

**TOMPKINS CORTLAND
COMMUNITY COLLEGE**

Dryden, New York

FINANCIAL REPORT

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

TOMPKINS CORTLAND COMMUNITY COLLEGE
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INDEPENDENT AUDITOR'S REPORT

College Board of Trustees
Tompkins Cortland Community College
Dryden, New York

We have audited the accompanying financial statements of Tompkins Cortland Community College and the discretely presented component units, as of and for the years ended August 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Tompkins Cortland Community College's management. Our responsibility is to express opinions 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 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 audits 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Tompkins Cortland Community College and the discretely presented component units as of August 31, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

During the year ended August 31, 2009, Tompkins Cortland Community College changed its method of accounting for other postemployment benefits in accordance with requirements of Governmental Accounting Standards Board (GASB) Statement Number 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions."

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2010 on our consideration of Tompkins Cortland Community College's internal control over financial reporting and 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information on pages 35 to 41 is presented for purposes of additional analysis and is not a required part of the financial statements of Tompkins Cortland Community College. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Tompkins Cortland Community College. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Linchi, Dietershagen, Little, Minkler & Company, CP

January 5, 2010
Ithaca, New York

TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Tompkins Cortland Community College (TC3) is a two-year postsecondary institution, offering A.A., A.S., and A.A.S. degrees as well as certificate programs of study. TC3 also offers many noncredit courses and training programs through its Business Development and Training Center. Founded in 1968, TC3 is a part of the State University of New York (SUNY) and serves the counties of Tompkins and Cortland.

The following management's discussion and analysis (MD&A) provides a comprehensive overview of TC3's financial position as of August 31, 2009, 2008, and 2007, and the results of its operations for the years then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the College, which directly follow the MD&A.

Overview of the Basic Financial Statements

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, a Statement of Cash Flows, and accompanying notes. These statements provide information on the financial position of the College and the financial activity and results of its operations during the year. A description of those statements follows:

The **Statement of Net Assets** presents information on all of the College's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

The **Statement of Revenues, Expenses, and Changes in Net Assets** presents information showing the change in the College's net assets during the most recent multi-year statements. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods. For example, the receipt of amounts due from students, or the payment accrued for accumulated vacation days.

The **Statement of Cash Flows** provides information on the major sources and uses of cash during each reported year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing, and investing activities. In each of these areas, cash flows in and out are presented for each major activity of the College. For the year ended August 31, 2009, total cash increased by \$352,664, whereas in the prior year, total cash increased by \$16,417. These changes in cash occurred primarily due to the timing of the receipt of revenues and payment of expenses.

There is also a reconciliation at the bottom of the Statement of Cash Flows - net cash used by operating activities. This shows how an operating (loss) on an accrual basis of \$(24,587,363) in 2009 and \$(21,572,816) in 2008 from the Statement of Revenues, Expenses, and Changes in Net Assets is converted to net cash used by operating activities of \$(20,166,651) for 2009 and \$(21,108,553) for 2008.



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Component units: During the year ended August 31, 2004, the College implemented GASB Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement Number 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the significance of their relationship with the College. The decision to include potential component units in the College's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on these criteria the College includes two separate legal entities in its report - the Tompkins Cortland Community College Foundation, Inc. and the Faculty Student Association of Tompkins Cortland Community College. Although legally separate, these organizations are reported as discrete component units. Complete financial statements for both component units can be obtained from the Tompkins Cortland Community College's administrative office at 170 North Street, Dryden, NY 13053.

Financial Highlights

Resources

In the past year, TC3's core enrollment increased 5.1%; however, we had a total enrollment increase of about 6.1%. The increase in 2008-2009 is attributable to a growing enrollment in the College's Disney Global programs. Total full-time equivalent (FTE) students were 3,626 in 2008-2009 versus 3,451 in 2007-2008, and 3,189 in 2006-2007.

Efforts have been made to create a year-round recruiting and admissions process to meet our enrollment management goals. TC3 continues to improve its residence life program; there are currently 814 beds available for students to live in on-campus suites.

Funding for community colleges in New York State is a partnership between the state government, local government (Counties), and the student. In theory, the three partners would share equally. Total state operating aid increased by 7.77% over last year. This is due to a prior year enrollment increase (because state operating aid is based on prior year enrollment). The percentage of state operating aid compared to our total operating budget has been hovering around 30%. Ideally, state aid would be at least 33% of our total operating revenues.

Local support includes the support of our sponsoring counties, nonresident tuition, and billings to other counties in New York State for residents attending TC3. Total local support increased 9.2% over last year. The increase in local support is attributable to the increase in billings to other counties. Nonresident tuition increased due to an increase in enrollment from other counties. As a percent of total unrestricted operating revenue, the local share has increased 0.27% from 22.43% in 2008-2009 to 22.7% in 2009-2010. The local share in 2007-2008 was 22.25% of total unrestricted operating revenue.

Student tuition revenue grew 9.7% in the past year. As a percent of our total budget, student revenues have increased to 48.1% in 2008-2009, from 47.8% in 2007-2008 and 46.4% in 2006-2007.

Expenses

Total spending for unrestricted College operations has increased 8.4% from fiscal year 2006-2007 to fiscal year 2007-2008, and 7.8% from fiscal year 2007-2008 to fiscal year 2008-2009. As a percentage of total spending, costs for personnel have remained constant, while fringe benefit costs have increased. Looking at spending by functional area, the most notable change is in instruction, due to the College's initiatives to enhance academic programming.

During the year ended August 31, 2009, the College received an actuarial valuation of its retiree medical insurance liability in accordance with the adoption of Governmental Accounting Standards Board (GASB) Statement Number 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." The College's annual required contribution (ARC) for 2009 was \$1,416,469. However, the College's expected employer contributions totaled \$305,037 during the current fiscal year, resulting in a net liability of \$1,111,432 for the remaining portion of the ARC.



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Statement of Net Assets

The statement of net assets presents the financial position of the College as of August 31,:

ASSETS	2009	2008	2007 As restated
Current Assets	\$ 9,020,511	\$ 9,269,789	\$ 8,915,166
Capital Assets	51,494,385	50,820,197	45,883,736
Other Noncurrent Assets	2,016,626	692,356	5,656,520
Total Assets	\$ 62,531,522	\$ 60,782,342	\$ 60,455,422
LIABILITIES	2009	2008	2007
Current Liabilities	\$ 11,041,847	\$ 8,001,768	\$ 8,771,759
Long-term Liabilities	33,620,495	30,571,846	31,647,339
Total Liabilities	\$ 44,662,342	\$ 38,573,614	\$ 40,419,098
NET ASSETS	2009	2008	2007 As restated
Invested in Capital Assets, net of related debt	\$ 15,303,513	\$ 19,172,857	\$ 13,396,592
Restricted for Capital Projects	2,590,135	2,524,430	6,344,565
Unrestricted	(24,468)	511,441	295,167
Total Net Assets	\$ 17,869,180	\$ 22,208,728	\$ 20,036,324

As of August 31, 2009, the College had a total of \$9,020,511 in current assets, \$11,041,847 in current liabilities, \$53,511,011 in noncurrent assets, \$33,620,495 in noncurrent liabilities, and \$17,869,180 in total net assets. Total liabilities increased in 2009 primarily due to the issuance of additional long-term debt and the adoption of GASB 45.

Current Assets and Liabilities

Current assets are comprised of cash, accounts receivable, and prepaid expenses. Accounts receivable includes amounts due from students, other agencies, and other governments. Current liabilities include accounts payable, accrued liabilities, deferred revenue, and the current portion (due within one year) of long-term liabilities.

Accounts payable are amounts due to vendors and other agencies. Accrued liabilities include accrued payroll, payroll taxes, and other payroll related liabilities, such as accumulated vacation. Deferred revenue represents tuition and grant awards received in advance.

Capital Assets, Net

Depreciation expense on capital assets for the years ended August 31, 2009, 2008, and 2007 was \$2,165,093, \$1,834,685, and \$1,365,185, respectively.



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

A summary of changes in capital assets, by major classification, and accumulated depreciation is as follows:

2009				
<u>Category</u>	Balance September 1,	Additions	Deletions	Balance August 31,
Land	\$ 70,993	\$	\$	\$ 70,993
Land Improvements	3,681,539			3,681,539
Buildings	30,519,468			30,519,468
Building Improvements	19,617,670	12,179,697		31,797,367
Construction in Progress	10,247,119	73,853	(10,247,119)	73,853
Equipment, Furnishings, and Library Books	4,826,802	832,850	(55,974)	5,603,678
Total	<u>\$ 68,963,591</u>	<u>\$ 13,086,400</u>	<u>\$ (10,303,093)</u>	71,746,898
Less accumulated depreciation at August 31, 2009				<u>(20,252,513)</u>
				Net value of capital assets <u>\$ 51,494,385</u>

2008				
<u>Category</u>	Balance September 1,	Additions	Deletions	Balance August 31,
Land	\$ 70,993	\$	\$	\$ 70,993
Land Improvements	3,438,314	243,225		3,681,539
Buildings	12,499,460	18,020,008		30,519,468
Building Improvements	17,088,416	2,529,254		19,617,670
Construction in Progress	24,856,000		(14,608,881)	10,247,119
Equipment, Furnishings, and Library Books	4,383,102	587,539	(143,839)	4,826,802
Total	<u>\$ 62,336,285</u>	<u>\$ 21,380,026</u>	<u>\$ (14,752,720)</u>	68,963,591
Less accumulated depreciation at August 31, 2008				<u>(18,143,394)</u>
Net value of capital assets				<u>\$ 50,820,197</u>

2007				
<u>Category</u>	Balance September 1,	Additions	Deletions	Balance August 31,
Land	\$ 70,993	\$	\$	\$ 70,993
Land Improvements	1,764,385	1,673,929		3,438,314
Buildings	12,499,460			12,499,460
Building Improvements	17,088,416			17,088,416
Construction in Progress	8,911,018	15,944,982		24,856,000
Equipment, Furnishings, and Library Books	4,050,856	566,322	(234,076)	4,383,102
Total	<u>\$ 44,385,128</u>	<u>\$ 18,185,233</u>	<u>\$ (234,076)</u>	62,336,285
Less accumulated depreciation at August 31, 2007				<u>(16,452,549)</u>
Net value of capital assets				<u>\$ 45,883,736</u>



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Other Noncurrent Assets

Other noncurrent assets, exclusive of capital assets, represent restricted cash and deposits held on behalf of the College. Deposits held on behalf of the College represent debt proceeds held by New York State for the purpose of funding capital projects at TC3. Funds held by the Dormitory Authority of New York State (DASNY) and County sponsors amounted to \$1,913,990 at August 31, 2009, \$481,239 at August 31, 2008, and \$5,471,939 at August 31, 2007.

The DASNY issues bonds to fund the 50% State share of the College's approved capital projects. The College, on a reimbursement basis, requests cash proceeds from the bonded debt as construction costs are paid. The College records remaining cash as funds on deposit with trustee. A similar process occurs for the 50% share of sponsor costs of capital projects. Tompkins County acts as the lead agency for the majority of local borrowing on TC3's behalf.

Noncurrent Liabilities

Noncurrent liabilities consist of the long-term portion of debt related to College facilities, long-term contractual obligations and other postemployment benefits payable. Included in long-term debt are obligations of the State of New York and Sponsoring Counties. A summary of changes in capital debt is as follows:

CHANGES IN CAPITAL DEBT	8/31/08	Additions	Deletions	8/31/09
Bonds Payable	\$ 31,723,434	\$ 2,835,543	\$ (1,102,338)	\$ 33,456,639
Unamortized deferred amount on refunding	(76,094)		10,327	(65,767)
Total Capital Debt	<u>\$ 31,647,340</u>	<u>\$ 2,835,543</u>	<u>\$ (1,092,011)</u>	33,390,872
Less Current Portion				<u>(1,156,809)</u>
Long-term Portion				<u>\$ 32,234,063</u>
CHANGES IN CAPITAL DEBT	8/31/07	Additions	Deletions	8/31/08
Bonds Payable	\$ 32,574,501	\$	\$ (851,067)	\$ 31,723,434
Unamortized deferred amount on refunding	(87,357)		11,263	(76,094)
Total Capital Debt	<u>\$ 32,487,144</u>	<u>\$ -0-</u>	<u>\$ (839,804)</u>	31,647,340
Less Current Portion				<u>(1,075,494)</u>
Long-term Portion				<u>\$ 30,571,846</u>
CHANGES IN CAPITAL DEBT	8/31/06	Additions	Deletions	8/31/07
Bonds Payable	\$ 20,177,323	\$ 12,968,110	\$ (570,932)	\$ 32,574,501
Unamortized deferred amount on refunding	(99,720)		12,363	(87,357)
Total Capital Debt	<u>\$ 20,077,603</u>	<u>\$ 12,968,110</u>	<u>\$ (558,569)</u>	32,487,144
Less Current Portion				<u>(839,805)</u>
Long-term Portion				<u>\$ 31,647,339</u>

Additional information related to the College's other long-term liabilities is included in the Notes to Financial Statements.



TOMPKINS CORTLAND COMMUNITY COLLEGE
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

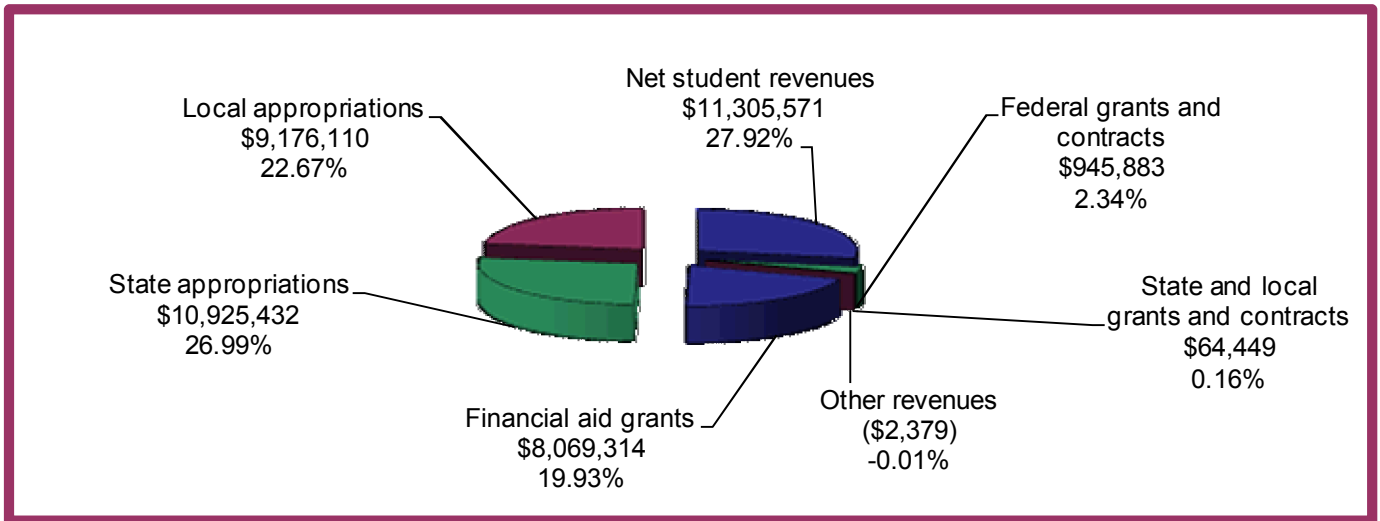
Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents TC3's results of operations. Operating revenues totaled \$12,313,524 in 2009, \$11,301,845 in 2008 and \$10,125,924 in 2007. Nonoperating revenues totaled \$28,170,856 in 2009, \$25,291,853 in 2008, and \$22,735,789 in 2007. Total revenues were \$40,484,380 in 2009, \$36,593,698 in 2008, and 32,861,713 in 2007. Operating expenses totaled \$36,900,887 in 2009, \$32,874,661 in 2008, and \$29,949,629 in 2007. Nonoperating expenses totaled \$5,182,157 in 2009, \$4,486,381 in 2008, and \$3,643,597 in 2007. Total expenses were \$42,083,044 in 2009, \$37,361,042 in 2008, and \$33,593,226 in 2007. Net capital (expenses) revenue totaled \$(2,740,884) in 2009, \$2,939,748 in 2008, and \$1,276,639 in 2007. The net effect of current year revenues and expenses resulted in a decrease of \$(4,339,548) in total net assets in 2009 compared to increases in total net assets of \$2,172,404 in 2008 and \$545,126 in 2007.

Revenue Overview

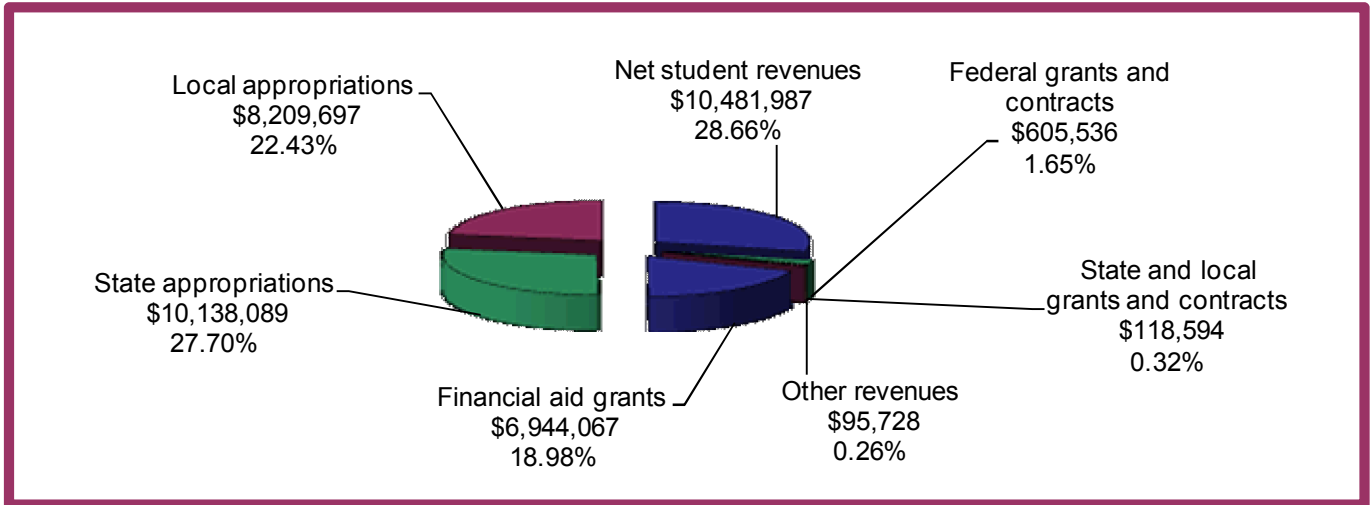
The following charts depict revenue proportions:

2008-2009 REVENUES

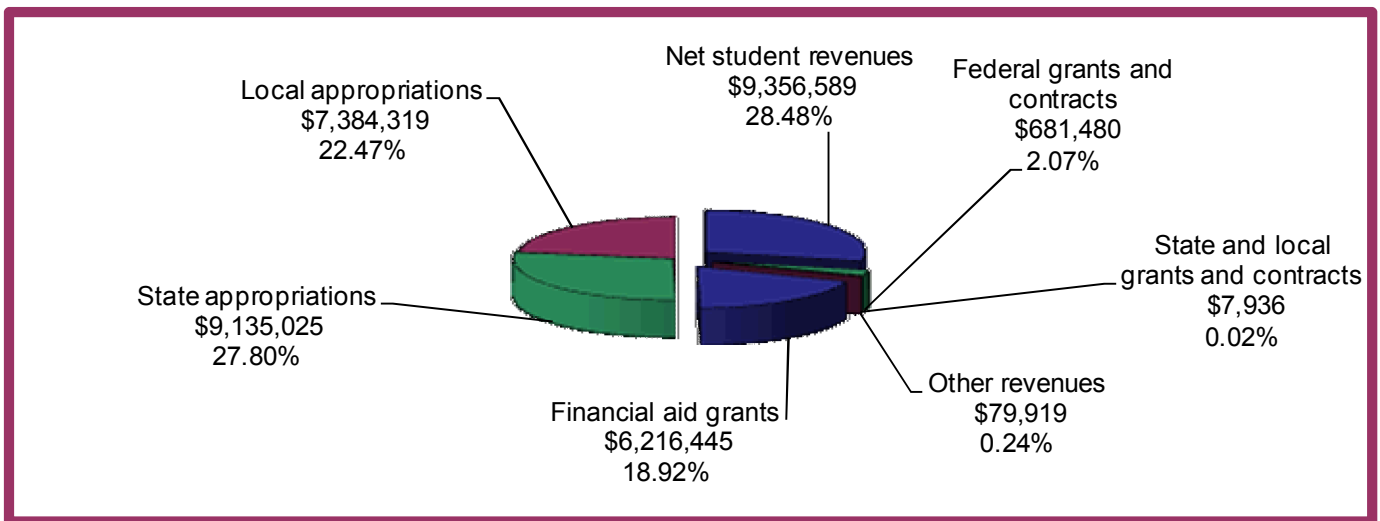


TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

2007-2008 REVENUES



2006-2007 REVENUES



Tuition and Fees

Gross student tuition and fee charges amounted to \$15,814,002, \$14,419,283 and \$12,875,380 for the years ended August 31, 2009, 2008, and 2007, respectively. Tuition and fees are displayed net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship allowances represent student tuition and fees that are paid using grants and scholarships. These grants and scholarships are initially distributed to TC3 until student eligibility is determined, at which time funds are applied to pay tuition and fee charges.



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Grants and Contracts

Federal grants and contracts (\$945,883 in 2009; \$605,536 in 2008; and \$681,480 in 2007) and state and local grants and contracts (\$64,449 in 2009; \$118,594 in 2008; and \$7,936 in 2007) represent temporarily restricted funds received by the College. Such funds are used for academic programs, equipment, and other academic support.

Nonoperating Revenues

Financial aid grants represent federal and state grants used for student grants and scholarships.

State appropriations are listed in two categories: operating aid and debt service. Operating aid represents the amount TC3 receives through SUNY for purposes of supporting College operations. Debt service is the amount New York State pays in principal and interest on behalf of TC3 for debt issued by DASNY.

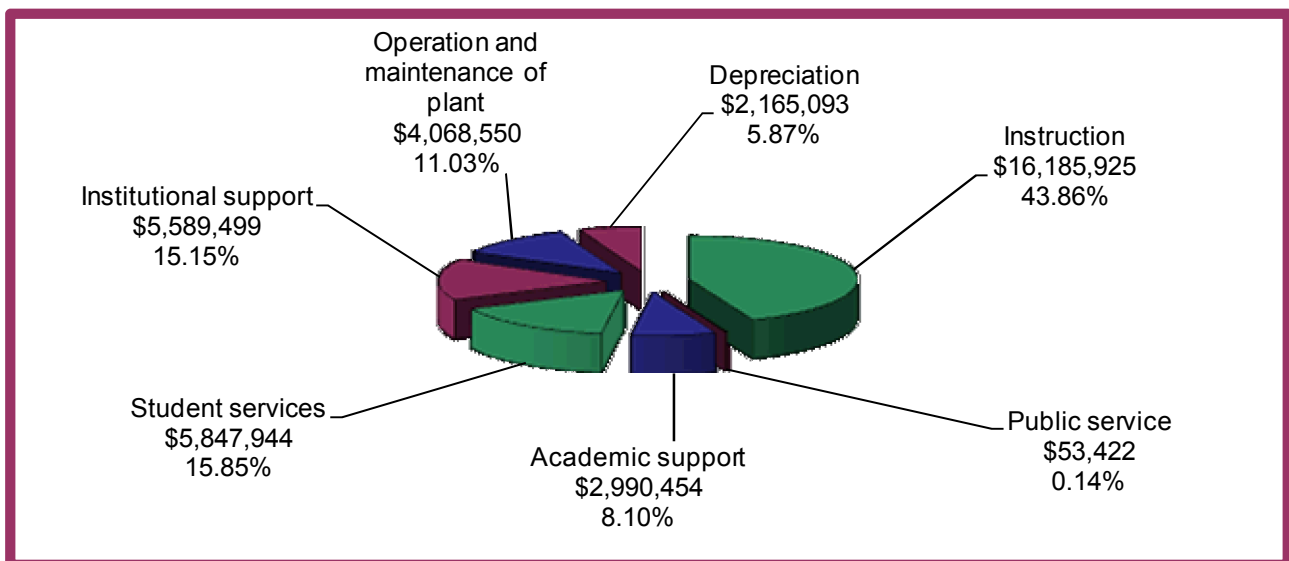
Local government appropriations are presented similarly as state appropriations. Operating aid represents funds paid by the two sponsoring counties as well as other counties in New York State to support the operations of the College. Debt service is the amount Tompkins and Cortland Counties pay in principal and interest on behalf of TC3 for debt issued by Tompkins and Cortland Counties.

Expense Overview

Expenses are displayed in the Statement of Revenues, Expenses, and Changes in Net Assets in three categories: operating expenses, nonoperating expenses, and capital expenses. Operating expenses are displayed by functional areas of the College, with the exception of depreciation expense, which is a line item.

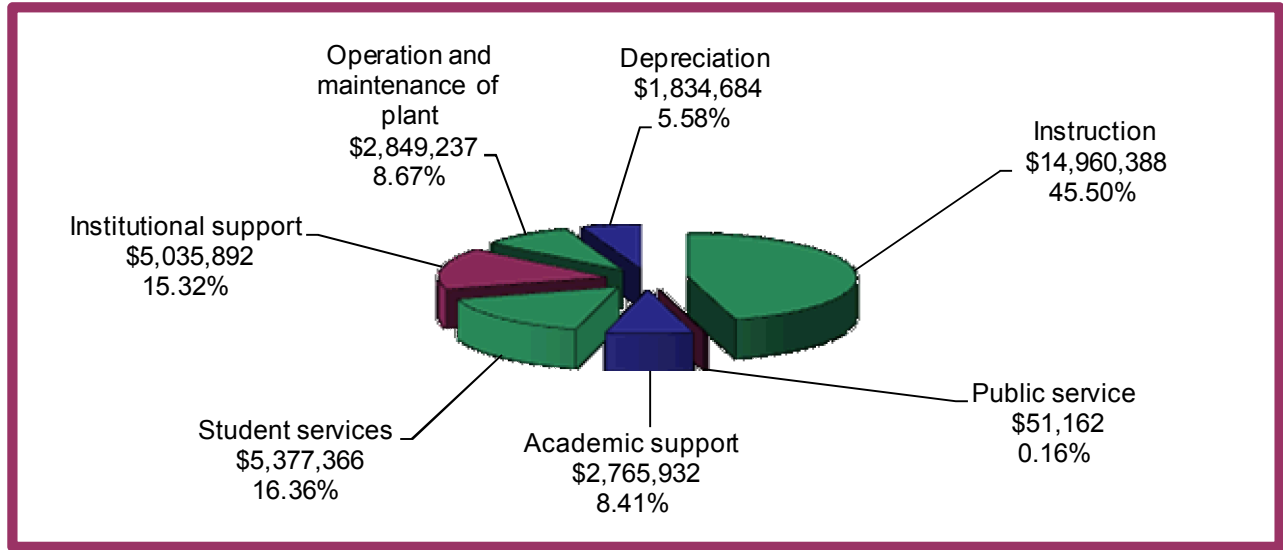
The following charts depict operating expenses by functional area:

2008-2009 OPERATING EXPENSES

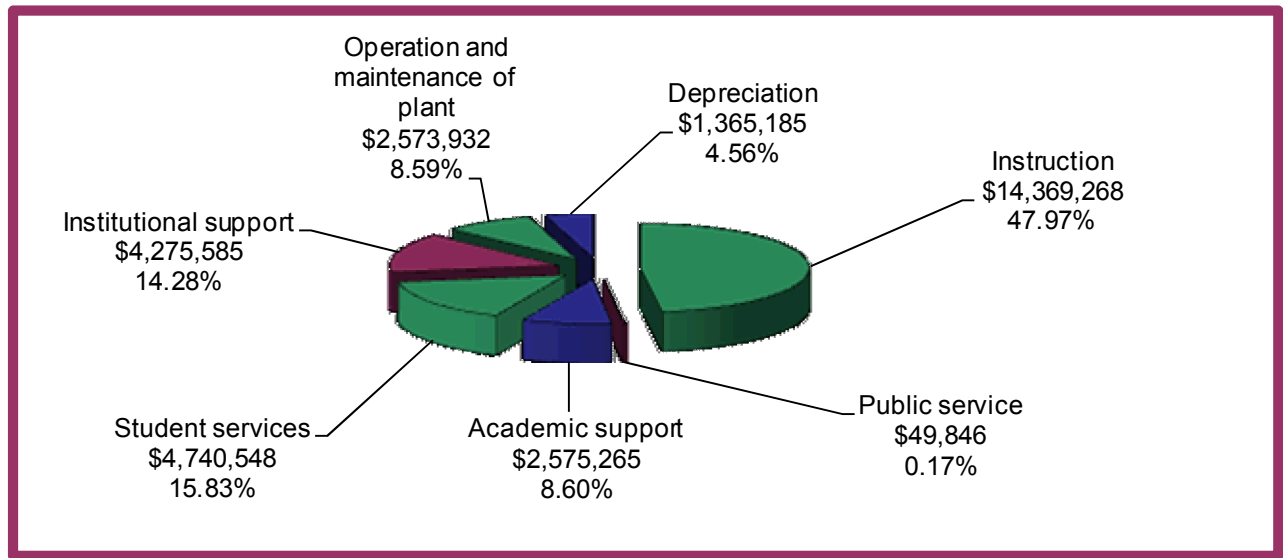


TOMPKINS CORTLAND COMMUNITY COLLEGE
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (CONTINUED)
 FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

2007-2008 OPERATING EXPENSES



2006-2007 OPERATING EXPENSES



TOMPKINS CORTLAND COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Operating Expenses

As indicated previously, operating expenses are displayed in the following functional categories:

- ◆ **Instruction** includes activities related to the direct provision of instructional services.
- ◆ **Public Service** reflects activities related to offering services to the general public, such as community use of campus facilities.
- ◆ **Academic Support** includes instructional support services such as the library and academic computing labs.
- ◆ **Student Services** include other student support services offered by the College including counseling and career services, financial aid, and student activities.
- ◆ **Institutional Support** represents all administrative support functions such as budget and finance, personnel, and administrative computing.
- ◆ **Operation and Maintenance of Plant** includes all building and grounds functions such as cleaning, snow removal, and utilities.

Other Expenses

Student Aid represents the amount of grants and scholarships distributed to students in excess of their tuition and fee charges. Interest on capital asset related debt represents interest payments on outstanding debt. Capital expenses are items purchased with capital dollars that do not meet capitalization requirements and are, therefore, shown as an expense.

Looking Forward

Creating additional instructional space has been critical for TC3 given the enrollment growth we have seen. During the summer of 2009, a major investment in expanding our dining facility, as well as the construction of nine new classrooms, was done to accommodate growth in enrollment. The completion of two additional residence halls also is a contributing factor to a large increase in Fall 2009 enrollment. We expect that growth to continue at a rate of approximately 4% per year in the next five years. In 2010-11 we will undertake a new Master Plan for the College that will guide capital investments for the next five to ten years. Along with core enrollment growth, our Global initiatives continue to be strong.

Along with our increase in enrollment, a broad range of Student Success initiatives currently underway will continue to bring improvement to our retention rates.

Employment growth at the College will not be at the same level as enrollment growth due to expected slower revenue increases from State and County governments. This will continue to challenge us to sustain our excellent services to students making those process changes that will help us all work more effectively and efficiently.

Contact the College's Financial Management

This financial report is designed to provide a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Budget and Finance, Tompkins Cortland Community College, at PO Box 139, Dryden, NY 13053.



TOMPKINS CORTLAND COMMUNITY COLLEGE
STATEMENTS OF NET ASSETS
AUGUST 31,

	2009	2008
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 4,657,459	\$ 4,196,314
Accounts receivable, net of allowance for uncollectible accounts	4,134,053	4,951,700
Other assets	228,999	121,775
Total Current Assets	9,020,511	9,269,789
Noncurrent Assets:		
Cash and cash equivalents restricted for grants	102,636	211,117
Deposits held by DASNY	1,913,990	481,239
Capital assets:		
Nondepreciable capital assets	144,846	10,318,112
Depreciable capital assets, net	51,349,539	40,502,085
Total Noncurrent Assets	53,511,011	51,512,553
Total Assets	\$ 62,531,522	\$ 60,782,342
<u>LIABILITES</u>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 3,890,392	\$ 3,837,212
Deferred revenue	3,469,646	3,089,062
Bond Anticipation Notes payable	2,500,000	-0-
Long-term liabilities - Current portion:		
Bonds payable	1,156,809	1,075,494
Contractual obligations payable	25,000	-0-
Total Current Liabilities	11,041,847	8,001,768
Noncurrent Liabilities:		
Long-term liabilities - Noncurrent portion:		
Bonds payable	32,234,063	30,571,846
Contractual obligations payable	275,000	-0-
Other postemployment benefits payable - GASB 45	1,111,432	-0-
Total Noncurrent Liabilities	33,620,495	30,571,846
Total Liabilities	44,662,342	38,573,614
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	15,303,513	19,172,857
Restricted for capital projects	2,590,135	2,524,430
Unrestricted	(24,468)	511,441
Total Net Assets	17,869,180	22,208,728
Total Liabilities and Net Assets	\$ 62,531,522	\$ 60,782,342

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY
COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
(DISCRETELY PRESENTED COMPONENT UNIT)
AUGUST 31,

ASSETS

	2009	2008
Current Assets:		
Cash and cash equivalents	\$ 1,874,793	\$ 1,626,985
Funds on deposit with Trustees	3,144,465	5,065,349
Total Cash and Cash Equivalents	5,019,258	6,692,334
Accounts receivable	17,535	26,947
Due from TC3 - Student housing fees, less allowance for uncollectible housing accounts of \$160,486 for 2009 and \$168,432 for 2008	2,867,716	1,725,847
Promises to give, less allowance for uncollectible accounts of \$15,216 for 2009 and \$15,217 for 2008	258,075	252,604
Computer loans receivable	5,700	9,782
Assets held for sale, net realizable value	-0-	305,500
Other assets	175,094	181,374
Total Current Assets	8,343,378	9,194,388
Investments - Investment management account	4,790,596	15,230,771
Investments - Life insurance	23,956	23,883
Promises to give - Long-term	301,806	475,740
Fixed assets, net of accumulated depreciation of \$5,990,695 in 2009 and \$4,864,286 in 2008	34,395,480	20,931,703
Capitalized closing costs, net of accumulated amortization of \$88,841 in 2009 and \$52,236 in 2008	988,935	1,025,540
Total Assets	\$ 48,844,151	\$ 46,882,025

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 1,106,265	\$ 115,324
Due to TC3 Faculty Student Association	57,210	53,799
Due to TC3	328,328	297,195
Deferred revenue	2,493,644	1,473,820
Security deposits	229,713	160,282
Notes payable - Current	62,414	50,116
Bonds payable - Current	535,000	505,000
Total Current Liabilities	4,812,574	2,655,536
Long-term Liabilities:		
Interest rate swap accumulated loss	3,032,953	1,324,412
Notes payable - Long-term	2,473,610	2,541,585
Bonds payable - Long-term	32,065,000	32,600,000
Total Long-term Liabilities	37,571,563	36,465,997
Total Liabilities	42,384,137	39,121,533

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY
COLLEGE FOUNDATION, INC.
(DISCRETELY PRESENTED COMPONENT UNIT)
STATEMENTS OF FINANCIAL POSITION
(CONTINUED)
AUGUST 31,

Unrestricted Net Assets:		
Board Designated Endowment	\$ 1,000	\$ 1,000
Board Designated Cortland Extension Reserve	25,000	25,000
Board Designated Housing Reserve	125,000	125,000
Undesignated	<u>(1,221,434)</u>	<u>505,878</u>
Total Unrestricted Net Assets	<u>(1,070,434)</u>	<u>656,878</u>
Temporarily Restricted Net Assets:		
Endowment funds	418,674	747,985
Expendable - Scholarship, loan, award, grant, and program funds	<u>2,396,069</u>	<u>2,655,443</u>
Total Temporarily Restricted Net Assets	<u>2,814,743</u>	<u>3,403,428</u>
Permanently Restricted Net Assets:		
Land and classical record collection	29,200	29,200
Endowment funds	<u>4,686,505</u>	<u>3,670,986</u>
Total Permanently Restricted Net Assets	<u>4,715,705</u>	<u>3,700,186</u>
Total Net Assets	<u>6,460,014</u>	<u>7,760,492</u>
Total Liabilities and Net Assets	<u>\$ 48,844,151</u>	<u>\$ 46,882,025</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY COLLEGE
FACULTY STUDENT ASSOCIATION OF
TOMPKINS CORTLAND COMMUNITY COLLEGE, INC. (DISCRETELY PRESENTED COMPONENT UNIT)
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and Cash Equivalents:		
Demand deposits and cash on hand	\$ 104,903	\$ 6,185
Money market accounts	<u>479,257</u>	<u>340,193</u>
Total Cash and Cash Equivalents	<u>584,160</u>	<u>346,378</u>
Accounts Receivable:		
Due from Tompkins Cortland Community College Foundation	89,718	42,596
Bookstore commissions	10,978	10,338
Due from Tompkins Cortland Community College	4,184	25,266
Child care grants	4,712	9,012
Other	<u>12,993</u>	<u>10,595</u>
Total Accounts Receivable	<u>122,585</u>	<u>97,807</u>
Investments, at fair value	<u>271,598</u>	<u>398,048</u>
Prepaid expenses	<u>19,232</u>	<u>16,493</u>
Inventory, at cost	<u>1,358</u>	<u>2,664</u>
Total Current Assets	998,933	861,390
Equipment, net of accumulated depreciation	<u>43,584</u>	<u>45,471</u>
Total Assets	<u>\$ 1,042,517</u>	<u>\$ 906,861</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 33,920	\$ 18,334
Due to Tompkins Cortland Community College	53,613	5,629
Accrued payroll and payroll benefits	61,904	46,305
Accrued vacation benefits	70,551	42,678
Deferred revenue	<u>44,437</u>	<u>50,737</u>
Total Current Liabilities	<u>264,425</u>	<u>163,683</u>
Net Assets:		
Unrestricted:		
Undesignated	444,208	386,464
Designated for clubs, athletics, and open recreation	40,541	43,736
Designated for building improvements	33,823	33,823
Designated for fitness center	71,911	77,057
Designated for inventory	159,568	159,568
Designated for Health Center	19,898	36,487
Designated for One Card	<u>8,143</u>	<u>6,043</u>
Total Unrestricted Net Assets	<u>778,092</u>	<u>743,178</u>
Total Liabilities and Net Assets	<u>\$ 1,042,517</u>	<u>\$ 906,861</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31,

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Operating Revenues:		
Student tuition and fees	\$ 15,814,002	\$ 14,419,283
Less scholarship allowances	<u>(4,508,431)</u>	<u>(3,937,296)</u>
Net Student Revenues	11,305,571	10,481,987
Federal grants and contracts	945,883	605,536
State and local grants and contracts	64,449	118,594
Other operating revenue	<u>(2,379)</u>	<u>95,728</u>
Total Operating Revenues	<u>12,313,524</u>	<u>11,301,845</u>
<u>EXPENSES</u>		
Operating Expenses:		
Instruction	16,185,925	14,960,388
Public service	53,422	51,162
Academic support	2,990,454	2,765,932
Student services	5,847,944	5,377,366
Institutional support	5,589,499	5,035,892
Operation and maintenance of plant	4,068,550	2,849,237
Depreciation	<u>2,165,093</u>	<u>1,834,684</u>
Total Operating Expenses	<u>36,900,887</u>	<u>32,874,661</u>
Operating (Loss)	<u>(24,587,363)</u>	<u>(21,572,816)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Student aid:		
Financial aid grants	8,069,314	6,944,067
Student aid	<u>(3,545,645)</u>	<u>(2,992,052)</u>
State Appropriations:		
Operating aid	9,425,953	8,690,946
Debt service	1,499,479	1,447,143
Local Government Appropriations:		
Operating aid	7,936,739	7,311,444
Debt service	1,239,371	898,253
Interest on capital asset related debt	<u>(1,636,512)</u>	<u>(1,494,329)</u>
Net Nonoperating Revenues	<u>22,988,699</u>	<u>20,805,472</u>
(Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(1,598,664)</u>	<u>(767,344)</u>
Capital activity, net	<u>(2,740,884)</u>	<u>2,939,748</u>
Total Other Revenues, Expenses, Gains, or Losses	<u>(2,740,884)</u>	<u>2,939,748</u>
(Decrease) Increase in Net Assets	(4,339,548)	2,172,404
<u>NET ASSETS</u>		
Net Assets - Beginning of Year	<u>22,208,728</u>	<u>20,036,324</u>
Net Assets - End of Year	<u>\$ 17,869,180</u>	<u>\$ 22,208,728</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY COLLEGE
TOMPKINS CORTLAND COMMUNITY COLLEGE FOUNDATION, INC.
(DISCRETELY PRESENTED COMPONENT UNIT)
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31,

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Other Support:				
Contributions	\$ 48,610	\$ 68,555	\$ 1,015,519	\$ 1,132,684
Non-cash contributions				-0-
Miscellaneous	6,612			6,612
Interest and dividends	255,303	123,939		379,242
Realized (loss) gain on custodial investments	(109,156)	(433,081)		(542,237)
Unrealized gain (loss) on custodial investments	152,052	(161,479)		(9,427)
(Loss) on interest rate swap	(1,708,541)			(1,708,541)
Building and classroom rental	56,356			56,356
Student housing revenue	3,717,256			3,717,256
Ithaca Extension Center revenue	670,690			670,690
Contribution of services	506,700			506,700
In-kind contributions	5,563	7,500		13,063
Net assets reclassified due to investment losses	(215,030)	215,030		-0-
Net assets released from restrictions:				
Satisfaction of donor restrictions	409,149	(409,149)		-0-
Total Revenues and Other Support	<u>3,795,564</u>	<u>(588,685)</u>	<u>1,015,519</u>	<u>4,222,398</u>
Expenses:				
Operating Expenses:				
Advertising				-0-
Audit and legal fees	9,650			9,650
Donor cultivation	966			966
Dues and subscriptions	529			529
Filing fees	575			575
Flowers	122			122
Food	3,519			3,519
Insurance	1,009			1,009
Investment account fees	30,649			30,649
Major gifts and planned giving	3,607			3,607
Office supplies	64			64
Other expenses	21,082			21,082
In-kind fundraising	117,115			117,115
In-kind administrative	389,585			389,585
Photography	1,031			1,031
Postage	8,517			8,517
Printing	21,810			21,810
Property maintenance	2,341			2,341
Service Tradition				-0-
Travel and training	17,783			17,783
Total Operating Expenses	<u>629,954</u>	<u>-0-</u>	<u>-0-</u>	<u>629,954</u>
Other Expenses:				
Cortland Extension Center	30,476			30,476
Ithaca Extension Center	691,962			691,962
Grants, scholarships, and awards	136,790			136,790
Student housing	3,757,049			3,757,049
Support for TC3	24,440			24,440
Support for TC3 capital project	250,000			250,000
Annual Campaign	2,205			2,205
Total Expenses	<u>5,522,876</u>	<u>-0-</u>	<u>-0-</u>	<u>5,522,876</u>
CHANGE IN NET ASSETS	(1,727,312)	(588,685)	1,015,519	(1,300,478)
Net Assets, September 1,	<u>656,878</u>	<u>3,403,428</u>	<u>3,700,186</u>	<u>7,760,492</u>
Net Assets, August 31,	<u>\$ (1,070,434)</u>	<u>\$ 2,814,743</u>	<u>\$ 4,715,705</u>	<u>\$ 6,460,014</u>

See Independent Auditor's Report and Notes to Financial Statements

2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	61,607	\$ 173,422	\$ 1,920,244	\$ 2,155,273
	52,474	214,887		267,361
	14,031			14,031
	292,800	128,757		421,557
	26,764	1,371		28,135
	(155,721)	(219,275)		(374,996)
	(810,915)			(810,915)
	54,450			54,450
	3,431,715			3,431,715
	633,173			633,173
	456,996			456,996
	3,000	7,500		10,500
				-0-
	<u>132,093</u>	<u>(132,093)</u>		<u>-0-</u>
	4,192,467	174,569	1,920,244	6,287,280
	140			140
	38,975			38,975
	22,210			22,210
	476			476
	275			275
	133			133
	1,934			1,934
	2,571			2,571
	27,961			27,961
	8,284			8,284
	76			76
	12,705			12,705
	116,325			116,325
	340,671			340,671
	748			748
	4,488			4,488
	10,555			10,555
	7,009			7,009
	173			173
	9,719			9,719
	<u>605,428</u>	<u>-0-</u>	<u>-0-</u>	<u>605,428</u>
	28,935			28,935
	684,788			684,788
	126,703			126,703
	3,401,311			3,401,311
	57,580			57,580
	5,100			5,100
	13,184			13,184
	<u>4,923,029</u>	<u>-0-</u>	<u>-0-</u>	<u>4,923,029</u>
	(730,562)	174,569	1,920,244	1,364,251
	<u>1,387,440</u>	<u>3,228,859</u>	<u>1,779,942</u>	<u>6,396,241</u>
\$	<u><u>656,878</u></u>	<u><u>3,403,428</u></u>	<u><u>3,700,186</u></u>	<u><u>7,760,492</u></u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
FACULTY STUDENT ASSOCIATION OF
TOMPKINS CORTLAND COMMUNITY COLLEGE, INC. (DISCRETELY PRESENTED COMPONENT UNIT)
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30.

	<u>2009</u>	<u>2008</u>
Revenues:		
Activity fees	\$ 591,222	\$ 567,470
Athletics	285,046	280,917
Bookstore commissions	146,526	133,524
Clubs and CEB	31,155	23,199
College housing	478,878	350,239
Day Care grants and fees	212,220	211,999
Fitness Center	49,303	49,023
Global program	7,456	20,608
Hall Council	9,711	6,012
Health Center	158,959	145,502
ID fees	84,307	84,779
Interest	13,490	21,059
Other income	19,550	20,964
Pool	19,764	18,333
Unrealized gain on investments	<u>3,760</u>	<u>1,455</u>
 Total Revenues	 <u>2,111,347</u>	 <u>1,935,083</u>
Expenses:		
Athletic fundraising	38,851	40,785
Athletics	580,840	523,194
CEB	66,190	52,652
CEB fundraising	8,035	395
Childcare	320,797	316,764
Clubs and organizations	51,095	47,738
Clubs and organizations fundraising/activities	24,339	20,719
College housing	478,878	350,239
Fitness Center	110,507	91,924
FSA administrative	15,379	19,888
Global program	7,456	20,608
Hall Council	6,971	5,565
Health Center	175,574	134,277
ID Card	82,629	82,899
Recreational sports/pool	<u>108,892</u>	<u>83,033</u>
 Total Expenses	 <u>2,076,433</u>	 <u>1,790,680</u>
 Change in Net Assets	 34,914	 144,403
Net Assets, July 1,	<u>743,178</u>	<u>598,775</u>
Net Assets, June 30,	<u>\$ 778,092</u>	<u>\$ 743,178</u>

See Independent Auditor's Report and Notes to Financial Statements

TOMPKINS CORTLAND COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS - DIRECT METHOD
FOR THE YEAR ENDED AUGUST 31,

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Tuition and fees	\$ 11,729,297	\$ 10,849,126
Federal grants and contracts	945,883	678,393
State and local grants and contracts	292,177	118,594
Payments for other than personal services	(8,252,181)	(10,206,540)
Payments to employees	(18,953,305)	(17,424,911)
Payments for benefits	(5,926,143)	(5,218,943)
Other receipts	<u>(2,379)</u>	<u>95,728</u>
Net Cash (Used) by Operating Activities	<u>(20,166,651)</u>	<u>(21,108,553)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Financial aid grants	4,523,669	3,952,015
State appropriations	10,925,432	10,138,089
Local government appropriations	<u>9,176,110</u>	<u>8,209,697</u>
Net Cash Provided by Noncapital Financing Activities	<u>24,625,211</u>	<u>22,299,801</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Proceeds from capital debt	5,335,541	1,303,320
Purchases of capital assets, net of sponsor receipts	(8,353,139)	(1,650,004)
Principal paid on debt and leases	<u>(1,092,011)</u>	<u>(839,804)</u>
Net Cash (Used) by Capital Financing Activities	<u>(4,109,609)</u>	<u>(1,186,488)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on investments	<u>3,713</u>	<u>11,657</u>
Net Cash Provided by Investment Activities	<u>3,713</u>	<u>11,657</u>
Net Increase in Cash	352,664	16,417
Cash - Beginning of Year	<u>4,407,431</u>	<u>4,391,014</u>
Cash - End of Year	<u>\$ 4,760,095</u>	<u>\$ 4,407,431</u>
<u>NET CASH (USED) BY OPERATING ACTIVITIES</u>		
Operating (loss)	\$ (24,587,363)	\$ (21,572,816)
Adjustments to reconcile net (loss) to net cash (used) by operating activities:		
Depreciation expense	2,165,093	1,834,685
Changes in assets and liabilities		
Receivables, net	817,647	(470,293)
Other assets	(107,224)	105,551
Accounts payable and accrued liabilities	53,180	(1,252,030)
Deferred revenue	380,584	246,350
Other postemployment benefits payable	<u>1,111,432</u>	<u>-0-</u>
Net Cash (Used) by Operating Activities	<u>\$ (20,166,651)</u>	<u>\$ (21,108,553)</u>

See Independent Auditor's Report and Notes to the Financial Statements

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Note 1 - Summary of Significant Accounting Policies

The financial statements of Tompkins Cortland Community College, located in Dryden, New York, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The College uses the reporting model recognized by NACUBO (National Association of College and University Business Officers) for Public Colleges and Universities using Business Type Activity (BTA) reporting in accordance with GASB Statement Number 35. The more significant of the College's accounting policies are described below.

A. Reporting Entity

Tompkins Cortland Community College, which was established in 1968, is governed by its Charter, Education Law, and other General Laws of the State of New York. The Board of Trustees is the legislative body responsible for overall operations. The President of the College serves as Chief Executive Officer and the Director of Budget and Finance serves as Chief Fiscal Officer.

The scope of activities included within the accompanying financial statements are those transactions which comprise College operations, and are governed by, or significantly influenced by, the Board of Trustees. Essentially, the primary function of the College is to educate students. Support services such as administration, finance, and maintenance are also included.

The financial reporting entity includes all funds, functions, and organizations over which the College officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Discretely Presented Component Units

During the year ended August 31, 2004, the College implemented GASB Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement Number 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. The decision to include potential component units in the College's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following are included as discretely presented component units:

Tompkins Cortland Community College Foundation, Inc.

The Tompkins Cortland Community College Foundation, Incorporated, located in Dryden, NY, is a private foundation organized for the purpose of collecting and distributing endowment scholarships and awards to those students eligible. In addition, the Foundation contributes to capital improvements and the expansion and ownership of facilities, which will aid Tompkins Cortland Community College in the fulfillment of its educational mission. The Foundation is supported primarily through donations from College employees, alumni, and friends; investment earnings; and housing income.

Financial reports of Tompkins Cortland Community College Foundation, Incorporated can be obtained from the Tompkins Cortland Community College's administrative offices at 170 North Street, Dryden, NY 13053.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Faculty Student Association of Tompkins Cortland Community College, Inc.

The purpose of the Association is to establish, operate, manage, promote, and cultivate educational activities and relationships incidental thereto, by, between, and among the students and faculty of Tompkins Cortland Community College and to aid the students, faculty, and administration of the College in the furtherance of their education and studies, work, living, and co-curricular activities incidental thereto, in collaboration and coordination with the educational goals of the College. This is achieved by providing day care services, organizing various student activities, managing college housing, and contracting for the operation of the bookstore.

Financial reports of the Faculty Student Association of Tompkins Cortland Community College can be obtained from the Tompkins Cortland Community College's administrative offices at 170 North Street, Dryden, NY 13053.

B. Basis of Presentation

The accompanying financial statements of Tompkins Cortland Community College have been prepared using the Business Type Activity (BTA) reporting model in accordance with GASB Statement Number 35. Statement Number 35 establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement Number 34.

The Statements of Net Assets and the Statements of Revenues, Expenses, and Changes in Net Assets display information about the primary government (the College). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities.

The Statements of Revenues, Expenses, and Changes in Net Assets present all expenses and revenues for the activities of the College. Operating expenses are specifically associated with a program or function and, therefore, are clearly identifiable to that function. The College has opted, however, to display depreciation expense as a separate item rather than allocating depreciation to functional areas of expense. Operating revenues represent charges for services associated with the principal activity of the College. Nonoperating revenues are government appropriations that subsidize the activities of the College.

The financial statements of the component units have been prepared in accordance with generally accepted accounting principles.

C. Basis of Accounting/Measurement Focus

Accrual Basis

The financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash flow takes place. Nonexchange transactions, in which the College gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
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FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

D. Budgetary Data

The College adopts a budget annually for current unrestricted operations in accordance with State and Local laws and regulations. The College's policy relating to budgetary information as shown in the accompanying supplemental financial statements for the year ended August 31, 2009, is as follows:

Budget Approval Process

June 8,	Tompkins County Budget and Capital Committee acts on budget
June 11,	Board of Trustees acts on budget
June 16,	Tompkins County acts on budget
June 19,	Cortland County Budget and Finance Committee acts on budget
June 26,	Cortland County acts on budget

Appropriations established by the adoption of the budget constitute a limitation on expenses (and encumbrances) which may be incurred, unless the Board of Trustees is specifically authorized by law to incur such liability.

E. Accounts Receivable

Accounts receivable are stated net of the estimated allowance for uncollectible accounts. All receivables are expected to be collected within the subsequent fiscal year.

F. Allowance for Doubtful Accounts

An allowance account is utilized to provide for possible uncollectible accounts and anticipated future losses.

G. Investments

Investments are stated at cost, which approximates fair value. Investments of the component unit are measured at fair value.

H. Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the College for which benefits extend beyond year end.

I. Deferred Revenue

Deferred revenues arise when resources are received by the College before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the College has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

J. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the College's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

TOMPKINS CORTLAND COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 (CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

K. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land improvements	20 years
Buildings	50 years
Building improvements	20 years
Equipment	3-10 years

L. Equity Classifications

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

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

M. Compensated Absences

College employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. For employees covered under the College's health insurance plan, unused sick leave can be applied to future premiums, at the employees' option. Accumulated unpaid vacation is recorded as a liability in the Statement of Net Assets.

N. Insurance

Tompkins Cortland Community College assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

O. Postemployment Benefits

In addition to providing pension benefits, Tompkins Cortland Community College makes available health insurance coverage for retired employees and their survivors in accordance with employment contracts. Substantially all of the College's employees may become eligible for these benefits if they reach normal retirement age while working for the College. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. During the years ended August 31, 2009 and 2008, \$176,725 and \$174,766 was paid on behalf of 71 and 66 retirees, respectively.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
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P. 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 computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Note 2 - Detail Notes

A. Assets

1. Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. While the College does not have a specific policy for custodial credit risk, New York State statutes govern the College's investment policies, as discussed previously in these notes. Governmental Accounting Standards Board Statement Number 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 College's name.

The College's aggregate bank balances of \$4,822,216 are either insured or collateralized with securities held by the pledging financial institution in the College's name.

The College does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

2. Investments - Tompkins Cortland Community College Foundation, Inc.

Investment balances at August 31, consisted of the following:

	2009		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
<u>Managed Investments</u>			
Long-term:			
Certificates of deposit	\$ 265,000	\$ 268,348	\$ 3,348
Government and agency bonds	791,973	821,151	29,178
Corporate bonds	608,471	642,315	33,844
Other fixed income	47,993	49,179	1,186
Equities	2,487,537	2,426,325	(61,212)
Foreign assets	631,823	583,278	(48,545)
Total Managed Investments	\$ 4,832,797	\$ 4,790,596	\$ (42,201)
<u>Other Investments</u>			
Life insurance	\$ 26,737	\$ 23,956	\$ (2,781)

TOMPKINS CORTLAND COMMUNITY COLLEGE
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	2008		Unrealized Appreciation (Depreciation)
	Cost	Market	
<u>Managed Investments</u>			
Long-term:			
Certificates of deposit	\$ 100,000	\$ 98,106	\$ (1,894)
Government and agency bonds	6,944,330	6,804,917	(139,413)
Corporate bonds	5,308,229	5,306,976	(1,253)
Other fixed income	15,000	15,162	162
Foreign assets	2,235,352	2,367,488	132,136
Equities	662,260	638,122	(24,138)
 Total Managed Investments	 \$ <u>15,265,171</u>	 \$ <u>15,230,771</u>	 \$ <u>(34,400)</u>
<u>Other Investments</u>			
Life insurance	\$ <u>25,038</u>	\$ <u>23,883</u>	\$ <u>(1,155)</u>

Investment return is summarized as follows:

	2009	2008
Interest and dividend income	\$ 352,991	\$ 364,039
Realized gain	(542,237)	28,135
Unrealized (loss) gain -		
Managed investments	(7,801)	(372,955)
Life insurance (loss)	(1,626)	(2,043)
 Net Investment Return	 \$ <u>(198,673)</u>	 \$ <u>17,176</u>

Fair Value Measurements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS Number 157, "Fair Value Measurements." Effective September 1, 2008, the Foundation adopted SFAS Number 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 Number 157 are as follows:

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.

TOMPKINS CORTLAND COMMUNITY COLLEGE
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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 investments at fair value as of August 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 268,348	\$	\$	\$ 268,348
Government and agency bonds	821,151			821,151
Corporate bonds	642,315			642,315
Other fixed income	49,179			49,179
Equities	2,426,325			2,426,325
Foreign assets	583,278			583,278
Cash value of life insurance			23,956	23,956
Total Investments	<u>\$ 4,790,596</u>	<u>\$ -0-</u>	<u>\$ 23,956</u>	<u>\$ 4,814,552</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of August 31, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 98,106	\$	\$	\$ 98,106
Government and agency bonds	6,804,917			6,804,917
Corporate bonds	5,306,976			5,306,976
Other fixed income	15,162			15,162
Equities	2,367,488			2,367,488
Foreign assets	638,122			638,122
Cash value of life insurance			23,883	23,883
Total Investments	<u>\$ 15,230,771</u>	<u>\$ -0-</u>	<u>\$ 23,883</u>	<u>\$ 15,254,654</u>

3. Investments - Faculty Student Association of Tompkins Cortland Community College, Inc.

Investments consist of certificates of deposit, and are carried at fair value. Cost and fair values as of June 30, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Fair Value:		
Certificates of deposit	\$ <u>271,598</u>	\$ <u>398,048</u>
Total	<u>\$ 271,598</u>	<u>\$ 398,048</u>
Aggregate Cost	<u>\$ 268,387</u>	<u>\$ 398,597</u>

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NOTES TO FINANCIAL STATEMENTS
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Investment return is summarized as follows:

	2009	2008
Interest	\$ 13,490	\$ 21,059
Unrealized gain	3,760	1,455
Total	\$ 17,250	\$ 22,514

4. Capital Assets

A summary of changes in capital assets is as follows for the year ended August 31,:

	2009			Ending Balance
	Beginning Balance	Additions	Retirements & Reclass- ifications	
Capital assets that are not depreciated				
Land	\$ 70,993	\$	\$	\$ 70,993
Construction in progress	10,247,119	73,853	(10,247,119)	73,853
Total Nondepreciable Historical Cost	10,318,112	73,853	(10,247,119)	144,846
Capital assets that are depreciated				
Buildings	30,519,468			30,519,468
Building improvements	19,617,670	1,932,578	10,247,119	31,797,367
Land improvements	3,681,539			3,681,539
Equipment, furnishings, and library books	4,826,802	832,850	(55,974)	5,603,678
Total Depreciable Historical Cost	58,645,479	2,765,428	10,191,145	71,602,052
Total Historical Cost	68,963,591	2,839,281	(55,974)	71,746,898
Less accumulated depreciation				
Buildings	(7,284,900)	(249,989)		(7,534,889)
Buildings improvements	(8,184,494)	(1,343,917)		(9,528,411)
Land improvements	(1,014,570)	(156,737)		(1,171,307)
Equipment, furnishings and library books	(1,659,430)	(414,450)	55,974	(2,017,906)
Total Accumulated Depreciation	(18,143,394)	(2,165,093)	55,974	(20,252,513)
Total Depreciable Historical Cost, Net	\$ 50,820,197	\$ 674,188	\$ -0-	\$ 51,494,385

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NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
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	2008			
	Beginning Balance	Additions	Retirements & Reclass- ifications	Ending Balance
Capital assets that are not depreciated				
Land	\$ 70,993	\$	\$	\$ 70,993
Construction in progress	24,856,000		(14,608,881)	10,247,119
Total Nondepreciable Historical Cost	<u>24,926,993</u>	<u>-0-</u>	<u>(14,608,881)</u>	<u>10,318,112</u>
Capital assets that are depreciated				
Buildings	12,499,460	3,411,127	14,608,881	30,519,468
Building improvements	17,088,416	2,529,254		19,617,670
Land improvements	3,438,314	243,225		3,681,539
Equipment, furnishings, and library books	4,383,102	587,539	(143,839)	4,826,802
Total Depreciable Historical Cost	<u>37,409,292</u>	<u>6,771,145</u>	<u>14,465,042</u>	<u>58,645,479</u>
Total Historical Cost	<u>62,336,285</u>	<u>6,771,145</u>	<u>(143,839)</u>	<u>68,963,591</u>
Less accumulated depreciation				
Buildings	(6,874,702)	(410,198)		(7,284,900)
Buildings improvements	(7,276,245)	(908,249)		(8,184,494)
Land improvements	(850,157)	(164,413)		(1,014,570)
Equipment, furnishings and library books	(1,451,445)	(351,824)	143,839	(1,659,430)
Total Accumulated Depreciation	<u>(16,452,549)</u>	<u>(1,834,684)</u>	<u>143,839</u>	<u>(18,143,394)</u>
Total Depreciable Historical Cost, Net	<u>\$ 45,883,736</u>	<u>\$ 4,936,461</u>	<u>\$ -0-</u>	<u>\$ 50,820,197</u>

Depreciation expense of \$2,165,093 and \$1,834,684 was recorded during the fiscal years ended August 31, 2009 and 2008, respectively.

5. Fixed Assets - Tompkins Cortland Community College Foundation, Inc.

Fixed assets consisted of the following at August 31,:

	2009	2008
Land and land improvements	\$ 1,298,351	\$ 1,271,257
Buildings and improvements	38,148,480	20,426,680
Construction in process	-0-	3,253,522
Classical record collection	7,600	7,600
Furniture and equipment	931,744	836,930
Total	40,386,175	25,795,989
Less accumulated depreciation	<u>(5,990,695)</u>	<u>(4,864,286)</u>
Net Book Value	<u>\$ 34,395,480</u>	<u>\$ 20,931,703</u>

The Foundation capitalized \$808,719 and \$408,846 of interest paid during the construction of new student housing facilities during the years ended August 31, 2009 and 2008, respectively.

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Depreciation expense on buildings and improvements amounted to \$1,126,409 and \$1,111,115 in 2009 and 2008, respectively. This expense is allocated as follows:

	2009	2008
Cortland Extension Center expense	\$ 19,231	\$ 19,231
Ithaca Extension Center expense	132,995	131,970
Student Housing expense	974,183	959,914
Total	\$ 1,126,409	\$ 1,111,115

The Foundation capitalized certain closing costs related to financing the 2006 and 2008 bond issues as well as the purchase of the Ithaca Extension Center Building. The capitalized closing cost for the bond issue and the building purchase were \$1,037,005 and \$40,771, respectively. Capitalized closing costs are subject to straight line amortizations over the term of the respective debt. Amortization expense on the capitalized closing costs amounted to \$36,605 and \$34,005 in 2009 and 2008, respectively.

6. Fixed Assets - Faculty Student Association of Tompkins Cortland Community College, Inc.

Equipment, at cost, consisted of the following at June 30,:

	2009	2008
Bookstore equipment	\$ 476	\$ 476
FSA equipment	107,542	104,055
Athletic uniforms and equipment	100,646	86,734
Total	208,664	191,265
Less: Accumulated depreciation	165,080	145,794
Net Book Value	\$ 43,584	\$ 45,471

Depreciation expense for the years ended June 30, 2009 and 2008 was \$19,286 and \$15,269, respectively.

7. Accounts Receivable

Accounts receivable were as follows at August 31,:

	2009	2008
Student tuition and fees, net of allowance of \$900,000 and \$511,114	\$ 1,495,635	\$ 1,695,374
Due from other agencies	214,499	358,590
Due from TC3 Foundation	332,122	294,439
Due from F.S.A.	19,602	18,600
Due from other governments	241,146	43,360
Other receivables	493,949	1,256,764
Local sponsors and other capital chargebacks	231,189	(59,739)
Dormitory Authority receivable	1,105,911	1,344,312
Total	\$ 4,134,053	\$ 4,951,700

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
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B. Liabilities

1. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities were as follows at August 31,:

	<u>2009</u>	<u>2008</u>
Accounts payable	\$ 1,322,708	\$ 770,170
Accrued Liabilities:		
Payroll	1,035,632	1,189,256
Payroll taxes	8,393	16,275
Employee retirement cost	375,086	423,551
Due to TC3 Foundation	540,857	416,817
Due to NYS	26,148	-0-
Due to other governments	6,514	262,244
Due to F.S.A.	122,451	67,526
Cafeteria equipment	2,626	258,356
Self insurance	10,108	6,340
Cost incentive	2,508	2,780
Postemployment benefits	53,098	3,098
Capital chargeback	23,307	2,393
Farm house	45,840	39,735
IBM	4,731	4,691
Sprole Center	500	500
Computer equipment	-0-	21,000
Workers compensation	35,003	24,676
Health insurance	195,866	197,149
Telephone equipment	29,790	50,000
Deferred projects	41,000	70,000
Other liabilities	8,226	10,655
	<u> </u>	<u> </u>
Total	<u>\$ 3,890,392</u>	<u>\$ 3,837,212</u>

2. Pension Plans

General Information

Tompkins Cortland Community College participates in the New York State and Local Employees' Retirement System, and the New York State Teachers' Retirement System. These Systems are cost sharing multiple public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability. In addition, the College offers full-time professional staff an Optional Retirement Program (ORP).

Employee Groups Covered

All faculty and administrators have the option of participating in the New York State Teachers' Retirement System (TRS) and the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Full-time and electing part-time civil service employees participate in the New York State Employees' Retirement System (ERS).

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3. Plan Descriptions

Teachers' Retirement System (TRS)

The New York State TRS is administered by the New York State Teachers' Retirement Board. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Optional Retirement Program (ORP)

The ORP is called the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). TIAA-CREF is a defined contribution annuity plan. TIAA-CREF is two companies. TIAA is a life insurance company. It was founded in 1918 as the portable pension for education. TIAA's companion organization is CREF. It was established in 1952 and is registered with the Securities and Exchange Commission as an open-end diversified investment company. Audited financial statements can be obtained by writing to TIAA-CREF, 730 Third Avenue, New York, NY 10017-3206.

Funding Policies

The Systems are noncontributory except for employees who joined the Systems after July, 1976 who contribute 3% of their salary. Employees in the System more than ten years are no longer required to contribute. For the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, rates are established annually for TRS by the New York State Teachers' Retirement Board. The College is billed monthly for the employee and SUNY share of the ORP contribution. Contributions to the ORP are based on salaries paid on a monthly basis. Beginning participants in the ORP have their contributions deposited into a holding account for one year, at which point they are vested and their contributions are sent to TIAA-CREF.

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The following summarizes the College's contributions to the three Systems for the years ended August 31,:

	<u>2009</u>	<u>2008</u>
ERS	\$ 413,489	\$ 433,260
TRS	167,141	159,322
TIAA-CREF	977,436	977,436

Contributions to each System equal 100% of the required payment for each of the years listed.

4. Leases

a. Operating Leases

The College has several leases for items such as real estate, automobiles, copiers, and software. The future minimum lease payments are as follows for the years ended August 31,:

<u>Year</u>	<u>Amount</u>
2010	\$ 422,898
2011	432,058
2012	455,263
2013	<u>465,692</u>
Total	<u>\$ 1,775,911</u>

Total lease expenditures for the years ended August 31, 2009 and 2008 amounted to \$398,774 and \$369,635, respectively.

5. Local Sponsor Short-term Debt

Outstanding balances of short-term debt were comprised of the following at August 31, 2009:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance Outstanding August 31, 2009</u>
Bond Anticipation Notes	1.750%	01/08/2010	\$ <u>2,500,000</u>

Total interest expense on short-term sponsor debt for the year ending August 31, 2009 was \$81,250.

Transactions in short-term debt for the year are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond Anticipation Notes	\$ <u>-0-</u>	\$ <u>2,500,000</u>	\$ <u>-0-</u>	\$ <u>2,500,000</u>

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6. Dormitory Authority of the State of New York (DASNY) Bonds

Pursuant to New York State Education Law relative to community colleges, title to real property is held by the county in trust for the use of the College in carrying out its institutional purposes. The accompanying debt is also a legal obligation of the county. No revenues or assets of the College have been pledged or will be available to pay the principal and interest. Principal and interest payments on the debt are payable from amounts appropriated each year by the State of New York pursuant to the State Education Law. The provisions of the State Education Law regarding the State appropriations from principal and interest payments do not constitute a legally enforceable obligation of the State.

The College has entered into financing agreements with the Dormitory Authority of the State of New York (DASNY) to finance most of its educational facilities. The DASNY bonds for these facilities will be repaid from the appropriations received from the State of New York. During the year ended August 31, 2009 the DASNY issued bonds in the amount of \$1,583,125 with an interest rate of 4.9% to 5.75%.

The following is a summary of DASNY bonds outstanding with corresponding maturity schedules:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding August 31, 2009</u>
Serial Bonds:				
Upstate Community Colleges 1999A	07/01/1999	07/01/2028	4.125 - 5.250%	\$ 2,295,342
Upstate Community Colleges 2000A	07/01/2000	07/01/2012	4.950 - 5.250%	158,007
PIT Upstate Community Colleges 2003A	03/15/2003	03/15/2018	2.700 - 5.500%	32,157
Refunding Bond 2004A	07/01/2004	07/01/2022	3.000 - 5.130%	387,153
Refunding Bond 2005A	07/01/2005	07/01/2019	3.100 - 5.000%	1,257,200
PIT Upstate Community Colleges 2005B	03/15/2005	03/15/2030	5.500%	154,791
Upstate Community Colleges 2005B	07/01/2005	07/01/2023	4.000 - 5.500%	358,260
Upstate Community Colleges 2005C	07/01/2005	07/01/2031	3.207%	1,222,208
PIT Upstate Community Colleges 2005F	09/01/2005	03/15/2035	5.000%	9,457,000
PIT Upstate Community Colleges 2006D	09/01/2006	03/15/2036	4.000 - 5.000%	4,129,014
PIT Upstate Community Colleges 2008C	11/25/2008	03/15/2032	5.000 - 5.750%	37,665
PIT Upstate Community Colleges 2009F	08/31/2009	03/15/2039	4.992 - 5.628%	1,545,460
Subtotal DASNY Bonds				<u>21,034,257</u>
Less unamortized deferred amount on refunding				<u>(39,187)</u>
Total DASNY Bonds				<u>\$ 20,995,070</u>

Total interest expense, including amortization of the deferred amount on refunding, on DASNY bonds for the year ending August 31, 2009 was \$1,035,049. Interest expense on DASNY bonds for the year ending August 31, 2008 was \$1,021,252.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

As of August 31, 2009, debt service requirements relating to these obligations are as follows:

Year	Principal	Interest	Total
2010	\$ 490,780	\$ 999,574	\$ 1,490,354
2011	521,487	1,014,576	1,536,063
2012	547,138	988,250	1,535,388
2013	567,020	961,696	1,528,716
2014	597,413	933,776	1,531,189
2015-2019	3,404,157	4,198,964	7,603,121
2020-2024	4,189,530	3,288,410	7,477,940
2025-2029	4,795,761	2,174,731	6,970,492
2030-2034	4,355,887	1,067,284	5,423,171
2035-2039	1,565,084	142,639	1,707,723
Total	<u>\$ 21,034,257</u>	<u>\$ 15,769,900</u>	<u>\$ 36,804,157</u>

7. Local Sponsor Long-term Debt

The following is a summary of County bonds outstanding with corresponding maturity schedules:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding August 31, 2009
Serial Bonds:				
Public Improvement	03/01/2005	03/01/2020	3.375 - 4.000%	\$ 1,528,344
Public Improvement	03/01/2007	03/01/2027	3.625 - 4.000%	3,800,000
Public Improvement	03/01/2007	03/01/2028	3.875 - 4.000%	4,496,586
Public Improvement	08/15/2008	05/01/2029	4.000 - 5.000%	1,273,480
Refunding Bonds:				
Public Improvement	08/15/2003	08/15/2014	2.000 - 4.500%	692,360
Public Improvement	08/15/2004	08/15/2014	2.000 - 4.125%	631,610
Total County Bonds				12,422,380
Less unamortized deferred amount on refunding				<u>(26,580)</u>
Total County Bonds, Net				<u>\$ 12,395,800</u>

Total interest expense, including amortization of the deferred amount on refunding, on County bonds for the year ending August 31, 2009 was \$520,213. Interest expense on County bonds for the year ending August 31, 2008 was \$473,077.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

As of August 31, 2009, debt service requirements relating to County Sponsor bonding are as follows:

Year	Principal	Interest	Total
2010	\$ 675,453	\$ 504,401	\$ 1,179,854
2011	639,516	477,414	1,116,930
2012	663,948	452,610	1,116,558
2013	692,592	426,470	1,119,062
2014	720,904	399,017	1,119,921
2015-2019	3,315,378	1,584,418	4,899,796
2020-2024	3,018,935	916,182	3,935,117
2025-2029	2,446,424	305,926	2,752,350
2030-2034	249,232	24,679	273,911
Total	<u>\$ 12,422,382</u>	<u>\$ 5,091,117</u>	<u>\$ 17,513,499</u>

8. Other Long-term Liabilities

Other Long-term Obligations - In addition to the above long-term debt, the College had the following noncurrent liabilities:

Contractual Obligations Payable: Represents the value of contractual obligations payable in more than one year.

Other Postemployment Benefits: Represents the expected obligation for the postretirement health care benefits program. See Note B. 10 for further information.

9. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended August 31,

Category	2009				
	Balance 09/01/08	Additions	Deletions	Balance 08/31/09	Amount Due Within One Year
DASNY Bonds	\$ 19,953,144	\$ 1,545,543	\$ (464,430)	\$ 21,034,257	\$ 490,780
Unamortized deferred amount on DASNY refunding	(41,723)		2,536	(39,187)	(2,677)
County Bonds	11,770,290	1,290,000	(637,908)	12,422,382	675,453
Unamortized deferred amount on County refunding	(34,371)		7,791	(26,580)	(6,747)
Contractual Obligations	-0-	300,000		300,000	25,000
Other postemployment benefits	-0-	1,111,432		1,111,432	-0-
Total	<u>\$ 31,647,340</u>	<u>\$ 4,246,975</u>	<u>\$ (1,092,011)</u>	<u>\$ 34,802,304</u>	<u>\$ 1,181,809</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

<u>Category</u>	2008				Amount Due Within One Year
	Balance 09/01/07	Additions	Deletions	Balance 08/31/08	
DASNY Bonds	\$ 20,379,035	\$	\$ (425,891)	\$ 19,953,144	\$ 464,430
Unamortized deferred amount on DASNY refunding	(44,222)		2,499	(41,723)	(2,536)
County Bonds	12,195,466		(425,176)	11,770,290	621,391
Unamortized deferred amount on County refunding	(43,135)		8,764	(34,371)	(7,791)
Total	\$ 32,487,144	\$ -0-	\$ (839,804)	\$ 31,647,340	\$ 1,075,494

10. Other Postemployment Benefits Payable

In 2009, the College adopted Government Accounting Standards Board (GASB) Statement Number 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." In the past, the College reported the cost of its retiree health care postretirement benefits on a "pay-as-you-go" basis. An actuarial valuation of Tompkins Cortland Community College's Postretirement Health Care Plan (The Plan) was performed as of November 2008 for the fiscal year ending August 31, 2009.

Plan Description - The Plan is a single-employer, defined benefit healthcare plan administered by Tompkins Cortland Community College. The Plan provides medical and prescription drug benefits to eligible retirees and their spouses. Benefit provisions are established through negotiations between the College and bargaining units and are renegotiated each three-year period. Tompkins Cortland Community College assigns the authority to establish and amend benefit provisions to the Board of Trustees for non-bargaining unit employees. The Plan does not issue a stand-alone financial report.

The contribution requirements of Plan members their spouses and the College are established and may be amended by the Board of Trustees. The Board of Trustees has negotiated several collective bargaining agreements, which include obligations of Plan members and the College. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended August 31, 2009, the College paid \$176,725 to the Plan for current premiums on behalf of 71 retirees. The expected employer contribution of \$305,037 represents an actuarial determined estimate of premiums and claims paid on behalf of retirees. Plan members receiving benefits may be required to contribute to the Plan depending on their collective bargaining unit.

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and accumulate sufficient total accruals for all postretirement benefits when due.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

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

Normal cost	\$ 504,668
Amortization of UAAL	911,801
Total Annual Required Contribution	<u>1,416,469</u>
Adjustment to annual required contribution	-0-
Annual OPEB Cost (Expense)	<u>1,416,469</u>
Expected employer contributions	<u>(305,037)</u>
Increase in Net OPEB Obligation	<u>1,111,432</u>
Net OPEB Obligation - September 1, 2008	<u>-0-</u>
Net OPEB Obligation - August 31, 2009	<u>\$ 1,111,432</u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/09	\$ <u>1,416,469</u>	21.5%	\$ <u>1,111,432</u>

The year ended August 31, 2009 is the first year that the OPEB obligation has been actuarially determined.

Funded Status and Funding Progress - As of August 31, 2009, the Plan was not funded. The actuarial accrued liability for benefits was \$14,852,217, and there are no assets legally segregated for the Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$14,903,821 and the ratio of the Unfunded Actuarial Accrued Liability (UAAL) to the covered payroll was 99.7 percent.

Actuarial valuations of an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. 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.

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

In the November 2008, Actuarial Valuation Report, the Projected Unit Credit Actuarial Cost Method was used. Under this method, each participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. Actuarial assumptions included a discount rate of 4.5% per year compounded annually. This is the rate used to discount future benefit liabilities into today's dollars. Additional actuarial assumptions included an annual medical cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after five years.

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

11. Bonds Payable - Tompkins Cortland Community College Foundation, Inc.

In December 2001, the Foundation issued long-term tax-exempt bonds totaling \$4,240,000, due December 1, 2021 with a variable interest rate that is tied to an interest rate swap agreement. These bonds were used to eliminate the mortgages held on the current student housing complex, and to provide funding for additional student housing.

In January 2003, the Foundation issued additional long-term tax-exempt bonds totaling \$4,800,000, due January 1, 2023 with a variable interest rate that is tied to an interest rate swap agreement. These bonds were issued in order to build additional student housing.

In April 2006, the Foundation issued additional long-term tax exempt bonds totaling \$6,925,000, due January 1, 2037 with a variable interest rate that is tied to an interest rate swap agreement. These bonds were issued in order to build additional student housing.

In January 2008, the Foundation issued civic facility revenue bonds totaling \$18,925,000, due January 1, 2038 with a variable interest rate that is tied to an interest rate swap agreement. These bonds were issued for the purpose of providing funds for the financing of a civic facility project consisting of acquisition, construction and equipping of two additional student housing facilities.

The following is a schedule of principal payments for the bonds as of August 31, 2009:

Fiscal Year	Series 2001	Series 2003	Series 2006	Series 2008	Total
2010	\$ 195,000	\$ 215,000	\$ 125,000	\$	\$ 535,000
2011	205,000	225,000	130,000	360,000	920,000
2012	215,000	230,000	135,000	375,000	955,000
2013	225,000	235,000	140,000	390,000	990,000
2014	240,000	245,000	150,000	410,000	1,045,000
2015-2019	1,380,000	1,340,000	845,000	2,325,000	5,890,000
2020-2024	785,000	1,245,000	1,055,000	2,870,000	5,955,000
2025-2029			1,310,000	3,555,000	4,865,000
2030-2034			1,635,000	4,395,000	6,030,000
2035-2039			1,170,000	4,245,000	5,415,000
Total	<u>\$ 3,245,000</u>	<u>\$ 3,735,000</u>	<u>\$ 6,695,000</u>	<u>\$ 18,925,000</u>	<u>\$ 32,600,000</u>

The status of the bonds payable as of August 31, 2009 and 2008 is as follows:

	2009	2008
Total amount due	\$ 32,600,000	\$ 33,105,000
Less current portion	(535,000)	(505,000)
Long-term Portion	<u>\$ 32,065,000</u>	<u>\$ 32,600,000</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

12. Notes Payable - Tompkins Cortland Community College Foundation, Inc

In December 2005, a mortgage agreement was entered into with Tompkins Trust Company in the amount of \$2,000,000. The purpose of the loan was to fund the purchase of the Ithaca Extension Center. The \$2,000,000 is to be repaid in 294 installments, with monthly payments of principal and interest commencing on August 1, 2006 in the amount of \$13,945. Interest is to be paid monthly on the outstanding balance at a rate of 6.75% for the first five (5) years of repayment, after which the interest rate and monthly installment will reset every five (5) years based on the Federal Reserve Board Index plus 2.25 percentage points.

In December 2005, a mortgage construction loan agreement was entered into with Tompkins Trust Company. The maximum amount which may be drawn on the construction loan was \$700,000. At August 31, 2007, \$700,000 had been drawn on the construction loan. The construction loan matures on July 1, 2026, with monthly payments of principal and interest commencing on August 1, 2006 in the amount of \$5,469. Interest is to be paid monthly on the outstanding balance at a rate of 7.00% for the first five (5) years of repayment, after which the interest rate and monthly installment will reset every five (5) years based on the Federal Reserve Board Index plus 3.00 percentage points.

The status to the notes payable as of August 31, 2009 and 2008 is as follows:

	2009	2008
Total amount due	\$ 2,536,024	\$ 2,591,701
Less current portion	(62,414)	(50,116)
Long-term Portion	\$ 2,473,610	\$ 2,541,585

C. Fund Balances

1. Current Unrestricted Fund Balances

Current unrestricted fund balances represent operating revenues received from sponsors in excess of the sponsors' share of operating appropriation expenditures. The fund balances at August 31 may be applied against sponsors' revenues in subsequent years as follows:

		2009		
From Fiscal Year	May be Applied Against Fiscal Year	Total	Tompkins County	Cortland County
1999-2000	2009-2010	\$ 3,960	\$ 2,416	\$ 1,544
2000-2001	2009-2010	16,345	10,134	6,211
2001-2002	2009-2010	157,337	99,122	58,215
2002-2003	2009-2010	3,288	2,039	1,249
2003-2004	2009-2010	20,047	12,429	7,618
2004-2005	2009-2010	22,805	14,139	8,666
2005-2006	2009-2010	8,654	5,365	3,289
2006-2007	2009-2010	62,731	38,894	23,837
2007-2008	2009-2010	216,274	134,090	82,184
2008-2009	2009-2010	575,523	356,824	218,699
Total		\$ 1,086,964	\$ 675,452	\$ 411,512

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

From Fiscal Year	May be Applied Against Fiscal Year	2008		
		Total	Tompkins County	Cortland County
1999-2000	2008-2009	\$ 3,960	\$ 2,416	\$ 1,544
2000-2001	2008-2009	16,345	10,134	6,211
2001-2002	2008-2009	157,337	99,122	58,215
2002-2003	2008-2009	3,288	2,039	1,249
2003-2004	2008-2009	20,047	12,429	7,618
2004-2005	2008-2009	22,805	14,139	8,666
2005-2006	2008-2009	8,654	5,365	3,289
2006-2007	2008-2009	62,731	38,894	23,837
2007-2008	2008-2009	216,274	134,090	82,184
Total		<u>\$ 511,441</u>	<u>\$ 318,628</u>	<u>\$ 192,813</u>

Note 3 - Plant Funds

A. Cash

The College has been the custodian of the Plant Fund cash accounts since July 19, 1984. Previously, the Tompkins County Treasurer and New York State Dormitory Authority were custodians of all Plant Fund monies. Cash receipts are received directly by the custodians and cash payments are disbursed directly to the payee upon receipt and approval of appropriate documents by College personnel.

B. Annual Capital Construction Budgets

The capital budgets are adopted by the College and approved by the sponsoring counties and New York State prior to commitment of funds. The following schedule details the status of open capital budgets as of August 31,:

Budget Year	2009		
	Amended Budget	Cumulative Expenditures	Balance Available
1994-1995	\$ 7,439,572	\$ 7,112,609	\$ 326,963
2000-2001	7,071,250	7,067,173	4,077
2002-2009	34,253,262	33,913,598	339,664
Total	<u>\$ 48,764,084</u>	<u>\$ 48,093,380</u>	<u>\$ 670,704</u>

Budget Year	2008		
	Amended Budget	Cumulative Expenditures	Balance Available
1994-1995	\$ 7,439,572	\$ 7,112,609	\$ 326,963
2000-2001	7,071,250	7,067,173	4,077
2002-2008	34,253,262	32,751,462	1,501,800
Total	<u>\$ 48,764,084</u>	<u>\$ 46,931,244</u>	<u>\$ 1,832,840</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Note 4 - Commitments and Contingencies

General

The College has received Federal and State Aid and Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The College believes disallowances not previously provided for, if any, will be immaterial.

The Tompkins Cortland Community College 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 5 - Natural Classifications with Functional Classifications of Expenses

Operating expenses by natural classifications for the year ended August 31, are summarized as follows:

	2009			
	Salaries	Benefits	Supplies and Other Services	Depreciation
Instruction	\$ 8,750,113	\$ 3,308,979	\$ 4,126,833	\$
Public service	38,769	14,601	52	
Academic support	1,850,332	689,675	450,447	
Student services	2,961,071	1,126,768	1,760,105	
Institutional support	2,927,021	1,114,395	1,548,083	
Operations and maintenance of plant	2,028,664	783,155	1,256,731	
Depreciation				2,165,093
Total	\$ 18,555,970	\$ 7,037,573	\$ 9,142,251	\$ 2,165,093
	2008			
	Salaries	Benefits	Supplies and Other Services	Depreciation
Instruction	\$ 8,491,027	\$ 2,599,692	\$ 3,869,669	\$
Public service	38,984	12,072	106	
Academic support	1,711,139	530,573	524,220	
Student services	2,951,427	907,497	1,518,442	
Institutional support	2,613,653	803,677	1,618,562	
Operations and maintenance of plant	1,180,106	365,433	1,303,697	
Depreciation				1,834,685
Total	\$ 16,986,336	\$ 5,218,944	\$ 8,834,696	\$ 1,834,685

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31, 2009 and 2008

Note 6 - Transactions between the College and its Component Units

A. Tompkins Cortland Community College Foundation

Amounts due to TC3 of \$328,328 at August 31, 2009 and \$297,195 at August 31, 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Operating expense	\$ 184,157	\$ 200,938
Ithaca Extension Center loan	52,779	52,779
Support for TC3 - Capital projects	91,392	-0-
Support for TC3 - Equipment	<u>-0-</u>	<u>43,478</u>
Total	<u>\$ 328,328</u>	<u>\$ 297,195</u>

Amounts due from TC3 of \$2,867,716 at August 31, 2009 and \$1,725,847 at August 31, 2008 represent net student housing charges and security deposits. The student housing charges and deposits are initially collected by TC3 and subsequently remitted to the Foundation.

In addition, the Foundation paid \$20,123 and \$26,911 to the College for administrative/secretarial costs during the fiscal years ended August 31, 2009 and 2008, respectively.

The Foundation has recognized a contribution of services from the College for administration and fundraising services provided by College employees. The total of these services recognized for years ended August 31, 2009 and 2008 amounted to \$671,199 and \$612,358, respectively. These services for 2009 are allocated as follows: \$506,700 to operating and \$164,499 to housing. These services for 2008 are allocated as follows: \$456,996 to operating and \$155,362 to housing.

B. Faculty Student Association

The College provides support to the Faculty Student Association for athletic and child care programs. The amounts provided were \$160,000 and \$150,000 for the years ending August 31, 2009 and 2008 respectively. The College also bills the Association for their use of the phone, copying and postage.

	<u>2009</u>		<u>2008</u>	
	<u>Due from FSA</u>	<u>Due to FSA</u>	<u>Due from FSA</u>	<u>Due to FSA</u>
Operating expenses	\$ 19,602	\$	\$ 18,600	\$
Activity fees	<u> </u>	<u>122,451</u>	<u> </u>	<u>67,526</u>
Total	<u>\$ 19,602</u>	<u>\$ 122,451</u>	<u>\$ 18,600</u>	<u>\$ 67,526</u>

The FSA's fiscal year end is June 30. Amounts reported as due to and due from the FSA on the College's financial statements reflect amounts as of August 31, 2009 and 2008.

Note 7 - Reclassifications

Certain amounts reported in the prior year have been reclassified to compare with current year presentation. These reclassifications had no effect on previously report net assets.

TOMPKINS CORTLAND COMMUNITY COLLEGE
 SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED AUGUST 31, 2009

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
8/31/2009	\$ <u>-0-</u>	\$ <u>14,852,217</u>	\$ <u>14,852,217</u>	0.0%	\$ <u>14,903,821</u>	99.7%

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

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2009

Note 1 - 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. Because this is the first year of implementation, only one year of information is presented for the year ending August 31, 2009.

TOMPKINS CORTLAND COMMUNITY COLLEGE
 SCHEDULE OF STATE OPERATING AID
FOR THE YEAR ENDED AUGUST 31, 2009

Total Operating Costs	\$	32,280,306			
Total Revenue - Offset to Expense		(531,354)			
Costs Not Allowable for State Aid		<u>(155,520)</u>			
Net Operating Costs		31,593,432	@	40%	= \$ <u>12,637,373</u> (a)
Rental Costs - Physical Space		339,882	@	50%	= \$ 169,941
Funded FTE Students - Basic Aid		Allowable			
2005-2006 Actual		<u>3,110.4</u>	x	0.20	= <u>622.1</u>
2006-2007 Actual		<u>3,188.9</u>	x	0.30	= <u>956.7</u>
2007-2008 Actual		<u>3,451.4</u>	x	0.50	= <u>1,725.7</u>
2008-09 Calculated FTE (20-30-50% Rule)					<u>3,304.5</u>
2008-09 Funded FTE (Greater of 20-30-50% Rule or Prior Year Actual)					\$ <u>3,451.4</u> (c)
Funded FTE Students - Basic Aid			(c) @	\$2,675	= \$ <u>9,232,495</u>
Funded FTE and Rental Costs					\$ <u>9,402,436</u> (b)
Basic Aid - Lesser of (a) or (b)					\$ 9,402,436
Supplemental Aid - High Need					\$ <u>23,517</u>
Total State Aid					\$ <u>9,425,953</u>

See Independent Auditor's Report

TOMPKINS CORTLAND COMMUNITY COLLEGE
SCHEDULE OF STATE-AIDABLE FTE TUITION RECONCILIATION
FOR THE YEAR ENDED AUGUST 31, 2009

Calculated tuition based on State-aidable FTE per Annual Report:

	<u>Headcount Credit Hours and FTE</u>	<u>Rate</u>	<u>Equated Tuition</u>
<u>Full-time Student Headcount</u>			
Fall 2008 full-time students per End of Term SDF	2,498	1,720	\$ 4,296,560
Winter 2008 full-time students per SDF	-0-		-0-
Spring 2009 full-time students per SDF	2,585	1,720	4,446,200
Summer 2009 full-time students per SDF	<u>335</u>	1,720	576,200
Total full-time headcount	<u>5,418</u>		
Total credit hours of full-time students	<u>77,925</u>		
<u>Part-time Student Credit Hours</u>			
Fall 2008 part-time students per End of Term SDF	10,263	132	1,354,716
Winter 2008 part-time credits per SDF	-0-	-0-	-0-
Spring 2009 part-time credits per SDF	15,171	132	2,002,572
Summer 2009 part-time credits per SDF	4,900	132	646,800
Fall 2008 per Form 24	177	132	23,364
Winter 2008 per Form 24	-0-	-0-	-0-
Spring 2009 per Form 24	226	132	29,832
Summer 2009 per Form 24	<u>142</u>	132	<u>18,744</u>
Total part-time credit hours	<u>30,879</u>		
Total credit hours	<u>108,804</u>		
Total state-aidable FTE (must agree to the Annual Report)	<u>3,626.8</u>		
Total calculated tuition based headcount and credit hours			<u>\$ 13,394,988</u>

Reconciliation to Annual Report and Audited Financial Statements:

Less: Bad debt allowance charged to tuition	\$ (388,886)
Difference in tuition for discounted classes	(54,516)
Calculated State-aidable non-credit remedial tuition	(9,396)
Learning centers - credits generated - no tuition charged	(43,476)
Other - miscellaneous - Administrative Write-offs	(40,091)
Other - specify- Special Considerations	(59,633)
Add: Forfeited tuition due to withdrawals - FTEs not claimed	80,762
Non-credit remedial tuition revenue collected	
Other - miscellaneous	
Other - specify - Technology Fee Revenue	<u>1,005,722</u>
Tuition revenue reported on annual report (lines 206-208, 214)	<u>\$ 13,885,474</u>
Add: Distribution of excess student revenue	
Charges to non-resident students	\$ 351,355
Out-of-state resident tuition	1,203,468
Service fees	155,257
Student revenue - non state-aidable courses	<u>218,448</u>
Tuition and fee revenue per audited financial statements	<u>\$ 15,814,002</u>

See Independent Auditor's Report

TOMPKINS CORTLAND COMMUNITY COLLEGE
RECONCILIATION OF OPERATING REVENUES AND COSTS
AS REFLECTED IN THE ANNUAL REPORT TO THE AUDITED
APPENDIX B - SUPPORTING SCHEDULE TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

	Annual Report (Unrestricted)	Appendix B Unrestricted Current Fund	Reconciled Difference
2008-09 Gross (Total) Operating Costs	\$ 32,306,735	\$ 32,280,306 *	\$ 26,429
Total Revenues - Offset to Expense	531,354	531,354	
2008-09 Costs Not Allowable for State Aid	155,520	155,520	
2008-09 Total Revenues - Offset to Expense Plus Costs Not Allowable for State Aid	686,874	686,874	
2008-09 Net Operating Costs	<u>\$ 31,619,861</u>	<u>\$ 31,593,432</u>	<u>\$ 26,429</u>
<u>Gross Operating Costs Reconciling Items</u>			
Audit Adjustment			\$ (26,429)
Total			<u>\$ -0-</u>
<u>Total Revenue Offset to Expense Reconciling Items</u>			
NONE			\$
Total			<u>\$ -0-</u>
<u>Costs Not Allowable for State Aid Reconciling Items</u>			
NONE			\$
Total			<u>\$ -0-</u>

* Amount includes total unrestricted expenses and transfers

See Independent Auditor's Report

TOMPKINS CORTLAND COMMUNITY COLLEGE
SCHEDULES OF UNRESTRICTED FUND REVENUES AND EXPENDITURES
BUDGET AND ACTUAL COMPARISON
FOR THE YEARS ENDED AUGUST 31.

	2009		Variance Gain (Loss)
	Budget	Actual	
<u>REVENUES</u>			
Student tuition and fees	\$ 15,475,316	\$ 15,814,002	\$ 338,686
State appropriations	9,423,704	9,425,953	2,249
Federal grants and contracts	178,800	160,029	(18,771)
Local appropriations:			
County chargebacks	3,000,000	3,327,229	327,229
Sponsoring Community Contribution:			
Tompkins County	2,561,211	2,561,211	-0-
Cortland County	1,569,774	1,569,784	10
Appropriated fund balance			-0-
Other sources	97,931	(2,379)	(100,310)
	<u>32,306,736</u>	<u>32,855,829</u>	<u>549,093</u>
<u>EXPENDITURES</u>			
Instruction:			
Salaries and wages	7,934,005	8,530,744	(596,739)
Equipment	38,300	87,529	(49,229)
Contractual	3,367,672	3,204,699	162,973
Fringe benefits	2,802,054	2,773,616	28,438
Total Instruction	<u>14,142,031</u>	<u>14,596,588</u>	<u>(454,557)</u>
Public Service:			
Salaries and wages	44,005	38,769	5,236
Contractual	2,095	52	2,043
Fringe benefits	12,802	12,378	424
Total Public Service	<u>58,902</u>	<u>51,199</u>	<u>7,703</u>
Academic Support:			
Salaries and wages	1,412,860	1,359,808	53,052
Equipment		76,461	(76,461)
Contractual	241,515	189,820	51,695
Fringe benefits	476,556	434,147	42,409
Total Academic Support	<u>2,130,931</u>	<u>2,060,236</u>	<u>70,695</u>
Subtotal Expenditures	<u>16,331,864</u>	<u>16,708,023</u>	<u>(376,159)</u>

See Independent Auditor's Report

2008

	Budget	Actual	Variance Gain (Loss)
\$	14,223,197	\$ 14,419,283	\$ 196,086
	8,680,511	8,690,946	10,435
	228,000	132,004	(95,996)
	2,820,000	2,935,021	115,021
	2,439,248	2,399,904	(39,344)
	1,495,023	1,495,032	9
			-0-
	115,000	95,728	(19,272)
	<u>30,000,979</u>	<u>30,167,918</u>	<u>166,939</u>
	7,910,408	8,240,629	(330,221)
	62,660	58,537	4,123
	3,073,657	3,292,564	(218,907)
	<u>2,513,928</u>	<u>2,555,172</u>	<u>(41,244)</u>
	<u>13,560,653</u>	<u>14,146,902</u>	<u>(586,249)</u>
	38,894	38,984	(90)
	345	106	239
	<u>12,361</u>	<u>12,072</u>	<u>289</u>
	<u>51,600</u>	<u>51,162</u>	<u>438</u>
	1,280,654	1,243,607	37,047
	39,825	30,213	9,612
	343,943	311,043	32,900
	<u>406,992</u>	<u>385,858</u>	<u>21,134</u>
	<u>2,071,414</u>	<u>1,970,721</u>	<u>100,693</u>
	<u>15,683,667</u>	<u>16,168,785</u>	<u>(485,118)</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
SCHEDULES OF UNRESTRICTED FUND REVENUES AND EXPENDITURES
BUDGET AND ACTUAL COMPARISON
(CONTINUED)
FOR THE YEARS ENDED AUGUST 31,

	2009		
	Budget	Actual	Variance Gain (Loss)
Subtotal Expenditures Carried Forward	\$ 16,331,864	\$ 16,708,023	\$ (376,159)
Library:			
Salaries and wages	472,640	490,524	(17,884)
Equipment			-0-
Contractual	165,876	166,490	(614)
Fringe benefits	63,365	156,610	(93,245)
Total Library	<u>701,881</u>	<u>813,624</u>	<u>(111,743)</u>
Student Services:			
Salaries and wages	2,682,990	2,853,072	(170,082)
Equipment		982	(982)
Contractual	1,910,124	1,690,164	219,960
Fringe benefits	839,387	910,901	(71,514)
Total Student Services	<u>5,432,501</u>	<u>5,455,119</u>	<u>(22,618)</u>
Operation and Maintenance of Plant:			
Salaries and wages	2,045,527	2,028,664	16,863
Equipment	77,376	56,286	21,090
Contractual	1,695,310	1,200,445	494,865
Fringe benefits	657,489	647,561	9,928
Total Operation and Maintenance of Plant	<u>4,475,702</u>	<u>3,932,956</u>	<u>542,746</u>
General Administration:			
Salaries and wages	1,298,826	1,310,565	(11,739)
Equipment		1,778	(1,778)
Contractual	400,124	412,187	(12,063)
Fringe benefits	397,073	418,423	(21,350)
Total General Administration	<u>2,096,023</u>	<u>2,142,953</u>	<u>(46,930)</u>
General Institutional Services:			
Salaries and wages	1,546,613	1,606,412	(59,799)
Equipment	163,695	58,623	105,072
Contractual	1,053,450	1,051,122	2,328
Fringe benefits	505,007	511,474	(6,467)
Total General Institutional Services	<u>3,268,765</u>	<u>3,227,631</u>	<u>41,134</u>
Total Expenditures	<u>32,306,736</u>	<u>32,280,306</u>	<u>26,430</u>
Excess of Operating Revenues over Expenditures	\$ <u>-0-</u>	\$ <u>575,523</u>	\$ <u>575,523</u>

See Independent Auditor's Report

2008

Budget	Actual	Variance Gain (Loss)
\$ 15,683,667	\$ 16,168,785	\$ (485,118)
481,753	467,332	14,421
	4,134	(4,134)
165,876	161,197	4,679
153,101	144,715	8,386
<u>800,730</u>	<u>777,378</u>	<u>23,352</u>
2,777,865	2,821,885	(44,020)
8,450	6,990	1,460
1,556,540	1,455,820	100,720
882,805	873,829	8,976
<u>5,225,660</u>	<u>5,158,524</u>	<u>67,136</u>
1,326,245	1,180,106	146,139
25,000	31,456	(6,456)
1,467,672	1,272,241	195,431
421,481	365,433	56,048
<u>3,240,398</u>	<u>2,849,236</u>	<u>391,162</u>
1,538,642	1,466,630	72,012
	22,535	(22,535)
612,043	619,106	(7,063)
488,980	454,162	34,818
<u>2,639,665</u>	<u>2,562,433</u>	<u>77,232</u>
1,146,488	1,131,289	15,199
121,807	138,834	(17,027)
778,629	815,650	(37,021)
363,935	349,515	14,420
<u>2,410,859</u>	<u>2,435,288</u>	<u>(24,429)</u>
30,000,979	29,951,644	49,335
\$ <u>-0-</u>	\$ <u>216,274</u>	\$ <u>216,274</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENSES, AND OTHER CHANGES BY FUND
FOR THE YEAR ENDED AUGUST 31, 2009

	<u>Current Funds</u>		<u>Endowment and Similar Funds</u>	<u>Plant Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>		
<u>REVENUES</u>				
Tuition and fees	\$ 15,814,002	\$	\$	\$
State appropriations	9,425,953			
Federal grants and contracts	160,029	6,040,324		
County/local appropriations	7,458,224	478,515		
State and local grants and contracts		2,879,293		
Offset to expense				
Expended for plant facilities				1,113,376
Retirement of indebtedness				1,092,011
Other sources	(2,379)			533,463
	<u>32,855,829</u>	<u>9,398,132</u>	<u>-0-</u>	<u>2,738,850</u>
<u>EXPENSES</u>				
Instruction	14,596,588	1,086,970		
Public service	51,199			
Academic support	2,873,860	17,676		
Student services	5,455,119	204,993		
Institutional support	5,370,584	34,417		
Operation and maintenance of plant	3,932,956			
Scholarships and fellowships		8,054,076		
Expended for plant facilities				1,648,873
Retirement of debt and interest on debt				2,728,523
Disposal of plant facilities				
Other expenses/deductions				2,165,093
	<u>32,280,306</u>	<u>9,398,132</u>	<u>-0-</u>	<u>6,542,489</u>
Net Increase for the Year	575,523			(3,803,639)
Fund Balances - Beginning of Year	511,441	-0-	-0-	21,697,287
Fund Balances - End of Year	<u>\$ 1,086,964</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 17,893,648</u>

Reconciliation to Audited Financial Statements:

RECONCILIATION OF REVENUES

<u>Total</u>		
\$ 15,814,002	Total Revenue per Schedule (all funds)	\$ 44,992,811
9,425,953	Adjustments:	
6,200,353	Scholarship allowances	(4,508,431)
7,936,739	Expended for plant facilities	
2,879,293	Retirement of indebtedness	
-0-	Miscellaneous adjustments	
1,113,376		
1,092,011	Total Adjusted Revenue	\$ <u>40,484,380</u>
531,084		
<u>44,992,811</u>		
	<u>REVENUE PER AUDITED FINANCIAL STATEMENTS</u>	
	Operating revenue	\$ 12,313,524
	Nonoperating revenue	28,170,856
	Other revenue	
15,683,558	Total revenue per financial statements	\$ <u>40,484,380</u>
51,199		

RECONCILIATION OF EXPENSES

2,891,536	Total Expenses per Schedule (all funds)	\$ 48,220,927
5,660,112	Adjustments:	
5,405,001	Scholarship allowances	(4,508,431)
3,932,956	Expended for plant facilities	
8,054,076	Retirement of indebtedness	
1,648,873	Other postemployment benefits - GASB 45	1,111,432
2,728,523		
2,165,093	Total Adjusted Expenses	\$ <u>44,823,928</u>
<u>48,220,927</u>		
	<u>EXPENSES PER AUDITED FINANCIAL STATEMENTS</u>	
(3,228,116)	Operating expenses	\$ 36,900,887
	Nonoperating expense	<u>7,923,041</u>
22,208,728		
<u>\$ 18,980,612</u>	Total Expenses per Financial Statements	\$ <u>44,823,928</u>

TOMPKINS CORTLAND COMMUNITY COLLEGE
 SCHEDULES OF CHANGES IN UNRESTRICTED FUND BALANCES
FOR THE YEAR ENDED AUGUST 31,

	<u>2009</u>	<u>2008</u>
<u>FUND BALANCES - SEPTEMBER 1,</u>		
By Sponsor:		
Tompkins County	\$ 318,628	\$ 184,538
Cortland County	<u>192,813</u>	<u>110,629</u>
Subtotal of Unrestricted Fund Balances	<u>511,441</u>	<u>295,167</u>
Transfer to Current Year Revenues:		
Appropriated fund balances	-0-	-0-
Excess of Current Unrestricted Fund Revenues over expenditures	<u>575,523</u>	<u>216,274</u>
Subtotal of Current Year Changes	<u>575,523</u>	<u>216,274</u>
<u>FUND BALANCES - AUGUST 31,</u>		
By Sponsor:		
Tompkins County	675,452	318,628
Cortland County	<u>411,512</u>	<u>192,813</u>
Total	<u>\$ 1,086,964</u>	<u>\$ 511,441</u>

See Independent Auditor's Report

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.
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Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

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

College Board of Trustees
Tompkins Cortland Community College
Dryden, New York

We have audited the accompanying financial statements of Tompkins Cortland Community College and the College's discretely presented component units, as of and for the years ended August 31, 2009 and 2008, which collectively comprise Tompkins Cortland Community College's basic financial statements and have issued our report thereon dated January 5, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tompkins Cortland Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tompkins Cortland Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tompkins Cortland Community College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

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

We noted certain matters that we reported to management of Tompkins Cortland Community College in a separate letter dated January 5, 2010

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

A handwritten signature in cursive script that reads "Lisa Schi, Dieterhagen, Little, Minkler & Company, LLP".

January 5, 2010
Ithaca, New York

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
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Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

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

College Board of Trustees
Tompkins Cortland Community College
Dryden, New York

Compliance

We have audited the compliance of Tompkins Cortland Community College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended August 31, 2009. Tompkins Cortland Community College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Tompkins Cortland Community College's management. Our responsibility is to express an opinion on Tompkins Cortland Community College's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in cursive script that reads "Lincoln, Dietershagen, Little, Miliken & Company, CPAs".

January 5, 2010
Ithaca, New York

TOMPKINS CORTLAND COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA #</u>	<u>Pass-Through Grantor #</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	N/A - Direct	\$ 4,884,827
Federal Direct Student Loan Program	84.268	N/A - Direct	8,988,794
Federal Workstudy Program	84.033	N/A - Direct	132,929
Federal Supplemental Educational Opportunity Grant	84.007	N/A - Direct	110,881
Academic Competitiveness Grants	84.375	N/A - Direct	<u>134,969</u>
Subtotal Student Financial Aid Cluster			14,252,400
Passed Through NYS Department of Education			
Vocational Education - Basic	84.048	8000096520	237,460
Vocational and Technical Education Act	84.243	8080080009	<u>75,557</u>
Total Department of Education			14,565,417
<u>U.S. Department of State, Bureau of Educational and Cultural Affairs</u>			
Passed Through Kirkwood Community College			
Community College Summit Initiative Program (CCSIP)	19.000	TCCC200812EGYPT	123,369
Community College Summit Initiative Program (CCSIP)	19.000	TCCC200812CCSIP	317,976
Community College Summit Initiative Program (CCSIP)	19.000	TCCC200812MULTI	4,492
Community College Summit Initiative Program (CCSIP)	19.009	TCCC200912MULTI	3,750
Community College Summit Initiative Program (CCSIP)	19.009	TCCC200912EGYPT	<u>1,125</u>
Total Department of State, Bureau of Educational and Cultural Affairs			450,712
<u>U.S. Department of Labor</u>			
Passed Through The Research Foundation of SUNY			
Workforce Innovation in Regional Economic Development (WIRED) Initiative	17.258	1070371-46330	<u>12,990</u>
Total Expenditures of Federal Awards			<u>\$ 15,029,119</u>

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

TOMPKINS CORTLAND COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2009

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs administered by Tompkins Cortland Community College as defined in Note 1(A) to the College's financial statements. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through from other government agencies, are included on the schedule.

Note 2 - Basis of Accounting

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger, which is the source of the financial statements.

Note 3 - Indirect Costs

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

Note 4 - Matching Costs

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

TOMPKINS CORTLAND COMMUNITY COLLEGE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes x no

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

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes x no

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.007, 84.033, 84.063, 84.268, 84.375</u>	<u>Student Financial Assistance Cluster</u>

Dollar threshold used to distinguish between type A and type B programs \$450,874

Auditee qualified as low-risk auditee: x yes _____ no

Section II - Financial Statement Findings: None

Section III - Federal Award Findings and Questioned Costs: None