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TOMPKINS FINANCIAL CORP
Form 11-K
June 29, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK
REPURCHASE SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

For the Fiscal year ended: December 31, 2006

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. EMPLOYEE STOCK OWNERSHIP PLAN

(Full title of plan)

TOMPKINS FINANCIAL CORPORATION
(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.

EMPLOYEE STOCK OWNERSHIP PLAN

ITHACA, NEW YORK

AUDITED FINANCIAL STATEMENTS

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SUPPLEMENTAL SCHEDULE

AND

REPORT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2006 AND 2005

CONTENTS

AUDITED FINANCIAL STATEMENTS -----	PAGE -----
Report of Independent Registered Public Accounting Firm	3
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6
SUPPLEMENTAL SCHEDULE	
Form 5500 - Schedule H - Part IV:	
Item 4i - Schedule of Assets Held for Investment Purposes at End of Year - December 31, 2006	9

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Mengel Metzger Barr & Co. LLP
MMB
Certified Public Accountants

An Independent Member of the BDO Seidman Alliance

Additional Offices / Hornell, New York / Ithaca, New York / Rochester, New York

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Audit Committee
Tompkins Trustco, Inc.
Employee Stock Ownership Plan

We have audited the accompanying statement of net assets available for benefits of the Tompkins Trustco, Inc. Employee Stock Ownership Plan as of December 31, 2006, and the related statement of changes in net assets available for benefits for the year 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 audit. The financial statements of the Employee Stock Ownership Plan of Tompkins Trustco, Inc. as of and for the year ended December 31, 2005 were audited by other auditors whose report dated June 23, 2006, expressed an unqualified opinion on those statements.

We conducted our audit 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 controls 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2006, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental Schedule of Assets Held for Investment Purposes At End of Year - December 31, 2006 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 audit of the basic 2006 financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic 2006 financial statements taken as a whole.

/s/ Mengel, Metzger, Barr & Co. LLP

Elmira, New York
June 26, 2007

- 3 -

[LOGO OMITTED]
DANNIBLE & MCKEE, LLP

Certified Public Accountants
and Consultants

Financial Plaza, 221 S. Warren St.,
Syracuse, New York 13202-2687
(315) 472-9127 Fax (315) 472-0026

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Independent Auditor's Report

June 23, 2006

To the Compensation and Personnel Committee and Board of Directors of
Tompkins Trustco, Inc. Employee Stock Ownership Plan

We have audited the accompanying statement of net assets available for benefits of the Tompkins Trustco, Inc. Employee Stock Ownership Plan ("the Plan") as of December 31, 2005, and the related statement of changes in net assets available for benefits for the year 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 audit.

We conducted our audit 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 audit provides 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 the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ DANNIBLE & MCKEE, LLP

Dannible & McKee, LLP
Syracuse, New York

- 3.1 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 3

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	----- 2006 -----	
ASSETS		

Investments, at fair value:		
Federated Prime Obligations Fund	\$ 5,511	\$
Tompkins Trustco, Inc. common stock	24,086,864	
	-----	-----
TOTAL INVESTMENTS	24,092,375	
Employer contribution receivable	666,428	
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$ 24,758,803	\$
	=====	=====

The accompanying notes are an integral part of the financial statements.

- 4 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended Dec ----- 2006 -----	
ADDITIONS		

Additions to net assets attributed to:		
Investment income:		
Interest and dividends	\$ 620,475	\$
Net appreciation (depreciation) in fair value of investments	2,508,402	
	-----	-----
	3,128,877	
Contributions - employer	666,428	
	-----	-----
TOTAL NET ADDITIONS	3,795,305	
DEDUCTIONS		

Deductions from net assets attributed to:		
Benefits paid to participants	1,617,063	
Transfer to Tompkins Trustco Inc. Investment and Stock Ownership Plan	207,652	
	-----	-----
TOTAL DEDUCTIONS	1,824,715	
	-----	-----

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	NET INCREASE (DECREASE)	1,970,590	
Net assets available for benefits at beginning of year		22,788,213	

	NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 24,758,803	\$
		=====	==

The accompanying notes are an integral part of the financial statements.

- 5 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

NOTE A: DESCRIPTION OF PLAN

The following description of the Tompkins Trustco, Inc. Employee 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 employee stock ownership plan covering eligible employees who have met certain age and service requirements. The Plan is administered by the Executive, Compensation/Personnel Committee appointed by Tompkins Trustco, Inc.'s Board of Directors, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Trust Department of Tompkins Trust Company is the Plan's Trustee. All investments of the Plan are non-participant directed.

Eligibility

An employee shall become eligible for participation in the Plan on the first day of the month coinciding with completing one year of credited service 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.

Vesting

Participants will become vested in all contributions and earnings over a five-year period.

Contributions

Tompkins Trustco, Inc. shall contribute to the Plan a discretionary amount, which shall not exceed 5% of participant compensation. The Executive, Compensation/Personnel Committee approved a 3% and 3.5% discretionary

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contribution to the Plan for the years ended December 31, 2006 and 2005, respectively. These contributions are used by the Employee Stock Ownership Plan to acquire company common stock. These common stock shares are allocated annually to participant accounts. The Plan sponsor has the right to discontinue such discretionary contributions at any time.

Diversification and transfers

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in the Plan sponsor stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over multiple years. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. After the fifth year, the percentage changes to 50 percent. The funds elected to be diversified are transferred to the Tompkins Trustco, Inc. Investment and Stock Ownership Plan ("ISOP") and invested in funds as chosen by the participant. During the years ended December 31, 2006 and 2005, the Plan transferred \$207,652 and \$172,128 into the ISOP, respectively.

- 6 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2006 AND 2005

NOTE A: DESCRIPTION OF PLAN, Cont'd

Participants' accounts

Each participant's account is credited with an allocation of the Tompkins Trustco, Inc.'s discretionary and non-elective contributions and an allocation of plan earnings. Allocations of company contributions are based upon the participant's compensation and the allocations of plan earnings are based upon participant account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Forfeitures of non-vested account balances are allocated to participants' accounts as company contributions.

Payment of benefits

Upon termination of service, the participant's account is either maintained in the Plan, transferred to an individual retirement account in the participant's name, directly rolled over into a qualified retirement plan or paid to the participant in a lump sum.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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The financial statements of the Plan are prepared under the accrual method of accounting.

Investment valuation and income recognition

The Plan's investments are stated at fair value. The investment in Tompkins Trustco, Inc.'s common stock is valued at December 31, 2006 and 2005 at the market value as listed on the American Stock Exchange for publicly traded securities. Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

Administrative expenses

The Plan sponsor has elected to pay certain administrative expenses of the Plan.

Use of estimates in the preparation of financial statements

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

Payment of benefits

Benefits are recorded when paid.

Reclassifications

Certain 2005 amounts have been reclassified to conform to the 2006 presentation.

- 7 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, Cont'd

DECEMBER 31, 2006 AND 2005

NOTE C: INVESTMENTS

The following presents the fair value of investments and the net appreciation (depreciation) in fair value. Investments that represent 5% or more of the Plan's net assets are separately identified:

December 31, 2006	December 31, 2005
-----	-----
Net appreciation in fair	Net (depreciation)

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	value during the year	Fair value at end of year	in fair value during the year	Fair value at end of year
	-----	-----	-----	-----
Federated Prime Obligations Fund	\$ --	\$ 5,511	\$ --	\$ 1,774
Tompkins Trustco, Inc. common stock	2,508,402	24,086,864	(1,935,831)	22,044,960
	-----	-----	-----	-----
	\$ 2,508,402	\$ 24,092,375	\$ (1,935,831)	\$ 22,046,734
	=====	=====	=====	=====

NOTE D: TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated January 13, 2005, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of IRC.

NOTE E: PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants have a fully vested interest in their accounts and their accounts will be paid to them as provided by the plan document.

NOTE F: TRANSACTIONS WITH PARTIES-IN-INTEREST

Tompkins Trustco, Inc. is the Plan sponsor and the Trust Department of Tompkins Trust Company acts as trustee for the Plan's assets. In addition, the Plan invests in Tompkins Trustco, Inc. common stock which represents approximately 97% of net assets at December 31, 2006 and 2005.

NOTE G: RISKS AND UNCERTAINTIES

The Plan invests primarily in Tompkins Trustco, Inc. common stock. These investment securities are exposed to market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits.

- 8 -

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

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SUPPLEMENTAL SCHEDULE

TOMPKINS TRUSTCO, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

EIN: 16-1601020

PLAN #: 003

FORM 5500 - SCHEDULE H - PART IV

ITEM 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

AT END OF YEAR - DECEMBER 31, 2006

(a) Party in interest	Identity of issue, borrower, lessor or similar party	(b) (c) (d) (e) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	Cost
	Federated Prime Obligations Fund	5,511 shares - Money Market Fund	\$ 5,511
*	Tompkins Trustco, Inc.	529,964 shares of Common Stock	9,152,356
		TOTAL INVESTMENTS	\$ 9,157,867 =====

- 9 -

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. EMPLOYEE STOCK OWNERSHIP PLAN

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Administrator: TOMPKINS TRUST COMPANY

Date: June 27, 2007

By: /s/ FRANCIS M. FETSKO

Francis M. Fetsko
Executive Vice President
Chief Financial Officer

Exhibit Number	Description	Page
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23.1	Consent of Mengel, Metzger, Barr & Co. LLP	
23.2	Consent of Dannible & McKee	