

TOMPKINS COUNTY PUBLIC LIBRARY

Ithaca, New York

FINANCIAL REPORT

December 31, 2015 and 2014



TOMPKINS COUNTY PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tompkins County Public Library
Ithaca, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit and the general fund of Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library'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 audits 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 Library'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 Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit and the general fund of the Library, as of December 31, 2015, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Tompkins County Public Library as of December 31, 2014 were audited by Ciaschi, Dietershagen, Little, Mickelson & Company, LLP who merged with Insero & Co. CPAs, LLP as of January 1, 2016, and whose report dated May, 19 2015 expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the 2015 budgetary comparison information, the Schedules of Contributions and Proportionate Share of Net Pension (Asset) Liability, and the 2015 Schedule of Funding Progress on pages 3-3i, and 28-32 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.

The 2014 budgetary comparison information and the 2014 and prior year’s schedule of funding progress were subjected to limited procedures in the 2014 audit of the financial statements by Ciaschi, Dietershagen, Little, Mickelson and Company, LLP, whose report dated May 19, 2015, on such information stated that 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 Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2016, on our consideration of the Library’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library’s internal control over financial reporting and compliance.

Respectfully Submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 18, 2016

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

The following is a discussion and analysis of Tompkins County Public Library's (the Library) financial performance for the fiscal years ended December 31, 2015 and 2014. This section is a summary of the Library's financial activities based on currently known facts, decisions or conditions. It is also based on both the Government-wide and Fund-based Financial Statements. The results of the current year are discussed in comparison with the two prior years, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

COMPONENT UNIT

The Library follows Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organization are Component Units" and Statement No. 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34," which provide guidance to determine whether certain organizations for which the Library is not financially accountable should be reported as component units based on the significance of their relationship with the Library. The decision to include potential component units in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on these criteria, the Library includes one separate legal entity in its report - the Tompkins County Public Library Foundation, Inc. Although legally separate, this organization is reported as a discretely presented component unit. If you need information about the separately issued financial statements, contact the Tompkins County Public Library Foundation, Inc. in Ithaca, New York.

FINANCIAL HIGHLIGHTS

- Expenses exceeded revenues in 2015 by \$452,650 compared to 2014, when expenses exceeded revenues by \$532,042. This is primarily the result of the requirement to record GASB Statement No. 45 other postemployment benefits expense of \$539,404 and \$509,255 for 2015 and 2014, respectively.
- Net (deficit) for the year ended December 31, 2015 was \$(2,839,058), reflecting a decrease in net position from a net (deficit) of \$(2,386,408) at December 31, 2014. The Library's net (deficit) for the year ended December 31, 2014 increased by \$(532,042), from \$(1,854,366) at December 31, 2013, to \$(2,386,408). Deficit increases were primarily due to reporting requirements for other postemployment benefits liability.
- Total fund balance of \$404,582 in the General Fund showed a decrease of \$(107,358) in 2015, from \$511,940 in 2014, with a decrease of \$(59,674) in 2014. Of the \$404,582, a total of \$35,950 is assigned to support the 2016 budget, \$30,000 is reserved for retirement, \$17,021 is reserved for equipment replacement, and \$75,931 is in the form of nonspendable resources, representing prepaid expenses, leaving a net unassigned fund balance of \$245,680 or approximately 6.3% of appropriations budgeted for 2016.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: MD&A (this section) and the basic financial statements and supplementary information. The basic financial statements present different views of the Library.

- The Statement of Net Position and Statement of Activities columns shown in the financial statements provide both short-term and long-term information about the Library's overall financial status.
- The Governmental Fund type columns are fund financial statements with a short-term or current focus. They do not contain balances of capital assets or long-term liabilities and report only transactions involving these long-term assets and liabilities that occurred during the reporting period.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data, as well as budgetary comparison information for the General Fund.

Statement of Net Position and Statement of Activities Columns

The Statement of Net Position and Statement of Activities columns in the basic financial statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Library's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These two columns in the basic financial statements report the Library's net position and how it has changed. Net position - the difference between the Library's assets, deferred outflows, liabilities, and deferred inflows - is one way to measure the Library's financial health or position. Over time, increases or decreases in the Library's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

Governmental Fund Type Columns

The Governmental Fund type columns are accounting devices the Library uses to keep track of specific sources of funding and spending. The Library's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the Governmental Fund columns provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the Statement of Net Position and Statement of Activities columns, additional information in the notes to the financial statements explains the relationship (or differences) between them.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

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

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total Library</i>		
	<i>2013</i>	<i>2014 As Restated</i>	<i>2015</i>
<i>Current assets</i>	\$ 581,187	\$ 1,124,498	\$ 520,531
<i>Capital assets, net</i>	744,511	773,192	860,593
<i>Total Assets</i>	1,325,698	1,897,690	1,381,124
<i>Pensions</i>	-	216,417	270,926
<i>Total Deferred Outflows of Resources</i>		216,417	270,926
<i>Current liabilities</i>	81,712	612,558	115,949
<i>Noncurrent liabilities</i>	3,094,034	3,887,957	4,352,864
<i>Total Liabilities</i>	3,175,746	4,500,515	4,468,813
<i>Pensions</i>			22,295
<i>Total Deferred Inflows of Resources</i>	-	-	22,295
<i>Net investment in capital assets</i>	744,511	773,192	860,593
<i>Restricted</i>	23,800	46,556	47,021
<i>Unrestricted (deficit)</i>	(2,618,359)	(3,206,156)	(3,746,672)
<i>Total Net (Deficit)</i>	\$ (1,850,048)	\$ (2,386,408)	\$ (2,839,058)

Net capital assets and net investment in capital assets increased in 2015 because of additions in excess of depreciation. Restricted net position increased primarily due to additions to the reserve for equipment. The net effect of the Library's activities resulted in decreases in unrestricted net (deficit) of \$(540,516) and \$(587,797) at December 31, 2015 and 2014, respectively. These decreases in unrestricted net (deficit) were primarily the result of the GASB No. 45 requirement to record other postemployment benefits liability and expense of \$4,009,285. This is also the cause of the deficit of unrestricted net position of \$(3,746,672). Because there is no mechanism for New York State governments to fund this liability, the deficit in unrestricted net position is expected to continue in the immediate future.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Our analysis in *Figure 2* considers the operations of the Library's activities.

Figure 2

Changes in Net Position	Governmental Activities and Total Library		
	2013	2014	2015
<i>Revenues:</i>			
<i>State sources</i>	\$ 26,409	\$ 66,690	\$ 28,240
<i>Tompkins County support</i>	2,683,032	2,978,032	3,087,217
<i>City of Ithaca support</i>	14,319	14,623	15,301
<i>Town of Ithaca</i>	20,000	20,000	15,000
<i>CLD grant</i>	88,071	89,009	94,183
<i>Friends of the Library</i>	273,000	273,000	285,000
<i>Library Foundation</i>	117,202	105,479	142,670
<i>Library charges</i>	94,937	87,997	82,451
<i>Other revenue</i>	42,725	620,001	113,665
Total Revenues	3,359,695	4,254,831	3,863,727
<i>Expenses:</i>			
<i>Personnel expenses</i>	3,231,047	3,445,241	3,371,837
<i>Insurance, repairs, and maintenance</i>	56,835	67,170	69,847
<i>Supplies and materials, periodicals, and equipment</i>	66,306	51,222	62,764
<i>Telephone, postage, and printing</i>	33,537	43,113	57,235
<i>Finger Lakes Library System services</i>	62,000	62,000	65,099
<i>Professional dues and fees</i>	195,561	315,272	276,900
<i>Depreciation</i>	196,561	272,276	303,972
<i>Other expenses</i>	12,153	530,579	108,723
Total Expenses	3,854,000	4,786,873	4,316,377
(DECREASE) IN NET POSITION	\$ (494,305)	\$ (532,042)	\$ (452,650)

Total revenues for the Library's Governmental Activities decreased in 2015 by \$391,104, or (9.2%), while total expenses also decreased \$470,496, or (9.8%). Support from Tompkins County increased by \$109,185 compared to 2014. Expenditures decreased primarily due to a decrease in security guard fees.

In 2014, total revenues increased by \$895,136, or 26.6%, while total expenses increased \$932,873 or 24.2%. Support from Tompkins County increased by \$295,000 compared to 2013. The increase in expenses was primarily due to the increase in salary expense resulting from the settlement of two contracts dating back to 2013, one-time stipends, and regular wage increases.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

The effects of the implementation of GASB No. 68 are not reflected in the 2014 program expenses, as this information was not available.

Figures 3, 4 and 5 present sources of revenue for years ended December 31, 2015, 2014, and 2013.

Figure 3

Sources of Revenue for 2015

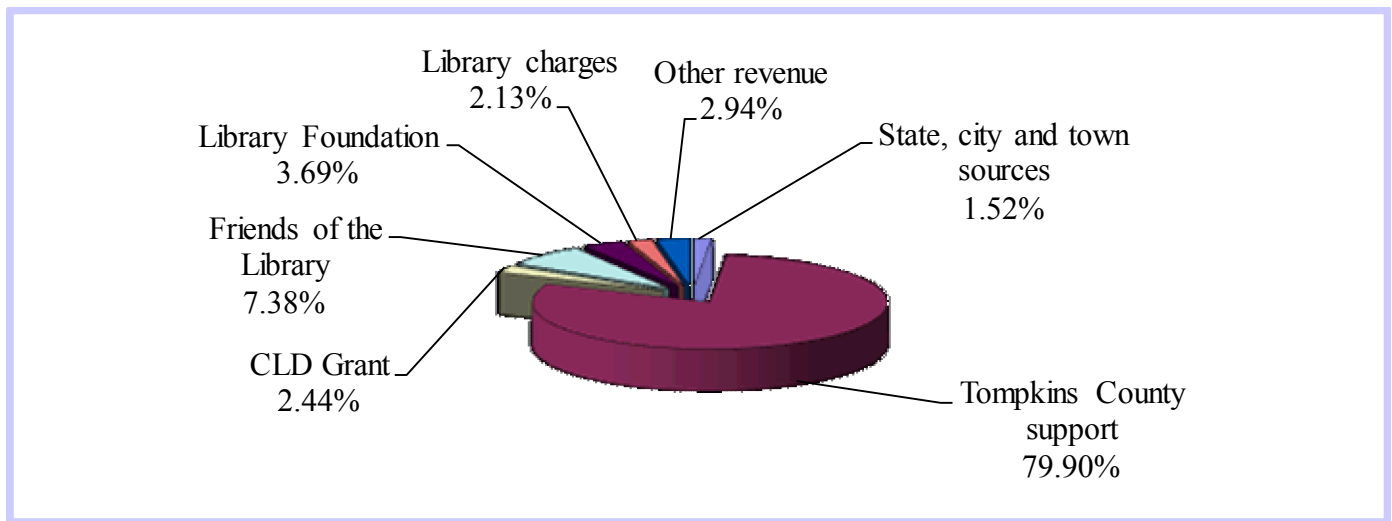
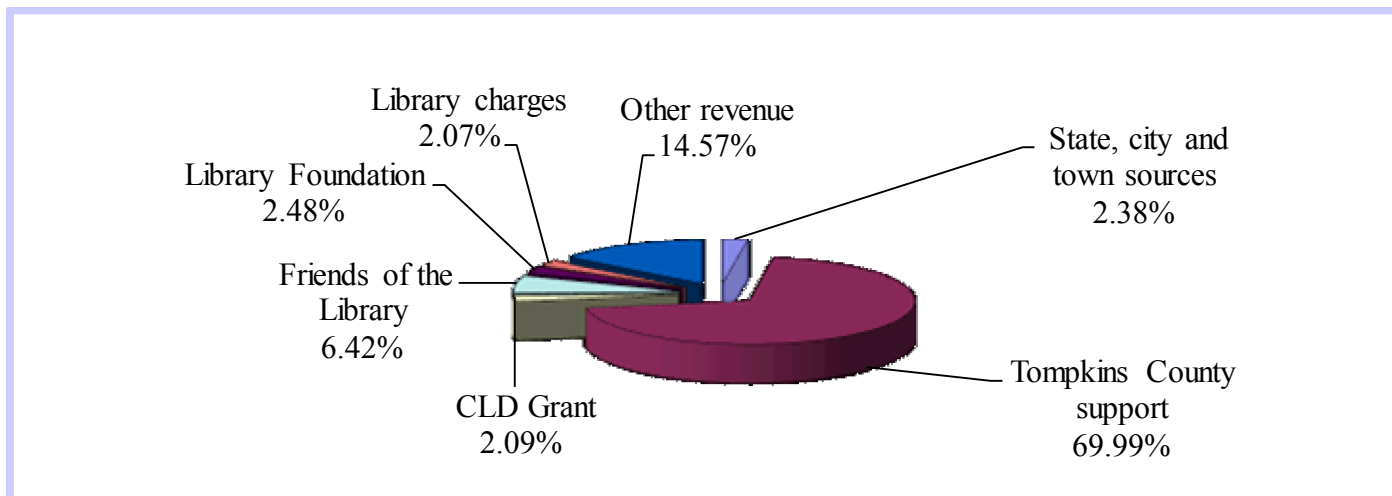


Figure 4

Sources of Revenue for 2014

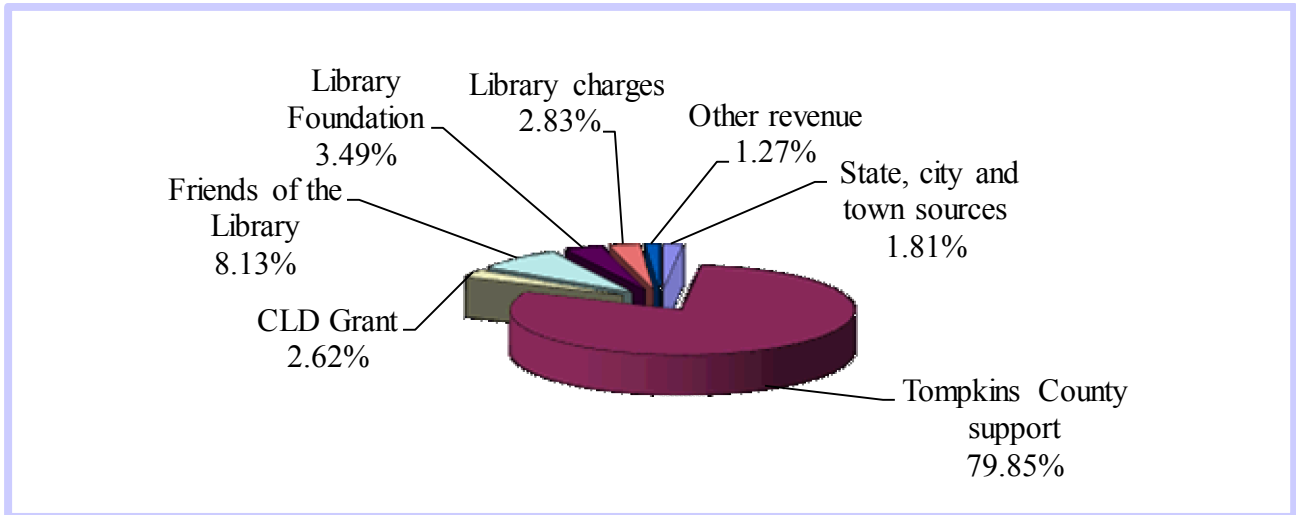


TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Figure 5

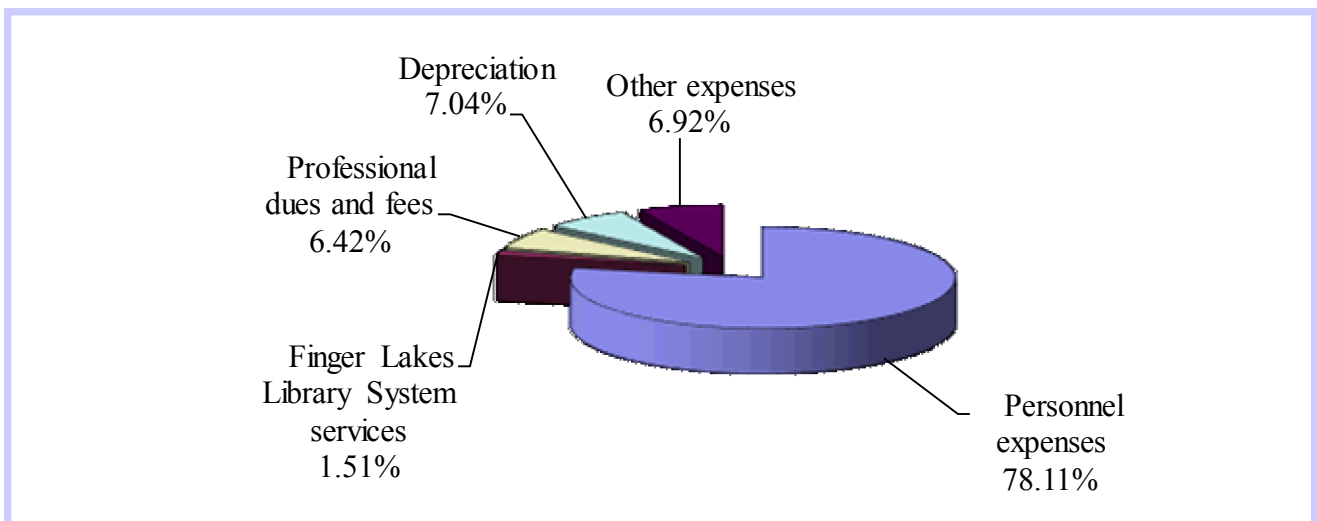
Sources of Revenue for 2013



Figures 6, 7, and 8 present the expenses of the Library for the years ended December 31, 2015, 2014, and 2013.

Figure 6

Expenses 2015



TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Figure 7

Expenses 2014

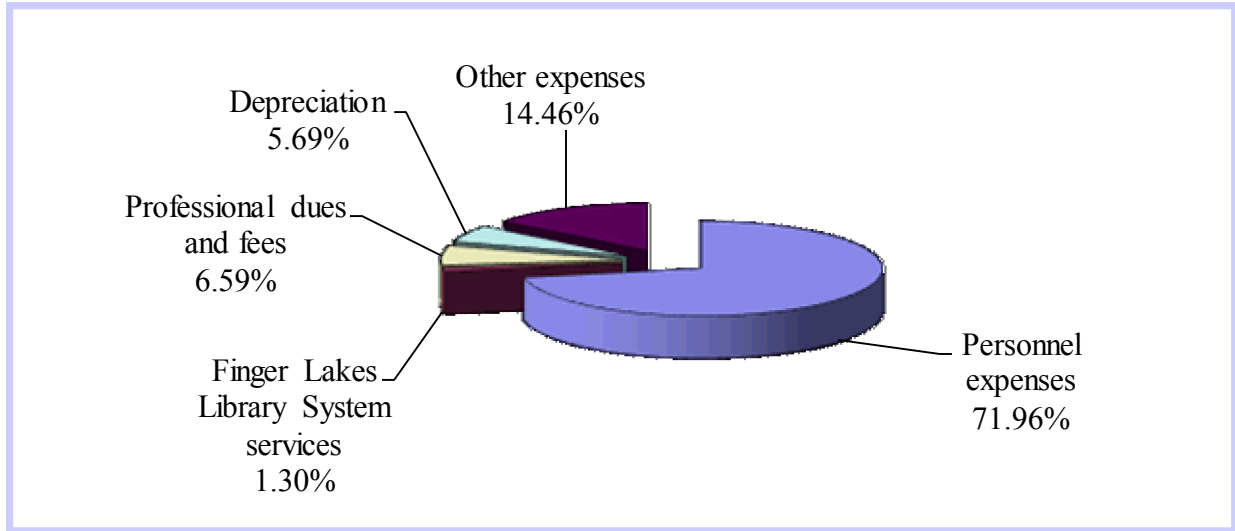
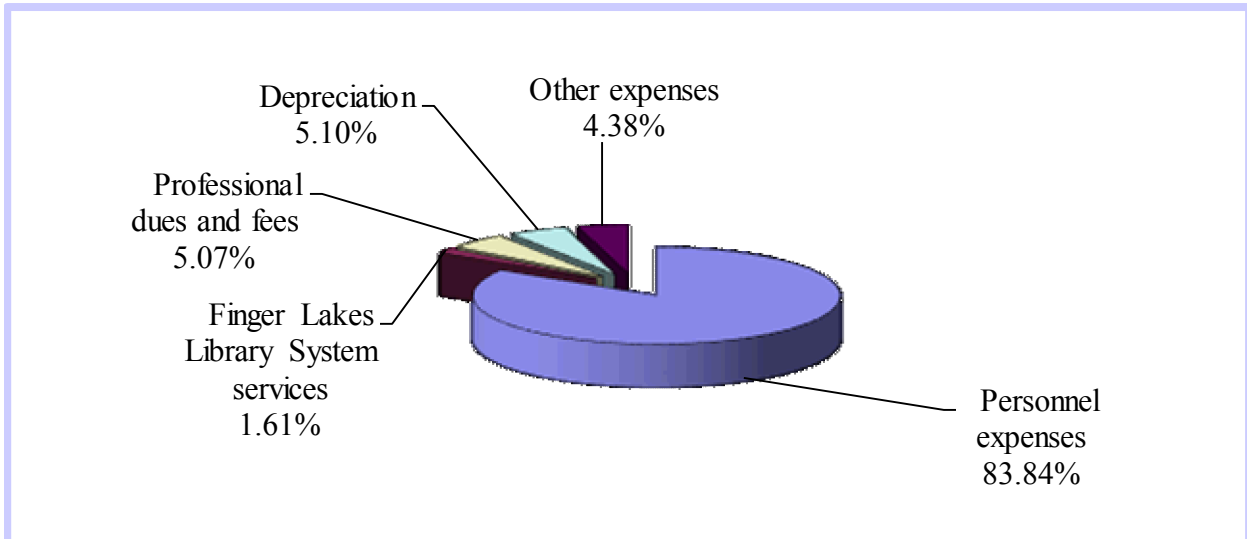


Figure 8

Expenses 2013



TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

FINANCIAL ANALYSIS OF THE LIBRARY'S GENERAL FUND

As the Library completed the year ended December 31, 2015, the General Fund reported a combined fund balance of \$404,582, which is lower than last year's total of \$511,940. Unassigned fund balance was \$245,680 at year end, which is 6.3% of the operating expenditures budgeted for 2016. In 2015, this is within the range of the 5-15% the Government Finance Officer's Association recommends for general-purpose governments, which management believes is appropriate for the Library as well. Unassigned fund balance at December 31, 2014 was \$220,117, which was 5.7% of 2015 budgeted operating expenditures. The increase in unassigned fund balance compared to 2014 is a result of a decrease in fund balances appropriated for the ensuing year's budget offset by expenditures exceeding revenues in the current year. The amount designated for the subsequent year's expenditures was \$35,950 in 2015, as compared to \$173,128 in 2014. The Library's 2014 General Fund combined fund balance decreased \$(59,674) from \$571,614 to \$511,940.

CAPITAL ASSET ADMINISTRATION

Capital Assets

At the end of December 31, 2015, the Library had invested in various types of equipment and machinery. *Figure 9* shows the amount invested in capital assets, net of accumulated depreciation and shows a net increase of \$87,401, or 11.2%, while in 2014 there was an increase of \$28,681, or 3.9%. There were additions of \$130,608 and \$53,225 in equipment and \$260,765 and \$247,732 to the collection for years ended 2015 and 2014, respectively. There were retirements of \$167,072 and \$164,577 in the collection and \$20,103 and \$972 retirements of equipment during 2015 and 2014, respectively.

Figure 9

<i>Capital Assets</i>	<i>Governmental Activities and Total Library</i>		
	<i>2013</i>	<i>2014</i>	<i>2015</i>
<i>Equipment</i>	\$ 135,223	\$ 167,689	\$ 239,841
<i>Collection</i>	609,288	605,503	620,752
<i>Total</i>	\$ 744,511	\$ 773,192	\$ 860,593

DEBT AND LONG TERM OBLIGATIONS ADMINISTRATION

The Library's other post employment benefit liability increased by \$539,404 and brought the other post employment benefit liability to \$4,009,285 as of December 31, 2015 as shown in Figure 10.

In addition to the other post employment benefit liability, the Library has a \$133,881 liability for compensated absences consisting of the earned and unused portion of the accrued vacation and compensatory time due to employees; an increase of \$8,679 to \$133,881 from \$125,202 at December 31, 2014. Net pension liability, proportionate share was recognized as the result of implementing GASB Statement No. 68 during 2015. More detailed information about the Library's liabilities is presented in Notes 5, 6 and 7 to the financial statements.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Figure 10

Major Outstanding Obligations at the Year Ending December 31

	<i>Governmental Activities</i>		
	<i>2013</i>	<i>2014 As Restated</i>	<i>2015</i>
<i>Other post-employment benefit liability</i>	\$ 2,960,626	\$ 3,469,881	\$ 4,009,285
<i>Compensated absences</i>	133,408	125,202	133,881
<i>Net pension liability, proportionate share</i>	-	292,874	209,698
<i>Total</i>	\$ 3,094,034	\$ 3,887,957	\$ 4,352,864

FACTORS BEARING ON THE LIBRARY'S FUTURE

- County funding, the major funding source for the Library, is expected to remain stable in 2017. The Library continues to work in conjunction with Tompkins County to maintain current levels of operation. Over the past 3 years, increases in permanent funding have closed the structural deficit. Additional funding possibilities, including a referendum, are still being explored.
- The Library expects state aid to remain stable or slightly increase, but after sustained years of decreased funding and increased operating expenses, the overall loss in aid continues to impair services provided to members of the Finger Lakes Library System.
- The Library continues to rely heavily on income from the Friends of the Library's two annual book sales to support a majority of the Library collection and related expenses. The income received from the Friends of the Library should remain stable for the near future, but changes in technology and the way people access literary materials may significantly impact book sale revenue in the coming decade.
- Private donor support from donors, foundations and grants channeled through Tompkins County Public Library Foundation is expected to remain stable. Foundation funding supports the collection and a number of special programmatic initiatives which otherwise would not be possible.
- The Foundation, under the direction of the Library Board of Trustees, announced publicly in 2014, its campaign for a 21st Century Library with a fundraising goal of \$2.75 million to meet the growing and evolving needs of the community, with major goals being to establish a teen center and learning lab. The goal has been exceeded and the Library will be moving ahead with plans to expand in late 2016 and 2017.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

- New York State pension liability is expected to continue to decrease in 2017, providing additional budget relief. Health insurance costs continue to increase, but at a more manageable level. The Library is also expecting some additional budget relief with the elimination of an unexpected non-recurring professional fee by fiscal year 2017.
- Collective bargaining agreements with the Professional Staff Association and the Support Staff Association, both of which are represented by the UAW Local 2300, will be expiring on December 31, 2016. Negotiations should be underway in late 2016. With positive changes and improvements in the Library's personnel structure, the Library is optimistic negotiations will be concluded in a mutually beneficial manner.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Library's citizens, customers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Business Office, Tompkins County Public Library, at 101 East Green Street, Ithaca, NY 14850.

TOMPKINS COUNTY PUBLIC LIBRARY

GOVERNMENTAL FUND BALANCE SHEETS/STATEMENTS OF NET POSITION DECEMBER 31,

	2015			2014		
	General Fund	Adjustments	Statement of Net Position	General Fund	Adjustments Restated	Statement of Net Position Restated
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 395,770	\$	\$ 395,770	\$ 984,959	\$	\$ 984,959
Accounts receivable	48,830		48,830	67,400		67,400
Prepaid expenses	75,931		75,931	72,139		72,139
Total Current Assets	<u>520,531</u>	<u>-</u>	<u>520,531</u>	<u>1,124,498</u>	<u>-</u>	<u>1,124,498</u>
Noncurrent Assets:						
Capital assets, net of accumulated depreciation of \$6,359,973 in 2015 and \$6,243,176 in 2014		860,593	860,593		773,192	773,192
Total Noncurrent Assets	<u>-</u>	<u>860,593</u>	<u>860,593</u>	<u>-</u>	<u>773,192</u>	<u>773,192</u>
Total Assets	<u>\$ 520,531</u>	<u>860,593</u>	<u>1,381,124</u>	<u>\$ 1,124,498</u>	<u>773,192</u>	<u>1,897,690</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions		270,926	270,926		216,417	216,417
Total Deferred Outflows of Resources	<u>-</u>	<u>270,926</u>	<u>270,926</u>	<u>-</u>	<u>216,417</u>	<u>216,417</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 51,460		51,460	\$ 555,201		555,201
Accrued liabilities	64,489		64,489	57,357		57,357
Total Current Liabilities	<u>115,949</u>	<u>-</u>	<u>115,949</u>	<u>612,558</u>	<u>-</u>	<u>612,558</u>
Noncurrent Liabilities:						
Compensated absences		133,881	133,881		125,202	125,202
Other postemployment benefits liability		4,009,285	4,009,285		3,469,881	3,469,881
Net pension liability - proportionate share		209,698	209,698		292,874	292,874
Total Noncurrent Liabilities	<u>-</u>	<u>4,352,864</u>	<u>4,352,864</u>	<u>-</u>	<u>3,887,957</u>	<u>3,887,957</u>
Total Liabilities	<u>115,949</u>	<u>4,352,864</u>	<u>4,468,813</u>	<u>612,558</u>	<u>3,887,957</u>	<u>4,500,515</u>

TOMPKINS COUNTY PUBLIC LIBRARY

GOVERNMENTAL FUND BALANCE SHEETS/STATEMENTS OF NET POSITION DECEMBER 31,

	2015			2014		
	General Fund	Adjustments	Statement of Net Position	General Fund	Adjustments Restated	Statement of Net Position Restated
DEFERRED INFLOWS OF RESOURCES						
Pensions	\$	\$ 22,295	\$ 22,295	\$	\$	\$ -
Total Deferred Inflows of Resources	-	22,295	22,295	-		-
FUND BALANCE/NET POSITION						
Fund Balances:						
Restricted for:						
Retirement	30,000	(30,000)		30,000	(30,000)	
Equipment	17,021	(17,021)		16,556	(16,556)	
Total Restricted	47,021	(47,021)	-	46,556	(46,556)	-
Assigned	35,950	(35,950)		173,128	(173,128)	
Nonspendable	75,931	(75,931)		72,139	(72,139)	
Unassigned	245,680	(245,680)		220,117	(220,117)	
Total Fund Balance	404,582	(404,582)	-	511,940	(511,940)	-
Total Liabilities and Fund Balance	\$ 520,531			\$ 1,124,498		
Net Position:						
Net investment in capital assets		860,593	860,593		773,192	773,192
Restricted		47,021	47,021		46,556	46,556
Unrestricted		(3,746,672)	(3,746,672)		(3,206,156)	(3,206,156)
Total Net (Deficit)		\$ (2,839,058)	\$ (2,839,058)		\$ (2,386,408)	\$ (2,386,408)

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY
TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.
(DISCRETELY PRESENTED COMPONENT UNIT)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and cash equivalents	\$ 1,090,543	\$ 279,633
Restricted cash	88,272	48,543
Unconditional promises to give	<u>293,185</u>	<u>65,928</u>
Total Current Assets	1,472,000	394,104
Restricted cash and cash equivalents	99,933	79,891
Long-term investments	1,636,554	1,712,680
Long-term unconditional promises to give, net of discount	71,314	932,846
Equipment, net of accumulated depreciation of \$4,953 in 2015 and \$4,892 in 2014	<u>-</u>	<u>61</u>
Total Assets	\$ <u>3,279,801</u>	\$ <u>3,119,582</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable - Tompkins County Public Library	\$ 47,768	\$ 24,731
Accounts payable and accrued liabilities	<u>17,625</u>	<u>23,123</u>
Total Current Liabilities	<u>65,393</u>	<u>47,854</u>

Net Assets:

Unrestricted:		
Board designated	982,611	982,236
Undesignated	<u>1,125,891</u>	<u>412,925</u>
Total Unrestricted	2,108,502	1,395,161
Temporarily restricted	453,692	1,089,613
Permanently restricted	<u>652,214</u>	<u>586,954</u>
Total Net Assets	<u>3,214,408</u>	<u>3,071,728</u>

Total Liabilities and Net Assets	\$ <u>3,279,801</u>	\$ <u>3,119,582</u>
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See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENTS OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2015		
	General Fund	Adjustments	Statement of Activities
Revenue:			
State sources	\$ 28,240	\$	\$ 28,240
Tompkins County	3,087,217		3,087,217
City of Ithaca	15,301		15,301
Town of Ithaca	15,000		15,000
Central Development Library Grant	94,183		94,183
Friends of TCPL	285,000		285,000
TCPL Foundation	142,670		142,670
Gifts and donations		2,400	2,400
Library charges	82,451		82,451
Use of money and property	929		929
Other revenue	110,336		110,336
Total Revenue	3,861,327	2,400	3,863,727
Expenditure/Expenses:			
Salaries	1,837,653	8,679	1,846,332
Fringe benefits	488,955	424,014	912,969
Health insurance	612,536		612,536
Books	162,709	(162,709)	-
Periodicals	9,192		9,192
AV/CD ROM materials	95,656	(95,656)	-
Insurance	15,789		15,789
Repairs and maintenance	54,058		54,058
Supplies and materials	49,493		49,493
Telephone	21,290		21,290
Postage	2,925		2,925
Finger Lakes Library System services	65,099		65,099
Professional fees	274,720		274,720
Membership dues	2,180		2,180
Equipment	134,687	(130,608)	4,079
Staff development	8,987		8,987
Publicity and printing	33,020		33,020
Depreciation		303,972	303,972
Miscellaneous	99,736		99,736
Total Expenditures/Expenses	3,968,685	347,692	4,316,377
Excess of (Expenditures/Expenses)	(107,358)	(345,292)	(452,650)
Fund Balance/Net Position (Deficit):			
January 1, as Restated	511,940	(2,898,348)	(2,386,408)
December 31,	\$ 404,582	\$ (3,243,640)	\$ (2,839,058)

See Independent Auditor's Report and Notes to Financial Statements

2014

<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities Restated</u>
\$ 66,690	\$	\$ 66,690
2,978,032		2,978,032
14,623		14,623
20,000		20,000
89,009		89,009
273,000		273,000
105,479		105,479
	2,400	2,400
87,997		87,997
1,588		1,588
616,013		616,013
4,252,431	2,400	4,254,831
1,856,968	(8,206)	1,848,762
503,092	509,255	1,012,347
584,132		584,132
153,777	(153,777)	-
9,019		9,019
91,555	(91,555)	-
15,329		15,329
51,841		51,841
34,711		34,711
14,993		14,993
2,997		2,997
62,000		62,000
313,867		313,867
1,405		1,405
60,717	(53,225)	7,492
8,947		8,947
25,123		25,123
	272,276	272,276
521,632		521,632
4,312,105	474,768	4,786,873
(59,674)	(472,368)	(532,042)
571,614	(2,425,980)	(1,854,366)
\$ 511,940	\$ (2,898,348)	\$ (2,386,408)

TOMPKINS COUNTY PUBLIC LIBRARY
TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.
(DISCRETELY PRESENTED COMPONENT UNIT)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support:				
Contributions	\$ 315,630	\$ 260,989	\$ 65,260	\$ 641,879
Grants/Other		40,000		40,000
Revenues:				
Interest income	3,727			3,727
Dividend income	9,901	9,446		19,347
Capital gain distributions	22,934	19,443		42,377
(Loss) gain on sale of investments	(54,242)			(54,242)
Unrealized (loss) on fair value of investments	(42,603)			(42,603)
Net assets reclassified due to investment gains (losses)	7,453	(7,453)		-
In-kind contributions	4,350			4,350
Net assets released from restrictions	958,346	(958,346)		-
Total Support and Revenues	1,225,496	(635,921)	65,260	654,835
Expenses:				
Program services	200,682			200,682
Management and general	106,741			106,741
Fundraising	204,732			204,732
Total Expenses	512,155	-	-	512,155
 CHANGE IN NET ASSETS	 713,341	 (635,921)	 65,260	 142,680
Net Assets, January 1,	1,395,161	1,089,613	586,954	3,071,728
Net Assets, December 31,	\$ 2,108,502	\$ 453,692	\$ 652,214	\$ 3,214,408

See Independent Auditor's Report and Notes to Financial Statements

2014

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 231,950	\$ 1,001,050	\$ 32,042	\$ 1,265,042
			-
93			93
13,322	11,900		25,222
19,424	17,461		36,885
69,220			69,220
(95,790)			(95,790)
(1,143)	1,143		-
10,282			10,282
256,451	(256,451)		-
<u>503,809</u>	<u>775,103</u>	<u>32,042</u>	<u>1,310,954</u>
120,202			120,202
115,939			115,939
161,303			161,303
<u>397,444</u>	<u>-</u>	<u>-</u>	<u>397,444</u>
106,365	775,103	32,042	913,510
<u>1,288,796</u>	<u>314,510</u>	<u>554,912</u>	<u>2,158,218</u>
\$ <u><u>1,395,161</u></u>	\$ <u><u>1,089,613</u></u>	\$ <u><u>586,954</u></u>	\$ <u><u>3,071,728</u></u>

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

The basic financial statements of Tompkins County Public Library (the Library) 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 Library's accounting policies are described below.

Reporting Entity

The Library is a component unit of Tompkins County (the County). The Library was established in 1968 by the County Board of Supervisors and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The 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 was established to provide public access to various published mediums including books, periodicals, reference materials and various audiovisual materials. The Library is a member of the Finger Lakes Library System which provides a cooperative network of libraries through which library resources may be acquired and exchanged. The Library is chartered to serve the County and, as a Central Library, is partially funded by New York State to extend services to residents of Cayuga, Seneca, Cortland, and Tioga Counties.

Discretely Presented Component Units

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus":

- The primary government, which is the Library,
- Organization for which the primary government is financially accountable, and
- 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 basic financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement No. 14, as amended by GASB Statement Nos. 39 and 61, including legal standing, fiscal dependency, and financial accountability. Based on the applications of these criteria, the following is included as a discretely presented component unit:

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

- **Tompkins County Library Foundation, Inc.**

The Tompkins County Library Foundation, Inc. (the Foundation) is a not-for-profit corporation established for the benefit of the Library. Its separately issued financial statements may be obtained from the Foundation in Ithaca, New York. Three of the nine to 15 directors of the Board of Directors are nominated by the Library Board. The Foundation solicits, accepts, holds, invests, reinvests, and administers any gifts, grants, bequests, contributions, devices, benefits or trusts, endowments and property of any kind without limitation of amount or value. Approximately three-quarters of the Foundation's assets are currently invested in endowment funds. The Foundation makes payments to the Library as pledges and other revenue are collected, and after operating expenses of the Foundation are paid.

Basis of Presentation - Fund Accounting

The Library basic financial statements include columns for Governmental Fund types prepared on the modified accrual basis of accounting (Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance), and columns for Governmental Activities prepared on the accrual basis of accounting (Statement of Net Position and Statement of Activities).

The Statement of Net Position and the Statement of Activities present summaries of activities for the Library. The focus of these columns is more on the sustainability of the Library as an entity and the change in the Library's net position from the current year's activities.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Library records transactions in the fund types described below:

Fund Categories

Governmental Fund Types - 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 the Governmental Fund. The measurement focus of the Governmental Fund is based upon determination of financial position and changes in financial position. The following is the Library's Governmental Fund Type:

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

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures 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.

The Statement of Net Position and the Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash transaction takes place. Nonexchange transactions in which the Library gives or receives value without directly receiving or giving equal value in exchange include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the Governmental Fund to be available if the revenues are collected within six months after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the Governmental Fund. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Equity Classifications

Governmental Fund Balance

The Library follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 defines 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.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

- **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. Most of the Library's legally adopted reserves are reported here.
- **Committed**
Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority, which is the Board of Trustees, prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned**
Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, which is the Board of Trustees, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund.
- **Unassigned**
Represents the residual classification of the government's General Fund, and could report a surplus or deficit.

The Library has not adopted any resolutions to commit fund balance. The Library's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

Statement of Net Position

In the Statements of Net Position, equity is classified as net position and displayed in three components:

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

Vacation and Compensatory Absences

Library employees are granted vacation and earn compensatory absences in varying amounts. Four weeks of vacation time is earned by each full-time, permanent and provisional employee. Benefits accrue upon commencement of employment. Upon termination, employees are compensated for unused vacation time up to a maximum of two years. The value of these benefits was approximately \$133,881 and \$125,202 at December 31, 2015 and 2014, respectively.

Postemployment Benefits

In addition to providing pension benefits, the Library provides postemployment health insurance coverage to retired employees in accordance with provisions governed by the County. Substantially all Library employees may become eligible for these benefits if they elect to continue coverage. The Library recognized its share of premiums for retirees as health insurance. During 2008, the Library adopted GASB Statement No. 45 “Accounting and Financial Reporting for Employers for Postretirement Benefits Other than Pensions.” (See Note 6)

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

Capital Assets

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 repair and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful life of the asset.

Accessions and De-accessions

The Library's accessions consist of photographs, paintings, drawings, sculptures, prints and memorabilia. As permitted by accounting principles generally accepted in the United States of America and in conformity with the practice followed by many museums and libraries, collection items purchased and donated are not capitalized in the accompanying Statements of Net Position.

Gifts of collection items are not recognized as gift revenue in the accompanying Statements of Activities. During 2015 and 2014 there were no proceeds from deaccessions.

Revenue

The major source of funding for the Library is appropriations from the County government. The Library also receives contributions from the Foundation and the Friends of Tompkins County Public Library. County appropriations are a significant portion of the Library's support, representing 80% of total revenue, with contributions from the Foundation and Friends of the Library representing 4% and 7%, respectively.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is Library policy to apply restricted funds before unrestricted funds unless otherwise prohibited by legal requirements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences and useful lives of long-lived assets.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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

Deferred Outflows and Inflows of Resources

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Library reports deferred outflows related to pensions in the Statements of Net Position. The types of deferred outflows related to pensions are described in Note 7.

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Library reports deferred inflows related to pensions which are further described in Note 7.

***Note 2* Cash and Investments**

Library investment policies are governed by state statutes. In addition, the Library follows its own written investment policy. The Library's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer 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 at 105%. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State, its municipalities and school districts as set forth in the investment policy.

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

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 2 Cash and Investments - Continued

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern Library investment policies as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name.

The Library's aggregate bank balances of \$398,733 and \$1,020,854 for the years ended December 31, 2015 and 2014, respectively, are either insured or collateralized with securities held by the pledging financial institution in the Library's name.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at December 31,:

	2015	2014
Due from TCPL Foundation	\$ 47,768	\$ 24,624
Due from TCPL Foundation - Postage	365	107
State Legislative Grant	-	40,000
Other	697	2,669
Total Accounts Receivable	\$ 48,830	\$ 67,400

No allowance for doubtful accounts is utilized, as management believes receivables are fully collectible.

Note 4 Capital Assets

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. The Library recognizes equipment purchases or acquisitions as follows:

Category	Minimum Cost	Useful Life
Shelving	\$ 500	10 years
Library and office furniture	1,000	10 years
Library equipment-Including telephone, 3M, and microfilm reader printers	500	5 years
Computers-Including servers, routers and laser printers	700	5 years
Collection	N/A	5 years

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 4 Capital Assets - Continued

Capital assets consisted of the following at December 31,:

2015				
	Balance at 12/31/14	Additions	Retirements	Balance at 12/31/15
Historical Cost:				
Equipment	\$ 1,447,312	\$ 130,608	\$ (20,103)	\$ 1,557,817
Collection	<u>5,569,056</u>	<u>260,765</u>	<u>(167,072)</u>	<u>5,662,749</u>
Total Historical Cost	<u>7,016,368</u>	<u>391,373</u>	<u>(187,175)</u>	<u>7,220,566</u>
Less Accumulated Depreciation:				
Equipment	(1,279,623)	(58,456)	20,103	(1,317,976)
Collection	<u>(4,963,553)</u>	<u>(245,516)</u>	<u>167,072</u>	<u>(5,041,997)</u>
Total Accumulated Depreciation	<u>(6,243,176)</u>	<u>(303,972)</u>	<u>187,175</u>	<u>(6,359,973)</u>
Total Capital Assets, Net	<u>\$ 773,192</u>	<u>\$ 87,401</u>	<u>\$ -</u>	<u>\$ 860,593</u>
2014				
	Balance at 12/31/13	Additions	Retirements	Balance at 12/31/14
Historical Cost:				
Equipment	\$ 1,395,059	\$ 53,225	\$ (972)	\$ 1,447,312
Collection	<u>5,485,901</u>	<u>247,732</u>	<u>(164,577)</u>	<u>5,569,056</u>
Total Historical Cost	<u>6,880,960</u>	<u>300,957</u>	<u>(165,549)</u>	<u>7,016,368</u>
Less Accumulated Depreciation:				
Equipment	(1,259,836)	(20,759)	972	(1,279,623)
Collection	<u>(4,876,613)</u>	<u>(251,517)</u>	<u>164,577</u>	<u>(4,963,553)</u>
Total Accumulated Depreciation	<u>(6,136,449)</u>	<u>(272,276)</u>	<u>165,549</u>	<u>(6,243,176)</u>
Total Capital Assets, Net	<u>\$ 744,511</u>	<u>\$ 28,681</u>	<u>\$ -</u>	<u>\$ 773,192</u>

Depreciation on all capital assets is computed on the straight-line basis over the estimated useful lives of the assets. Depreciation expense amounted to \$303,972 and \$272,276 for the years ended December 31, 2015 and 2014, respectively.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 5 Compensated Absences

Compensated absences represent the value of the earned and unused portion of the liability for accrued vacation and compensatory time.

The following is a summary of changes in the Library's long-term obligation for compensated absence:

Balance at 12/31/14	Additions	Payments	Balance at 12/31/15
\$ <u>125,202</u>	\$ <u>8,679</u>	\$ <u>-</u>	\$ <u>133,881</u>

Payment of compensated absences is dependent upon future factors and thus, timing of such payments cannot be determined. Additions and payments are therefore shown net.

Note 6 Other Postemployment Benefits

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

An actuarial valuation of the Library's Retiree Healthcare Plan (Plan) was performed as of January 1, 2014 for the fiscal year ending December 31, 2015 by the County's contractor in conjunction with the overall evaluation for the County. The Library's actuarial evaluation is stated as a subcomponent of the total County liability. The Plan is a single-employer defined benefit Healthcare Plan administered by the County. The Plan provides medical, hospital, drug and Part B Premium Reimbursements to eligible retirees and their spouses. Authority to establish and amend the Plan rests with the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report as there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Prescription co-payments and contribution requirements of Plan members and the Library are established and may be amended by the Library subject to applicable collective bargaining and employment agreements. The Library has negotiated collective bargaining agreements which include obligations of Plan members and the Library. Required contribution is based on projected "pay-as-you-go" financing requirements. For the year ended December 31, 2015, the Library's expected contributions were \$90,583 to the Plan for current premiums of 16 retirees, compared to \$86,880 in 2014. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 6 Other Postemployment Benefits - Continued

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

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

Normal cost	\$	324,270
Amortization of UAAL		391,494
Total Annual Required Contribution		715,764
Interest on net OPEB obligation		138,795
Adjustment to annual required contribution		(224,572)
Annual OPEB Cost (Expense)		629,987
Contributions expected on behalf of 16 employees		(90,583)
Increase in Net OPEB Obligation		539,404
 Net OPEB Obligation - January 1, 2015		 3,469,881
 Net OPEB Obligation - December 31, 2015	\$	4,009,285

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013, 2014 and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 629,987	14.4%	\$ 4,009,285
12/31/2014	596,135	14.6%	3,469,881
12/31/2013	610,357	13.8%	2,960,626

As of December 31, 2015, the Plan was not funded. The actuarial accrued liability for benefits was \$5,816,317. There are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,837,653 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 317% percent.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

***Note 6* Other Postemployment Benefits - Continued**

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

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

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

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

***Note 7* Pension Obligations - New York State and Local Employees' Retirement System (ERS)**

For the fiscal year ended December 31, 2015, the Library implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions - Amendment to GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The implementation of the Statements requires the Library to report as an asset and/or liability its portion of the collective net pension (asset) liability in the New York State Employees' Retirement System. The implementation of the Statements also requires the Library to report a deferred outflow and/or inflow of resources for the effect of the net change in the Library's proportion of the collective net pension (asset) liability and difference during the measurement period between the Library's contributions and its proportionate share of total contributions to the pension system not included in pension expense. Also included as a deferred outflow is the Library's contributions to the pension system subsequent to the measurement date. See page 25 for the financial statement impact of implementation of the Statements.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Plan Descriptions and Benefits Provided

Employees' Retirement System (ERS)

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

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

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Contributions

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
ERS	\$ 303,722	\$ 288,556	\$ 265,631

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

At December 31, 2015, the Library reported the following liability for its proportionate share of the net pension liability for the System. The net pension (asset) liability was measured as of March 31, 2015. The total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation. The Library's proportionate share of the net pension (asset) liability was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from report provided to the Library by the ERS System.

	<u>ERS</u>
Actuarial valuation date	04/01/2014
Net pension (asset) liability	\$ 3,378,245,000
Library's proportionate share of the Plan's total net pension (asset) liability	209,698

For the year ended December 31, 2015, the Library recognized pension expense of \$303,722 for ERS in the financial statements. At December 31, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>ERS</u>
Deferred Outflows of Resources:	
Differences between expected and actual experience	\$ 6,713
Net differences between projected and actual earnings on pension plan investments	36,422
Library's contributions subsequent to the measurement date	<u>227,791</u>
Total Deferred Outflows of Resources	<u>\$ 270,926</u>
Deferred Inflows of Resources:	
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	\$ <u>(22,295)</u>
Total Inflows of Resources	<u>\$ (22,295)</u>

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Library contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset) liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		ERS	
Year ended:			
2016	\$	5,210	
2017		5,210	
2018		5,210	
2019		5,210	
2020 and thereafter		-	

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

		ERS	
Measurement date		March 31, 2015	
Actuarial valuation date		April 1, 2014	
Interest rate		7.5%	
Salary scale		4.9%	
		April 1, 2005 - March 31, 2010	
Decrement tables		System's Experience	
Inflation rate		2.7%	

For ERS, annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

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

Measurement date	<u>ERS</u> March 31, 2015
Asset Type:	
Domestic equities	7.3%
International equities	8.5%
Real estate	8.3%
Private equity/Alternative investments	11.0%
Absolute return strategies	6.8%
Opportunistic portfolio	8.6%
Real assets	8.7%
Cash	2.3%
Inflation-indexed bonds	4.0%
Mortgages and bonds	4.0%

Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to the Discount Rate Assumption

The following presents the Library's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.5%, as well as what the Library's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Library's proportionate share of the net pension (asset) liability	\$ 1,397,727	\$ 209,698	\$ (793,293)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands
Valuation date	March 31, 2015
Employers' total pension (asset) liability	\$ 164,591,504
Plan net position	(161,213,259)
Employers' Net Pension (Asset) Liability	\$ 3,378,245
Ratio of Plan Net Position to the Employers' Total Pension (Asset) Liability	97.9%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2015 represent the projected employer contribution for the period of April 1, 2015 through December 31, 2015 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2015 amounted to \$75,931.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 7 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Effect on Net Position

Changes in the net pension liability and deferred outflows and inflows of resources for the year ended December 31, 2015 resulted in the following effect on net position:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
Net pension liability	\$ (292,874)	\$ 83,176	\$ (209,698)
Deferred outflows of resources	216,417	54,509	270,926
Deferred inflows of resources	<u>-</u>	<u>(22,295)</u>	<u>(22,295)</u>
Total	<u>\$ (76,457)</u>	<u>\$ 115,390</u>	<u>\$ 38,933</u>

Restatement of Net Position

For the fiscal year ended December 31, 2015, the Library implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - Amendment to GASB Statement No. 27," and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." The implementation of these new accounting standards resulted in the reporting of deferred outflows of resources, a liability, and deferred inflows of resources related to the Library's participation in the New York State Employees' retirement system. The Library's net position has been restated as follows:

Net (Deficit) Beginning of Year, as Previously Restated	\$ (2,309,951)
GASB Statement No. 68 implementation:	
Beginning system liability - Employees' Retirement System	(292,874)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	<u>216,417</u>
Net (Deficit) Beginning of Year, as Restated	<u>\$ (2,386,408)</u>

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 8 Fund Balances and Net Position

Fund Balance Detail

At December 31, 2015 and 2014, restricted and assigned fund balance in the governmental funds was as follows:

	2015	2014
<u>Restricted:</u>		
Reserve for retirement	\$ 30,000	\$ 30,000
Reserve for equipment	17,021	16,556
Total Restricted Fund Balance	\$ 47,021	\$ 46,556
 <u>Assigned:</u>		
Appropriated for next year's budget	\$ 35,950	\$ 173,128
Total Assigned Fund Balance	\$ 35,950	\$ 173,128

Restricted Fund Balances

Portions of restricted fund balance are restricted and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. Balances and activity for the year ended December 31, of the General Fund restricted reserves were as follows:

2015				
General Fund Restricted Fund Balance	Beginning Balance	Additions	Appropriated	Ending Balance
Reserved for retirement	\$ 30,000	\$	\$	\$ 30,000
Reserved for equipment	16,556	465		17,021
Total Restricted Fund Balance	\$ 46,556	\$ 465	\$ -	\$ 47,021
2014				
General Fund Restricted Fund Balance	Beginning Balance	Additions	Appropriated	Ending Balance
Reserved for retirement	\$ 7,724	\$ 67,177	\$ 44,901	\$ 30,000
Reserved for equipment	16,076	480		16,556
Total Restricted Fund Balance	\$ 23,800	\$ 67,657	\$ 44,901	\$ 46,556

Reconciliation between Restricted Fund Balance and Restricted Net Position

No reconciliation between restricted fund balances and restricted net position is required because there are no unspent debt proceeds or other differences between restricted fund balances in the General Fund and restricted net position in the Statements of Net Position.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

***Note 9* Donated Services**

The Library receives services from volunteers but does not value, record or report the value for said services in the accompanying financial statements as they do not meet the reporting requirements.

***Note 10* Related Parties**

The Library received contributions of \$285,000 and \$273,000 from the Friends of the Tompkins County Public Library for the years ended December 31, 2015 and 2014, respectively.

***Note 11* Component Unit Transactions**

The Library received contributions of \$142,670 and \$105,479 from the Foundation for the years ended December 31, 2015 and 2014, respectively, which are reported in the financial statements. In addition, the Library received \$14,508 and \$5,238 in-kind contribution of materials for the years ended December 31, 2015 and 2014, respectively, which are not reflected in the financial statements of the Library.

The County contributed \$3,087,217 and \$2,978,032 to the Library for the years ended December 31, 2015 and 2014, respectively, which are reported in the financial statements. Additionally for 2015 and 2014, respectively, the County provided debt service of \$483,950 and \$485,060 on the building occupied by the Library, which is not reflected in the financial statements of the Library.

***Note 12* Commitments and Contingencies - Risk Financing and Related Insurance**

The Library is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

***Note 13* Deficit Unrestricted Net Position**

Unrestricted net position in the Government-wide Statement of Net Position shows a deficit balance of \$(3,746,672) for the year ended December 31, 2015. The deficit stems from the required recording of other postemployment benefits expense and liability in the Government-wide statements. Currently, there is no mechanism for governments in New York State to fund this liability. Therefore, the liability and unrestricted net deficit are expected to continue for the immediate future.

TOMPKINS COUNTY PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEARS ENDED DECEMBER 31,

	2015			
	Modified Budget	Actual	Encumbrances	Variance Fav.(Unfav.)
Revenue:				
State sources	\$ 28,240	\$ 28,240	\$ -	\$ -
Tompkins County	3,087,217	3,087,217		-
City of Ithaca	14,604	15,301		697
Town of Ithaca	15,000	15,000		-
Central Library Development grant	94,183	94,183		-
Friends of TCPL	285,000	285,000		-
TCPL Foundation	134,902	142,670		7,768
Gifts and donations				-
Library charges	85,350	82,451		(2,899)
Use of money and property	1,500	929		(571)
Other revenues	112,014	110,336		(1,678)
Total Revenue	3,858,010	3,861,327	-	3,317
Expenditures:				
Salaries	1,868,872	1,837,653		31,219
Fringe benefits	501,449	488,955		12,494
Health insurance	632,932	612,536		20,396
Books	171,838	162,709		9,129
Periodicals	11,902	9,192		2,710
AV/CD ROM materials	105,375	95,656		9,719
Insurance	15,789	15,789		-
Repairs and maintenance	57,775	54,058		3,717
Supplies and materials	53,924	49,493		4,431
Telephone	18,140	21,290		(3,150)
Postage	3,000	2,925		75
Finger Lakes Library System services	65,099	65,099		-
Professional fees	291,605	274,720		16,885
Membership dues	3,804	2,180		1,624
Equipment	158,082	134,687		23,395
Staff development	16,251	8,987		7,264
Publicity and printing	46,761	33,020		13,741
Miscellaneous	120,301	99,736		20,565
Total Expenditures	4,142,899	3,968,685	-	174,214
Excess of (Expenditures) Over Revenue	(284,889)	(107,358)	\$ -	\$ 177,531
Appropriated Fund Balance	284,889			
Net Change in Fund Balances	\$ -			
Fund Balance, January 1,		511,940		
Fund Balance, December 31,		\$ 404,582		

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

2014 (Restated)

<u>Modified Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Fav.(Unfav.)</u>
\$ 66,690	\$ 66,690	\$	\$ -
2,978,032	2,978,032		-
14,604	14,623		19
20,000	20,000		-
89,009	89,009		-
273,000	273,000		-
105,479	105,479		-
			-
95,875	87,997		(7,878)
1,000	1,588		588
614,694	616,013		1,319
<u>4,258,383</u>	<u>4,252,431</u>	<u>-</u>	<u>(5,952)</u>
1,856,983	1,856,968		15
560,946	503,092		57,854
612,735	584,132		28,603
163,416	153,777		9,639
13,419	9,019		4,400
104,846	91,555		13,291
15,329	15,329		-
51,977	51,841		136
45,000	34,711		10,289
16,000	14,993		1,007
3,000	2,997		3
62,000	62,000		-
326,408	313,867		12,541
3,804	1,405		2,399
114,854	60,717		54,137
9,078	8,947		131
43,463	25,123		18,340
<u>532,835</u>	<u>521,632</u>	<u>-</u>	<u>11,203</u>
<u>4,536,093</u>	<u>4,312,105</u>	<u>-</u>	<u>223,988</u>
<u>(277,710)</u>	<u>(59,674)</u>	<u>\$ -</u>	<u>\$ 218,036</u>
<u>277,710</u>			
<u>\$ -</u>			
	<u>571,614</u>		
	<u>\$ 511,940</u>		

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF LIBRARY CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 2 FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 288,556	\$ 320,152
Contributions in relation to the contractually required contribution	(288,556)	(320,152)
Contribution deficiency (excess)	-	-
Library's covered - employee payroll	1,685,339	1,489,640
Contributions as a percentage of covered - employee payroll	17.1%	21.5%

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

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY NYSLRS PENSION PLAN FOR THE YEAR ENDED AUGUST 31,

	<u>2015</u>
Library's proportion of the net pension (asset) liability	0.0062000%
Library's proportionate share of the net pension (asset) liability	\$ (209,698)
Library's covered-employee payroll during the measurement period	1,465,228
Library's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	-14.31%
Plan fiduciary net position as a percentage of the total pension (asset) liability	97.9%

* The amounts presented for each fiscal year were determined as of December 31,

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

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Year Ended December 31,</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2015	1/1/2014	\$ -	\$ 5,816,371	\$ 5,816,371	0.0%	\$ 1,837,653	317%
2014	1/1/2014	-	5,376,397	5,376,397	0.0%	1,856,968	290%
2013	1/1/2012	-	5,484,063	5,484,063	0.0%	1,666,666	329%
2012	1/1/2012	-	5,043,968	5,043,968	0.0%	1,686,350	299%
2011	1/1/2010	-	5,381,385	5,381,385	0.0%	1,740,164	309%

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

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

Note 1 **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. 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 expenditure in GAAP-based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year-end, thereby ensuring appropriations are not exceeded.

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

No adjustment is necessary to convert the excess of revenues and other sources over expenditures and other uses on the GAAP basis to the budget basis, as encumbrances are presented in a separate column and are not included in the actual results at December 31, 2015.

Note 3 **Schedule of Funding Progress**

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

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

Board of Trustees
Tompkins County Public Library
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, and the general fund of Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library’s basic financial statements and have issued our report thereon dated May 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library’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 Library’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Library’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 Library’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Respectfully Submitted,

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

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 18, 2016