund Expenditures
Major Funds:				
General Fund	$ 1,143,974	$ 2,496,694	$	$ 10,161,102
County Road Fund	1,768,613	190,736	4,122,629	
Transportation Fund	254,768	553,310		174,541
Special Grant Fund	135,750	40,745	101,836	
Solid Waste Fund	363,163	216,155		1,215,193
Debt Service Fund	172,678	410	6,217,595	
Non-Major Funds	275,640	778,532	788,776	
Internal Service Fund	163,501	1,505	320,000	
Total	$ 4,278,087	$ 4,278,087	$ 11,550,836	$ 11,550,836

D. Deferred Compensation Plan

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

Note 3 - Joint Ventures

A. Tompkins Cortland Community College

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

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

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

County of Tompkins	68%
County of Cortland	32%

- Subsidies to meet operational expenses are shared in the ratio of residents in attendance. The County's share of operations for the current year and the two preceding years were: $2,680,596, $2,638,047 and $2,561,211.
- The governing body has established that the County of Tompkins and the County of Cortland will each provide 30% of the operational costs of the College. Subsidies to meet operational expenses are shared in the ratio of resident students in attendance.
- All monies incidental to college operations are received and expended by the College except for those monies relating to Debt Service for which the counties, as sponsors, are responsible. During 1994 the sponsors authorized a Campus Master Plan Improvement Program in the amount of $8,689,572. The sponsors are responsible for approximately 50% of the cost associated with the Master Plan improvements. Tompkins County is the lead agency in financing the sponsor's share, and has issued $6,860,000 of debt to provide for the sponsor's share of program cost. The Cortland County Legislature has executed an inter-municipal agreement with Tompkins County, which provides for reimbursement of 36% of the net Debt Service cost associated with the project. As of December 31, 2012, outstanding debt related to the 1994 Master Plan was $1,919,812 in bonds. Cortland County is responsible for 36% or $691,132 of the bonds payable. Tompkins County reports 100% of the debt in its Statement of Net Position and also reports a receivable for the 36% in "securities and mortgages" in its Debt Service Fund.
- In 2005, the College began another campus expansion program estimated at a cost of approximately $33,000,000. The sponsoring counties have committed $13,500,000 to match New York State participation in the expansion, with the College required to raise funds over and above the amount of approved by New York State. Under the 2005 Campus Expansion, each County will be responsible for issuing debt to finance the project. At December 31, 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, 2012, outstanding debt related to the Campus Expansion was $5,609,286.
- 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, 2012:

Total Assets	$ 52,972,485
Total Liabilities and Deferred Revenue	25,619,827
Joint Venture Equity	23,770,595
Total Revenues	37,912,318
Total Expenses	40,863,131

B. Tompkins Consolidated Area Transit

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

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

- TCAT is governed by a Board of Directors consisting of nine voting members with three members being appointed by each participant in the venture. The General Manager of TCAT is a non-voting ex-officio member of the Board. In addition, the nine voting members of the Board select five additional non-voting, ex-officio members.
- Interest of each party in surpluses, losses, property, and in debt acquired by TCAT shall be shared equally.
- Each party makes an annual contribution of equal amounts to the venture. The County's contribution for 2012 was $829,781. Its contribution for 2013 will be $829,432.
- The financial statements of TCAT are independently audited annually and may be obtained from their administrative office. The following is a summary of audited financial information included in financial statements for the joint venture as of December 31, 2012:

Total Assets	$	18,095,339
Total Liabilities		4,479,909
Joint Venture Equity		4,538,477
Total Revenues		13,369,139
Total Expenses		14,661,250

Note 4 - Contingencies

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

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

The County of Tompkins is a defendant in several tort claims. The County is self-insured for the amounts claimed, and is paying for the defense of these cases. It maintains reserves, in amounts recommended by its insurance administrator, which it considers adequate to cover potential settlements or damages awarded. As of December 31, 2012, the County has reserved $1,111,602 for unreported claims which is included in the net position of the Internal Service Fund.

The County was subject to binding arbitration for employee labor contracts of the Tompkins County Deputy Sheriffs. An interest arbitration award in 2012 imposed salary schedules and other adjustments for the period March 1, 2008 through February 2010. Subsequent to year end the County made a retroactive salary payment of $793,303 for the referenced contract. The contract for the Tompkins county Deputy Sheriffs remains under negotiation but is likely to move to arbitration. The County as a matter of fiscal policy reserves funds for anticipated settlements. The adopted 2013 budget provided resources for future contracts consistent with settlements of other employee units.

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

Note 5 - Sales Tax

The County, under the general authority of Article 29 of the Tax Law, imposes a 3% sales tax in the towns outside the City of Ithaca, and a 1½% sales tax within its boundaries. Both the County and City-imposed taxes are administered and collected by the New York State Tax Commission in the same manner as that relating to the State's imposed 4% 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 $46,192,697 in County imposed sales tax, an amount equal to 50% of total collections and excluding the amount paid directly to the city.

The County's share amounted to $31,668,760 during 2012. The balance of $14,523,937 was divided among the City of Ithaca and 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 relevied for County purposes in the respective towns' levy. The towns and villages received $9,643,508 and the City of Ithaca received $1,684,539. Additionally, the city received direct payments of $10,107,267 and the villages and towns received another $3,195,890 which was applied to tax warrants.

During 1992, the State Legislature granted authority to increase the County sales tax rate from 3% to 4%. The new taxing authority became effective December 1, 1992, and was authorized through November 30, 2013.

Note 6 - Transactions with Discretely Presented Component Units

The County of Tompkins contributed $2,473,576 and $104,446 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 $484,174 worth of debt service on the building occupied by the Library.

Note 7 - Fund Balance Detail

At December 31, 2012, fund balance in the governmental funds was comprised of the following:

	General Fund	County Road Fund	Transportation Fund	Solid Waste Fund
Nonspendable:				
Prepaid expenses	$ 2,266,431	$ 69,315	$ 49,902	$ 32,762
Total Nonspendable Fund Balance	$ 2,266,431	$ 69,315	$ 49,902	$ 32,762
Restricted:				
Economic assistance and opportunity	$ 156,276	$	$	$
Public safety	358,251			
Repairs and replacements	27,693			400,000
Total Restricted Fund Balance	$ 542,220	$ -0-	$ -0-	$ 400,000
Assigned:				
Appropriated for next year's budget	$ 1,312,737	$	$	$ 368,770
Encumbered for:				
General government	352,839			
Public safety	83,099			
Public health	39,197			
Transportation	2,249	72,405		
Economic assistance and opportunity	453,188			
Culture and recreation	1,226			
Education	3,500			
Home and community services	176,471			42,967
Assigned for:				
General government	58,128			
Public safety	1,802,101			
Public health	220,289			
Transportation		2,434,364	34,253	
Economic assistance and opportunity	275,449			
Culture and recreation				
Home and community services	2,092			835,838
Medicaid audit	500,000			
	$ 5,282,565	$ 2,506,769	$ 34,253	$ 1,247,575
Unassigned:				
Unassigned fund balance	$ 18,026,978	$	$	$
Total Unassigned Fund Balance	$ 18,026,978	$ -0-	$ -0-	$ -0-

	Special Grant Fund	Debt Service Fund	Non-Major Funds
Nonspendable:			
Prepaid expenses	$ 25,025	$	$ 12,864
Total Nonspendable Fund Balance	$ 25,025	$ -0-	$ 12,864
Restricted:			
Economic assistance and opportunity	$ 1,081,593	$	$
Capital projects - Unspent debt proceeds			1,776,470
Debt Service		1,616,471	1,348,173
Total Restricted Fund Balance	$ 1,081,593	$ 1,616,471	$ 3,124,643
Committed:			
Capital projects	$	$	$ 4,790,988
	$ -0-	$ -0-	$ 4,790,988
Assigned - Appropriated for next year's budget:			
Encumbered for transportation	$	$	$ 518
Assigned for transportation			1,128,613
	$ -0-	$ -0-	1,129,131
Unassigned:			
Unassigned fund balance	$	$	$
Total Unassigned Fund Balance	$ -0-	$ -0-	$ -0-

Of the $18,166,226 reported as unrestricted net position of the Governmental Activities in the Government-wide Statement of Net Position, the County has designated funds to be set aside for certain purposes or contingencies, as follows:

Unrestricted Net Position	$ 18,166,226
Designated for:	
Ensuing year's budget	1,681,507
Carry-over of prior year's commitments (encumbrances)	1,227,659
Prepaid expenses	2,456,299
Medicaid audit	500,000
Capital projects	4,790,988
Self Insurance	1,978,820
Equity interest in joint venture, net of related debt	23,138,284
General government	58,128
Public safety	1,802,101
Public health	220,289
Transportation	3,597,230
Economic assistance and opportunity	275,449
Culture and recreation	
Home and community services	837,930
Total Designated Net Position	42,564,684
Unrestricted, Undesignated Net (Deficit)	$ (24,398,458)

Note 8 - Prior Period Restatement of Net Position

During the year ended December 31, 2012, Tompkins Cortland Community College (the College), a joint venture of the County, restated its previously reported net position as follows:

A. Change in Accounting Policy

During the year ended August 31, 2012, the State University of New York recommended the College make a change in accounting policy related to revenue recognition and reporting of Dormitory Authority of the State of New York (DASNY) debt, assets and related activity. The impact of this change resulted in the elimination of DASNY debt, assets and related activity. Pursuant to New York State Education Law relative to community colleges, title to real property is held by the County/Counties in trust for the use of the College in carrying out its institutional purposes. No revenues or assets of the College are pledged or available to pay the principal and interest on the debt issued by the State. Debt service is paid by the State and there is no real property interest.

As a result of the recommended change in accounting policy, the College's net position as of August 31, 2011 and 2010 were restated to reflect a net increase of $19,548,978 and $19,937,212, respectively.

B. Correction of an Error

During the year ended August 31, 2012, management performed a detailed review of the College's capital assets; errors in amounts previously reported were discovered. As a result, the College's net position at August 31, 2011 and 2010 was restated to reflect a net decrease of $(2,670,666).

As a result of these changes, the County has restated previously reported net position to reflect an increase in its equity in joint ventures as follows for the years ended December 31,:

	2011	2010
Equity in joint venture, as previously reported	$ 19,633,472	$ 19,909,806
Equity in joint venture, as restated	31,111,671	31,651,056
Net increase	11,478,199	11,741,250
Net position, as previously reported	150,583,210	155,049,543
Net position, as restated	$ 162,061,409	$ 166,790,793

Note 15 - Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

The County is in the process of assessing the future effects of the following GASB Statement: GASB Statement Number 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34," to be implemented in fiscal year 2013.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

The County is also in the process of assessing the future effects of the following GASB Statement: GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities," also to be implemented in fiscal year 2013.

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget
REVENUES		
Real property taxes	$ 42,220,798	$ 42,220,798
Real property tax items	2,322,781	2,322,781
Nonproperty tax items	45,877,412	45,325,414
Departmental income	11,298,299	11,357,921
Intergovernmental charges	60,815	60,815
Use of money and property	494,300	504,300
Licenses and permits	2,500	2,500
Fines and forfeitures	310,851	311,866
Sale of property and compensation for loss	630,000	630,000
Miscellaneous local sources	1,600,689	1,352,065
Interfund revenues	643,448	643,448
State sources	23,694,633	26,705,802
Federal sources	17,945,022	19,124,548
Total Revenues	147,101,548	150,562,258
EXPENDITURES		
Current:		
General governmental support	27,668,887	27,955,278
Education	8,420,748	9,880,748
Public safety	16,127,688	17,090,290
Health	20,061,117	18,748,909
Transportation	6,027,944	7,248,609
Economic assistance and opportunity	53,184,788	54,318,006
Culture and recreation	4,293,527	4,335,576
Home and community services	2,425,053	3,130,078
Employee benefits	1,196,502	1,116,284
Total Expenditures	139,406,254	143,823,778
Excess of Revenues	7,695,294	6,738,480
OTHER FINANCING SOURCES (USES)		
Interfund transfers (out)	(9,999,084)	(9,869,568)
Total Other Financing Sources (Uses)	(9,999,084)	(9,869,568)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	(2,303,790)	(3,131,088)
Appropriated Fund Balance	2,303,790	3,131,088
Net Increase	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 39,105,570	$	$ (3,115,228)
2,590,733		267,952
49,645,299		4,319,885
9,756,057		(1,601,864)
259,865		199,050
550,304		46,004
3,330		830
232,174		(79,692)
787,566		157,566
963,817		(388,248)
671,326		27,878
24,876,093		(1,829,709)
18,022,988		(1,101,560)
147,465,122	-0-	(3,097,136)
26,541,194	352,839	1,061,245
9,037,318	3,500	839,930
16,657,675	83,099	349,516
15,960,016	39,197	2,749,696
6,740,012	2,249	506,348
53,201,446	453,188	663,372
4,303,250	1,226	31,100
2,167,788	176,471	785,819
		1,116,284
134,608,699	1,111,769	8,103,310
12,856,423	(1,111,769)	5,006,174
(10,161,102)		(291,534)
(10,161,102)	-0-	(291,534)
2,695,321	$ (1,111,769)	$ 4,714,640
2,695,321		
23,422,873		
$ 26,118,194		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
COUNTY ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget
REVENUES		
Use of money and property	$	$
Licenses and permits	4,000	4,000
Sale of property and compensation for loss	2,500	13,300
Miscellaneous local sources		875
State sources	1,685,613	1,696,113
Federal sources		202,226
Total Revenues	1,692,113	1,916,514
EXPENDITURES		
Current:		
Public safety	217,128	228,503
Transportation	5,017,611	5,523,279
Employee benefits	813,981	798,106
Total Expenditures	6,048,720	6,549,888
Excess of (Expenditures)	(4,356,607)	(4,633,374)
OTHER FINANCING SOURCES (USES)		
Interfund transfers in	4,356,607	4,356,607
Total Other Financing Sources (Uses)	4,356,607	4,356,607
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	-0-	(276,767)
Appropriated Fund Balance		276,767
Net (Decrease)	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 738	$	$ 738
7,181		3,181
13,546		246
1,077		202
1,651,600		(44,513)
74,193		(128,033)
1,748,335	-0-	(168,179)
205,166		23,337
5,049,309	72,405	401,565
751,935		46,171
6,006,410	72,405	471,073
(4,258,075)	(72,405)	302,894
4,122,629		(233,978)
4,122,629	-0-	(233,978)
(135,446)	$ (72,405)	$ 68,916
-0-		
(135,446)		
2,711,530		
$ 2,576,084		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget
REVENUES		
Departmental income	$ 1,462,366	$ 1,462,366
Intergovernmental charges	151,490	151,490
Use of money and property	1,230,498	1,230,498
Sale of property and compensation for loss	5,500	5,500
Miscellaneous local sources	4,840	4,840
Total Revenues	2,854,694	2,854,694
EXPENDITURES		
Current:		
Transportation	2,267,272	2,570,837
Employee benefits	412,881	401,711
Total Expenditures	2,680,153	2,972,548
Excess of Revenues (Expenditures)	174,541	(117,854)
OTHER FINANCING SOURCES (USES)		
Interfund transfers (out)	(174,541)	(174,541)
Total Other Financing Sources (Uses)	(174,541)	(174,541)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	-0-	(292,395)
Appropriated Fund Balance		292,395
Net (Decrease)	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 1,374,969	$	$ (87,397)
126,155		(25,335)
1,262,164		31,666
28,644		23,144
12,379		7,539
2,804,311	-0-	(50,383)
2,292,424		278,413
399,867		1,844
2,692,291	-0-	280,257
112,020	-0-	229,874
(174,541)		-0-
(174,541)	-0-	-0-
(62,521)	$ -0-	$ 229,874
-0-		
(62,521)		
146,676		
$ 84,155		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
SOLID WASTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget
REVENUES		
Departmental income	$ 6,127,982	$ 6,127,982
Use of money and property	10,000	10,000
Licenses and permits	48,550	48,550
Fines and forfeitures	1,100	1,100
Sale of property and compensation for loss		
Miscellaneous local sources	2,700	2,700
State sources	108,000	108,000
Total Revenues	6,298,332	6,298,332
EXPENDITURES		
Current:		
Home and community services	4,699,189	4,874,139
Employee benefits	383,950	377,950
Total Expenditures	5,083,139	5,252,089
Excess of Revenues	1,215,193	1,046,243
OTHER FINANCING SOURCES (USES)		
Interfund transfers (out)	(1,215,193)	(1,215,193)
Total Other Financing Sources (Uses)	(1,215,193)	(1,215,193)
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	-0-	(168,950)
Appropriated Fund Balance		168,950
Net (Decrease)	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 4,631,832	$	$ (1,496,150)
483		(9,517)
		(48,550)
		(1,100)
818,701		818,701
2,533		(167)
		(108,000)
5,453,549	-0-	(844,783)
4,496,392		377,747
378,415		(465)
4,874,807	-0-	377,282
578,742	-0-	(467,501)
(1,215,193)		-0-
(1,215,193)	-0-	-0-
(636,451)	$ -0-	$ (467,501)
(636,451)		
2,316,788		
$ 1,680,337		

COUNTY OF TOMPKINS
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
SPECIAL GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget
REVENUES		
Departmental income	$	$ 504,500
Intergovernmental charges	30,000	30,000
Miscellaneous local sources		
State sources		331,842
Federal sources	1,171,098	1,512,040
Total Revenues	1,201,098	2,378,382
EXPENDITURES		
Current:		
Economic Assistance and Opportunity	1,072,900	1,216,334
Home and Community Services		1,032,500
Employee benefits	230,034	231,384
Total Expenditures	1,302,934	2,480,218
Excess of (Expenditures)	(101,836)	(101,836)
OTHER FINANCING SOURCES (USES)		
Interfund transfers in	101,836	101,836
Total Other Financing Sources (Uses)	101,836	101,836
Excess of Revenues (Expenditures) and Other Financing Sources (Uses)	-0-	-0-
Appropriated Fund Balance		
Net Increase	$ -0-	$ -0-
Fund Balance, Beginning of Year		
Fund Balance, End of Year		

See Independent Auditor's Report

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 412,718	$	$ (91,782)
		(30,000)
30,000		30,000
331,841		(1)
1,440,314		(71,726)
2,214,873	-0-	(163,509)
1,412,183		(195,849)
640,370		392,130
		231,384
2,052,553	-0-	427,665
162,320	-0-	264,156
101,836		-0-
101,836	-0-	-0-
264,156	$ -0-	$ 264,156
264,156		
842,462		
$ 1,106,618		

COUNTY OF TOMPKINS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2012

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
County of Tompkins							
12/31/2012	1/1/2012	$ -0-	$ 76,402,949	$ 76,402,949	0.0%	$ 36,449,633	209.6%
12/31/2011	1/1/2010	$ -0-	$ 81,482,313	$ 81,482,313	0.0%	$ 36,040,953	226.1%
12/31/2010	1/1/2010	$ -0-	$ 75,009,186	$ 75,009,186	0.0%	$ 38,020,577	197.3%
12/31/2009	1/1/2008	$ -0-	$ 59,022,702	$ 59,022,702	0.0%	$ 38,195,389	154.5%
Tompkins County Public Library							
12/31/2012	1/1/2012	$ -0-	$ 5,043,968	$ 5,043,968	0.0%	$ 1,686,350	299.1%
12/31/2011	1/1/2010	$ -0-	$ 5,381,385	$ 5,381,385	0.0%	$ 1,740,164	309.2%
12/31/2010	1/1/2010	$ -0-	$ 4,947,753	$ 4,947,753	0.0%	$ 1,766,247	280.1%
12/31/2009	1/1/2008	$ -0-	$ 4,078,023	$ 4,078,023	0.0%	$ 1,817,937	224.3%

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

COUNTY OF TOMPKINS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 1 - Budget Basis of Accounting

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

Note 2 - Reconciliation of Budget Basis to GAAP

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

Note 3 - Stewardship, Compliance, and Accountability

A. Over-expended Appropriations

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

	Final Budget	Actual Expenditures	Encumbrances	Over-expended
Interfund transfers out	$ 9,869,568	$ 10,161,102	$ -0-	$ (291,534)

The following function was over-expended in the Solid Waste Fund:

	Final Budget	Actual Expenditures	Encumbrances	Over-expended
Employee benefits	$ 377,950	$ 378,415	$ -0-	$ (465)

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

	Final Budget	Actual Expenditures	Encumbrances	Over-expended
Economic assistance and opportunity	$ 1,216,334	$ 1,412,183	$ -0-	$ (195,849)

Note 4 - Schedule of Funding Progress

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

COUNTY OF TOMPKINS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
ASSETS				
Assets:				
Cash and cash equivalents - Unrestricted	$ 998,931	$ 143,047	$ 1,251,202	$ 568,435
- Restricted			1,776,470	
Temporary investments - Restricted				
Due from other funds	189,697	18,375		
Due from state and federal governments		83,401		1,124,854
Other receivables, net	137,878			
Prepaid expenses	9,285			
Total Assets	$ 1,335,791	$ 244,823	$ 3,027,672	$ 1,693,289
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 153,062	$ 14,675	$ 261,198	$ 11,517
Accrued liabilities	5,346		55,161	
Due to other funds	38,967	127,361	13,862	
Total Liabilities	197,375	142,036	330,221	11,517
Fund Balances:				
Nonspendable	9,285			
Restricted			1,776,470	
Committed		102,787	920,981	1,681,772
Assigned	1,129,131			
Unassigned				
Total Fund Balances	1,138,416	102,787	2,697,451	1,681,772
Total Liabilities and Fund Balances	$ 1,335,791	$ 244,823	$ 3,027,672	$ 1,693,289

See Independent Auditor's Report

Capital Projects Funds				Debt Service Fund	Total
Transportation Fund	Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	Non-Major Governmental Funds
$ 515,481	$ 868,986	$ 176,806	$ 477,879	$	$ 5,000,767
				103,388	1,879,858
				649,785	649,785
56,447	11,104	17			275,640
1,203,831		49,727			2,461,813
				595,000	732,878
				3,579	12,864
$ 1,775,759	$ 880,090	$ 226,550	$ 477,879	$ 1,351,752	$ 11,013,605
$ 391,047	$ 115,000	$ 7,994	$	$	$ 954,493
111,719	50,728				222,954
598,342					778,532
1,101,108	165,728	7,994	-0-	-0-	1,955,979
				3,579	12,864
				1,348,173	3,124,643
674,651	714,362	218,556	477,879		4,790,988
					1,129,131
					-0-
674,651	714,362	218,556	477,879	1,351,752	9,057,626
$ 1,775,759	$ 880,090	$ 226,550	$ 477,879	$ 1,351,752	$ 11,013,605

COUNTY OF TOMPKINS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Fund	Capital Projects Funds		
	Road Machinery Fund	TCAT Fund	General Government Fund	Home and Community Services Fund
REVENUES				
Use of money and property	$ 577	$ 479	$ 6,677	$ 959
Sale of property and compensation for loss	36,379			
Miscellaneous local sources	3,196			
Interfund revenues	1,243,888			
State sources				1,124,854
Federal sources		2,600,074		
Total Revenues	1,284,040	2,600,553	6,677	1,125,813
EXPENDITURES				
General governmental support				
Transportation	1,250,463			
Employee benefits	130,717			
Debt service (principal and interest)				
Capital outlay		2,841,962	1,505,783	211,849
Total Expenditures	1,381,180	2,841,962	1,505,783	211,849
Excess of (Expenditures) Revenues	(97,140)	(241,409)	(1,499,106)	913,964
OTHER FINANCING SOURCES (USES)				
Interfund transfers in		3,453	325,000	77,255
Proceeds of obligations			900,000	
Total Other Financing Sources (Uses)	-0-	3,453	1,225,000	77,255
Excess of (Expenditures) Revenues and Other Financing Sources (Uses)	(97,140)	(237,956)	(274,106)	991,219
Fund Balances, Beginning of Year	1,235,556	340,743	2,971,557	690,553
Fund Balances, End of Year	$ 1,138,416	$ 102,787	$ 2,697,451	$ 1,681,772

See Independent Auditor's Report

Capital Projects Funds				Debt Service Fund	Total
Transportation Fund	Public Health Fund	Public Safety Fund	Education Fund	TTASC Fund	Non-Major Governmental Funds
$ 1,134	$ 1,316	$ 373	$ 1,199	$ 214	$ 12,928
					36,379
53,983		78		616,520	673,777
					1,243,888
282,409		49,727			1,456,990
2,886,119					5,486,193
3,223,645	1,316	50,178	1,199	616,734	8,910,155
				47,208	47,208
					1,250,463
					130,717
				542,896	542,896
3,854,740	32,562	330,883			8,777,779
3,854,740	32,562	330,883	-0-	590,104	10,749,063
(631,095)	(31,246)	(280,705)	1,199	26,630	(1,838,908)
86,248	296,820				788,776
					900,000
86,248	296,820	-0-	-0-	-0-	1,688,776
(544,847)	265,574	(280,705)	1,199	26,630	(150,132)
1,219,498	448,788	499,261	476,680	1,325,122	9,207,758
$ 674,651	$ 714,362	$ 218,556	$ 477,879	$ 1,351,752	$ 9,057,626

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

County Legislature
County of Tompkins
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tompkins (the County) as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Cianchi, Dieterchagen, Little, Nikolson & Company LLP

August 26, 2013
Ithaca, New York

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

County Legislature
County of Tompkins
Ithaca, New York

Report on Compliance for Each Major Federal Program

We have audited the County of Tompkins's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

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Report on Internal Control Over Compliance

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

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

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

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

Cinadr, Dieterchagen, Little, Nikolson & Company LLP

August 26, 2013
Ithaca, New York

COUNTY OF TOMPKINS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
U.S. Department of Agriculture			
Passed Through NYS Department of Agriculture:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(1)	$ 2,803
National School Lunch Program	10.555	(1)	3,929
Total Child Nutrition Cluster			6,732
Passed Through NYS Health Department:			
Special Supplemental Nutrition Program for Women, Infants and Children - Administration	10.557	C025804	379,081
Special Supplemental Nutrition Program for Women, Infants and Children - Food Instruments	10.557	(1)	863,808
Total Special Supplemental Nutrition Program for Women, Infants and Children			1,242,889
Passed Through NYS Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	1,491,442
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,741,063
U.S. Department of Housing and Urban Development			
Program Income:			
Community Development Block Grants - State's Program	14.228	(1)	103,286
Passed Through NYS Homes and Community Renewal:			
Community Development Block Grants - State's Program	14.228	(1)	527,383
Passed Through NYS Office of Temporary and Disability Assistance:			
Energy Solutions Grant Program	14.231	C021296	128,638
Passed Through NYS Department of Social Services:			
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	C020902	193,531
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			952,838
U.S. Department of Justice			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	16,755
Equitable Sharing Program	16.922	N/A	4,000
Passed Through NYS Division of Criminal Justice Services:			
Byrne Justice Assistance Grant - ARRA	16.803	T637074	5,950
TOTAL U.S. DEPARTMENT OF JUSTICE			26,705
U.S. Department of Labor			
Passed Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235	(1)	36,346
Passed Through NYS Department of Labor:			
Employment Service/Wagner-Peyser Funded Activities - ARRA	17.207	(1)	146,744
WIA National Emergency Grants	17.277	(1)	5,819
Trade Adjustment Assistance Workers	17.245	(1)	65,486
WIA Cluster:			
WIA Adult Program	17.258	(1)	192,202
WIA Youth Activities	17.259	(1)	321,897
WIA Dislocated Workers	17.278	(1)	137,163
Total WIA Cluster			651,262
TOTAL U.S. DEPARTMENT OF LABOR			905,657
Subtotal Expenditures of Federal Awards			4,626,263

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, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 4,626,263
U.S. Department of Transportation			
Direct Programs:			
Airport Improvement Program	20.106	N/A	2,688,914
Job Access Reverse Commute	20.516	N/A	302,139
Federal Transit Cluster:			
Federal Transit - Capital Investment Grants	20.500	N/A	474,172
Federal Transit - Formula Grants	20.507	N/A	2,218,514
Total Federal Transit Cluster			2,692,686
Passed Through NYS Department of Transportation:			
Highway Planning and Construction	20.205	D022376	102,571
Highway Planning and Construction	20.205	D031531	81,463
Highway Planning and Construction	20.205	D033680	9,120
Total Highway Planning and Construction			193,154
Federal Transit - Metropolitan Planning Grants	20.505	C003719	92,114
Federal Transit - Metropolitan Planning Grants	20.505	C033460	243,121
Total Federal Transit - Metropolitan Planning Grants			335,235
Passed Through NYS Governor's Traffic Safety Committee:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	SO-00107	924
Alcohol Impaired Driving Countermeasures Incentives Grant I	20.601	(1)	3,185
Occupant Protection Incentive Grants	20.602	SO-00076	6,500
Total Highway Safety Cluster			10,609
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			6,222,737
Environmental Protection Agency			
Direct:			
Climate Showcase Communities Grant Program	66.041	N/A	114,849
Passed Through NYS Health Department:			
State Indoor Radon Grants	66.032	T027075	7,508
State Public Water System Supervision	66.432	C026489	136,500
TOTAL ENVIRONMENTAL PROTECTION AGENCY			258,857
U.S. Department of Education			
Passed through NYS Department of Health:			
Special Education - Grants for Infants and Families with Disabilities	84.181	C021827	49,309
Passed through NYS Department of Labor:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		43,618
TOTAL U.S. DEPARTMENT OF EDUCATION			92,927
U.S. Department of Health and Human Services			
Direct:			
Drug-Free Communities Support Program Grants	93.276	N/A	132,491
Passed Through NYS Office for the Aging:			
Title VII, Chapter 2 - Long-term Care Ombudsman Services for Older Individuals	93.042	(1)	9,641
Title III-D, Disease Prevention and Health Promotion Services	93.043	(1)	3,020
Subtotal U.S. Department of Health and Human Services			145,152
Subtotal Expenditures of Federal Awards			11,345,936

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, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 11,345,936
U.S. Department of Health and Human Services (con't.)			
Subtotal U.S. Department of Health and Human Services Brought Forward			145,152
Aging Cluster:			
Title III-B, Grants for Supportive Services and Senior Centers	93.044	(1)	67,006
Title III-C, Nutrition Services	93.045	(1)	120,329
Nutrition Services Incentive Program	93.053	(1)	132,857
Total Aging Cluster			320,192
Title IV and Title II - Discretionary Projects	93.048	(1)	50,000
Title III-E, National Family Caregiver Support	93.052	(1)	24,075
Medicare Enrollment Assistance Program	93.071	(1)	5,227
Centers for Medicare and Medical Services Research, Demonstrations and Evaluations	93.779	(1)	43,099
Passed Through NYS Health Department:			
Immunization Grants	93.268	C023276	46,706
Maternal and Child Health Services Block Grant to the States:			
Maternal and Child Health Services Block Grant to the States	93.994	C024648	13,170
Maternal and Child Health Services Block Grant to the States	93.994	C026542	13,723
Total Maternal and Child Health Services Block Grant to the States			26,893
Passed Through Health Research, Inc.:			
Public Health Emergency Preparedness	93.069	HRI-1626-10	11,333
Public Health Emergency Preparedness	93.069	HRI-1626-09	48,406
Total Public Health Emergency Preparedness			59,739
Passed Through NYS Mental Health Department:			
Projects for Assistance in Transition from Homelessness	93.150	(1)	35,526
Medical Assistance Program	93.778	(1)	375,077
Passed Through NYS Department of Social Services:			
Temporary Assistance to Needy Families	93.558	(1)	6,712,819
Child Support Enforcement:			
Child Support Enforcement	93.563	(1)	384,508
Child Support Enforcement - ARRA	93.563	(1)	87,374
Total Child Support Enforcement			471,882
Low-Income Home Energy Assistance	93.568	(1)	2,307,047
Child Care and Development Block Grant	93.575	(1)	2,391,457
Foster Care - Title IV-E	93.658	(1)	2,144,997
Adoption Assistance:			
Adoption Assistance	93.659	(1)	1,325,339
Adoption Assistance - ARRA	93.659	(1)	2,237
Total Adoption Assistance			1,327,576
Social Services Block Grant	93.667	(1)	2,714,694
Chafee Foster Care Independence Program	93.674	(1)	78,267
Medical Assistance Program	93.778	(1)	1,680,268
Passed Through NYS State Office of Alcoholism and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	1,086,064
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			22,046,757
Subtotal Expenditures of Federal Awards			33,247,541

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, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Catalog #	Pass-Through Grantor #	Expenditures
Subtotal Expenditures of Federal Awards Brought Forward			$ 33,247,541
U.S. Department of Homeland Security			
Passed Through NYS Office of Homeland Security and Emergency Services:			
Homeland Security Grant Program	97.067	C836200	25,285
Homeland Security Grant Program	97.067	C836202	59,442
Homeland Security Grant Program	97.067	C836280	97,825
Homeland Security Grant Program	97.067	T836282	18,030
Homeland Security Grant Program	97.067	C863270	90,000
Homeland Security Grant Program	97.067	C836294	1,095
Total Homeland Security Grant Program			291,677
Passed Through NYS Emergency Management Office:			
Disaster Grants - Public Assistance	97.036	4031DRNY	53,567
Hazard Mitigation Grants	97.039	(1)	20,475
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			365,719
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 33,613,260

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, 2012

SUBRECIPIENTS

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

Community Development Block Grants - State's Program		
Better Housing for Tompkins County	14.228	$ 459,422
Energy Solutions Grant Program		
Catholic Charities	14.231	15,851
The Learning Web	14.231	72,625
Tompkins Community Action	14.231	40,162
Total Energy Soulutions Grant Program		128,638
Homelessness Prevention and Rapid Re-Housing Program - ARRA		
Human Services Coalition	14.257	7,243
Legal Assistance of Western New York	14.257	3,311
Catholic Charities	14.257	47,079
Tompkins Community Action	14.257	23,604
Total Homelessness Prevention and Rapid Re-Housing Program - ARRA		81,237
Employment Service/Wagner-Peyser Funded Activities - ARRA		
Challenge Industries	17.207	130,445
Federal Transit Cluster:		
Federal Transit - Capital Investment Grants		
Tompkins Consolidated Area Transit	20.507	2,076,697
Rehabilitation Services Vocational Rehabilitation Grants to States		
Challenge Industries	84.126	39,910
Projects for Assistance in Transition from Homelessness		
American Red Cross	93.150	17,762
Block Grants for Prevention and Treatment of Substance Abuse		
Cayuga Addiction Recovery	93.959	832,661
Alcoholism Council	93.959	148,112
Tompkins Seneca Tioga BOCES	93.959	105,291
Total Block Grants for Prevention and Treatment of Substance Abuse		1,086,064
Total Federal Awards to Subrecipients		$ 4,020,175

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, 2012

Note 1 - Basis of Presentation

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

Note 2 - Basis of Accounting

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

Note 3 - Indirect Costs

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

Note 4 - Matching Costs

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

Note 5 - Department of Social Services - Administrative Costs

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

COUNTY OF TOMPKINS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2012

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
14.228	Community Development Block Grant - State's Program
20.500 & 20.507	Federal Transit Cluster
93.558	Temporary Assistance for Needy Families Cluster

Dollar threshold used to distinguish between Type A and Type B Programs: $1,008,398

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

Section II - Financial Statement Findings: None

Section III - Federal Award Findings and Questioned Costs: None