

4/8/2010

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

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2009 and 2008**

4/8/2010

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THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

DECEMBER 31, 2009 and 2008

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4/8/2010

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

Frederick J. Ciaschi, C.P.A.



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**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**
Certified Public Accountants and Consultants

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. (the Foundation) as of December 31, 2009 and 2008, 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 Foundation as December 31, 2009 and 2008, 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, 2009 and 2008 on page 14 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.

_____, 2010
Ithaca, New York

CORTLAND

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

ITHACA

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

WATKINS GLEN

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

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

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and Cash Equivalents:		
Checking and savings	\$ 408,646	\$ 837,131
Money Market Fund	1,194,881	22,879
Total Cash and Cash Equivalents	<u>1,603,527</u>	<u>860,010</u>
Unconditional promises to give to be collected within one year	<u>12,324</u>	<u>117,124</u>
Cash value of life insurance	<u>208,920</u>	<u>199,092</u>
Prepaid expenses	<u>2,276</u>	<u>-0-</u>
Investments:		
Mutual Funds	1,077,181	848,636
Mutual Funds - Permanently restricted	1,259,428	707,996
Exchange Trade Funds	1,562,610	1,123,033
Total Investments	<u>3,899,219</u>	<u>2,679,665</u>
Total Current Assets	<u>5,726,266</u>	<u>3,855,891</u>
Furniture and equipment, net of accumulated depreciation of \$8,368 in 2009 and \$8,105 in 2008	<u>-0-</u>	<u>263</u>
Other assets	<u>700</u>	<u>700</u>
Unconditional promises to give to be collected after one year	<u>8,592</u>	<u>2,850</u>
Total Assets	<u>\$ 5,735,558</u>	<u>\$ 3,859,704</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 1,605	\$ -0-
Grants payable	<u>30,047</u>	<u>2,443</u>
Total Liabilities	<u>31,652</u>	<u>2,443</u>
Net Assets:		
Unrestricted - Undesignated	146,237	130,128
Board designated	<u>3,404,223</u>	<u>2,672,674</u>
Total Unrestricted Net Assets	<u>3,550,460</u>	<u>2,802,802</u>
Temporarily Restricted	<u>61,031</u>	<u>158,637</u>
Permanently Restricted	<u>2,092,415</u>	<u>895,822</u>
Total Net Assets	<u>5,703,906</u>	<u>3,857,261</u>
Total Liabilities and Net Assets	<u>\$ 5,735,558</u>	<u>\$ 3,859,704</u>

See Independent Auditor's Report and Notes to Financial Statements

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

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue:				
Contributions:				
Donor advised	\$ 142,121	\$ 13,090	\$	\$ 155,211
Endowment			1,196,593	1,196,593
Field of interest/designated	37,297			37,297
Operating fund	187,490	27,025		214,515
In-kind contributions				-0-
Total Contributions and Grants	<u>366,908</u>	<u>40,115</u>	<u>1,196,593</u>	<u>1,603,616</u>
Investment Income (Loss):				
Interest and dividends	79,941	14,894		94,835
Unrealized gain (loss) on investments	882,102			882,102
Realized (loss) on investments	(131,446)			(131,446)
Management fee expense - External	(13,216)			(13,216)
Total Investment Income (Loss)	<u>817,381</u>	<u>14,894</u>	<u>-0-</u>	<u>832,275</u>
Other revenue	19,124			19,124
Net assets released from restrictions/reclassification	<u>152,615</u>	<u>(152,615)</u>		<u>-0-</u>
Total Revenue	<u>1,356,028</u>	<u>(97,606)</u>	<u>1,196,593</u>	<u>2,455,015</u>
Expenses:				
Administrative Expenses:				
Payroll	118,164			118,164
Payroll taxes and insurance	10,759			10,759
Office expense/supplies	12,127			12,127
Dues and subscriptions	2,302			2,302
Insurance expense	2,359			2,359
Printing, postage, and publications	8,611			8,611
Telephone	3,237			3,237
Travel and conferences	2,511			2,511
Consulting and professional fees	20,899			20,899
Meetings	1,930			1,930
Advertising	580			580
Rent	14,300			14,300
Equipment and equipment rental	3,622			3,622
Miscellaneous	11,225			11,225
Total Administrative Expenses	<u>212,626</u>	<u>-0-</u>	<u>-0-</u>	<u>212,626</u>
Awards and Grants - Board Designated Funds	306,159			306,159
- Coral Funds	8,445			8,445
- CFTC Funds	52,000			52,000
- Field of Interest Funds	28,877			28,877
Depreciation expense	<u>263</u>			<u>263</u>
Total Expenses	<u>608,370</u>	<u>-0-</u>	<u>-0-</u>	<u>608,370</u>
Increase (Decrease) in Net Assets	747,658	(97,606)	1,196,593	1,846,645
Net Assets, January 1	<u>2,802,802</u>	<u>158,637</u>	<u>895,822</u>	<u>3,857,261</u>
Net Assets, December 31,	<u>\$ 3,550,460</u>	<u>\$ 61,031</u>	<u>\$ 2,092,415</u>	<u>\$ 5,703,906</u>

See Independent Auditor's Report and Notes to Financial Statements

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2008			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 776,940	90,870	\$	\$ 867,810
		129,597	129,597
18,403			18,403
148,072	30,893		178,965
			-0-
<u>943,415</u>	<u>121,763</u>	<u>129,597</u>	<u>1,194,775</u>
82,562	23,836		106,398
(1,021,267)			(1,021,267)
(77,259)			(77,259)
(13,801)			(13,801)
<u>(1,029,765)</u>	<u>23,836</u>	<u>-0-</u>	<u>(1,005,929)</u>
20,021			20,021
72,014	(72,014)		-0-
<u>5,685</u>	<u>73,585</u>	<u>129,597</u>	<u>208,867</u>
108,222			108,222
11,308			11,308
10,448			10,448
2,659			2,659
2,261			2,261
3,380			3,380
3,024			3,024
3,716			3,716
9,010			9,010
4,465			4,465
1,588			1,588
13,925			13,925
3,146			3,146
9,266			9,266
<u>186,418</u>	<u>-0-</u>	<u>-0-</u>	<u>186,418</u>
189,187			189,187
14,330			14,330
54,000			54,000
10,813			10,813
354			354
<u>455,102</u>	<u>-0-</u>	<u>-0-</u>	<u>455,102</u>
(449,417)	73,585	129,597	(246,235)
3,252,219	85,052	766,225	4,103,496
<u>\$ 2,802,802</u>	<u>\$ 158,637</u>	<u>\$ 895,822</u>	<u>\$ 3,857,261</u>

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

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 1,846,645	\$ (246,235)
Reconciliation of increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	263	354
Donated stocks	(4,991)	(15,300)
Unrealized (gain) loss on investments	(882,102)	1,021,267
Loss on sale of investments	131,446	77,259
Decrease (increase) in promises to give	99,058	(83,100)
(Increase) in prepaid expenses	(2,276)	-0-
(Increase) in cash value of life insurance	(9,828)	(9,328)
Increase (decrease) in grants payable	27,604	(5,830)
Increase in accounts payable	1,605	-0-
Net Cash Provided by Operating Activities	<u>1,207,424</u>	<u>739,087</u>
Cash Flows from Investing Activities:		
Purchases of investments	(1,281,142)	(951,124)
Proceeds from sale of investments	817,235	830,658
Net Cash (Used) by Investing Activities	<u>(463,907)</u>	<u>(120,466)</u>
Cash Flows from Financing Activities:	<u>-0-</u>	<u>-0-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	743,517	618,621
Cash and Cash Equivalents at January 1,	<u>860,010</u>	<u>241,389</u>
Cash and Cash Equivalents at December 31,	<u>\$ 1,603,527</u>	<u>\$ 860,010</u>
Supplemental Information:		
Donated stocks	<u>\$ 4,991</u>	<u>\$ 15,300</u>

See Independent Auditor's Report and Notes to Financial Statements

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

Note 1 - Summary of Significant Accounting Policies

Activity

The Community Foundation of Tompkins County, Inc. (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. Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using the risk-free interest rates applicable to the years in which the pledges are expected to be received. Amortization of the discounts is included in contribution income. The Foundation records uncollectible pledges using the direct write off method. During the years ended December 31, 2009 and 2008, \$4,100 and \$0- were written off respectively.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2009 and 2008

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,:

	<u>2009</u>	<u>2008</u>
Total Unconditional Promises to Give to be collected within one year	\$ <u>12,324</u>	\$ <u>117,124</u>
Total Unconditional Promises to Give to be collected after one year:		
The present value of \$2,850, due in 2010, discounted at 3%	-0-	2,850
The present value of \$8,850, due in 2011, discounted at 3%	<u>8,592</u>	<u>-0-</u>
Total to be collected in more than one year	\$ <u>8,592</u>	\$ <u>2,850</u>

Note 3 - Investments

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

	<u>2009</u>		
<u>Investments</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized (Depreciation)</u>
Mutual funds	\$ 2,372,970	\$ 2,336,609	\$ (36,361)
Exchange trade Funds	<u>1,714,842</u>	<u>1,562,610</u>	<u>(152,232)</u>
Total Investments	\$ <u>4,087,812</u>	\$ <u>3,899,219</u>	\$ <u>(188,593)</u>
	<u>2008</u>		
<u>Investments</u>	<u>Cost</u>	<u>Market</u>	<u>Unrealized (Depreciation)</u>
Mutual funds	\$ 2,024,742	\$ 1,566,632	\$ (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>

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2009 and 2008

The Foundation held investment portfolios as follows at December 31,:

		2009		
		Shares	Cost	Market
General Portfolio:				
Mutual funds	Various		\$ 1,098,266	\$ 1,077,181
Exchange trade funds	Various		1,714,842	1,562,610
Money market funds	N/A		<u>1,194,871</u>	<u>1,194,871</u>
Total General Portfolio			<u>4,007,979</u>	<u>3,834,662</u>
Socially Responsible Portfolio:				
Mutual funds	Various		1,274,704	1,259,428
Money market funds	N/A		<u>10</u>	<u>10</u>
Total Socially Responsible Portfolio			<u>1,274,714</u>	<u>1,259,438</u>
Total Investment Portfolios			<u>\$ 5,282,693</u>	<u>\$ 5,094,100</u>

		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		<u>29,967</u>	<u>29,967</u>
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		<u>(7,088)</u>	<u>(7,088)</u>
Total Socially Responsible Portfolio			<u>1,011,181</u>	<u>700,908</u>
Total Investment Portfolios			<u>\$ 3,773,239</u>	<u>\$ 2,702,544</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 - Fair Value Measurements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157 Fair Value Measurements. Effective January 1, 2009, the Foundation adopted SFAS No. 157 which establishes a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are as follows:

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2009 and 2008

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs derived principally from or corroborated observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31,:

<u>Assets at Fair Value at December 31, 2009</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 1,194,881	\$	\$	\$ 1,194,881
Mutual funds	2,336,609			2,336,609
Exchange trade funds	1,562,610			1,562,610
Cash value of life insurance			208,920	208,920
Total	<u>\$ 5,094,100</u>	<u>\$ -0-</u>	<u>\$ 208,920</u>	<u>\$ 5,303,020</u>

<u>Assets at Fair Value at December 31, 2008</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 22,879	\$	\$	\$ 22,879
Mutual funds	1,556,632			1,556,632
Exchange trade funds	1,123,033			1,123,033
Cash value of life insurance			199,092	199,092
Total	<u>\$ 2,702,544</u>	<u>\$ -0-</u>	<u>\$ 199,092</u>	<u>\$ 2,901,636</u>

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets at fair value as of December 31, 2009:

	<u>Cash Value of Life Insurance</u>
Balance at beginning of year	\$ 199,092
Increase in cash value of life insurance	9,828
Balance at End of Year	<u>\$ 208,920</u>

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2009 and 2008

Note 5 - Life Insurance

During the fiscal year ended March 31, 2004, the Foundation 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 \$208,920 and \$199,092 at December 31, 2009 and 2008, 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, 2009 and 2008 was \$420,973 and \$419,643, respectively.

Contributions equal to the premiums of \$7,057 were made by the donor of the policy to the Foundation during the years ended December 31, 2009 and 2008. This amount and the increase in cash value of the policy of \$9,828 and \$9,328 and are included in contribution revenue net of the premium expense of \$7,057 paid by the Foundation during the years ended December 31, 2009 and 2008.

Note 6 - Tompkins Today and Tomorrow Donation

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

Note 7 - Furniture and Equipment

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

		2009		
		Cost	Accumulated Depreciation	Net Book Value
<u>Assets</u>				
Equipment		\$ 8,368	\$ 8,368	\$ -0-
Total		\$ 8,368	\$ 8,368	\$ -0-
		2008		
		Cost	Accumulated Depreciation	Net Book Value
<u>Assets</u>				
Equipment		\$ 8,368	\$ 8,105	\$ 263
Total		\$ 8,368	\$ 8,105	\$ 263

Depreciation expense was \$263 for the year ended December 31, 2009 and \$354 for the year ended December 31, 2008.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2009 and 2008

Note 8 - Net Assets

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

	2009	2008
Unrestricted - Undesignated Net Assets	\$ <u>146,237</u>	\$ <u>130,128</u>
Board Designated Net Assets:		
Donor advised funds	3,315,411	2,598,126
Field of interest	<u>88,812</u>	<u>74,548</u>
Total Board Designated Net Assets	<u>3,404,223</u>	<u>2,672,674</u>
Temporarily Restricted Net Assets:		
Restricted for time Purposes	20,916	119,974
Restricted for Grants	<u>40,115</u>	<u>38,663</u>
Total Temporarily Restricted Net Assets	<u>61,031</u>	<u>158,637</u>
Permanently Restricted Net Assets:		
Restricted for endowment	<u>2,092,415</u>	<u>895,822</u>
Total Permanently Restricted Net Assets	<u>2,092,415</u>	<u>895,822</u>
Total Net Assets	\$ <u>5,703,906</u>	\$ <u>3,857,261</u>

Note 9 - Administrative Fees

During the year ended December 31, 2009 the Foundation charged administrative fees totaling \$42,990. During the year ended December 31, 2008, the Foundation charged administrative fees totaling \$41,208. 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 10 - Operating Lease Commitments

The Foundation has an operating lease commitment for copier equipment which extends through March 31, 2012. In addition to minimum lease obligations, the Foundation may be liable for copies in excess of a minimum number. Rental expense for the copier equipment was \$2,676 for 2009 and \$1,893 for 2008.

Future minimum annual lease obligations under contract after December 31, 2009 are as follows:

Year	Amount
2010	\$ 2,419
2011	2,419
2012	605

Note 11 - 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, 2009 and 2008, rental expense totaled \$13,800 and \$13,800, respectively.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2009 and 2008

Note 12 - Endowment Funds

The Foundation'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 generally accepted accounting principles (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, portions of the Tompkins Today and Tomorrow Fund, the Women's Fund, the Social Justice Fund, and the Bernard Carl and Shirley Rosen Fund. The Board of Directors of the Foundation 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.

In the year 2009, the Foundation had the following endowment related activities:

	Donor- Restricted Endowment Funds	Board- Designated Endowment Funds	Total
Beginning Balance	\$ 755,414	\$ 140,408	\$ 895,822
Interest, dividends and realized gains/(losses)	(677)	(243)	(920)
Unrealized gain	14,733	14,861	29,594
Investment and administrative fees	(1,005)	(247)	(1,252)
Total Investment Gain	13,051	14,371	27,422
Contributions to perpetual endowment	1,196,593		1,196,593
Transfer to Unrestricted Net Assets	(13,051)	(14,371)	(27,422)
Total Change in Endowment Funds	1,196,593	-0-	1,196,593
Ending Balance	\$ 1,952,007	\$ 140,408	\$ 2,092,415

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
DECEMBER 31, 2009 and 2008

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	(9,911)	(253)	(10,164)
Total Investment Gain	(215,369)	3,083	(212,286)
Contributions to perpetual endowment	14,597	115,000	129,597
Transfer from Unrestricted Net Assets	190,600	21,686	212,286
Total Change in Endowment Funds	(10,172)	139,769	129,597
Ending Balance	<u>\$ 755,414</u>	<u>\$ 140,408</u>	<u>\$ 895,822</u>

The Foundation has adopted spending policies for endowment assets that attempt to:

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

Prior to January 31 of each year, the Community Foundation Financial Administration 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 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.

THE COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2009 and 2008

"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 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 Foundation. They shall not participate in the investment pool.

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's balance to fall to or below \$5,000, 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.

Note 13 - Subsequent Event

During 2009, the Foundation received initial payments totaling \$1,167,093, as the result of being named the residual beneficiary of an estate. The remainder of the bequest will be paid to the Foundation upon settlement of the estate, expected during the first quarter of 2010, and upon the sale of property associated with the estate, expected during 2010.

4/8/2010

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

<u>ASSETS</u>	2009			2008		
	Operating Fund	Restricted Funds	Total	Operating Fund	Restricted Funds	Total
Current Assets:						
Cash and Cash Equivalents:						
Checking and savings	\$ 174,537	\$ 234,109	\$ 408,646	\$ 67,537	\$ 769,594	\$ 837,131
Money Market Fund		1,194,881	1,194,881		22,879	22,879
Total Cash and Cash Equivalents	<u>174,537</u>	<u>1,428,990</u>	<u>1,603,527</u>	<u>67,537</u>	<u>792,473</u>	<u>860,010</u>
Unconditional promises to give to be collected within one year	9,394	2,930	12,324	115,494	1,630	117,124
Cash value of life insurance		208,920	208,920		199,092	199,092
Prepaid expenses	2,276		2,276			-0-
Investments:						
Mutual funds	119,776	957,405	1,077,181	117,435	703,034	820,469
Mutual funds - Permanently restricted		1,259,428	1,259,428		736,163	736,163
EFT's/Equities		1,562,610	1,562,610		1,123,033	1,123,033
Total Investments	<u>119,776</u>	<u>3,779,443</u>	<u>3,899,219</u>	<u>117,435</u>	<u>2,562,230</u>	<u>2,679,665</u>
Total Current Assets	<u>305,983</u>	<u>5,420,283</u>	<u>5,726,266</u>	<u>300,466</u>	<u>3,555,425</u>	<u>3,855,891</u>
Furniture and equipment, net of accumulated depreciation of \$8,368 in 2009 and \$8,105 in 2008				263		263
Other assets	700		700	700		700
Unconditional promises to give to be collected after one year	8,592		8,592		2,850	2,850
Total Assets	<u>\$ 315,275</u>	<u>\$ 5,420,283</u>	<u>\$ 5,735,558</u>	<u>\$ 301,429</u>	<u>\$ 3,558,275</u>	<u>\$ 3,859,704</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current Liabilities:						
Accounts payable	\$ 1,605	\$ -0-	\$ 1,605	\$ -0-	\$ -0-	\$ -0-
Grants payable		30,047	30,047		2,443	2,443
Total Liabilities	<u>1,605</u>	<u>30,047</u>	<u>31,652</u>	<u>-0-</u>	<u>2,443</u>	<u>2,443</u>
Net Assets:						
Unrestricted - Undesignated	146,237		146,237	130,128		130,128
Board designated		3,404,223	3,404,223		2,672,674	2,672,674
Total Unrestricted Net Assets	<u>146,237</u>	<u>3,404,223</u>	<u>3,550,460</u>	<u>130,128</u>	<u>2,672,674</u>	<u>2,802,802</u>
Temporarily Restricted	27,025	34,006	61,031	30,893	127,744	158,637
Permanently Restricted	140,408	1,952,007	2,092,415	140,408	755,414	895,822
Total Net Assets	<u>313,670</u>	<u>5,390,236</u>	<u>5,703,806</u>	<u>301,429</u>	<u>3,555,832</u>	<u>3,857,261</u>
Total Liabilities and Net Assets	<u>\$ 315,275</u>	<u>\$ 5,420,283</u>	<u>\$ 5,735,558</u>	<u>\$ 301,429</u>	<u>\$ 3,558,275</u>	<u>\$ 3,859,704</u>

See Independent Auditor's Report