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TOMPKINS TRUSTCO INC
Form 11-K
June 29, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal year ended: December 31, 2005

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number: 1-12709

TOMPKINS TRUSTCO, INC. INVESTMENT AND STOCK OWNERSHIP PLAN

(Full title of Plan)

TOMPKINS TRUSTCO, INC.
(Name of issuer of the securities held pursuant to the Plan)

P.O. Box 460, The Commons
Ithaca, New York 14851
(607) 273-3210
(Address of principal executive offices)

TOMPKINS TRUSTCO, INC.

INVESTMENT AND STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL SCHEDULES

* * *

DECEMBER 31, 2005 AND 2004

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Independent Auditor's Report -----

June 23, 2006

To the Compensation and Personnel Committee and Participants of
Tompkins Trustco, Inc. Investment and Stock Ownership Plan

We have audited the accompanying statements of net assets available for benefits of the Tompkins Trustco, Inc. Investment and Stock Ownership Plan (the "Plan") as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets

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Held for Investment Purposes at End of Year as of December 31, 2005, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dannible & McKee, LLP

TOMPKINS TRUSTCO, INC.

INVESTMENT AND STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|---|---------------|---------------|
| | 2005 | 2004 |
| Assets | | |
| ----- | | |
| Investments at fair value (Notes 1, 2 and 5): | \$ 26,394,071 | \$ 23,425,122 |
| ----- | | |
| Receivables: | | |
| Employee contributions (Note 10) | 364,040 | 330,894 |
| Accrued interest and dividends | 9,946 | 7,022 |
| ----- | | |
| Total receivables | 373,986 | 337,916 |
| ----- | | |
| Cash | -- | 2,575 |
| ----- | | |
| Total assets | 26,768,057 | 23,765,613 |
| ----- | | |
| Liabilities | | |
| ----- | | |
| Accrued other liabilities | (9,055) | -- |
| ----- | | |
| Net assets available for benefits | \$ 26,759,002 | \$ 23,765,613 |
| | ===== | ===== |

See accompanying notes to financial statements.

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TOMPKINS TRUSTCO, INC.

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INVESTMENT AND STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year ended December 31, | |
|---|-------------------------|---------------|
| | 2005 | 2004 |
| | ----- | ----- |
| Additions to net assets attributed to: - | | |
| Investment income (Notes 1, 2 and 5): | | |
| Net appreciation in fair value of investments | \$ -- | \$ 2,161,337 |
| Participant loan interest | 29,967 | 26,123 |
| Dividends | 839,321 | 377,121 |
| | ----- | ----- |
| Total investment income | 869,288 | 2,564,581 |
| | ----- | ----- |
| Contributions (Notes 1 and 10): | | |
| Employer profit sharing | 870,792 | 800,792 |
| Employee rollover | 54,230 | -- |
| Employee salary deferral | 2,088,222 | 2,223,073 |
| | ----- | ----- |
| Total contributions | 3,013,244 | 3,023,865 |
| | ----- | ----- |
| Transfer in from Tompkins Trustco, Inc. Employee Stock Ownership Plan (Note 8) | 172,128 | 274,008 |
| | ----- | ----- |
| Transfer in from other plan (Note 9) | 1,027,041 | -- |
| | ----- | ----- |
| Total additions | 5,081,701 | 5,862,454 |
| | ----- | ----- |
| Deductions from net assets attributed to:- | | |
| Benefits paid to participants (Note 1) | 2,070,359 | 1,580,306 |
| Net depreciation in fair value of investments (Notes 1, 2 and 5) | 17,953 | -- |
| | ----- | ----- |
| Total deductions | 2,088,312 | 1,580,306 |
| | ----- | ----- |
| Net increase | 2,993,389 | 4,282,148 |
| | ----- | ----- |
| Net assets available for benefits: | | |
| Beginning of year | 23,765,613 | 19,483,465 |
| | ----- | ----- |
| End of year | \$ 26,759,002 | \$ 23,765,613 |
| | ===== | ===== |

See accompanying notes to financial statements.

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TOMPKINS TRUSTCO, INC.

INVESTMENT AND STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

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Note 1 - Description of the Investment and Stock Ownership Plan

The following description of the Tompkins Trustco, Inc. (the "Company") Investment and Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is an investment and stock ownership plan and has a Section 401(k) salary deferral arrangement covering eligible employees who have met certain age and service requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Compensation and Personnel Committee (the "Committee") appointed by the Company's Board of Directors (the "Board"). The Trust Department of Tompkins Trust Company is the Plan's trustee.

Eligibility - An employee shall become eligible for participation in the matching provision of the Plan once they are age twenty-one. However, an employee shall become eligible for participation in the profit sharing provision of the Plan on the first day of the month coinciding with completing one year of employment and attaining the age of twenty-one. Leased employees, employees covered under a collective bargaining agreement and "on call" employees are not eligible to participate.

Contributions - Eligible participants can contribute to the Plan elective salary deferral up to the maximum allowed by the Internal Revenue Code. These contributions are eligible for matching contributions of 100% of the first 3% of elective deferral and 50% of the next 2% of elective deferral. In addition, the Company, by proper action of the Board, may make contributions to the Plan out of its profits in an amount based on a percentage of the total compensation of all eligible participants during any plan year. Participants are given the opportunity to elect to receive in cash that portion of their allocation, which the Board shall designate as eligible for cash election for the Plan year, or they may elect to allocate all or part to their plan account maintained on their behalf in the Plan. The Committee approved a 4% elective contribution for 2005 and 2004.

Participants' accounts - Each participant's account is credited with the participant's elective deferral, an allocation of the Company's matching and elective contributions and an allocation of the Plan earnings. Allocations of the Company's contributions are based on participants' compensation. Allocations of the Plan earnings are based upon participants' account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting - Participants are immediately 100% vested in the Plan. Therefore, there are no forfeitures.

Investment options - Upon enrollment in the Plan, a participant may direct contributions to the Plan in any of eleven investment options. Participants may change their investment options daily.

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Participant loans receivable - The Plan may make loans to participants of the Plan. The maximum amount allowed is the lesser of \$50,000 or 50% of the participant's entire vested account balance under the Plan. Loan periods range from one to five years, except for loans used to acquire a principal residence, which may exceed five years, with interest at the current prime rate published in the Wall Street Journal at the time of the loan. Participants are limited to having no more than two loans outstanding at any given time.

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Payments of benefits - Upon retirement or disability, a participant may elect to receive either a lump sum amount equal to the value of their account or payments on an instalment method. Distributions to participants upon termination of employment other than for retirement or disability may be made in one lump sum.

Note 2 - Summary of significant accounting policies

Basis of presentation - The accompanying financial statements have been prepared on the accrual method of accounting.

Risks and uncertainties - The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment valuation and income recognition - Investments are recorded at fair value. Quoted market prices are used to value mutual funds. The investment in the Company's common stock is valued at December 31, 2005 and 2004, at market value as listed on the American Stock Exchange for publicly traded securities.

The Plan presents in the statements of changes in net assets available for benefits, the net appreciation or depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Economic dependency and concentration of risk - The Plan has approximately 24% and 28% of its assets invested in Tompkins Trustco, Inc. common stock as of December 31, 2005 and 2004, respectively. In addition, the Plan has approximately 32% and 30% of its assets invested in Wright Mutual Funds as of December 31, 2005 and 2004, respectively. The Plan also has approximately 18% and 20% of its assets invested in Federated Mutual Funds as of December 31, 2005 and 2004, respectively. Accordingly, the Plan is dependent upon the financial condition of these entities.

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Note 3 - Administration of plan assets

Company contributions are held and managed by the trustee who invests cash received and makes distributions to participants.

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Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses of the Plan are paid directly by the Company.

Note 4 - Tax status

The Internal Revenue Service has determined and informed the Company that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. Accordingly, the Plan has been accounted for as a tax-exempt plan.

Note 5 - Investments

The Plan's investments are held by the Company's administered trust fund. The fair value of investments are as follows:

| | December 31, | |
|---|---------------|---------------|
| | 2005 | 2004 |
| Investments, at fair value: | | |
| Tompkins Trustco, Inc. Common Stock | \$ 6,369,978 | \$ 6,512,087 |
| Wright Managed Income U.S. Government Near Term Bond Mutual Fund | 917,246 | 855,603 |
| Wright Major Blue Chip Mutual Fund | 3,193,068 | 2,593,162 |
| Wright Selected Blue Chip Mutual Fund | 4,454,160 | 3,670,205 |
| Federated Prime Obligations - Money Market Funds | 2,352,817 | 2,559,194 |
| Federated Managed Allocation Moderate Growth Select Mutual Fund | 921,615 | 792,526 |
| Federated Managed Allocation Growth Select Mutual Fund | 964,592 | 791,616 |
| Federated Managed Allocation Total | | |
| Return Bond Fund | 686,400 | 447,251 |
| American Century Ultra | 1,970,569 | 1,733,333 |
| American Century International Growth Fund | 1,780,266 | 1,284,058 |
| Janus Enterprise Fund | 2,082,608 | 1,588,810 |
| Participant loans receivable | 700,752 | 597,277 |
| | \$ 26,394,071 | \$ 23,425,122 |
| | ===== | ===== |

Investments that represent 5% or more of the Plan's net assets (\$1,337,950 for 2005 and \$1,188,281 for 2004) are separately identified above.

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The Plan's investments (including investments bought, sold and held during the year) appreciated in fair value, are as follows:

| | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2005 | 2004 |
| Various mutual funds | \$ (523,668) | \$ 1,255,178 |
| Common stock of Tompkins Trustco, Inc. | 505,715 | 906,159 |
| | \$ (17,953) | \$ 2,161,337 |

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Note 6 - Termination of the Plan

The Company reserves the right to terminate the Plan at any time subject to plan provisions. Upon plan termination, all assets would be used to pay the administrative expenses, liquidation expenses and participant claims until all fund assets have been expended. The Company would not be entitled to receive any assets or other benefits upon termination of the Plan.

Note 7 - Plan amendments

Effective March 28, 2005, the determination of benefits upon termination section of the Plan document was amended to allow the Company to distribute participant's aggregate account in excess of \$1,000 but less than \$5,000 to an IRA institution selected by the Company, unless the participant affirmatively elects otherwise.

Effective January 1, 2006, the Plan was amended to allow participant to designate all or a portion of the employer elective contributions as a designated Roth contribution.

Effective August 11, 2004, various sections of the Plan document were amended to facilitate the Internal Revenue Service determination letter process.

Note 8 - Tompkins Trustco, Inc. Employee Stock Ownership Plan diversification

Under the Tompkins Trustco, Inc. Employee Stock Ownership Plan document, participants meeting certain age and service requirements may elect to diversify the eligible portion of the Company stock held in their account within ninety days after the close of each plan year. The participants may make this election over a six-year period. The funds elected to be diversified are transferred to the Plan and invested in funds as chosen by the participant. During 2005 and 2004, participants transferred \$172,128 and \$274,008, respectively.

Note 9 - Transfer in from other plan

In 2005, Tompkins Insurance Agency Inc., a division of Tompkins Trustco, Inc.; purchased substantially all of the assets of Banfield & Associates, Inc. Banfield & Associates, Inc. operated a defined contribution plan known as Banfield & Associates, Inc. Profit Sharing and 401(k) Plan. Effective March 7, 2005, the Banfield & Associates, Inc. Profit Sharing and 401(k) Plan merged with the Tompkins Trustco, Inc. Investment and Stock Ownership Plan. Accordingly, Banfield & Associates, Inc. Profit Sharing and 401(k) Plan transferred in net assets of \$1,027,041.

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Note 10 - Reconciliation of the financial statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to Form 5500:

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| | December 31, | |
|--|---------------|---------------|
| | 2005 | 2004 |
| Net assets available for benefits per the financial statements | \$ 26,759,002 | \$ 23,765,613 |
| Less - Employee contribution receivable | 364,040 | 330,894 |
| Net assets available for benefits per Form 5500 | \$ 26,394,962 | \$ 23,434,719 |

The following is a reconciliation of employee contributions per the financial statements to Form 5500:

| | Year ended December 31, | |
|--|-------------------------|--------------|
| | 2005 | 2004 |
| Employee contributions per the financial statements | \$ 2,088,222 | \$ 2,223,073 |
| Add - Amounts received from employee elective deferral of 2004 and 2003 profit sharing, received in 2005 and 2004, respectively | 330,894 | 325,492 |
| Less - Amounts receivable from employee elective deferral of 2005 and 2004 profit sharing, received in 2006 and 2005, respectively | 364,040 | 330,894 |
| Employee contributions per Form 5500 | \$ 2,055,076 | \$ 2,217,671 |

As discussed in Note 1, participants are given the opportunity to elect to receive in cash that portion of their profit sharing allocation which the Board shall designate as eligible for cash election for the Plan year or they may elect to allocate all or part to their plan account maintained on their behalf in the Plan. These elective deferrals are not made by the participant until the year subsequent of when the profit sharing percentage is approved by the Committee. Therefore, these elective deferrals are accrued as a receivable to the Plan in the Plan year that the profit sharing is approved. However, these elective deferrals are considered in the relevant nondiscrimination testing in the year that they are received by the Plan.

Note 11 - Contingencies

In 2004, the Plan had an examination by the Internal Revenue Service (IRS) for the year ended December 31, 2002. The examination was finalized in 2005. As the result of the examination, the IRS found that the Plan used incorrect criteria to calculate Average Deferral Percentage Test and Average Contribution Percentage Test. These tests were recalculated using the proper criteria, which provided passing results; therefore, no adjustments were considered necessary.

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SUPPLEMENTAL SCHEDULES

TOMPKINS TRUSTCO, INC.
 INVESTMENT AND STOCK OWNERSHIP PLAN

EIN #16-1601018

PLAN #002

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(Required Disclosure of Line 4i on Schedule H of Form 5500)

DECEMBER 31, 2005

| (a) | (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (d) Cost | (e) Current value |
|-----|---|--|--------------|-------------------------|
| | Federated Prime Obligations | Money Market Fund, 2,352,817 shares | \$ 2,352,817 | \$ 2,352,817 |
| | American Century Ultra | Mutual Fund, 66,394 shares | 1,778,561 | 1,900,000 |
| | Federated Managed Allocation Growth Select | Mutual Fund, 75,241 shares | 890,814 | 900,000 |
| | Federated Managed Allocation Moderate Growth Select | Mutual Fund, 75,666 shares | 858,347 | 900,000 |
| | Janus Enterprise Fund | Mutual Fund, 49,692 shares | 1,716,972 | 2,000,000 |
| | Wright Selected Blue Chip Equity | Mutual Fund, 341,839 shares | 4,524,101 | 4,400,000 |
| | Wright Major Blue Chip Equity | Mutual Fund, 257,091 shares | 3,026,694 | 3,100,000 |
| | American Century International Growth | Mutual Fund, 176,614 shares | 1,633,175 | 1,700,000 |
| | Federated Total Return Bond Fund | Mutual Fund, 65,062 shares | 699,830 | 600,000 |

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| | | | | |
|---|------------------------|-----------------------------------|--------------|--------|
| | Wright Managed Income | | | |
| | U.S. Government Near | | | |
| | Term Bond | Mutual Fund, 93,788 shares | 954,302 | 9 |
| * | Tompkins Trustco, Inc. | Common stock, 142,187 shares | 3,712,284 | 6,3 |
| * | Participant loans | Participant loans receivable with | | |
| | receivable | various rates of interest from 4% | | |
| | | to 10% | 700,752 | 7 |
| | | | ----- | ----- |
| | Total investments | | \$22,848,649 | \$26,3 |
| | | | ===== | ===== |

* A party-in-interest as defined by ERISA.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

TOMPKINS TRUSTCO, INC. INVESTMENT AND STOCK OWNERSHIP PLAN

Administrator: TOMPKINS TRUST COMPANY

Date: June 27, 2006

By: /s/ FRANCIS M. FETSKO

Francis M. Fetsko
Executive Vice President and
Chief Financial Officer

| Exhibit Number | Description | Page |
|----------------|-----------------------------|------|
| ----- | ----- | ---- |
| 23.1 | Consent of Dannible & McKee | |