

**THE COMMUNITY FOUNDATION
OF TOMPKINS COUNTY, INC.**

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2008 and 2007**

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

DECEMBER 31, 2008 and 2007

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Frederick J. Ciaschi, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Community Foundation
of Tompkins County, Inc.
Ithaca, New York

We have audited the accompanying statements of financial position of The Community Foundation of Tompkins County, Inc. as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community Foundation of Tompkins County, Inc. as December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of financial position (operating fund basis) for the years ended December 31, 2008 and 2007 on page 13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Ciaschi, Dietershagen, Little, Mickelson & Company, LLP

March 27, 2009
Ithaca, New York

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THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash and Cash Equivalents:		
Unrestricted	\$ 837,131	\$ 193,810
Money Market Fund	22,879	47,579
Total Cash and Cash Equivalents	<u>860,010</u>	<u>241,389</u>
Unconditional promises to give to be collected within one year	<u>117,124</u>	<u>25,900</u>
Cash value of life insurance	<u>199,092</u>	<u>189,764</u>
Investments:		
Mutual Funds	848,636	1,420,391
Mutual Funds - Permanently restricted	707,996	749,547
Exchange Trade Fund's	1,123,033	1,472,487
Total Investments	<u>2,679,665</u>	<u>3,642,425</u>
Total Current Assets	<u>3,855,891</u>	<u>4,099,478</u>
Fixed assets, net of accumulated depreciation of \$8,105 in 2008 and \$7,751 in 2007	263	617
Other assets	700	700
Unconditional promises to give to be collected after one year	<u>2,850</u>	<u>10,974</u>
Total Assets	<u>\$ 3,859,704</u>	<u>\$ 4,111,769</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Grants payable	\$ 2,443	\$ 8,273
Total Liabilities	<u>2,443</u>	<u>8,273</u>
Net Assets:		
Unrestricted - Undesignated	130,128	177,574
Board designated	2,672,674	3,074,645
Total Unrestricted Net Assets	<u>2,802,802</u>	<u>3,252,219</u>
Temporarily Restricted	<u>158,637</u>	<u>85,052</u>
Permanently Restricted	<u>895,822</u>	<u>766,225</u>
Total Net Assets	<u>3,857,261</u>	<u>4,103,496</u>
Total Liabilities and Net Assets	<u>\$ 3,859,704</u>	<u>\$ 4,111,769</u>

See Independent Auditor's Report and Notes to Financial Statements

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31.

	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue:				
Contributions:				
Donor advised	\$ 776,940	\$ 90,870	\$	\$ 867,810
Endowment			129,597	129,597
Field of interest/designated	18,403			18,403
Operating fund	148,072	30,893		178,965
In-kind contributions				-0-
Total Contributions and Grants	<u>943,415</u>	<u>121,763</u>	<u>129,597</u>	<u>1,194,775</u>
Investment Income (Loss):				
Interest and dividends	82,562	23,836		106,398
Unrealized (loss) on investments	(1,021,267)			(1,021,267)
Realized (loss) gain on investments	(77,259)			(77,259)
Management fee expense - External	(13,801)			(13,801)
Total Investment (Loss) Income	<u>(1,029,765)</u>	<u>23,836</u>	<u>-0-</u>	<u>(1,005,929)</u>
Other revenue	20,021			20,021
Net assets released from restrictions/reclassification	72,014	(72,014)		-0-
Total Revenue	<u>5,685</u>	<u>73,585</u>	<u>129,597</u>	<u>208,867</u>
Expenses:				
Administrative Expenses:				
Payroll	108,222			108,222
Payroll taxes and insurance	11,308			11,308
Office expense/supplies	10,448			10,448
Dues and subscriptions	2,659			2,659
Insurance expense	2,261			2,261
Printing, postage, and publications	3,380			3,380
Telephone	3,024			3,024
Travel and conferences	3,716			3,716
Consulting and professional fees	9,010			9,010
Meetings	4,465			4,465
Advertising	1,588			1,588
Rent	13,925			13,925
Equipment and equipment rental	3,146			3,146
Miscellaneous	9,266			9,266
Total Administrative Expenses	<u>186,418</u>	<u>-0-</u>	<u>-0-</u>	<u>186,418</u>
Awards and Grants - Board Designated Funds	189,187			189,187
- Coral Funds	14,330			14,330
- CFTC Funds	54,000			54,000
Field of Interest Funds	10,813			10,813
Depreciation expense	354			354
Total Expenses	<u>455,102</u>	<u>-0-</u>	<u>-0-</u>	<u>455,102</u>
(Decrease) Increase in Net Assets	<u>(449,417)</u>	<u>73,585</u>	<u>129,597</u>	<u>(246,235)</u>
Net Assets, January 1	<u>3,252,219</u>	<u>85,052</u>	<u>766,225</u>	<u>4,103,496</u>
Net Assets, December 31,	<u>\$ 2,802,802</u>	<u>\$ 158,637</u>	<u>\$ 895,822</u>	<u>\$ 3,857,261</u>

See Independent Auditor's Report and Notes to Financial Statements

2007

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 303,333	\$	\$	\$ 303,333
		29,167	29,167
39,563			39,563
110,403			110,403
382			382
<u>453,681</u>	<u>-0-</u>	<u>29,167</u>	<u>482,848</u>
100,049	32,415		132,464
(352,749)			(352,749)
352,597			352,597
(16,209)			(16,209)
<u>83,688</u>	<u>32,415</u>	<u>-0-</u>	<u>116,103</u>
23,193			23,193
<u>88,217</u>	<u>(88,217)</u>		<u>-0-</u>
<u>648,779</u>	<u>(55,802)</u>	<u>29,167</u>	<u>622,144</u>
105,740			105,740
10,575			10,575
19,295			19,295
1,984			1,984
2,773			2,773
11,231			11,231
3,267			3,267
2,681			2,681
11,240			11,240
5,337			5,337
926			926
14,200			14,200
984			984
8,270			8,270
<u>198,503</u>	<u>-0-</u>	<u>-0-</u>	<u>198,503</u>
345,542			345,542
29,656			29,656
18,868			18,868
8,105			8,105
587			587
<u>601,261</u>	<u>-0-</u>	<u>-0-</u>	<u>601,261</u>
47,518	(55,802)	29,167	20,883
<u>3,204,701</u>	<u>140,854</u>	<u>737,058</u>	<u>4,082,613</u>
<u>\$ 3,252,219</u>	<u>\$ 85,052</u>	<u>\$ 766,225</u>	<u>\$ 4,103,496</u>

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
(Decrease) increase in net assets	\$ (246,235)	\$ 20,883
Reconciliation of (decrease) increase in net assets to net cash provided (used) by operating activities:		
Depreciation	354	587
Donated stocks	(15,300)	(123,542)
Unrealized loss on investments	1,021,267	352,749
Loss (gain) on sale of investments	77,259	(352,597)
(Increase) decrease in promises to give	(83,100)	2,533
(Increase) in cash value of life insurance	(9,328)	(10,030)
(Decrease) in grants payable	(5,830)	(12,656)
	<u>739,087</u>	<u>(122,073)</u>
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Investing Activities:		
Purchases of investments	(951,124)	(6,784,786)
Proceeds from sale of investments	830,658	6,607,632
	<u>(120,466)</u>	<u>(177,154)</u>
Net Cash (Used) by Investing Activities		
Cash Flows from Financing Activities:	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	618,621	(299,227)
Cash and Cash Equivalents at January 1,	<u>241,389</u>	<u>540,616</u>
Cash and Cash Equivalents at December 31,	<u>\$ 860,010</u>	<u>\$ 241,389</u>
Supplemental Information:		
Donated materials	<u>\$ -0-</u>	<u>\$ 382</u>
Donated stocks	<u>\$ 15,300</u>	<u>\$ 123,542</u>

See Independent Auditor's Report and Notes to Financial Statements

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies

Activity

The Foundation is a charitable organization located in Ithaca, New York. Its major sources of revenues are bequests, legacies, and investment income. The chief beneficiaries of the Foundation's operations are voluntary community service agencies located in the greater Ithaca, New York area.

Accounting Method

The Foundation maintains its accounts on the accrual basis. Revenues are recorded in the year earned and expenses are recognized when incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No.117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No.117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Foundation accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No.116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No.116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

All investments are carried at fair value.

Fixed Assets

The Foundation capitalizes all expenditures for property and equipment in excess of \$1,000 and with a useful life of greater than one year. Fixed assets are recorded at cost or fair market value if donated and are depreciated using the straight-line method over the estimated useful life of the asset ranging from five to seven years.

Contributions and Bequests

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions of securities are recorded at fair value at the date of the gift. Policies concerning donated services are described below.

Unconditional Promises to Give

Promises to give (pledges) are recognized as revenues in the period the pledges are received. An allowance for bad debts has not been recorded, as all pledges are determined to be fully collectible.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2008 and 2007

Donated Services

No amounts have been reflected in the accompanying statements for donated services, however, a substantial number of volunteers have donated significant amounts of their time in the Foundation's program services and in its fund raising campaigns.

Tax Exemption

The Internal Revenue Service has determined, in a letter dated August 1, 2000, that the Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation is not a private non-operating Foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Concentration of Credit Risk

The Foundation maintains its cash balances at three financial institutions in Tompkins County. From time to time, these cash balances may exceed federally insured limits.

Note 2 - Unconditional Promises to Give

Unconditional promises to give consisted of the following at December 31,:

	2008	2007
Total Unconditional Promises to Give to be collected within one year	\$ <u>117,124</u>	\$ <u>25,900</u>
Total Unconditional Promises to Give to be collected in more than one year:		
The present value of \$9,750, due in 2009, discounted at 3%	-0-	9,466
The present value of \$1,600, due in 2010, discounted at 3%	-0-	1,508
The present value of \$2,850, due in 2010, discounted at 3%	<u>2,850</u>	<u>-0-</u>
Total to be collected in more than one year	\$ <u>2,850</u>	\$ <u>10,974</u>

All promises to give are considered to be fully collectible.

Note 3 - Investments

The cost, fair value, and unrealized depreciation of the Foundation's investments as of December 31,:

	2008		
	Cost	Market	Unrealized (Depreciation)
<u>Investments</u>			
Mutual Funds	\$ 2,024,742	\$ 1,556,632	\$ (468,110)
Exchange Trade Funds	<u>1,725,618</u>	<u>1,123,033</u>	<u>(602,585)</u>
Total Investments	\$ <u>3,750,360</u>	\$ <u>2,679,665</u>	\$ <u>(1,070,695)</u>
	2007		
<u>Investments</u>			
Mutual Funds	\$ 2,209,596	\$ 2,169,938	\$ (39,658)
Exchange Trade Funds	<u>1,482,257</u>	<u>1,472,487</u>	<u>(9,770)</u>
Total Investments	\$ <u>3,691,853</u>	\$ <u>3,642,425</u>	\$ <u>(49,428)</u>

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

The Foundation held investments as follows at December 31,:

	2008		
	Shares	Cost	Market
General Portfolio			
Mutual Funds	Various	\$ 1,006,473	\$ 848,636
Exchange Trade Funds	Various	1,725,618	1,123,033
Money Market Funds	N/A	29,967	29,967
Total General Portfolio		<u>2,762,058</u>	<u>2,001,636</u>
Socially Responsible Portfolio			
Mutual Funds	Various	1,018,269	707,996
Money Market Funds	N/A	(7,088)	(7,088)
Total Socially Responsible Portfolio		<u>1,011,181</u>	<u>700,908</u>
Total Investments		<u>\$ 3,773,239</u>	<u>\$ 2,702,544</u>
	2007		
	Shares	Cost	Market
General Portfolio			
Mutual Funds	Various	\$ 1,233,141	\$ 1,217,893
Exchange Trade Funds	Various	1,482,257	1,472,487
Money Market Funds	N/A	18,172	18,172
Total General Portfolio		<u>2,733,570</u>	<u>2,708,552</u>
Socially Responsible Portfolio			
Mutual Funds	Various	976,455	952,045
Money Market Funds	N/A	29,407	29,407
Total Socially Responsible Portfolio		<u>1,005,862</u>	<u>981,452</u>
Total Investments		<u>\$ 3,739,432</u>	<u>\$ 3,690,004</u>

Market Risk

Future changes in market prices may make a financial instrument less valuable. Ownership interest is subject to the risk of loss from a decrease in value due to interest rate fluctuations that may result in a decline that is other than temporary.

Note 4 - Life Insurance

During the fiscal year ended March 31, 2004, the Community Foundation of Tompkins County, Inc. accepted a gift of a whole life insurance policy. This policy has been recorded in the financial statements at the cash surrender value of the policy as determined by Manulife Financial as of the end of the fiscal year. The cash surrender values of the policy were \$199,092 and \$189,764 at December 31, 2008 and 2007, respectively.

Upon the death of the named insured, the Foundation will receive the death benefit determined by Manulife Financial which is comprised of the basic death benefit plus any paid up additions. The death benefit as of December 31, 2008 and 2007 was \$419,643 and \$418,323, respectively.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

Contributions equal to the premiums of \$7,057 and \$5,293 were made by the donor of the policy to the Foundation during the years ended December 31, 2008 and 2007, respectively. This amount and the increase in cash value of the policy of \$9,328 and \$10,030 and are included in contribution revenue net of the premium expense of \$7,057 paid by the Foundation during the years ended December 31, 2008 and 2007.

Note 5 - Tompkins Today and Tomorrow Donation

During the year ended December 31, 2007, a contribution of monthly social security benefits was donated to the Community Foundation of Tompkins County, Inc. for the benefit of the Tompkins Today and Tomorrow Fund. This donation will continue until discontinued by the donor.

Note 6 - Furniture and Equipment

Furniture and equipment consisted of the following at December 31,:

<u>Assets</u>	2008		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 8,368	\$ 8,105	\$ 263
Total	\$ 8,368	\$ 8,105	\$ 263
2007			
<u>Assets</u>	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 8,368	\$ 7,751	\$ 617
Total	\$ 8,368	\$ 7,751	\$ 617

Depreciation expense was \$354 for the year ended December 31, 2008 and \$587 for the year ended December 31, 2007.

Note 7 - Net Assets

Net Assets of the Foundation consisted of the following at December 31,:

	2008	2007
Unrestricted - Undesignated Net Assets	\$ 130,128	\$ 177,574
Board Designated Net Assets:		
Donor Advised Funds	2,598,126	2,984,041
Field of Interest	74,548	90,604
Total Board Designated Net Assets	2,672,674	3,074,645
Temporarily Restricted Net Assets:		
Restricted for Time Purposes	119,974	36,874
Restricted Endowment Earnings	-0-	48,178
Restricted for Grants	38,663	-0-
Total Temporarily Restricted Net Assets	158,637	85,052
Permanently Restricted Net Assets:		
Restricted for Endowment	895,822	766,225
Total Permanently Restricted Net Assets	895,822	766,225
Total Net Assets	\$ 3,857,261	\$ 4,103,496

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

During the fiscal year ended December 31, 2007, the Atlantic Philanthropies Fund was released from temporary restriction to operating (unrestricted) per donor instructions. Additionally, two new funds were established for operating: the Grantmaking Fund and the Tompkins Today and Tomorrow Fund. The Board will have fiduciary decision-making over the disbursement of money from the funds.

Note 8 - Administrative Fees

During the year ended December 31, 2008 the Foundation charged administrative fees totaling \$41,208. During the year ended December 31, 2007, the Foundation charged administrative fees totaling \$46,264. These amounts are revenues to the Foundation and expenses to the various Board designated funds, and, as the Statements of Activities are presented on a consolidated basis, these amounts have been eliminated.

Note 9 - Building Lease and Related Party Transaction

During the year ended December 31, 2008 the landlord for the Foundation's primary office space became a member of the Board of Directors. The Foundation pays \$1,150 on a month-to-month lease. For the years ended December 31, 2008 and 2007, rental expense totaled \$13,800 and \$13,800, respectively.

Note 10 - Endowment Funds

Community Foundation of Tompkins County, Inc.'s endowments consist of funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor-restricted endowment funds consist of the Lenore Coral Fund, and portions of the Tompkins Today and Tomorrow Fund, the Women's Fund and the Social Justice Fund. The Board of Directors of Community Foundation of Tompkins County, Inc. has interpreted New York State's version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets both the original value of gifts donated to the permanent endowment and any subsequent gifts to the permanent endowment fund.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

In the year 2008, the Foundation had the following endowment related activities:

	Donor- Restricted Endowment Funds	Board- Designated Endowment Funds	Total
Beginning Balance	\$ 765,586	\$ 639	\$ 766,225
Interest, dividends and realized gains/(losses)	2,775	25,932	28,707
Unrealized (loss)	(208,233)	(22,596)	(230,829)
Investment and administrative fees	<u>(9,911)</u>	<u>(253)</u>	<u>(10,164)</u>
Total Investment (Loss) Gain	(215,369)	3,083	(212,286)
Contributions to perpetual endowment	14,597	115,000	129,597
Transfer from/to Unrestricted Net Assets	190,600	21,686	212,286
Total Change in Endowment Funds	<u>(10,172)</u>	<u>139,769</u>	<u>129,597</u>
Ending Balance	<u>\$ 755,414</u>	<u>\$ 140,408</u>	<u>\$ 895,822</u>

In the year 2007, the year Foundation had the following endowment related activities:

	Donor- Restricted Endowment Funds	Board- Designated Endowment Funds	Total
Beginning Balance	\$ 736,419	\$ 639	\$ 737,058
Interest, dividends and realized gains	35,317		35,317
Unrealized (loss)	(2,902)		(2,902)
Investment and administrative fees	<u>(11,359)</u>		<u>(11,359)</u>
Total Investment Gain	21,056		21,056
Contributions to perpetual endowment	29,167		29,167
Transfer from/to Unrestricted Net Assets	(21,056)		(21,056)
Total Change in Endowment Funds	<u>29,167</u>		<u>29,167</u>
Ending Balance	<u>\$ 765,586</u>	<u>\$ 639</u>	<u>\$ 766,225</u>

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

The Community Foundation of Tompkins County, Inc. has adopted spending policies for endowment assets that attempt to provide:

- to maintain the value of the Foundation's assets
- to steadily increase the assets to account for inflation
- to provide reliable administrative fee revenue
- to preserve resources for regular grant making in perpetuity

Prior to January 31 of each year, the Community Foundation Investment Committee shall use the following formula to recommend an amount available for grant making from each endowed fund:

Total Return for Prior Year

Minus The Consumer Price Index (or other appropriate measure of inflation established by a government agency)

Minus Investment Fees

Minus Foundation Administrative Fees

Equals Percentage of fund balance available for grant making (using a 12 quarter rolling average market value fund balance)

The Community Foundation Board will approve annually a percentage to be available for grant making. After applying the formula, the target endowment spending is expected to be approximately 5% of 12 quarter rolling average market value of all endowment funds. Monitoring will be employed to make sure that the result of applying this rate will never cause spending which will erode the fund balance endowed for each fund.

"New funds" will be those created after the effective date and will be either endowed or non-endowed. "Established funds" will be those which have completed and signed fund agreements on file with the Community Foundation dated before the effective date.

Any "established" non-endowed fund may continue under the terms of its current fund agreement document. If donor advisors of these funds desire to follow the policy for new funds, either endowed or non-endowed, a new fund agreement will be established. The donor advisors must declare a status of endowed or non-endowed in order to follow the new spending policy.

Implementation of Spending Policy

Non-endowed Funds - formula does not apply to this type of fund

May nominate grants following the end of the first complete calendar year after the initial minimum contribution of \$20,000

Minimum balance to maintain grant nominating privilege is \$10,000

These funds shall be deposited in a savings instrument with attention to high possible interest earning potential. In lieu of fees, any interest earnings shall be designated to the unrestricted operations of the Community Foundation. They shall not participate in the investment pool.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2008 and 2007

If grants in any calendar year exceed 20% of the Fund's market value (as of December 31 of the previous year) the Foundation shall take 5% of the total amount granted to be added to the Tompkins Today and Tomorrow Fund

If a grant causes the fund balance to fall to or below \$5,000, then the grant will be considered a fund retiring grant. In that case, \$5,000 will be transferred to the Tompkins Today and Tomorrow Fund. The grant nomination will be considered for the remaining balance even if it is less than the nominated amount.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
SCHEDULES OF FINANCIAL POSITION (OPERATING FUND BASIS)
DECEMBER 31,

<u>ASSETS</u>	<u>2008</u>			<u>2007</u>		
	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>	<u>Operating</u>	<u>Restricted</u>	<u>Total</u>
Current Assets:						
Cash and Cash Equivalents:						
Unrestricted	\$ 67,537	\$ 769,594	\$ 837,131	\$ 39,141	\$ 154,669	\$ 193,810
Money Market Fund		22,879	22,879		47,579	47,579
Total Cash and Cash Equivalents	<u>67,537</u>	<u>792,473</u>	<u>860,010</u>	<u>39,141</u>	<u>202,248</u>	<u>241,389</u>
Unconditional promises to give to be collected within one year	<u>115,494</u>	<u>1,630</u>	<u>117,124</u>	<u>25,900</u>		<u>25,900</u>
Cash value of life insurance		<u>199,092</u>	<u>199,092</u>		<u>189,764</u>	<u>189,764</u>
Investments:						
Mutual Funds	<u>117,435</u>	<u>703,034</u>	<u>820,469</u>	<u>118,289</u>	<u>1,302,102</u>	<u>1,420,391</u>
Mutual Funds - Permanently restricted		<u>736,163</u>	<u>736,163</u>		<u>749,547</u>	<u>749,547</u>
EFT's\Equities		<u>1,123,033</u>	<u>1,123,033</u>		<u>1,472,487</u>	<u>1,472,487</u>
Total Investments	<u>117,435</u>	<u>2,562,230</u>	<u>2,679,665</u>	<u>118,289</u>	<u>3,524,136</u>	<u>3,642,425</u>
Total Current Assets	<u>300,466</u>	<u>3,555,425</u>	<u>3,855,891</u>	<u>183,330</u>	<u>3,916,148</u>	<u>4,099,478</u>
Fixed assets, net of accumulated depreciation of \$8,105 in 2008 and \$7,751 in 2007	<u>263</u>		<u>263</u>	<u>617</u>		<u>617</u>
Other assets	<u>700</u>		<u>700</u>	<u>700</u>		<u>700</u>
Unconditional promises to give to be collected after one year		<u>2,850</u>	<u>2,850</u>	<u>3,151</u>	<u>7,823</u>	<u>10,974</u>
Total Assets	<u>\$ 301,429</u>	<u>\$ 3,558,275</u>	<u>\$ 3,859,704</u>	<u>\$ 187,798</u>	<u>\$ 3,923,971</u>	<u>\$ 4,111,769</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current Liabilities:						
Grants payable	\$	<u>2,443</u>	<u>2,443</u>	\$	<u>8,273</u>	<u>8,273</u>
Total Liabilities	<u>-0-</u>	<u>2,443</u>	<u>2,443</u>	<u>-0-</u>	<u>8,273</u>	<u>8,273</u>
Net Assets:						
Unrestricted - Undesignated	<u>130,128</u>		<u>130,128</u>	<u>177,574</u>		<u>177,574</u>
Board designated		<u>2,672,674</u>	<u>2,672,674</u>		<u>3,074,645</u>	<u>3,074,645</u>
Total Unrestricted Net Assets	<u>130,128</u>	<u>2,672,674</u>	<u>2,802,802</u>	<u>177,574</u>	<u>3,074,645</u>	<u>3,252,219</u>
Temporarily Restricted	<u>30,893</u>	<u>127,744</u>	<u>158,637</u>	<u>9,585</u>	<u>75,467</u>	<u>85,052</u>
Permanently Restricted	<u>140,408</u>	<u>755,414</u>	<u>895,822</u>	<u>639</u>	<u>765,586</u>	<u>766,225</u>
Total Net Assets	<u>301,429</u>	<u>3,555,832</u>	<u>3,857,261</u>	<u>187,798</u>	<u>3,915,698</u>	<u>4,103,496</u>
Total Liabilities and Net Assets	<u>\$ 301,429</u>	<u>\$ 3,558,275</u>	<u>\$ 3,859,704</u>	<u>\$ 187,798</u>	<u>\$ 3,923,971</u>	<u>\$ 4,111,769</u>

See Independent Auditor's Report