

County of Jackson,  
Michigan



For the Year Ended  
December 31, 2014

Comprehensive  
Annual Financial  
Report

Prepared by:

Administrator/Controller  
*Michael R. Overton*

Deputy Administrator  
*Adam J. Brown*

Finance Director  
*James E. Latham*

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## INTRODUCTORY SECTION

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# Jackson County

## ADMINISTRATOR/CONTROLLER

Michael R. Overton, Administrator/Controller  
Adam J. Brown, Deputy Administrator

June 30, 2015

To the Board of Commissioners and the Citizens of Jackson County:

Transmitted herein is Jackson County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. Jackson County's financial reporting requirements are mandated by Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that Jackson County issue an annual financial report, and that this report be audited by certified public accountants.

This report consists of management's representation concerning the finances of Jackson County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of Jackson County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Jackson County's financial statements have been audited by Rehmann Robson, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that Jackson County's fiscal year ended December 31, 2014 financial statements are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE JACKSON COUNTY GOVERNMENT

Jackson County, 707 square miles and with a current population of just over 160,000, is located in the south-central portion of Michigan's lower peninsula. The County was incorporated on August 1, 1832.

Jackson County is governed by a nine-member Board of Commissioners. Each Commissioner is elected on a partisan basis for terms of two years from single-member districts. The Board annually elects from its ranks a Chairperson and a Vice Chairperson by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Administrator/Controller who is appointed by a majority vote of the Board of Commissioners and serves at its pleasure. Primary functions of the Board include determination of the type and level of County services, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions and County officials.

Judges of the 4<sup>th</sup> Judicial Circuit, Probate Court, and 12<sup>th</sup> District Court are elected at large for six-year terms. Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding judges, while the County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various constitutional or statutory County officials, including the County Treasurer, County Clerk/Register of Deeds, Prosecuting Attorney, Drain Commissioner, and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with interrelated fiscal affairs of County departments and agencies. The duties of the County Clerk/Register of Deeds include keeping and maintaining records of births, marriages and discharges of military personnel, serving as Clerk of the Board of Commissioners as well as the Clerk of the Circuit Court, the recording of deeds, mortgages, surveys, plats, and notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of State criminal law within the County and may represent the County in appropriate Courts. The Drain Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In 2012 the Michigan Legislature amended Act 283 of 1909 allowing County Commissions to dissolve County Road Commissions and assume their responsibilities. In January of 2013 the County Board of Commissioners dissolved the Road Commission and assumed its responsibilities.

In addition, the Board of Commissioners appoints several County officials, including the Administrator/Controller, Health Officer, Medical Examiner, and Equalization Director. The Administrator/Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State Law. The Medical Examiner performs the statutory duties of Medical Examiner. The Equalization Director oversees the equalization process of the County as prescribed by law.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Department of Human Services Board, the Parks and Recreation Commission, the Airport Board, the Fair Board and the Economic Development Corporation Board among many others.

The business of the County is carried out on a daily basis by some 572 full time equivalent employees located at several different locations throughout the County, providing a diverse array of services in the areas of human services, law enforcement, justice, administration, recreation, education, elections, and record keeping.

## FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Jackson County operates.

### Local Economy

Jackson County, located at the hub of Interstate 94 and U.S. 127 in central Michigan's lower peninsula, enjoys a rich human and technical resource data base. The economic status of Jackson and the City of Jackson (County Seat) is heavily influenced by its geographic location and continues to diversify its economy in the areas of agriculture, health care, manufacturing, retail, and tourism related opportunities.

A significant factor contributing to the area's economic strength is the presence of the headquarters of Consumers Energy, one of the largest public utilities in the State of Michigan; the State Prison of Southern Michigan (SPSM), the State's largest correctional institution; and Allegiance Health System, the County's premier health care facility and largest employer. These major employers provide a secure foundation for the area's economy.

Jackson County Airport's runway realignment project, which began in 2006, is currently in Phase II construction. The total estimated construction budget is \$42 million. When completed this project will enhance the viability of an "Aviation Business Park" located on surplus airport property.

The 2014 taxable value for Jackson County increased by 1.6%. Total assessed property values for the County are \$4.99 billion based on the 2015 equalization report. The total change in the equalized value (which is approximately 50% of actual property value) was an increase of \$142 million for 2014.

Jackson County manufacturers invested \$206.3 million in plant and equipment in 2014, this is the largest investment since 2001. This investment will generate an additional 310 new jobs in Jackson County.

### Long-Term Financial Planning

Unassigned fund balance in the general fund is 24.5% of prior year's total general fund expenditures and transfers out and exceeds policy guidelines set by the Board of Commissioners for budgetary and planning purposes. In 2007, the Board established the guideline at 18%-24%, due to uncertain financial conditions with the State of Michigan. The 5 year budget plan discussed later in this section calls for the unassigned fund balance to fall to within policy by 2016.

The County continues to adhere to its plan to reduce FTE's in anticipation of reduced property tax revenue. Since 2004, the County has achieved a net reduction of 77 FTE's. This reduction has largely been achieved via attrition (retirements & terminations) and departmental reorganizations. The adopted 2015 budget does not call for decreases in staff. However it is likely that staff reductions will be necessary to achieve additional budget reductions in 2016.

The Board of Commissioners continues to adopt a five year budget strategy to allow it to adjust for major uncertainties in the local, regional, and State economic markets. This financial plan is based on sound management and budget policies for the stewardship of public funds. Projecting revenues and expenses for a five year period allows the County to accommodate inevitable changes as well as prepare for the expected reductions using a proactive process. Reserves, which currently exceed policy, are anticipated to be reduced to 24% of the unreserved fund balance to support County services by 2016. The expectation is that revenues and expenditures will be structurally balanced by 2016. The County continues to come in under budget each year, which has contributed to our ability to weather this past recession.

The Board has adopted a strategic plan that guides budget decisions in the allocation of reduced resources. Those priorities include, economic development, safe community, healthy community, recreational and cultural opportunities, and community and social supports. This plan is revisited at the beginning of each budget year so that departments can make appropriate budget modifications if needed.

### Major Initiatives

As a distinct part of the County's strategic plan, we have been fostering intergovernmental cooperation in the provision of services. Examples include agreements with two component units for information technology services. Multiple inter-local agreements for additional road patrol services with townships. The equalization office began township assessing in 2012 and currently provides assessing services for two municipalities. In 2013 the County entered into an agreement to share Jackson County Road fund operations management personnel with the Calhoun County Road Department. The County will continue to explore other collaborative arrangements in the areas of 911, emergency management, IT, equalization, public safety and facilities management with the other local units of governments as opportunities present themselves.

Administration has undertaken an effort to make the County a high performance organization involving staff at all levels in decision making. A leadership team consisting of elected officials, department heads, managers, and union members meets to develop processes to improve how the County operates.

Budget preparation has moved from a document filled with numbers to a large on-line presentation complete with charts, historical data, and performance measurement. In addition, each department prepares information outlining their mission, activities, impact on the strategic plan, accomplishments, and key indicators. The same information that is available to Commissioners is also open to public viewing via the County web-page.

### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we will continue submitting it to the GFOA to determine its eligibility annually.

In addition to the Certificate of Achievement, the County also received the GFOA's Distinguished Budget Presentation Award for its budget for the fiscal year beginning January 1, 2013. To qualify for the Distinguished Budget Presentation Award, the County's Budget document was judged as a policy document, a financial plan, an operations guide, and a communications device.

The Jackson County's bond rating was upgraded by Standard & Poor to AA from A+ in early 2010. Although the County did not issue new bonds we believe the refinancing consummated in late 2010 was a contributing factor in the interest rate assigned.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Jackson County. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report and in particular to finance department. Credit also must be given to the Chairman of the Board and the County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Jackson County's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael Overton". The signature is fluid and elegant, with a long horizontal stroke at the end of the word "Overton".

Michael R. Overton

Administrator/Controller

# COUNTY OF JACKSON, MICHIGAN

## PRINCIPAL OFFICIALS

YEAR ENDED DECEMBER 31, 2014

### BOARD OF COMMISSIONERS

James E. Shotwell, Jr., Chair

Sarah Lightner  
David F. Lutchka  
Carl Rice, Jr.  
Phillip S. Duckham, III

Julie L. Alexander  
Gail W. Mahoney  
John Polaczyk  
David K. Elwell

### ADMINISTRATOR/CONTROLLER

Michael R. Overton

### DEPUTY ADMINISTRATOR

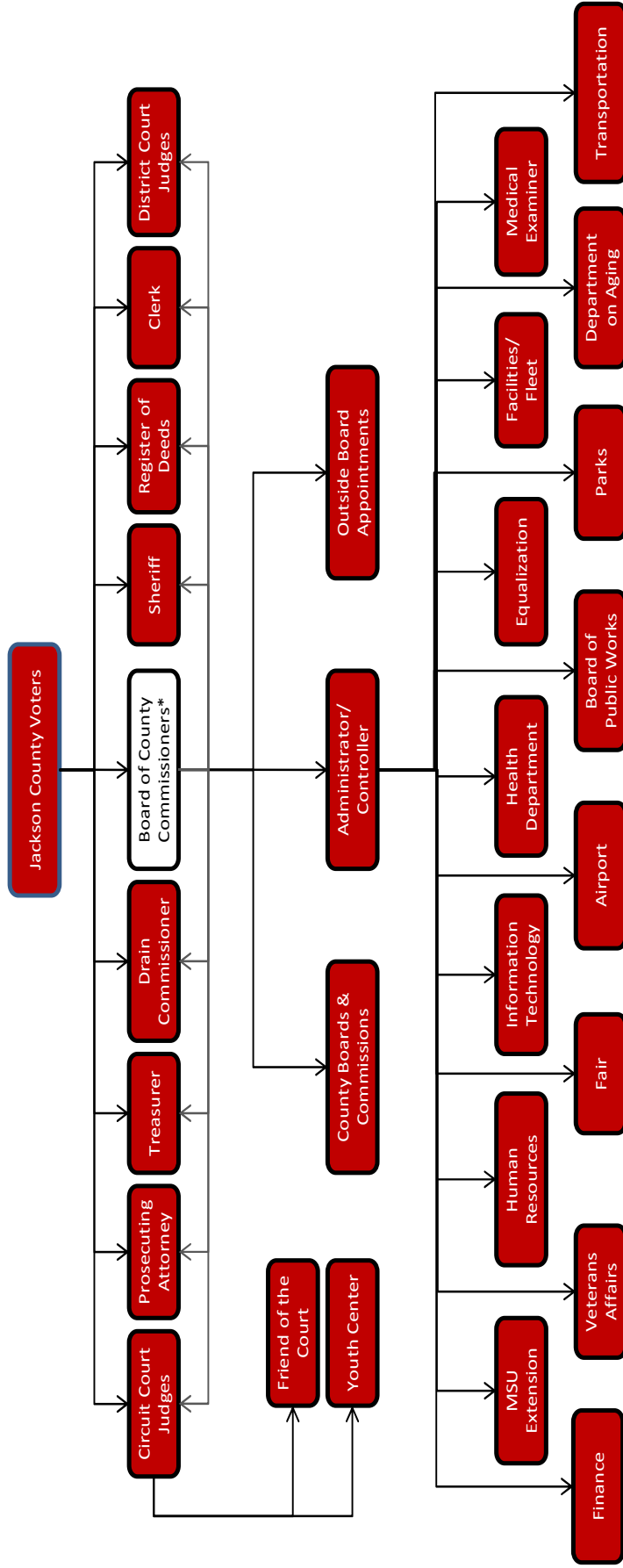
Adam J. Brown

### FINANCE DIRECTOR

James E. Latham, CPA

# Organization/Staffing

## Jackson County, Michigan Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Jackson  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO



## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

June 30, 2015

Honorable Members of the  
Board of Commissioners  
of the County of Jackson, Michigan  
Jackson, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Jackson, Michigan* (the "County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility enterprise fund, which is a major fund, and 50.0%, 23.5%, and 76.2%, respectively, of the assets, net position, and program revenues of the business-type activities. Also, we did not audit the financial statements of the Economic Development Corporation which represent 3.6%, 15.4% and 2.5%, respectively, of the assets, net position and program revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and the Economic Development Corporation, is based solely on the reports of the other auditors. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jackson, Michigan, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Implementation of GASB Statement No. 67*

The County implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in the current year. While there was no effect on the amounts reported in the financial statements themselves, there were substantial changes to the disclosures found in Note 14 to the financial statements, including the calculation of the County's net pension liability, which will be required to be recorded by the County in its next fiscal year. Our opinion is not modified with respect to this matter.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules of the retirement system and retiree health plan information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the County's internal control over financial reporting and on 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 to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Rehmann Loborn LLC*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

As management of the County of Jackson, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements.

### Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$131,391,053 (net position). Of this amount, \$30,244,188 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's net position decreased by \$4,006,067. Net position from governmental activities decreased by \$3,235,790 while net position from business-type activities (i.e. delinquent tax revolving fund, medical care facility, tax foreclosure administration, resource recovery and personal property tax funds) decreased by \$770,277.
- As of the close of the current fiscal year, the County's governmental funds (which include the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$27,413,104, a decrease of \$1,863,097 in comparison with the prior year. Of this balance, \$10,365,563 (37.8 percent), is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,365,563 or 22.8 percent of total general fund expenditures and transfers out.
- The County's total bonded debt equaled \$24,785,000 at the close of 2014, decreasing by \$1,545,000 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows, liabilities and deferred inflows with the difference being net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and welfare, recreation and cultural, and community development. The business-type activities of the County include delinquent tax revolving, medical care facility, tax foreclosure administration, resource recovery and personal property tax funds.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also legally separate Economic Development Corporation, Land Bank Authority, Drain Commission, Brownfield Redevelopment Authority, and Board of Public Works for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.



## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 33 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, jail millage fund, medical care facility maintenance of effort fund, road fund and building authority fund, all of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund and certain special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

**Proprietary Funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax revolving fund, medical care facility, foreclosure tax administration, resource recovery and personal property tax funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses *internal service funds* to account for its risk management and employee benefit programs in addition to land use planning and graphic information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax revolving, medical care facility, and foreclosure tax administration funds, all of which are considered to be major funds of the County. Individual fund data for each of the nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

**Fiduciary Funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not available* to support the County's own programs. The accounting used for *fiduciary funds* is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$131,391,053 at the close of the most recent fiscal year.

|                                       | Net Position            |                      |                          |                     |                       |                       |
|---------------------------------------|-------------------------|----------------------|--------------------------|---------------------|-----------------------|-----------------------|
|                                       | Governmental Activities |                      | Business-type Activities |                     | Total                 |                       |
|                                       | 2014                    | 2013                 | 2014                     | 2013                | 2014                  | 2013                  |
| <b>Assets</b>                         |                         |                      |                          |                     |                       |                       |
| Current and other assets              | \$ 42,660,508           | \$ 44,975,258        | \$27,678,870             | \$29,072,891        | \$ 70,339,378         | \$ 74,048,149         |
| Capital assets, net                   | 98,649,584              | 96,467,042           | 14,914,930               | 15,394,014          | 113,564,514           | 111,861,056           |
| <b>Total assets</b>                   | <b>141,310,092</b>      | <b>141,442,300</b>   | <b>42,593,800</b>        | <b>44,466,905</b>   | <b>183,903,892</b>    | <b>185,909,205</b>    |
| <b>Deferred outflows of resources</b> | <b>-</b>                | <b>-</b>             | <b>588,728</b>           | <b>627,123</b>      | <b>588,728</b>        | <b>627,123</b>        |
| <b>Liabilities</b>                    |                         |                      |                          |                     |                       |                       |
| Long-term liabilities                 | 18,106,202              | 18,551,723           | 11,867,084               | 12,392,453          | 29,973,286            | 30,944,176            |
| Other liabilities                     | 15,046,058              | 11,545,239           | 4,669,186                | 5,285,040           | 19,715,244            | 16,830,279            |
| <b>Total liabilities</b>              | <b>33,152,260</b>       | <b>30,096,962</b>    | <b>16,536,270</b>        | <b>17,677,493</b>   | <b>49,688,530</b>     | <b>47,774,455</b>     |
| <b>Deferred inflows of resources</b>  | <b>3,413,037</b>        | <b>3,364,753</b>     | <b>-</b>                 | <b>-</b>            | <b>3,413,037</b>      | <b>3,364,753</b>      |
| <b>Net position</b>                   |                         |                      |                          |                     |                       |                       |
| Net investment in capital assets      | 85,235,379              | 82,006,055           | 4,078,658                | 3,419,014           | 89,314,037            | 85,425,069            |
| Restricted                            | 11,852,828              | 12,690,046           | -                        | -                   | 11,852,828            | 12,690,046            |
| Unrestricted                          | 7,656,588               | 13,284,484           | 22,567,600               | 23,997,521          | 30,224,188            | 37,282,005            |
| <b>Total net position</b>             | <b>\$104,744,795</b>    | <b>\$107,980,585</b> | <b>\$26,646,258</b>      | <b>\$27,416,535</b> | <b>\$ 131,391,053</b> | <b>\$ 135,397,120</b> |

A substantial portion of the County's net position, \$89,314,037 (68.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$11,852,828 (9.0 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of *unrestricted net position* of \$30,224,188 (23.0 percent) to meet its ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

COUNTY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

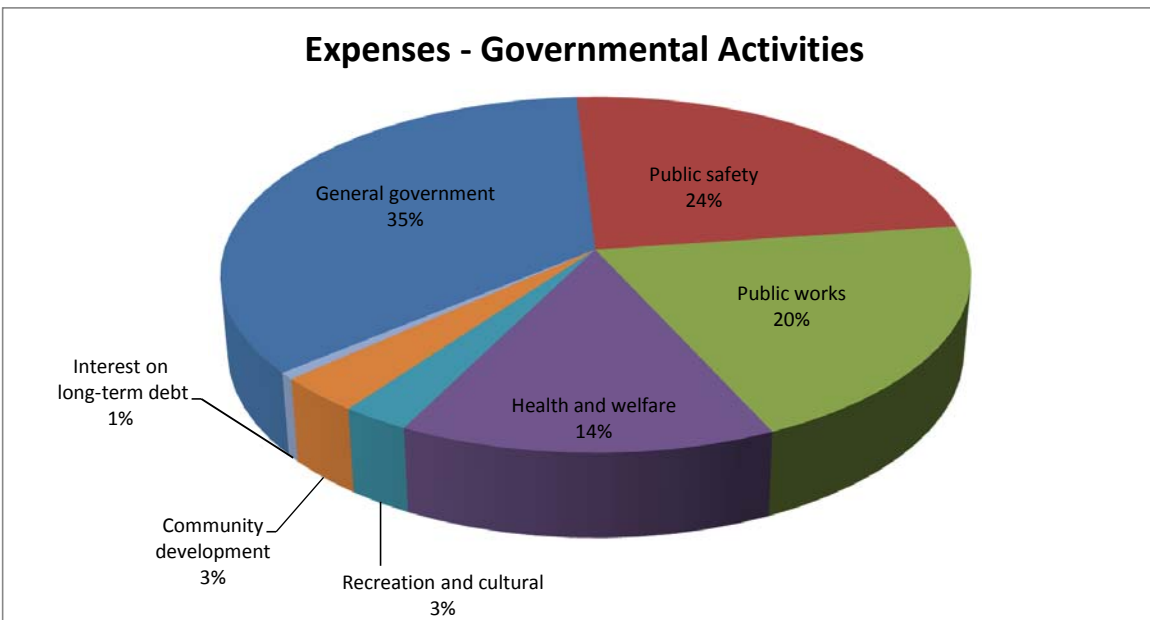
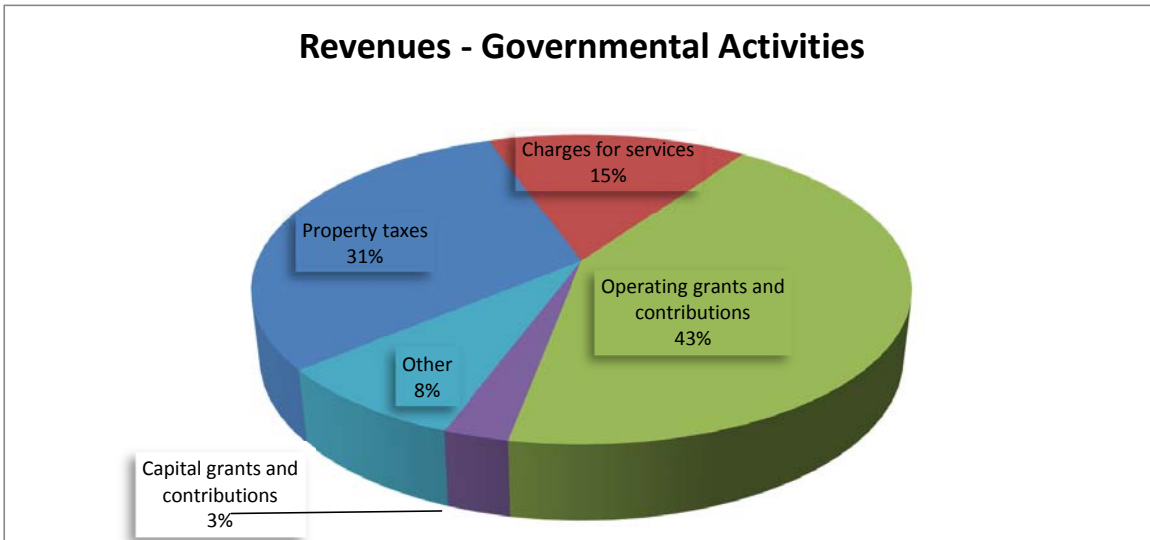
|   | Changes in Net Position |                      |                          |                     |                       |                       |
|---|-------------------------|----------------------|--------------------------|---------------------|-----------------------|-----------------------|
|   | Governmental Activities |                      | Business-type Activities |                     | Total                 |                       |
|   | 2014                    | 2013                 | 2014                     | 2013                | 2014                  | 2013                  |
| <b>Revenues</b>   |                         |                      |                          |                     |                       |                       |
| Program revenues:   |                         |                      |                          |                     |                       |                       |
| Charges for services                                      | \$ 12,297,064           | \$ 11,874,779        | \$19,431,181             | \$26,247,095        | \$ 31,728,245         | \$ 38,121,874         |
| Operating grants and contributions                        | 35,206,928              | 30,792,988           | 4,631,877                | 4,748,424           | 39,838,805            | 35,541,412            |
| Capital grants and contributions                          | 2,212,368               | 2,583,837            | -                        | -                   | 2,212,368             | 2,583,837             |
| General revenues:   |                         |                      |                          |                     |                       |                       |
| Property taxes  | 24,982,710              | 24,038,899           | -                        | -                   | 24,982,710            | 24,038,899            |
| Unrestricted state shared revenues                        | 4,034,788               | 3,629,709            | -                        | -                   | 4,034,788             | 3,629,709             |
| Unrestricted investment earnings (loss)                   | 2,613,757               | (2,148,676)          | -                        | -                   | 2,613,757             | (2,148,676)           |
| Gain on sale of capital assets                            | 30,268                  | 5,635                | -                        | -                   | 30,268                | 5,635                 |
| <b>Total revenues</b>                                     | <b>81,377,883</b>       | <b>70,777,171</b>    | <b>24,063,058</b>        | <b>30,995,519</b>   | <b>105,440,941</b>    | <b>101,772,690</b>    |
| <b>Expenses</b>   |                         |                      |                          |                     |                       |                       |
| General government  | 30,506,164              | 27,844,444           | -                        | -                   | 30,506,164            | 27,844,444            |
| Public safety   | 20,578,254              | 18,748,028           | -                        | -                   | 20,578,254            | 18,748,028            |
| Public works  | 17,643,349              | 12,432,981           | -                        | -                   | 17,643,349            | 12,432,981            |
| Health and welfare  | 12,362,735              | 15,170,502           | -                        | -                   | 12,362,735            | 15,170,502            |
| Recreation and cultural                                   | 2,242,769               | 1,733,043            | -                        | -                   | 2,242,769             | 1,733,043             |
| Community development                                     | 2,818,220               | 5,418,245            | -                        | -                   | 2,818,220             | 5,418,245             |
| Interest on long-term debt                                | 535,599                 | 604,922              | -                        | -                   | 535,599               | 604,922               |
| Delinquent tax revolving                                  | -                       | -                    | 939,727                  | 1,035,957           | 939,727               | 1,035,957             |
| Medical care facility                                     | -                       | -                    | 18,865,612               | 18,391,888          | 18,865,612            | 18,391,888            |
| Foreclosure tax administration                            | -                       | -                    | 1,205,868                | 1,338,751           | 1,205,868             | 1,338,751             |
| Resource recovery   | -                       | -                    | 1,911,434                | 8,377,360           | 1,911,434             | 8,377,360             |
| Personal property tax                                     | -                       | -                    | 1,614                    | 9,493               | 1,614                 | 9,493                 |
| <b>Total expenses</b>                                     | <b>86,687,090</b>       | <b>81,952,165</b>    | <b>22,924,255</b>        | <b>29,153,449</b>   | <b>109,611,345</b>    | <b>111,105,614</b>    |
| Change in net position before transfers and special items | (5,309,207)             | (11,174,994)         | 1,138,803                | 1,842,070           | (4,170,404)           | (9,332,924)           |
| Transfers   | 2,073,417               | 1,718,754            | (1,909,080)              | (1,656,210)         | 164,337               | 62,544                |
| <b>Special items</b>                                      |                         |                      |                          |                     |                       |                       |
| Impairment loss on capital assets                         | -                       | -                    | -                        | (11,573,914)        | -                     | (11,573,914)          |
| Loss on write-down of inventory                           | -                       | -                    | -                        | (1,604,251)         | -                     | (1,604,251)           |
| Change in net position                                    | (3,235,790)             | (9,456,240)          | (770,277)                | (12,992,305)        | (4,006,067)           | (22,448,545)          |
| <b>Net position</b>                                       |                         |                      |                          |                     |                       |                       |
| Beginning of year   | 107,980,585             | 117,436,825          | 27,416,535               | 40,408,840          | 135,397,120           | 157,845,665           |
| End of year   | <u>\$104,744,795</u>    | <u>\$107,980,585</u> | <u>\$26,646,258</u>      | <u>\$27,416,535</u> | <u>\$ 131,391,053</u> | <u>\$ 135,397,120</u> |

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

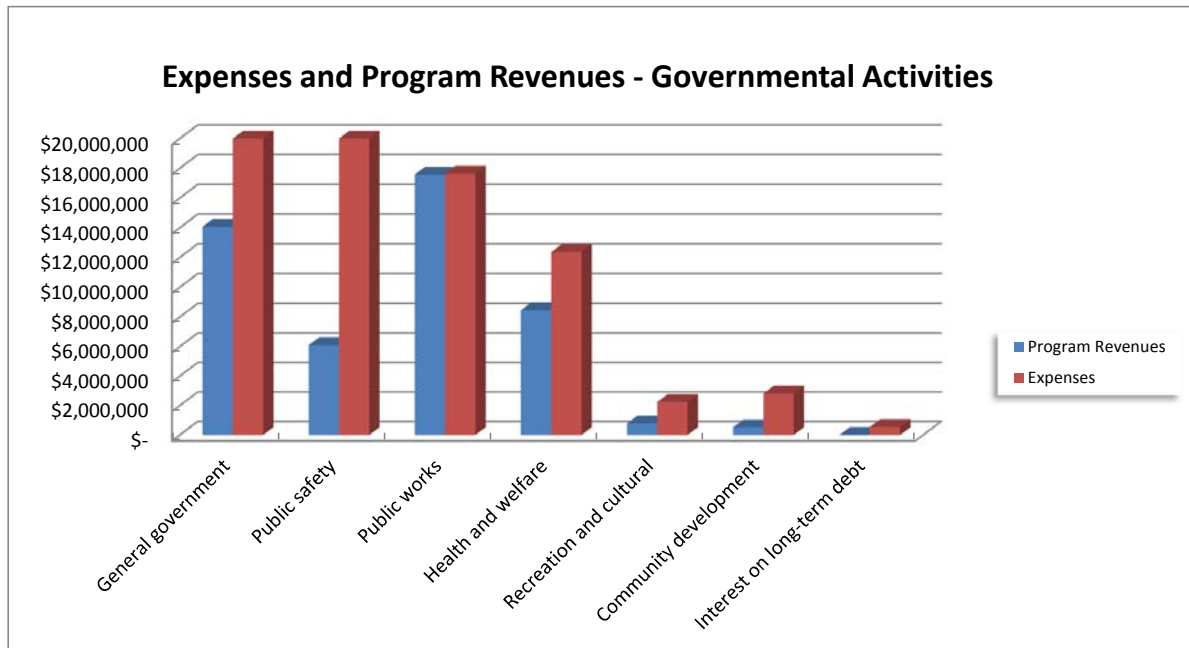
Governmental Activities. Governmental activities decreased net position by \$3,235,790. Key elements of this decrease are as follows:

- The fair market value of investment assets increased by \$2.6 million due to rising interest rates.
- For revenues, other significant changes from prior year include increases for property taxes of \$944,000, State revenue sharing and liquor tax of \$400,000, Federal and State grants of \$200,000 and inmate lodging of \$350,000. These increases were off set by reductions to court fees and bonds of \$250,000.
- Childcare Fund expenses increased by over \$1.8 million from the year before due to increased costs and prior year use of reserves.
- The increase to postemployment benefit liabilities reduced the County's net position by \$3.4 million.



# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis



Business-type Activities. Business-type activities decreased the County’s net position by \$770,277. Key elements of this decrease are as follows:

- During 2013 and 2014 the County closed operations of the resource recovery facility which reduced the County’s revenues and operating expenses.

### Financial Analysis of the County’s Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds.* The focus of the County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$27,413,104, a decrease of \$1,863,097 in comparison with the prior year. A portion of this total \$10,365,563 constitutes unassigned fund balance, which is available for spending for specific purposes and government discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,365,563, while total fund balance reached \$13,086,670. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 22.8 percent of total general fund expenditures and transfers out, while total fund balance represents 28.8 percent of that same amount.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

During the year, there was a total increase in appropriations between the original and final amended budget of \$699,812. All changes are as follows:

- \$316,655 increase in general government which was due to expenses associated with a new contract for maintenance and repair services to Lifeway's and due to increased defined benefit costs.
- \$270,054 increase in public safety due to additional deputies associated with new contracted services to townships and others.
- \$21,655 increase in health and welfare due to additional medical examiner costs.
- \$91,448 increase in other functions due to additional termination costs due to retirements and additional professional services.

The jail millage fund was created in 2003 to account for property tax receipts, offset operating costs of jail operations and service bonded debt incurred on jail construction and renovation projects. Millage receipts were less than transfers out by \$142,877. The transfers out were comprised of \$1,030,000 for operations to the general fund and \$1,108,070 to the building authority debt service fund.

The medical care facility maintenance of effort fund makes payments to the State of Michigan for County residents being treated in the facility, a long-term healthcare facility owned and operated by Jackson County. Revenue in this fund is generated by a county-wide millage. The State of Michigan, Department of Community Health, will invoice the County based on a formula of operational costs and Medicaid reimbursement of the facility. Fund balance decreased by \$86,279.

The road fund balance increased by \$275,502 primarily due to measures taken to create ongoing cost savings, including reorganization of staffing, consolidation with the primary government and a collaborative resource sharing agreement with neighboring Calhoun County and their department of transportation.

The building authority debt service fund accounts for the debt payments of projects constructed through the Jackson County Building Authority. In 2006 the Authority originally issued bonds for a local health care organization in the amount of \$5,995,000, the current balance is \$5,385,000 which is carried as a receivable and unavailable revenue on the County's books. The County invoices Lifeway's (a mental health agency) annually for principal and interest payments paid by the County of Jackson. Fund balance increased by \$1,093 during the year.

*Proprietary Funds.* The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the delinquent tax revolving, medical care facility, and the foreclosure tax administration funds were \$17,754,271, \$2,194,474 and \$1,879,370, respectively.

Internal service funds net position at the end of the year amounted to \$1,203,744, decreasing by \$856,645 from the prior year. This primarily due to increased health care claims expense.

#### General Fund Budgetary Highlights

The general fund revenue increased by \$1,219,377 from the original to the final amended budget. This was primarily due to district court fees and clerks transfer tax and document fees increasing.

Overall, actual general fund revenue and other financing sources for the year ended were over the final budget by \$904,452. Actual expenditures and other financing uses for the year ended were under the final budget by \$459,358.

The general fund amended budget had appropriations to other funds transfers out of \$4,896,821. Actual appropriations were \$4,427,339, a decrease of \$469,482.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

#### Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2014 amounted to \$113,564,514 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, avigation easements, buildings and improvements, equipment and furniture, vehicles, infrastructure and depletable assets. Additional information for capital assets can be found at Note 6.

|                            | Capital Assets (net of depreciation) |                      |                          |                     |                       |                       |
|----------------------------|--------------------------------------|----------------------|--------------------------|---------------------|-----------------------|-----------------------|
|                            | Governmental Activities              |                      | Business-type Activities |                     | Total                 |                       |
|                            | 2014                                 | 2013                 | 2014                     | 2013                | 2014                  | 2013                  |
| Land                       | \$ 2,846,846                         | \$ 2,846,846         | \$ -                     | \$ -                | \$ 2,846,846          | \$ 2,846,846          |
| Land improvements          | 16,116,380                           | 16,116,380           | -                        | -                   | 16,116,380            | 16,116,380            |
| Avigation easements        | 375,547                              | 375,547              | -                        | -                   | 375,547               | 375,547               |
| Construction in progress   | 804,409                              | 588,647              | -                        | -                   | 804,409               | 588,647               |
| Buildings and improvements | 21,091,702                           | 22,045,484           | 13,988,097               | 14,458,203          | 35,079,799            | 36,503,687            |
| Equipment and furniture    | 3,239,453                            | 2,012,399            | 786,997                  | 818,211             | 4,026,450             | 2,830,610             |
| Vehicles                   | 185,900                              | 247,391              | 139,836                  | 117,600             | 325,736               | 364,991               |
| Infrastructure             | 53,588,292                           | 51,833,293           | -                        | -                   | 53,588,292            | 51,833,293            |
| Depletable assets          | 401,055                              | 401,055              | -                        | -                   | 401,055               | 401,055               |
| Total capital assets, net  | <u>\$ 98,649,584</u>                 | <u>\$ 96,467,042</u> | <u>\$14,914,930</u>      | <u>\$15,394,014</u> | <u>\$ 113,564,514</u> | <u>\$ 111,861,056</u> |

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$24,785,000 excluding compensated absences. This entire amount is backed by the full faith and credit of the County and payable from the primary governments net position. The long-term debt included in the footnotes includes conduit debt issued by the County of Jackson for the benefit of LifeWays, Inc. a local mental health agency. The LifeWays outstanding bond debt of \$5,385,000, is offset by a receivable recorded in the building authority debt service fund. Additional information for long-term debt can be found at Note 9.

|                          | Long-term Debt          |                      |                          |                     |                      |                      |
|--------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                          | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|                          | 2014                    | 2013                 | 2014                     | 2013                | 2014                 | 2013                 |
| General obligation bonds | \$ 13,360,000           | \$ 14,355,000        | \$11,425,000             | \$11,975,000        | \$ 24,785,000        | \$ 26,330,000        |
| Issuance discount        | (20,338)                | -                    | -                        | -                   | (20,338)             | -                    |
| Leases                   | 74,543                  | 105,987              | -                        | -                   | 74,543               | 105,987              |
| LifeWays settlement      | 2,451,369               | 2,451,369            | -                        | -                   | 2,451,369            | 2,451,369            |
| Compensated absences     | 2,240,628               | 1,639,367            | 442,084                  | 417,453             | 2,682,712            | 2,056,820            |
| Total                    | <u>\$ 18,106,202</u>    | <u>\$ 18,551,723</u> | <u>\$11,867,084</u>      | <u>\$12,392,453</u> | <u>\$ 29,973,286</u> | <u>\$ 30,944,176</u> |

The County's total installment debt decreased by \$1,545,000 (5.9 percent) during the current fiscal year. This mainly attributable to annual principal payments.

The County maintains an "AA2" rating from Moody's for its general obligation debt. The rating reflects the County's recent history of strong financial reserves.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$484,365,400 which is significantly higher than the County's outstanding general obligation debt.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

#### Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2015 fiscal year:

- Unemployment in the County of Jackson at the end of 2014 stood at 5.1% which is down from 8.0 in 2013. This rate is now below the State's average rate of 6.5% and the national unemployment rate of 5.4%.
- Inflationary trends in the region compare closely to national indices. Consumer Price Index annual percentage increases traditionally run slightly higher than the national average, however overall averages are slightly lower.
- While there is some improvement, the economic downturn from previous years continues to hamper the County's finances. These developments of the last couple of years have resulted in a decline in taxable values. Michigan has two constitutional laws that limit property tax growth to the rate of inflation or 5%, whichever is less. For 2014 the applicable inflation rate was 1.6%. However, the 2015 budget assumes taxable values will increase by only 1.5%.
- Interest rates have declined over the past few years. The 2015 budget assumes only modest increases to interest rates.
- The State of Michigan has returned to fiscal stability and had a budget surplus for their most recent year end. The County has depleted its revenue sharing reserve fund. The 2015 budget assumes that the State will continue the revenue sharing/county incentive program at previous levels.
- The County completed labor negotiations resulting in modest wage increases for the three-year term of the agreements. The County's defined benefit plan is closed to new hires (with some exceptions). New hires enter into a defined contribution pension plan and a retirement health savings plan, both of which limit the County's long-term liabilities.
- The Board will continue to follow its guideline of maintaining a general fund balance of 18%-24% of general fund expenditures.

#### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Jackson's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the County of Jackson Administrator/Controller, 120 West Michigan Avenue, Jackson, Michigan 49201.



## BASIC FINANCIAL STATEMENTS

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COUNTY OF JACKSON, MICHIGAN

Statement of Net Position

December 31, 2014

|   | Primary Government      |                          |                       | Component Units     |
|---|-------------------------|--------------------------|-----------------------|---------------------|
|   | Governmental Activities | Business-type Activities | Total                 |                     |
| <b>Assets</b>                               |                         |                          |                       |                     |
| Cash and pooled investments                 | \$ 23,983,909           | \$ 12,115,731            | \$ 36,099,640         | \$ 2,112,811        |
| Restricted cash and pooled investments      | -                       | 2,118,736                | 2,118,736             | -                   |
| Receivables, net                            | 14,971,155              | 14,159,142               | 29,130,297            | 21,204,642          |
| Advance to component unit                   | 327,500                 | 100,000                  | 427,500               | -                   |
| Internal balances                           | 1,318,293               | (1,318,293)              | -                     | -                   |
| Prepaid items and other assets              | 2,059,651               | 503,554                  | 2,563,205             | 74,593              |
| Capital assets not being depreciated        | 20,143,182              | -                        | 20,143,182            | -                   |
| Capital assets being depreciated, net       | 78,506,402              | 14,914,930               | 93,421,332            | 3,313,839           |
| <b>Total assets</b>                         | <b>141,310,092</b>      | <b>42,593,800</b>        | <b>183,903,892</b>    | <b>26,705,885</b>   |
| <b>Deferred outflows of resources</b>       |                         |                          |                       |                     |
| Deferred charges on refunding               | -                       | 588,728                  | 588,728               | -                   |
| <b>Liabilities</b>                          |                         |                          |                       |                     |
| Accounts payable and accrued expenses       | 4,615,984               | 2,288,599                | 6,904,583             | 177,403             |
| Unearned revenue                            | 225,773                 | -                        | 225,773               | -                   |
| Advance from primary government             | -                       | -                        | -                     | 427,500             |
| Long-term liabilities:                      |                         |                          |                       |                     |
| Due within one year                         | 2,207,474               | 644,538                  | 2,852,012             | 2,074,143           |
| Due in more than one year                   | 15,898,728              | 11,222,546               | 27,121,274            | 17,771,461          |
| Net other postemployment benefit obligation | 10,204,301              | 2,380,587                | 12,584,888            | -                   |
| <b>Total liabilities</b>                    | <b>33,152,260</b>       | <b>16,536,270</b>        | <b>49,688,530</b>     | <b>20,450,507</b>   |
| <b>Deferred inflows of resources</b>        |                         |                          |                       |                     |
| Taxes levied for a subsequent period        | 3,413,037               | -                        | 3,413,037             | -                   |
| <b>Net position</b>                         |                         |                          |                       |                     |
| Net investment in capital assets            | 85,235,379              | 4,078,658                | 89,314,037            | 3,313,839           |
| Restricted for:                             |                         |                          |                       |                     |
| Judicial                                    | 9,240                   | -                        | 9,240                 | -                   |
| Public safety                               | 172,003                 | -                        | 172,003               | -                   |
| Public works                                | 5,438,472               | -                        | 5,438,472             | -                   |
| Health and welfare                          | 5,558,604               | -                        | 5,558,604             | -                   |
| Recreation and cultural                     | 53,600                  | -                        | 53,600                | -                   |
| Community development                       | 89,154                  | -                        | 89,154                | -                   |
| State mandated and other purposes           | 362,758                 | -                        | 362,758               | -                   |
| Capital projects                            | -                       | -                        | -                     | 1,219,789           |
| Permanent funds:                            |                         |                          |                       |                     |
| Expendable                                  | 4,074                   | -                        | 4,074                 | -                   |
| Nonexpendable                               | 164,923                 | -                        | 164,923               | -                   |
| Unrestricted                                | 7,656,588               | 22,567,600               | 30,224,188            | 1,721,750           |
| <b>Total net position</b>                   | <b>\$ 104,744,795</b>   | <b>\$ 26,646,258</b>     | <b>\$ 131,391,053</b> | <b>\$ 6,255,378</b> |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2014

| Functions/Programs                    | Expenses              | Program Revenues        |  |  | Net (Expenses)<br>Revenue |
|---------------------------------------|-----------------------|-------------------------|--|--|---------------------------|
|                                       |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions |                           |
| <b>Primary government</b>             |                       |                         |  |  |                           |
| Governmental activities:              |                       |                         |  |  |                           |
| General government                    | \$ 30,506,164         | \$ 6,060,767            | \$ 8,015,416                             | \$ -                                   | \$ (16,429,981)           |
| Public safety                         | 20,578,254            | 1,455,238               | 4,644,274                                | -                                      | (14,478,742)              |
| Public works                          | 17,643,349            | 2,966,713               | 14,610,241                               | 2,127,966                              | 2,061,571                 |
| Health and welfare                    | 12,362,735            | 791,332                 | 7,664,671                                | -                                      | (3,906,732)               |
| Recreation and cultural               | 2,242,769             | 736,418                 | 43,428                                   | -                                      | (1,462,923)               |
| Community development                 | 2,818,220             | 286,596                 | 228,898                                  | 84,402                                 | (2,218,324)               |
| Interest on long-term debt            | 535,599               | -                       | -  | -                                      | (535,599)                 |
| <b>Total governmental activities</b>  | <b>86,687,090</b>     | <b>12,297,064</b>       | <b>35,206,928</b>                        | <b>2,212,368</b>                       | <b>(36,970,730)</b>       |
| Business-type activities:             |                       |                         |  |  |                           |
| Delinquent tax revolving              | 939,727               | 1,209,395               | 1,813,421                                | -                                      | 2,083,089                 |
| Medical care facility                 | 18,865,612            | 15,687,104              | 2,649,447                                | -                                      | (529,061)                 |
| Foreclosure tax administration        | 1,205,868             | 1,230,922               | -  | -                                      | 25,054                    |
| Resource recovery                     | 1,911,434             | 1,292,660               | 132,878                                  | -                                      | (485,896)                 |
| Personal property tax                 | 1,614                 | 11,100                  | 36,131                                   | -                                      | 45,617                    |
| <b>Total business-type activities</b> | <b>22,924,255</b>     | <b>19,431,181</b>       | <b>4,631,877</b>                         | <b>-</b>                               | <b>1,138,803</b>          |
| <b>Total primary government</b>       | <b>\$ 109,611,345</b> | <b>\$ 31,728,245</b>    | <b>\$ 39,838,805</b>                     | <b>\$ 2,212,368</b>                    | <b>\$ (35,831,927)</b>    |
| <b>Component units</b>                |                       |                         |  |  |                           |
| Economic development                  | \$ 144,515            | \$ 300                  | \$ 26,884                                | \$ -                                   | \$ (117,331)              |
| Land bank                             | 45,176                | 12,374                  | -  | -                                      | (32,802)                  |
| County drains                         | 284,598               | -                       | -  | 186,498                                | (98,100)                  |
| Brownfield redevelopment              | 30,181                | -                       | 22,677                                   | -                                      | (7,504)                   |
| County board of public works          | 841,271               | -                       | -  | 841,170                                | (101)                     |
| <b>Total component units</b>          | <b>\$ 1,345,741</b>   | <b>\$ 12,674</b>        | <b>\$ 49,561</b>                         | <b>\$ 1,027,668</b>                    | <b>\$ (255,838)</b>       |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities For the Year Ended December 31, 2014

|                                      | Primary Government         |                             |                 | Component<br>Units |
|--------------------------------------|----------------------------|-----------------------------|-----------------|--------------------|
|                                      | Governmental<br>Activities | Business-type<br>Activities | Total           |                    |
| Changes in net position              |                            |                             |                 |                    |
| Net (expenses) revenue               | \$ (36,970,730)            | \$ 1,138,803                | \$ (35,831,927) | \$ (255,838)       |
| General revenues:                    |                            |                             |                 |                    |
| Property taxes                       | 24,982,710                 | -                           | 24,982,710      | -                  |
| Unrestricted state shared revenue    | 4,034,788                  | -                           | 4,034,788       | -                  |
| Unrestricted investment earnings     | 2,613,757                  | -                           | 2,613,757       | 713                |
| Gain on sale of capital assets       | 30,268                     | -                           | 30,268          | -                  |
| Transfers - internal activities      | 2,073,417                  | (1,909,080)                 | 164,337         | -                  |
| Total general revenues and transfers | 33,734,940                 | (1,909,080)                 | 31,825,860      | 713                |
| Change in net position               | (3,235,790)                | (770,277)                   | (4,006,067)     | (255,125)          |
| Net position, beginning of year      | 107,980,585                | 27,416,535                  | 135,397,120     | 6,510,503          |
| Net position, end of year            | \$ 104,744,795             | \$ 26,646,258               | \$ 131,391,053  | \$ 6,255,378       |

concluded.

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

COUNTY OF JACKSON, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 December 31, 2014

|   | General              | Jail<br>Millage     | Maintenance<br>of Effort | Road                |
|---|----------------------|---------------------|--------------------------|---------------------|
| <b>Assets</b>   |                      |                     |                          |                     |
| Cash and pooled investments   | \$ 10,932,880        | \$ 60,300           | \$ 4,116,332             | \$ 2,119,662        |
| Receivables:  |                      |                     |                          |                     |
| Accounts  | 649,276              | -                   | -                        | 534,621             |
| Taxes   | -                    | 1,836,760           | 529,340                  | -                   |
| Accrued interest  | 200,289              | -                   | -                        | -                   |
| Due from other governmental units   | 412,135              | -                   | -                        | 2,583,399           |
| Due from other funds  | 1,476,520            | -                   | -                        | -                   |
| Advances to component units   | 327,500              | -                   | -                        | -                   |
| Advances to other funds   | 500,000              | -                   | -                        | -                   |
| Inventories   | -                    | -                   | -                        | 1,748,264           |
| Prepaid items   | 103,958              | -                   | -                        | -                   |
| <b>Total assets</b>   | <b>\$ 14,602,558</b> | <b>\$ 1,897,060</b> | <b>\$ 4,645,672</b>      | <b>\$ 6,985,946</b> |
| <b>Liabilities</b>  |                      |                     |                          |                     |
| Accounts payable  | \$ 739,922           | \$ -                | \$ 351,359               | \$ 589,085          |
| Accrued payroll   | 770,692              | -                   | -                        | 43,899              |
| Accrued liabilities   | 5,274                | -                   | -                        | -                   |
| Due to other funds  | -                    | -                   | -                        | -                   |
| Due to other governmental units   | -                    | -                   | -                        | 58,660              |
| Deposits payable  | -                    | -                   | -                        | 107,394             |
| Advances from other governments   | -                    | -                   | -                        | 340,210             |
| Advances from other funds   | -                    | -                   | -                        | -                   |
| Unearned revenue  | -                    | -                   | -                        | -                   |
| <b>Total liabilities</b>  | <b>1,515,888</b>     | <b>-</b>            | <b>351,359</b>           | <b>1,139,248</b>    |
| <b>Deferred inflows of resources</b>  |                      |                     |                          |                     |
| Unavailable revenue - LifeWays  | -                    | -                   | -                        | -                   |
| Unavailable revenue - state grant   | -                    | -                   | -                        | 495,028             |
| Taxes levied for a subsequent period  | -                    | 1,892,404           | 545,368                  | -                   |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>             | <b>1,892,404</b>    | <b>545,368</b>           | <b>495,028</b>      |
| <b>Fund balances</b>  |                      |                     |                          |                     |
| Nonspendable  | 931,458              | -                   | -                        | 1,748,264           |
| Restricted  | -                    | 4,656               | 3,748,945                | 3,603,406           |
| Committed   | 469,482              | -                   | -                        | -                   |
| Assigned  | 1,320,167            | -                   | -                        | -                   |
| Unassigned  | 10,365,563           | -                   | -                        | -                   |
| <b>Total fund balances</b>  | <b>13,086,670</b>    | <b>4,656</b>        | <b>3,748,945</b>         | <b>5,351,670</b>    |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 14,602,558</b> | <b>\$ 1,897,060</b> | <b>\$ 4,645,672</b>      | <b>\$ 6,985,946</b> |

| Building Authority Debt Service | Nonmajor Governmental Funds | Total                |
|---------------------------------|-----------------------------|----------------------|
| \$ 4,702                        | \$ 5,289,169                | \$ 22,523,045        |
| 750                             | 17,649                      | 1,202,296            |
| -                               | 946,593                     | 3,312,693            |
| -                               | -                           | 200,289              |
| 5,385,000                       | 1,082,398                   | 9,462,932            |
| -                               | -                           | 1,476,520            |
| -                               | -                           | 327,500              |
| -                               | -                           | 500,000              |
| -                               | 195,689                     | 1,943,953            |
| -                               | 9,240                       | 113,198              |
| <u>\$ 5,390,452</u>             | <u>\$ 7,540,738</u>         | <u>\$ 41,062,426</u> |
| \$ -                            | \$ 210,984                  | \$ 1,891,350         |
| -                               | 224,673                     | 1,039,264            |
| -                               | 30,105                      | 35,379               |
| -                               | 158,227                     | 158,227              |
| -                               | -                           | 58,660               |
| -                               | -                           | 107,394              |
| -                               | -                           | 340,210              |
| -                               | 500,000                     | 500,000              |
| -                               | 225,773                     | 225,773              |
| <u>-</u>                        | <u>1,349,762</u>            | <u>4,356,257</u>     |
| 5,385,000                       | -                           | 5,385,000            |
| -                               | -                           | 495,028              |
| -                               | 975,265                     | 3,413,037            |
| <u>5,385,000</u>                | <u>975,265</u>              | <u>9,293,065</u>     |
| -                               | 209,003                     | 2,888,725            |
| 5,452                           | 2,675,191                   | 10,037,650           |
| -                               | 2,331,517                   | 2,800,999            |
| -                               | -                           | 1,320,167            |
| -                               | -                           | 10,365,563           |
| <u>5,452</u>                    | <u>5,215,711</u>            | <u>27,413,104</u>    |
| <u>\$ 5,390,452</u>             | <u>\$ 7,540,738</u>         | <u>\$ 41,062,426</u> |

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2014

|   |                       |
|---|-----------------------|
| Fund balances - total governmental funds  | \$ 27,413,104         |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:   |                       |
| Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.  |                       |
| Capital assets not being depreciated  | 20,143,182            |
| Capital assets being depreciated, net   | 78,506,402            |
| The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance. |                       |
| Long-term receivable included in deferred inflows of resources - LifeWays   | 5,385,000             |
| Unavailable one-time State grant funding for state and local road and bridge programs   | 495,028               |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.             |                       |
| Net position of governmental activities accounted for in internal service funds   | 1,203,744             |
| Certain liabilities, such as bonds payable, commitments, and employee benefits are not due and payable in the current period, and therefore are not reported in the funds.  |                       |
| Bonds and leases payable  | (13,434,543)          |
| Unamortized bond discount   | 20,338                |
| Due to LifeWays - long-term agreement   | (2,451,369)           |
| Compensated absences  | (2,240,628)           |
| Accrued interest on long-term liabilities   | (91,162)              |
| Net other postemployment benefit liability  | (10,204,301)          |
| Net position of governmental activities   | <u>\$ 104,744,795</u> |

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

COUNTY OF JACKSON, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2014

|   | General              | Jail Millage       | Maintenance of Effort | Road                |
|---|----------------------|--------------------|-----------------------|---------------------|
| <b>Revenues</b>                             |                      |                    |                       |                     |
| Property taxes                              | \$ 21,411,937        | \$ 1,992,771       | \$ 557,747            | \$ -                |
| Licenses, fees, taxes and permits           | 177,025              | -                  | -                     | 54,524              |
| Intergovernmental                           | 9,119,267            | -                  | -                     | 16,134,028          |
| Charges for services                        | 5,479,044            | -                  | -                     | 2,910,882           |
| Fines and forfeitures                       | 724,427              | -                  | -                     | -                   |
| Investment earnings                         | 2,586,554            | 2,422              | 1,393                 | 1,307               |
| Rental                                      | 191,734              | -                  | -                     | 66,002              |
| Donations                                   | -                    | -                  | -                     | -                   |
| Other                                       | 2,124,084            | -                  | -                     | 43,149              |
| <b>Total revenues</b>                       | <b>41,814,072</b>    | <b>1,995,193</b>   | <b>559,140</b>        | <b>19,209,892</b>   |
| <b>Expenditures</b>                         |                      |                    |                       |                     |
| Current:                                    |                      |                    |                       |                     |
| Judicial                                    | -                    | -                  | -                     | -                   |
| General government                          | 17,169,311           | -                  | -                     | -                   |
| Public safety                               | 14,485,381           | -                  | -                     | -                   |
| Public works                                | -                    | -                  | -                     | 11,891,655          |
| Health and welfare                          | 3,216,354            | -                  | 645,419               | -                   |
| Recreation and cultural                     | -                    | -                  | -                     | -                   |
| Community development                       | -                    | -                  | -                     | -                   |
| Fair  | -                    | -                  | -                     | -                   |
| Other functions                             | 6,203,489            | -                  | -                     | -                   |
| Debt service:                               |                      |                    |                       |                     |
| Principal                                   | -                    | -                  | -                     | 31,444              |
| Interest                                    | -                    | -                  | -                     | 12,185              |
| Issuance costs                              | -                    | -                  | -                     | -                   |
| Capital outlay                              | -                    | -                  | -                     | 6,999,106           |
| <b>Total expenditures</b>                   | <b>41,074,535</b>    | <b>-</b>           | <b>645,419</b>        | <b>18,934,390</b>   |
| <b>Revenue over (under) expenditures</b>    | <b>739,537</b>       | <b>1,995,193</b>   | <b>(86,279)</b>       | <b>275,502</b>      |
| <b>Other financing sources (uses)</b>       |                      |                    |                       |                     |
| Issuance of long-term refunding debt        | -                    | -                  | -                     | -                   |
| Payment to refunding bond escrow agent      | -                    | -                  | -                     | -                   |
| Discount on bonds                           | -                    | -                  | -                     | -                   |
| Transfers in                                | 4,108,649            | -                  | -                     | -                   |
| Transfers out                               | (4,427,339)          | (2,138,070)        | -                     | -                   |
| Sale of capital assets                      | -                    | -                  | -                     | -                   |
| <b>Total other financing sources (uses)</b> | <b>(318,690)</b>     | <b>(2,138,070)</b> | <b>-</b>              | <b>-</b>            |
| <b>Net change in fund balances</b>          | <b>420,847</b>       | <b>(142,877)</b>   | <b>(86,279)</b>       | <b>275,502</b>      |
| <b>Fund balances, beginning of year</b>     | <b>12,665,823</b>    | <b>147,533</b>     | <b>3,835,224</b>      | <b>5,076,168</b>    |
| <b>Fund balances, end of year</b>           | <b>\$ 13,086,670</b> | <b>\$ 4,656</b>    | <b>\$ 3,748,945</b>   | <b>\$ 5,351,670</b> |

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

| Building Authority Debt Service | Nonmajor Governmental Funds | Total         |
|---------------------------------|-----------------------------|---------------|
| \$ -                            | \$ 1,020,255                | \$ 24,982,710 |
| -                               | 321,646                     | 553,195       |
| -                               | 9,171,340                   | 34,424,635    |
| -                               | 2,547,934                   | 10,937,860    |
| -                               | 189,550                     | 913,977       |
| 25                              | 29,376                      | 2,621,077     |
| -                               | 280,017                     | 537,753       |
| -                               | 10,402                      | 10,402        |
| 510,292                         | 3,192,718                   | 5,870,243     |
| 510,317                         | 16,763,238                  | 80,851,852    |
| -                               | 3,845,425                   | 3,845,425     |
| -                               | 238,290                     | 17,407,601    |
| -                               | 3,217,974                   | 17,703,355    |
| -                               | -                           | 11,891,655    |
| -                               | 7,980,644                   | 11,842,417    |
| -                               | 1,690,424                   | 1,690,424     |
| -                               | 1,098,819                   | 1,098,819     |
| -                               | 1,067,215                   | 1,067,215     |
| -                               | 18,121                      | 6,221,610     |
| 1,085,000                       | -                           | 1,116,444     |
| 532,294                         | -                           | 544,479       |
| 69,662                          | -                           | 69,662        |
| -                               | 3,425,984                   | 10,425,090    |
| 1,686,956                       | 22,582,896                  | 84,924,196    |
| (1,176,639)                     | (5,819,658)                 | (4,072,344)   |
| 5,010,000                       | -                           | 5,010,000     |
| (4,920,000)                     | -                           | (4,920,000)   |
| (20,338)                        | -                           | (20,338)      |
| 1,108,070                       | 6,252,628                   | 11,469,347    |
| -                               | (2,794,621)                 | (9,360,030)   |
| -                               | 30,268                      | 30,268        |
| 1,177,732                       | 3,488,275                   | 2,209,247     |
| 1,093                           | (2,331,383)                 | (1,863,097)   |
| 4,359                           | 7,547,094                   | 29,276,201    |
| \$ 5,452                        | \$ 5,215,711                | \$ 27,413,104 |

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balance of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2014

|  |                       |
|--|-----------------------|
| Net change in fund balances - total governmental funds   | \$ (1,863,097)        |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because:  |                       |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.  |                       |
| Acquisition/construction of capital assets   | 9,169,076             |
| Depreciation expense   | (6,986,534)           |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.   |                       |
| Change in deferred inflows of resources for long-term due from other governments   | (260,000)             |
| Change in unavailable one-time State grant funding for state and local road and bridge programs  | 495,028               |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. |                       |
| Principal payments on long-term liabilities  | 1,116,444             |
| Proceeds from issuance of long-term debt   | (5,010,000)           |
| Payment to refunding bond escrow agent   | 4,920,000             |
| Discount on refunding bonds  | 20,338                |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.  |                       |
| Change in accrued interest payable on long-term debt   | 8,880                 |
| Change in net other postemployment benefit obligation  | (3,388,019)           |
| Change in the accrual for compensated absences   | (601,261)             |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.   |                       |
| Interest income from internal service funds  | 735                   |
| Net operating loss of the internal service funds   | (821,480)             |
| Transfers accounted for in internal service funds  | (35,900)              |
| Change in net position of governmental activities  | <u>\$ (3,235,790)</u> |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2014

|   | Original<br>Budget   | Amended<br>Budget    | Actual               | Over (Under)<br>Budget |
|---|----------------------|----------------------|----------------------|------------------------|
| <b>Revenues</b>                             |                      |                      |                      |                        |
| Property taxes                              | \$ 21,444,872        | \$ 21,444,872        | \$ 21,411,937        | \$ (32,935)            |
| Licenses, fees, taxes, and permits          | 164,200              | 179,200              | 177,025              | (2,175)                |
| Intergovernmental                           | 8,399,178            | 9,273,616            | 9,119,267            | (154,349)              |
| Charges for services                        | 5,605,422            | 5,926,001            | 5,479,044            | (446,957)              |
| Fines and forfeitures                       | 711,500              | 711,500              | 724,427              | 12,927                 |
| Investment earnings                         | 600,000              | 600,000              | 2,586,554            | 1,986,554              |
| Rental                                      | 186,942              | 186,942              | 191,734              | 4,792                  |
| Other                                       | 1,729,012            | 1,738,372            | 2,124,084            | 385,712                |
| <b>Total revenues</b>                       | <b>38,841,126</b>    | <b>40,060,503</b>    | <b>41,814,072</b>    | <b>1,753,569</b>       |
| <b>Expenditures</b>                         |                      |                      |                      |                        |
| Current:                                    |                      |                      |                      |                        |
| General government                          | 17,018,218           | 17,334,873           | 17,169,311           | (165,562)              |
| Public safety                               | 14,272,588           | 14,542,642           | 14,485,381           | (57,261)               |
| Health and welfare                          | 3,236,799            | 3,258,454            | 3,216,354            | (42,100)               |
| Other functions                             | 5,857,242            | 5,948,690            | 6,203,489            | 254,799                |
| <b>Total expenditures</b>                   | <b>40,384,847</b>    | <b>41,084,659</b>    | <b>41,074,535</b>    | <b>(10,124)</b>        |
| <b>Revenues over (under) expenditures</b>   | <b>(1,543,721)</b>   | <b>(1,024,156)</b>   | <b>739,537</b>       | <b>1,763,693</b>       |
| <b>Other financing sources (uses)</b>       |                      |                      |                      |                        |
| Transfers in                                | 5,016,471            | 4,957,766            | 4,108,649            | (849,117)              |
| Transfers out                               | (3,786,600)          | (4,896,821)          | (4,427,339)          | 469,482                |
| <b>Total other financing sources (uses)</b> | <b>1,229,871</b>     | <b>60,945</b>        | <b>(318,690)</b>     | <b>(379,635)</b>       |
| <b>Net change in fund balance</b>           | <b>(313,850)</b>     | <b>(963,211)</b>     | <b>420,847</b>       | <b>1,384,058</b>       |
| <b>Fund balance, beginning of year</b>      | <b>12,665,823</b>    | <b>12,665,823</b>    | <b>12,665,823</b>    | <b>-</b>               |
| <b>Fund balance, end of year</b>            | <b>\$ 12,351,973</b> | <b>\$ 11,702,612</b> | <b>\$ 13,086,670</b> | <b>\$ 1,384,058</b>    |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Jail Millage Fund For the Year Ended December 31, 2014

|                                 | Original Budget | Amended Budget | Actual       | Over (Under) Budget |
|---------------------------------|-----------------|----------------|--------------|---------------------|
| Revenues                        |                 |                |              |                     |
| Property taxes                  | \$ 2,145,517    | \$ 2,145,517   | \$ 1,992,771 | \$ (152,746)        |
| Investment earnings             | -               | -              | 2,422        | 2,422               |
| Total revenues                  | 2,145,517       | 2,145,517      | 1,995,193    | (150,324)           |
| Other financing uses            |                 |                |              |                     |
| Transfers out                   | (2,145,517)     | (2,145,517)    | (2,138,070)  | 7,447               |
| Net change in fund balance      | -               | -              | (142,877)    | (142,877)           |
| Fund balance, beginning of year | 147,533         | 147,533        | 147,533      | -                   |
| Fund balance, end of year       | \$ 147,533      | \$ 147,533     | \$ 4,656     | \$ (142,877)        |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Maintenance of Effort Fund For the Year Ended December 31, 2014

|                                   | Original Budget     | Amended Budget      | Actual              | Over (Under) Budget |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                   |                     |                     |                     |                     |
| Property taxes                    | \$ 600,000          | \$ 600,000          | \$ 557,747          | \$ (42,253)         |
| Investment earnings               | -                   | -                   | 1,393               | 1,393               |
| <b>Total revenues</b>             | <b>600,000</b>      | <b>600,000</b>      | <b>559,140</b>      | <b>(40,860)</b>     |
| <b>Expenditures</b>               |                     |                     |                     |                     |
| Current -                         |                     |                     |                     |                     |
| Health and welfare                | 850,000             | 850,000             | 645,419             | (204,581)           |
| <b>Net change in fund balance</b> | <b>(250,000)</b>    | <b>(250,000)</b>    | <b>(86,279)</b>     | <b>163,721</b>      |
| Fund balance, beginning of year   | 3,835,224           | 3,835,224           | 3,835,224           | -                   |
| <b>Fund balance, end of year</b>  | <b>\$ 3,585,224</b> | <b>\$ 3,585,224</b> | <b>\$ 3,748,945</b> | <b>\$ 163,721</b>   |

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



# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Road Fund

For the Year Ended December 31, 2014

|                                   | Original<br>Budget  | Amended<br>Budget   | Actual              | Over (Under)<br>Budget |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                        |
| Licenses, fees, taxes and permits | \$ 65,779           | \$ 59,519           | \$ 54,524           | \$ (4,995)             |
| Intergovernmental                 | 13,907,647          | 12,886,060          | 16,134,028          | 3,247,968              |
| Charges for services              | 2,214,207           | 2,842,353           | 2,910,882           | 68,529                 |
| Investment earnings               | 9,380               | 2,875               | 1,307               | (1,568)                |
| Rental                            | 52,205              | 59,159              | 66,002              | 6,843                  |
| Other                             | 82,980              | 95,324              | 43,149              | (52,175)               |
| <b>Total revenues</b>             | <b>16,332,198</b>   | <b>15,945,290</b>   | <b>19,209,892</b>   | <b>3,264,602</b>       |
| <b>Expenditures</b>               |                     |                     |                     |                        |
| Current -                         |                     |                     |                     |                        |
| Public works                      | 9,872,982           | 12,187,248          | 11,891,655          | (295,593)              |
| Debt service:                     |                     |                     |                     |                        |
| Principal                         | -                   | 31,444              | 31,444              | -                      |
| Interest                          | -                   | 12,185              | 12,185              | -                      |
| Capital outlay                    | 6,999,106           | 6,999,106           | 6,999,106           | -                      |
| <b>Total expenditures</b>         | <b>16,872,088</b>   | <b>19,229,983</b>   | <b>18,934,390</b>   | <b>(295,593)</b>       |
| <b>Net change in fund balance</b> | <b>(539,890)</b>    | <b>(3,284,693)</b>  | <b>275,502</b>      | <b>3,560,195</b>       |
| Fund balance, beginning of year   | 5,076,168           | 5,076,168           | 5,076,168           | -                      |
| <b>Fund balance, end of year</b>  | <b>\$ 4,536,278</b> | <b>\$ 1,791,475</b> | <b>\$ 5,351,670</b> | <b>\$ 3,560,195</b>    |

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

COUNTY OF JACKSON, MICHIGAN

**Statement of Net Position**  
 Proprietary Funds  
 December 31, 2014

|  | Business-type Activities - Enterprise Funds |                             |                                      |
|--|---|-----------------------------|--------------------------------------|
|  | Delinquent<br>Tax<br>Revolving              | Medical<br>Care<br>Facility | Foreclosure<br>Tax<br>Administration |
| <b>Assets</b>  |   |                             |                                      |
| Current assets:  |   |                             |                                      |
| Cash and pooled investments                                  | \$ 3,080,395                                | \$ 2,385,867                | \$ 5,630,694                         |
| Receivables:   |   |                             |                                      |
| Accounts   | 313,048                                     | 2,273,357                   | 304,079                              |
| Taxes  | 9,100,261                                   | -                           | -                                    |
| Accrued interest   | 2,168,397                                   | -                           | -                                    |
| Due from other funds   | 4,602,491                                   | -                           | -                                    |
| Advances to component units                                  | -   | -                           | 100,000                              |
| Inventories  | -   | 48,542                      | -                                    |
| Prepaid items  | -   | 166,151                     | -                                    |
| Total current assets   | <u>19,264,592</u>                           | <u>4,873,917</u>            | <u>6,034,773</u>                     |
| Noncurrent assets:   |   |                             |                                      |
| Restricted cash  | -   | 1,335,545                   | -                                    |
| Land held for resale   | -   | -                           | 288,861                              |
| Capital assets being depreciated, net                        | 16,946                                      | 14,897,984                  | -                                    |
| Total noncurrent assets                                      | <u>16,946</u>                               | <u>16,233,529</u>           | <u>288,861</u>                       |
| <b>Total assets</b>  | <u>19,281,538</u>                           | <u>21,107,446</u>           | <u>6,323,634</u>                     |
| Deferred outflows of resources                               |   |                             |                                      |
| Deferred charges on refunding                                | -   | 588,728                     | -                                    |
| <b>Liabilities</b>   |   |                             |                                      |
| Current liabilities:   |   |                             |                                      |
| Accounts payable   | 8,872                                       | 287,160                     | -                                    |
| Estimated claims payable                                     | -   | -                           | -                                    |
| Accrued payroll  | 14,058                                      | 490,680                     | -                                    |
| Residents' trust payable                                     | -   | 9,254                       | -                                    |
| Other liabilities  | -   | 416,094                     | -                                    |
| Due to other funds   | 1,476,520                                   | -                           | 4,444,264                            |
| Accrued compensated absences                                 | 10,871                                      | 38,667                      | -                                    |
| Current portion of general obligation bonds                  | -   | 595,000                     | -                                    |
| Estimated closure and postclosure monitoring costs - current | -   | -                           | -                                    |
| Total current liabilities                                    | <u>1,510,321</u>                            | <u>1,836,855</u>            | <u>4,444,264</u>                     |
| Noncurrent liabilities:                                      |   |                             |                                      |
| Accrued compensated absences                                 | -   | 392,546                     | -                                    |
| Net other postemployment benefit liability                   | -   | 2,380,587                   | -                                    |
| Estimated closure and postclosure monitoring costs           | -   | -                           | -                                    |
| General obligation bonds payable                             | -   | 10,830,000                  | -                                    |
| Total long-term liabilities                                  | <u>-</u>                                    | <u>13,603,133</u>           | <u>-</u>                             |
| <b>Total liabilities</b>                                     | <u>1,510,321</u>                            | <u>15,439,988</u>           | <u>4,444,264</u>                     |
| <b>Net position</b>  |   |                             |                                      |
| Net investment in capital assets                             | 16,946                                      | 4,061,712                   | -                                    |
| Unrestricted   | 17,754,271                                  | 2,194,474                   | 1,879,370                            |
| <b>Total net position</b>                                    | <u>\$ 17,771,217</u>                        | <u>\$ 6,256,186</u>         | <u>\$ 1,879,370</u>                  |

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



|                   |                      | Governmental<br>Activities   |
|-------------------|----------------------|------------------------------|
| Nonmajor<br>Funds | Total                | Internal<br>Service<br>Funds |
| \$ 1,018,775      | \$ 12,115,731        | \$ 1,460,864                 |
| -                 | 2,890,484            | 792,945                      |
| -                 | 9,100,261            | -                            |
| -                 | 2,168,397            | -                            |
| -                 | 4,602,491            | -                            |
| -                 | 100,000              | -                            |
| -                 | 48,542               | -                            |
| -                 | 166,151              | 2,500                        |
| <u>1,018,775</u>  | <u>31,192,057</u>    | <u>2,256,309</u>             |
| 783,191           | 2,118,736            | -                            |
| -                 | 288,861              | -                            |
| -                 | 14,914,930           | -                            |
| <u>783,191</u>    | <u>17,322,527</u>    | <u>-</u>                     |
| <u>1,801,966</u>  | <u>48,514,584</u>    | <u>2,256,309</u>             |
| -                 | 588,728              | -                            |
| 30,811            | 326,843              | 280,143                      |
| -                 | -                    | 772,422                      |
| 1,670             | 506,408              | -                            |
| -                 | 9,254                | -                            |
| -                 | 416,094              | -                            |
| -                 | 5,920,784            | -                            |
| -                 | 49,538               | -                            |
| -                 | 595,000              | -                            |
| <u>95,000</u>     | <u>95,000</u>        | <u>-</u>                     |
| <u>127,481</u>    | <u>7,918,921</u>     | <u>1,052,565</u>             |
| -                 | 392,546              | -                            |
| -                 | 2,380,587            | -                            |
| 935,000           | 935,000              | -                            |
| -                 | 10,830,000           | -                            |
| <u>935,000</u>    | <u>14,538,133</u>    | <u>-</u>                     |
| <u>1,062,481</u>  | <u>22,457,054</u>    | <u>1,052,565</u>             |
| -                 | 4,078,658            | -                            |
| <u>739,485</u>    | <u>22,567,600</u>    | <u>1,203,744</u>             |
| <u>\$ 739,485</u> | <u>\$ 26,646,258</u> | <u>\$ 1,203,744</u>          |

COUNTY OF JACKSON, MICHIGAN

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Proprietary Funds  
 For the Year Ended December 31, 2014

|  | Business-type Activities - Enterprise Funds |                       |                                |
|--|---|-----------------------|--------------------------------|
|  | Delinquent Tax Revolving                    | Medical Care Facility | Foreclosure Tax Administration |
| Operating revenues                           |   |                       |                                |
| Interest on taxes                            | \$ 1,797,344                                | \$ -                  | \$ -                           |
| Charges for services                         | 1,209,395                                   | 15,687,104            | 1,230,922                      |
| Other revenue                                | 4,392                                       | 2,366,463             | -                              |
| <b>Total operating revenues</b>              | <b>3,011,131</b>                            | <b>18,053,567</b>     | <b>1,230,922</b>               |
| Operating expenses                           |   |                       |                                |
| Personnel services                           | 409,548                                     | 13,004,623            | -                              |
| Cost of services                             | 427,127                                     | 4,631,670             | -                              |
| Depreciation                                 | 3,871                                       | 669,748               | -                              |
| Administration and other                     | 99,181                                      | -                     | 1,205,868                      |
| <b>Total operating expenses</b>              | <b>939,727</b>                              | <b>18,306,041</b>     | <b>1,205,868</b>               |
| Operating income (loss)                      | 2,071,404                                   | (252,474)             | 25,054                         |
| Nonoperating revenue (expenses)              |   |                       |                                |
| Interest income                              | 11,685                                      | -                     | -                              |
| Other revenues                               | -   | 282,984               | -                              |
| Loss on disposal of capital assets           | -   | (7,982)               | -                              |
| Interest expense                             | -   | (551,589)             | -                              |
| <b>Total nonoperating revenue (expenses)</b> | <b>11,685</b>                               | <b>(276,587)</b>      | <b>-</b>                       |
| Net Income (loss) before transfers           | 2,083,089                                   | (529,061)             | 25,054                         |
| Transfers in                                 | 70,066                                      | -                     | -                              |
| Transfers out                                | (1,976,646)                                 | -                     | -                              |
| Change in net position                       | 176,509                                     | (529,061)             | 25,054                         |
| Net position, beginning of year              | 17,594,708                                  | 6,785,247             | 1,854,316                      |
| <b>Net position, end of year</b>             | <b>\$ 17,771,217</b>                        | <b>\$ 6,256,186</b>   | <b>\$ 1,879,370</b>            |

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

|                   |                      | Governmental<br>Activities   |
|-------------------|----------------------|------------------------------|
| Nonmajor<br>Funds | Total                | Internal<br>Service<br>Funds |
| \$ 36,099         | \$ 1,833,443         | \$ -                         |
| 1,303,760         | 19,431,181           | 11,478,854                   |
| 125,434           | 2,496,289            | -                            |
| <u>1,465,293</u>  | <u>23,760,913</u>    | <u>11,478,854</u>            |
| 19,554            | 13,433,725           | -                            |
| 1,738,772         | 6,797,569            | 11,729,391                   |
| -                 | 673,619              | -                            |
| 98,185            | 1,403,234            | 570,943                      |
| <u>1,856,511</u>  | <u>22,308,147</u>    | <u>12,300,334</u>            |
| <u>(391,218)</u>  | <u>1,452,766</u>     | <u>(821,480)</u>             |
| 7,476             | 19,161               | 735                          |
| -                 | 282,984              | -                            |
| (56,537)          | (64,519)             | -                            |
| -                 | (551,589)            | -                            |
| <u>(49,061)</u>   | <u>(313,963)</u>     | <u>735</u>                   |
| (440,279)         | 1,138,803            | (820,745)                    |
| -                 | 70,066               | -                            |
| <u>(2,500)</u>    | <u>(1,979,146)</u>   | <u>(35,900)</u>              |
| (442,779)         | (770,277)            | (856,645)                    |
| <u>1,182,264</u>  | <u>27,416,535</u>    | <u>2,060,389</u>             |
| <u>\$ 739,485</u> | <u>\$ 26,646,258</u> | <u>\$ 1,203,744</u>          |

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

|  | Business-type Activities - Enterprise Funds |                             |                                      |
|--|---|-----------------------------|--------------------------------------|
|  | Delinquent<br>Tax<br>Revolving              | Medical<br>Care<br>Facility | Foreclosure<br>Tax<br>Administration |
| Cash flows from operating activities                           |   |                             |                                      |
| Cash received from customers, residents<br>and users           | \$ 3,109,823                                | \$ 15,767,186               | \$ 1,191,817                         |
| Other operating receipts                                       | 4,392                                       | -                           | -                                    |
| Cash received from quality assurance supplement program        | -   | 2,359,348                   | -                                    |
| Cash paid to employees   | (407,101)                                   | (11,718,086)                | -                                    |
| Cash paid to suppliers   | (425,118)                                   | (5,702,260)                 | (1,132,773)                          |
| Payments for interfund services used                           | (2,358,240)                                 | -                           | -                                    |
| Receipts for interfund services provided                       | -   | -                           | 2,231,048                            |
| Net cash provided (used) by operating activities               | <u>(76,244)</u>                             | <u>706,188</u>              | <u>2,290,092</u>                     |
| Cash flows from capital and related<br>financing activities    |   |                             |                                      |
| Principal payments on long-term debt                           | -   | (550,000)                   | -                                    |
| Interest payments on long-term debt                            | -   | (513,194)                   | -                                    |
| Purchase of capital assets                                     | -   | (259,054)                   | -                                    |
| Net cash used by capital and<br>related financing activities   | <u>-</u>                                    | <u>(1,322,248)</u>          | <u>-</u>                             |
| Cash flows from noncapital financing<br>activities             |   |                             |                                      |
| Other revenues collected                                       | -   | 282,984                     | -                                    |
| Transfers from other funds                                     | 70,066                                      | -                           | -                                    |
| Transfers to other funds                                       | (1,976,646)                                 | -                           | -                                    |
| Net cash provided (used) by noncapital<br>financing activities | <u>(1,906,580)</u>                          | <u>282,984</u>              | <u>-</u>                             |
| Cash flows from investing activities                           |   |                             |                                      |
| Interest income received                                       | <u>11,685</u>                               | <u>-</u>                    | <u>-</u>                             |
| Net change in cash and<br>pooled investments                   | (1,971,139)                                 | (333,076)                   | 2,290,092                            |
| Cash and pooled investments, beginning of year                 | <u>5,051,534</u>                            | <u>4,054,488</u>            | <u>3,340,602</u>                     |
| Cash and pooled investments, end of year                       | <u>\$ 3,080,395</u>                         | <u>\$ 3,721,412</u>         | <u>\$ 5,630,694</u>                  |
| Statement of Net Position Classification                       |   |                             |                                      |
| Cash and pooled investments                                    | \$ 3,080,395                                | \$ 2,385,867                | \$ 5,630,694                         |
| Restricted cash  | -   | 1,335,545                   | -                                    |
| Total  | <u>\$ 3,080,395</u>                         | <u>\$ 3,721,412</u>         | <u>\$ 5,630,694</u>                  |

|                     |                      | Governmental<br>Activities   |
|---------------------|----------------------|------------------------------|
| Nonmajor<br>Funds   | Total                | Internal<br>Service<br>Funds |
| \$ 2,205,595        | \$ 22,274,421        | \$ 11,883,111                |
| -                   | 4,392                | -                            |
| -                   | 2,359,348            | -                            |
| (21,938)            | (12,147,125)         | (11,929,053)                 |
| (2,708,979)         | (9,969,130)          | -                            |
| (96,571)            | (2,454,811)          | -                            |
| -                   | 2,231,048            | -                            |
| <u>(621,893)</u>    | <u>2,298,143</u>     | <u>(45,942)</u>              |
| -                   | (550,000)            | -                            |
| -                   | (513,194)            | -                            |
| -                   | (259,054)            | -                            |
| -                   | <u>(1,322,248)</u>   | -                            |
| -                   | 282,984              | -                            |
| -                   | 70,066               | -                            |
| <u>(2,500)</u>      | <u>(1,979,146)</u>   | <u>(35,900)</u>              |
| <u>(2,500)</u>      | <u>(1,626,096)</u>   | <u>(35,900)</u>              |
| <u>7,476</u>        | <u>19,161</u>        | <u>735</u>                   |
| (616,917)           | (631,040)            | (81,107)                     |
| <u>2,418,883</u>    | <u>14,865,507</u>    | <u>1,541,971</u>             |
| <u>\$ 1,801,966</u> | <u>\$ 14,234,467</u> | <u>\$ 1,460,864</u>          |
| \$ 1,018,775        | \$ 12,115,731        | \$ 1,460,864                 |
| 783,191             | 2,118,736            | -                            |
| <u>\$ 1,801,966</u> | <u>\$ 14,234,467</u> | <u>\$ 1,460,864</u>          |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

|   | Business-type Activities - Enterprise Funds |                             |                                      |
|---|---|-----------------------------|--------------------------------------|
|   | Delinquent<br>Tax<br>Revolving              | Medical<br>Care<br>Facility | Foreclosure<br>Tax<br>Administration |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities         |   |                             |                                      |
| Operating income (loss)   | \$ 2,071,404                                | \$ (252,474)                | \$ 25,054                            |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |   |                             |                                      |
| Depreciation  | 3,871                                       | 669,748                     | -                                    |
| Change in:  |   |                             |                                      |
| Accounts receivable   | (172,786)                                   | 72,967                      | (39,105)                             |
| Taxes receivable  | 275,870                                     | -                           | -                                    |
| Due from other funds  | (2,215,678)                                 | -                           | -                                    |
| Prepaid items   | -   | (123,626)                   | -                                    |
| Inventory   | -   | (11,816)                    | 73,095                               |
| Due from other governments  | -   | -                           | -                                    |
| Accounts payable  | 2,009                                       | (385,756)                   | -                                    |
| Estimated claims payable  | -   | -                           | -                                    |
| Accrued payroll   | 4,598                                       | 27,779                      | -                                    |
| Residents' trust payable  | -   | (5,228)                     | -                                    |
| Other liabilities   | -   | 191,453                     | -                                    |
| Due to other funds  | (43,381)                                    | -                           | 2,231,048                            |
| Due to other governmental units   | -   | -                           | -                                    |
| Unearned revenue  | -   | -                           | -                                    |
| Accrued compensated absences  | (2,151)                                     | 27,572                      | -                                    |
| Estimated closure and postclosure monitoring costs  | -   | -                           | -                                    |
| Net other postemployment benefits obligation  | -   | 495,569                     | -                                    |
| Net cash provided (used) by operating activities  | <u>\$ (76,244)</u>                          | <u>\$ 706,188</u>           | <u>\$ 2,290,092</u>                  |

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





|                     |                     | Governmental<br>Activities   |
|---------------------|---------------------|------------------------------|
| Nonmajor<br>Funds   | Total               | Internal<br>Service<br>Funds |
| \$ (391,218)        | \$ 1,452,766        | \$ (821,480)                 |
| -                   | 673,619             | -                            |
| 404,093             | 265,169             | (312,537)                    |
| -                   | 275,870             | -                            |
| -                   | (2,215,678)         | -                            |
| -                   | (123,626)           | 716,794                      |
| 312,300             | 373,579             | -                            |
| -                   | -                   | -                            |
| (844,945)           | (1,228,692)         | 274,853                      |
| -                   | -                   | 96,428                       |
| 20                  | 32,397              | -                            |
| -                   | (5,228)             | -                            |
| -                   | 191,453             | -                            |
| -                   | 2,187,667           | -                            |
| (2,853)             | (2,853)             | -                            |
| (3,500)             | (3,500)             | -                            |
| (790)               | 24,631              | -                            |
| (95,000)            | (95,000)            | -                            |
| -                   | 495,569             | -                            |
| <u>\$ (621,893)</u> | <u>\$ 2,298,143</u> | <u>\$ (45,942)</u>           |

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2014

|  | Pension and<br>Other<br>Postemployment<br>Benefit<br>Trust Funds | Agency<br>Funds     |
|--|--|---------------------|
| <b>Assets</b>  |  |                     |
| Cash and pooled investments                                    | \$ 1,533,204   | \$ 2,214,740        |
| Investments, at fair value:                                    |  |                     |
| Domestic equities  | 45,965,216   | -                   |
| Equity mutual funds  | 29,735,561   | -                   |
| International equities   | 27,782,958   | -                   |
| U.S. treasuries  | 4,129,063  | -                   |
| U.S. agencies  | 5,992,537  | -                   |
| Corporate domestic securities                                  | 28,130,886   | -                   |
| Collateralized mortgage obligations                            | 752,997  | -                   |
| International securities                                       | 627,253  | -                   |
| Money market funds   | 5,439,016  | -                   |
| Receivables:   |  |                     |
| Accounts   | 80,705   | 69,211              |
| Interest   | 271,851  | -                   |
| <b>Total assets</b>  | <b>150,441,247</b>   | <b>\$ 2,283,951</b> |
| <b>Liabilities</b>   |  |                     |
| Accounts payable   | 114,492  | \$ -                |
| Undistributed receipts   | -  | 1,873,287           |
| Due to other governments                                       | -  | 159,835             |
| Bonds payable  | -  | 221,596             |
| Escrow payable   | -  | 29,233              |
| <b>Total liabilities</b>                                       | <b>114,492</b>   | <b>\$ 2,283,951</b> |
| <b>Net position</b>  |  |                     |
| Restricted for pension<br>benefits and postemployment benefits | <b>\$ 150,326,755</b>  |                     |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Changes in Fiduciary Net Position Pension and Other Postemployment Benefits Trust Funds For the Year Ended December 31, 2014

|   | Pension and<br>Other<br>Postemployment<br>Benefit<br>Trust Funds |
|---|--|
| <b>Additions</b>                              |  |
| Contributions:                                |  |
| Employees                                     | \$ 2,110,414   |
| Employer                                      | 10,197,604   |
| Total contributions                           | <u>12,308,018</u>  |
| Investment earnings:                          |  |
| Interest and dividends                        | 4,666,414  |
| Net appreciation in fair value of investments | 5,853,309  |
| Less investment expenses                      | (685,334)  |
| Net investment earnings                       | <u>9,834,389</u>   |
| Total additions                               | <u>22,142,407</u>  |
| <b>Deductions</b>                             |  |
| Pension benefit payments                      | 17,011,155   |
| Contribution refunds                          | 222,108  |
| Administrative expenses                       | 383,962  |
| Total deductions                              | <u>17,617,225</u>  |
| Change in net position                        | 4,525,182  |
| Net position, beginning of year               | <u>145,801,573</u>   |
| Net position, end of year                     | <u><u>\$ 150,326,755</u></u>                                     |

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

# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position Discretely Presented Component Units December 31, 2014

|                                       | Economic<br>Development<br>Corporation | Land<br>Bank<br>Authority | Drain<br>Commission | Brownfield<br>Redevelopment<br>Authority |
|---------------------------------------|--|---------------------------|---------------------|--|
| <b>Assets</b>                         |  |                           |                     |  |
| Cash and pooled investments           | \$ 441,674                             | \$ 166,668                | \$ 1,317,677        | \$ 84,723                                |
| Receivables, net                      | 528,158                                | 17,797                    | 120,664             | 640,401                                  |
| Other assets                          | -                                      | 74,593                    | -                   | -  |
| Capital assets being depreciated, net | -                                      | -                         | 3,313,839           | -  |
| <b>Total assets</b>                   | <b>969,832</b>                         | <b>259,058</b>            | <b>4,752,180</b>    | <b>725,124</b>                           |
| <b>Liabilities</b>                    |  |                           |                     |  |
| Accounts payable and accrued expenses | 8,932                                  | 3,177                     | 8,552               | 2,655                                    |
| Advance from primary government       | -                                      | 100,000                   | 210,000             | 117,500                                  |
| Long-term liabilities:                |  |                           |                     |  |
| Due within one year                   | -                                      | -                         | -                   | -  |
| Due in more than one year             | -                                      | -                         | -                   | -  |
| <b>Total liabilities</b>              | <b>8,932</b>                           | <b>103,177</b>            | <b>218,552</b>      | <b>120,155</b>                           |
| <b>Net position</b>                   |  |                           |                     |  |
| Net investment in capital assets      | -                                      | -                         | 3,313,839           | -  |
| Restricted for construction           | -                                      | -                         | 1,219,789           | -  |
| Unrestricted                          | 960,900                                | 155,881                   | -                   | 604,969                                  |
| <b>Total net position</b>             | <b>\$ 960,900</b>                      | <b>\$ 155,881</b>         | <b>\$ 4,533,628</b> | <b>\$ 604,969</b>                        |

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



| Board<br>of<br>Public Works | Totals |
|-----------------------------|--------|
|-----------------------------|--------|

|                   |                   |
|-------------------|-------------------|
| \$ 102,069        | \$ 2,112,811      |
| 19,897,622        | 21,204,642        |
| -                 | 74,593            |
| -                 | 3,313,839         |
| <u>19,999,691</u> | <u>26,705,885</u> |

|         |         |
|---------|---------|
| 154,087 | 177,403 |
| -       | 427,500 |

|                   |                   |
|-------------------|-------------------|
| 2,074,143         | 2,074,143         |
| <u>17,771,461</u> | <u>17,771,461</u> |

|                   |                   |
|-------------------|-------------------|
| <u>19,999,691</u> | <u>20,450,507</u> |
|-------------------|-------------------|

|   |           |
|---|-----------|
| - | 3,313,839 |
| - | 1,219,789 |
| - | 1,721,750 |

|             |                     |
|-------------|---------------------|
| <u>\$ -</u> | <u>\$ 6,255,378</u> |
|-------------|---------------------|

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2014

| Functions/Programs                        | Expenses            | Program Revenues     |                                    |                                  | Net (Expenses) Revenue |
|---|---------------------|----------------------|------------------------------------|----------------------------------|------------------------|
|   |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                        |
| <b>Economic Development Corporation</b>   |                     |                      |                                    |                                  |                        |
| Governmental activities -                 |                     |                      |                                    |                                  |                        |
| Other                                     | \$ 144,515          | \$ 300               | \$ 26,884                          | \$ -                             | \$ (117,331)           |
| <b>Land Bank Authority</b>                |                     |                      |                                    |                                  |                        |
| Governmental activities -                 |                     |                      |                                    |                                  |                        |
| Other                                     | 45,176              | 12,374               | -                                  | -                                | (32,802)               |
| <b>Drain Commission</b>                   |                     |                      |                                    |                                  |                        |
| Governmental activities -                 |                     |                      |                                    |                                  |                        |
| Public works                              | 284,598             | -                    | -                                  | 186,498                          | (98,100)               |
| <b>Brownfield Redevelopment Authority</b> |                     |                      |                                    |                                  |                        |
| Governmental activities -                 |                     |                      |                                    |                                  |                        |
| Public works                              | 30,181              | -                    | 22,677                             | -                                | (7,504)                |
| <b>Board of Public Works</b>              |                     |                      |                                    |                                  |                        |
| Governmental activities -                 |                     |                      |                                    |                                  |                        |
| Public works                              | -                   | -                    | -                                  | 841,170                          | 841,170                |
| Interest on long-term debt                | 841,271             | -                    | -                                  | -                                | (841,271)              |
| <b>Total Board of Public Works</b>        | <b>841,271</b>      | <b>-</b>             | <b>-</b>                           | <b>841,170</b>                   | <b>(101)</b>           |
| <b>Total component units</b>              | <b>\$ 1,345,741</b> | <b>\$ 12,674</b>     | <b>\$ 49,561</b>                   | <b>\$ 1,027,668</b>              | <b>\$ (255,838)</b>    |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2014

|                                 | Economic<br>Development<br>Corporation | Land<br>Bank<br>Authority | Drain<br>Commission | Brownfield<br>Redevelopment<br>Authority | Board<br>of<br>Public Works | Totals              |
|---------------------------------|--|---------------------------|---------------------|--|-----------------------------|---------------------|
| Change in net position          |  |                           |                     |  |                             |                     |
| Net expense                     | \$ (117,331)                           | \$ (32,802)               | \$ (98,100)         | \$ (7,504)                               | \$ (101)                    | \$ (255,838)        |
| General revenues -              |  |                           |                     |  |                             |                     |
| Interest income                 | 178                                    | -                         | 434                 | -  | 101                         | 713                 |
| Change in net position          | (117,153)                              | (32,802)                  | (97,666)            | (7,504)                                  | -                           | (255,125)           |
| Net position, beginning of year | 1,078,053                              | 188,683                   | 4,631,294           | 612,473                                  | -                           | 6,510,503           |
| Net position, end of year       | <u>\$ 960,900</u>                      | <u>\$ 155,881</u>         | <u>\$ 4,533,628</u> | <u>\$ 604,969</u>                        | <u>\$ -</u>                 | <u>\$ 6,255,378</u> |

concluded.

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

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## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Jackson, Michigan (the "County") 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 more significant of the County's accounting policies are described below.

#### Reporting Entity

As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

#### *Blended Component Unit*

Jackson County Building Authority (the "Building Authority") - The Building Authority is governed by a three-member board appointed by the Jackson County Board of Commissioners. Although legally separate from the County, the Building Authority is reported as if it were part of the primary government, because its sole purpose is to finance and construct the County's public buildings. The financial statements of the Building Authority funds have been consolidated with the County's related capital projects and the debt service fund which is a major fund.

#### *Discretely Presented Component Units*

Jackson County Economic Development Corporation (the "EDC") - The Economic Development Corporation, which was established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a nine person Board of Directors appointed by the County Board of Commissioners. The EDC may not issue debt without the County's approval and administers a significant amount of federal economic development grant money which is received by the County. The EDC is financially accountable to the County, as defined by GASB Statement No. 61, and is disclosed as a component unit, accordingly.

Jackson County Land Bank Authority (the "Authority") - The Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Jackson County Treasurer. The Authority is governed by an 11 member board including the Jackson County Treasurer, who is, by law, its Chairperson, and 10 other members including four Commissioners. The Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Authority. The Authority is financially accountable to the County, as defined by GASB Statement No. 61, and is disclosed as a component unit, accordingly.

Jackson County Drain Commission (the "Drain Commission") - Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The County Drain Commissioner, an elected position, has sole responsibility to administer the drainage district established pursuant to Chapters 3 and 4 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The nature of the Drain Commission's significance of their relationship to the County is such that exclusion as a component unit would cause the County's financial statements to be misleading. The Drain Commission is financially accountable to the County, as defined by GASB Statement No 61, and is disclosed as a component unit, accordingly.

Jackson County Brownfield Redevelopment Authority (the "Authority") - Pursuant to the provisions of Public Act 381 of 1996, the County created a brownfield redevelopment authority in order to revitalize environmentally distressed areas within a brownfield redevelopment area. The five-member Board is appointed by the County Board of Commissioners. The Authority budget must be approved by the County Board of Commissioners.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

Jackson County Board of Public Works (the "BPW") - Pursuant to Michigan Compiled Law 123.732, the County entered into a program of water supply and sanitary sewer facility construction. The Board of Public Works is under the general control of the County Board of Commissioners and under the immediate control of a Board of Public Works, which includes the County Drain Commissioner. The BPW is governed by a seven-member board with six appointed members and the Drain Commissioner, an elected position. The Board of Public Works is considered a component unit of the County. The Board manages water supply and sanitary sewer system construction projects that are bonded by the County. Bonds issued are authorized by an ordinance or a resolution approved by the Board of Public Works and adopted by the County Board of Commissioners. The BPW is financially accountable to the County, as defined by GASB Statement No 61, and is disclosed as a component unit, accordingly.

Complete financial statements for the Brownfield Redevelopment Authority and the Economic Development Corporation may be obtained at the respective entities' administrative offices. The Drain Commission, Board of Public Works and the Land Bank Authority do not issue separate financial statements.

### *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, as agency funds report only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

## COUNTY OF JACKSON, MICHIGAN

### Notes To Financial Statements

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *jail millage fund* accounts for property tax collections used for servicing debt of bonds that were issued to finance new jail facilities.

The *medical care facility maintenance of effort fund* accounts for payments made to the State of Michigan for county residents being treated in the medical care facility, a long-term health care facility owned and operated by the County of Jackson. Revenue is generated by a county-wide millage.

The *road fund* accounts for the construction and maintenance of the County roads. Funding for these activities is received from the State of Michigan Department of Transportation and federal contributions.

The *building authority debt service fund* is used to account for the payment of bonds related to construction projects managed by the Building Authority Board. Funding for these payments can come from rents, millages and interfund transfers.

The County reports the following major proprietary funds:

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

The *medical care facility fund* accounts for the long-term care of elderly residents of the County of Jackson in a medical care unit owned and operated by the County.

The *foreclosure tax administration fund* accounts for the recording and sales of foreclosed properties.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*Permanent funds*. These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

*Enterprise funds* are used to account for operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

*Internal service funds* account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis, such as the County's self-insurance programs.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

The *pension and other postemployment benefit (OPEB) trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension and OPEB trust funds account for the assets of the County's defined benefit pension and OPEB plans.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position consist of assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

#### *Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The County maintains pooled and individual fund demand deposit, certificates of deposit and short-term investment accounts for the primary government and discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances and mutual funds composed of otherwise legal investments.

The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate and other investment instruments, subject to certain limitations.

#### *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

The medical care facility receivables are reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

### *Inventories, Prepaid Items and Other Assets*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Other assets consist of land held for resale in the tax foreclosure administration fund and the Land Bank Authority.

### *Capital Assets*

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government and component units are depreciated over the useful life of the assets as follows:

|                            | Depreciation Method | Useful Lives - Years |
|----------------------------|---------------------|----------------------|
| Buildings and improvements | Straight-line       | 20-50                |
| Equipment and furniture    | Straight-line       | 3-15                 |
| Vehicles                   | Straight-line       | 3-15                 |
| Infrastructure             | Straight-line       | 8-50                 |

For the Drain Commission component unit, the drain infrastructure is depreciated using the straight-line method over a useful life of 50 years.

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other-long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

### *Compensated Absences*

Eligible employees are permitted to accumulate paid time off in varying amounts based on length of service and certain other established criteria. Employees are paid for three-quarters of paid time off days earned and credited at the employee's current rate of pay upon separation of employment. Paid time off is accrued when incurred in proprietary funds and reported as a fund liability. Paid time off that has matured, for example, as a result of employee resignation or retirement, is reported as expenditure and a fund liability of the governmental fund that will pay it.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and proprietary funds and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

### *Fund Balances*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes which are established by the Board of Commissioners as well. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

## 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and certain special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level. Management may make transfers of appropriations within funds. Transfers of appropriations between funds require the approval of the Board. The Board made several supplemental budgetary appropriations throughout the year which were not considered material.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on an activity level basis, which is the legal level of control.

During the year ended December 31, 2014, the County incurred expenditures in excess of the amounts appropriated as follows:

|   | Amended<br>Budget | Actual       | Variance  |
|---|-------------------|--------------|-----------|
| General fund                            |                   |              |           |
| General government:                     |                   |              |           |
| Public defender                         | \$ 1,208,200      | \$ 1,218,457 | \$ 10,257 |
| Remuneration                            | 68,043            | 88,458       | 20,415    |
| County treasurer                        | 123,776           | 145,102      | 21,326    |
| Public safety -                         |                   |              |           |
| Community corrections board             | 214,063           | 218,487      | 4,424     |
| Other -                                 |                   |              |           |
| Unallocated retiree benefits            | 2,805,079         | 3,206,576    | 401,497   |
| Professional services                   | 258,750           | 258,978      | 228       |
| Special revenue funds                   |                   |              |           |
| Prosecuting attorney drug enforcement - |                   |              |           |
| Judicial                                | -                 | 1,861        | 1,861     |
| Sheriff drug enforcement -              |                   |              |           |
| Public safety                           | -                 | 10,422       | 10,422    |
| Michigan justice training:              |                   |              |           |
| Public safety                           | -                 | 45,073       | 45,073    |
| Transfers out                           | -                 | 42,800       | 42,800    |
| Social services -                       |                   |              |           |
| Health and welfare                      | -                 | 18,881       | 18,881    |
| Veterans trust -                        |                   |              |           |
| Health and welfare                      | -                 | 107,336      | 107,336   |
| Joint narcotics:                        |                   |              |           |
| Judicial                                | -                 | 115,492      | 115,492   |
| Transfers out                           | -                 | (55,990)     | (55,990)  |
| Community development block grant:      |                   |              |           |
| Community development                   | -                 | 484,253      | 484,253   |
| Transfers out                           | -                 | 10,203       | 10,203    |
| Fair                                    | 1,046,075         | 1,067,215    | 21,140    |



COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2014:

|   | Primary Government    | Component Units     | Totals                |
|---|-----------------------|---------------------|-----------------------|
| <b>Statement of Net Position</b>                  |                       |                     |                       |
| Cash and pooled investments                       | \$ 36,099,640         | \$ 2,112,811        | \$ 38,212,451         |
| Restricted cash and pooled investments            | 2,118,736             | -                   | 2,118,736             |
| <b>Statement of Fiduciary Net Position</b>        |                       |                     |                       |
| Cash and pooled investments                       | 3,747,944             | -                   | 3,747,944             |
| Investments                                       | 148,555,487           | -                   | 148,555,487           |
| <b>Total</b>                                      | <b>\$ 190,521,807</b> | <b>\$ 2,112,811</b> | <b>\$ 192,634,618</b> |
| <b>Deposits and investments</b>                   |                       |                     |                       |
| Bank deposits -                                   |                       |                     |                       |
| Checking/savings accounts/certificates of deposit |                       |                     | \$ 2,268,205          |
| Investments in securities and mutual funds:       |                       |                     |                       |
| Treasurer's investment pool                       |                       |                     | 41,037,157            |
| Pension investments                               |                       |                     | 148,554,968           |
| Other postemployment benefit investments          |                       |                     | 519                   |
| Cash on hand                                      |                       |                     | 101,171               |
| Net effect of funds with different year ends      |                       |                     | 672,598               |
| <b>Total</b>                                      |                       |                     | <b>\$ 192,634,618</b> |

Restricted cash of the primary government consists of \$783,191 restricted in the resource recovery fund for closure and postclosure landfill monitoring and \$1,326,291 in the medical care facility fund for capital acquisitions and improvements and \$9,254 for residents' trust accounts.

*Bank Deposits and Treasurer's Investment Pool*

*Custodial Credit Risk - Deposits.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance. At year-end, the carrying amount of the County's deposits was \$2,268,205. The combined bank balance of these deposits was \$5,573,410 of which \$95,220 was uninsured and uncollateralized. Since the bank deposits of the primary government and discretely presented component units are pooled, separate risk categorizations or identification of FDIC coverage is not possible.

In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2014:

|  |                      |
|--|----------------------|
| U.S. government agencies               | \$ 40,224,008        |
| Money market and cash management funds | 813,149              |
| <b>Total</b>                           | <b>\$ 41,037,157</b> |

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for money market funds.

As of December 31, 2014, all of the County's investments in securities of U.S. agencies were rated AA+/AA by Standard & Poor's.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer.

At December 31, 2014, the County had greater than 5% of its total investment portfolio concentrated as follows:

| Investment Type          | Issuer  | % of Portfolio |
|--------------------------|---------|----------------|
| Federal Home Loan Bank   | Various | 57.2%          |
| Federal Farm Credit Bank | Various | 40.0%          |

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2014, the County's debt securities had the following maturities:

|                          | Fair Value    | < 1 year | 1 - 5 years  | 6 - 10 years  | Total         |
|--------------------------|---------------|----------|--------------|---------------|---------------|
| U.S. government agencies | \$ 40,224,008 | \$ -     | \$ 9,321,505 | \$ 30,902,503 | \$ 40,224,008 |

### Employee Retirement System Investments

The System's investments are primarily held in a bank administered trust fund. Following is a summary of the System's investments as of December 31, 2014:

|  | Total                 |
|--|-----------------------|
| Investments at fair value, as determined by quoted market price: |                       |
| Domestic equities  | \$ 45,965,216         |
| Equity mutual funds  | 29,735,561            |
| International equities   | 27,782,958            |
| U.S. treasuries  | 4,129,063             |
| U.S. agencies  | 5,992,537             |
| Corporate domestic securities                                    | 28,130,886            |
| Collateralized mortgage obligations                              | 752,997               |
| International securities   | 627,253               |
| Money market funds   | 5,438,497             |
| <b>Total investments</b>   | <b>\$ 148,554,968</b> |

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trusts' investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

As of December 31, 2014, the System's investments in securities of U.S. agencies, corporate securities, collateralized mortgage obligations and international securities were rated by Standard & Poor's as follows:

| Rating                     | Employees Retirement System |
|----------------------------|-----------------------------|
| AAA                        | \$ 723,125                  |
| AA+                        | 1,974,768                   |
| AA                         | 846,180                     |
| AA-                        | 871,933                     |
| A+                         | 1,237,471                   |
| A                          | 1,477,385                   |
| A-                         | 4,162,843                   |
| BBB+                       | 1,792,996                   |
| BBB                        | 3,213,965                   |
| BBB-                       | 772,995                     |
| BB+                        | 2,848,834                   |
| BB                         | 702,324                     |
| BB-                        | 684,544                     |
| B                          | 250,173                     |
| B+                         | 831,831                     |
| B-                         | 327,074                     |
| Not subject to credit risk | <u>12,785,232</u>           |
| Total                      | <u>\$ 35,503,673</u>        |

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The System's investments in money market funds are not rated.

*Foreign Currency Risk.* Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The plan mitigates foreign currency risk by holding a diversified number of holdings across different geographic locations and industry sectors.

The System's exposure to foreign currency risk stated in U.S. dollars as of December 31, 2014 was as follows:

| Investment Type          | Fair Value    |
|--------------------------|---------------|
| International equities   | \$ 27,782,958 |
| International securities | 627,253       |

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System investment policy requires that securities be held in trust by a third-party institution in the System name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the System investments are not exposed to custodial credit risk since the securities are held by the counterparty's System department or agent in the System's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. At December 31, 2014 there were no investments that exceeded 5% with a single issuer.

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trusts' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

|                                     | Investment Maturities (fair value by years) |                   |                      |                      |                      |
|-------------------------------------|---|-------------------|----------------------|----------------------|----------------------|
|                                     | Fair value                                  | Less than 1       | 1-5                  | 6-10                 | More than 10         |
| U.S. treasuries                     | \$ 4,129,063                                | \$ -              | \$ 221,727           | \$ 3,626,063         | \$ 281,273           |
| U.S. agencies                       | 5,992,537                                   | -                 | 505,606              | 2,244,528            | 3,242,403            |
| Corporate domestic securities       | 28,130,886                                  | 686,964           | 14,934,074           | 5,575,603            | 6,934,245            |
| Collateralized mortgage obligations | 752,997                                     | -                 | -                    | -                    | 752,997              |
| International securities            | 627,253                                     | -                 | 278,665              | 264,058              | 84,530               |
| <b>Total</b>                        | <b>\$ 39,632,736</b>                        | <b>\$ 686,964</b> | <b>\$ 15,940,072</b> | <b>\$ 11,710,252</b> | <b>\$ 11,295,448</b> |

*Securities lending.* A contract approved by the System's Board of Directors, permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

Securities on loan at year-end are classified according to the category for the collateral received on the securities lent. At year end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

*Retiree's Health Insurance Fund*

The Fund's investments are primarily held in a bank administered trust fund. The Fund's investments of \$519 were all held in money market funds as of December 31, 2014.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund's investments comply with its policy regarding the types of investments it may hold. Ratings are not required for money market funds.

*Custodial Credit Risk* - The Fund's investments are held in third-party safekeeping by a designated institution and that safekeeping agent follows the procedure of delivery vs. payment.

**5. RECEIVABLES**

Receivables are comprised of the following at December 31, 2014:

|                                    | Governmental Activities | Business-type Activities |
|------------------------------------|-------------------------|--------------------------|
| Accounts                           | \$ 1,995,241            | \$ 3,134,751             |
| Less: allowance for uncollectibles | -                       | (244,267)                |
| Taxes                              | 3,312,693               | 9,100,261                |
| Interest                           | 200,289                 | 2,168,397                |
| Due from other governments         | 9,462,932               | -                        |
|                                    | <u>\$ 14,971,155</u>    | <u>\$ 14,159,142</u>     |

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014 was as follows:

Primary government

|   | Beginning Balance    | Additions           | Disposals        | Ending Balance       |
|---|----------------------|---------------------|------------------|----------------------|
| <b>Governmental activities</b>              |                      |                     |                  |                      |
| Capital assets not being depreciated:       |                      |                     |                  |                      |
| Land  | \$ 2,846,846         | \$ -                | \$ -             | \$ 2,846,846         |
| Land improvements                           | 16,116,380           | -                   | -                | 16,116,380           |
| Construction in progress - runway project   | 588,647              | 215,762             | -                | 804,409              |
| Avigation easements                         | 375,547              | -                   | -                | 375,547              |
|   | <u>19,927,420</u>    | <u>215,762</u>      | <u>-</u>         | <u>20,143,182</u>    |
| Capital assets being depreciated:           |                      |                     |                  |                      |
| Buildings and improvements                  | 52,463,760           | 507,116             | -                | 52,970,876           |
| Equipment and furniture                     | 27,130,853           | 2,339,297           | 522,073          | 28,948,077           |
| Vehicles                                    | 2,630,627            | 178,185             | 311,709          | 2,497,103            |
| Infrastructure                              | 94,526,255           | 5,928,716           | 8,443,888        | 92,011,083           |
| Depletable assets                           | 548,074              | -                   | -                | 548,074              |
|   | <u>177,299,569</u>   | <u>8,953,314</u>    | <u>9,277,670</u> | <u>176,975,213</u>   |
| Less accumulated depreciation for:          |                      |                     |                  |                      |
| Buildings improvements                      | 30,418,276           | 1,460,898           | -                | 31,879,174           |
| Equipment and furniture                     | 25,118,454           | 1,112,243           | 522,073          | 25,708,624           |
| Vehicles                                    | 2,383,236            | 239,676             | 311,709          | 2,311,203            |
| Infrastructure                              | 42,692,962           | 4,173,717           | 8,443,888        | 38,422,791           |
| Depletable assets                           | 147,019              | -                   | -                | 147,019              |
|   | <u>100,759,947</u>   | <u>6,986,534</u>    | <u>9,277,670</u> | <u>98,468,811</u>    |
| Total capital assets being depreciated      | <u>76,539,622</u>    | <u>1,966,780</u>    | <u>-</u>         | <u>78,506,402</u>    |
| Governmental activities capital assets, net | <u>\$ 96,467,042</u> | <u>\$ 2,182,542</u> | <u>\$ -</u>      | <u>\$ 98,649,584</u> |

Depreciation of governmental activities by function

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 790,892          |
| Public safety          | 705,924             |
| Public works           | 4,837,408           |
| Judicial               | 53,749              |
| Health and welfare     | 325,211             |
| Recreation and culture | 273,350             |
|                        | <u>\$ 6,986,534</u> |

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

|   | Beginning Balance    | Additions           | Disposals        | Ending Balance       |
|---|----------------------|---------------------|------------------|----------------------|
| <b>Business-type activities</b>                     |                      |                     |                  |                      |
| Capital assets not depreciated:                     |                      |                     |                  |                      |
| Buildings and improvements                          | \$ 19,735,550        | \$ 74,360           | \$ 34,638        | \$ 19,775,272        |
| Equipment and furniture                             | 1,892,410            | 141,694             | 217,860          | 1,816,244            |
| Vehicles  | 238,685              | 43,000              | -                | 281,685              |
|   | <u>21,866,645</u>    | <u>259,054</u>      | <u>252,498</u>   | <u>21,873,201</u>    |
| Less accumulated depreciation for:                  |                      |                     |                  |                      |
| Buildings and improvements                          | 5,277,347            | 531,332             | 21,504           | 5,787,175            |
| Equipment and furniture                             | 1,074,199            | 121,523             | 166,475          | 1,029,247            |
| Vehicles  | 121,085              | 20,764              | -                | 141,849              |
|   | <u>6,472,631</u>     | <u>673,619</u>      | <u>187,979</u>   | <u>6,958,271</u>     |
| Total capital assets being depreciated, net         | <u>15,394,014</u>    | <u>(414,565)</u>    | <u>64,519</u>    | <u>14,914,930</u>    |
| <b>Business-type activities capital assets, net</b> | <u>\$ 15,394,014</u> | <u>\$ (414,565)</u> | <u>\$ 64,519</u> | <u>\$ 14,914,930</u> |

Depreciation of business-type activities by function

|                               |                   |
|-------------------------------|-------------------|
| Medical Care Facility         | \$ 669,748        |
| Delinquent tax revolving fund | <u>3,871</u>      |
|                               | <u>\$ 673,619</u> |

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2014, was as follows:

|  | Beginning Balance   | Additions           | Disposals   | Ending Balance      |
|--|---------------------|---------------------|-------------|---------------------|
| <b>Component Unit - Drain Commission</b> |                     |                     |             |                     |
| Capital assets being depreciated -       |                     |                     |             |                     |
| Infrastructure                           | \$ 12,242,656       | \$ -                | \$ -        | \$ 12,242,656       |
| Less accumulated depreciation for -      |                     |                     |             |                     |
| Infrastructure                           | <u>8,767,295</u>    | <u>161,522</u>      | <u>-</u>    | <u>8,928,817</u>    |
| Drain Commission capital assets, net     | <u>\$ 3,475,361</u> | <u>\$ (161,522)</u> | <u>\$ -</u> | <u>\$ 3,313,839</u> |

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

**7. ACCOUNTS PAYABLE**

Accounts payable and accrued liabilities are comprised of the following at December 31, 2014:

|   | Governmental<br>Activities | Business-type<br>Activities |
|---|----------------------------|-----------------------------|
| Accounts payable                                      | \$ 2,171,493               | \$ 326,843                  |
| Accrued and other liabilities                         | 1,074,643                  | 922,502                     |
| Residents' trust payable                              | -                          | 9,254                       |
| Estimated claims payable                              | 772,422                    | -                           |
| Due to other governments                              | 58,660                     | -                           |
| Deposits payable                                      | 107,394                    | -                           |
| Advances from other governments                       | 340,210                    | -                           |
| Estimated closure and postclosure<br>monitoring costs | -                          | 1,030,000                   |
| Accrued interest on long-term debt                    | 91,162                     | -                           |
|   | <u>\$ 4,615,984</u>        | <u>\$ 2,288,599</u>         |

**8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2014, was as follows:

|                                     | Due from<br>other funds | Due to<br>other funds |
|-------------------------------------|-------------------------|-----------------------|
| General fund                        | \$ 1,476,520            | \$ -                  |
| Nonmajor governmental funds         | -                       | 158,227               |
| Delinquent tax revolving fund       | 4,602,491               | 1,476,520             |
| Foreclosure tax administration fund | -                       | 4,444,264             |
|                                     | <u>\$ 6,079,011</u>     | <u>\$ 6,079,011</u>   |

The general fund has made a long-term advance of \$500,000 to the Friend of the Court fund, a nonmajor governmental fund.

The general fund has made long-term advances to the Drain Commission and Brownfield Redevelopment Authority component units in the amounts of \$210,000 and \$117,500, respectively. In addition, the foreclosure tax administration enterprise fund has made a long-term advance to the Land Bank Authority component unit in the amount of \$100,000.

The County has interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

For the year ended December 31, 2014, interfund transfers consisted of the following:

| Transfers Out                 | Transfers In        |                                 |                             |                               | Total                |
|-------------------------------|---------------------|---------------------------------|-----------------------------|-------------------------------|----------------------|
|                               | General Fund        | Building Authority Debt Service | Nonmajor Governmental Funds | Delinquent Tax Revolving Fund |                      |
| General fund                  | \$ -                | \$ -                            | \$ 4,427,339                | \$ -                          | \$ 4,427,339         |
| Jail millage                  | 1,030,000           | 1,108,070                       | -                           | -                             | 2,138,070            |
| Nonmajor governmental funds   | 2,523,703           | -                               | 200,852                     | 70,066                        | 2,794,621            |
| Delinquent tax revolving fund | 516,546             | -                               | 1,460,100                   | -                             | 1,976,646            |
| Nonmajor enterprise funds     | 2,500               | -                               | -                           | -                             | 2,500                |
| Internal service funds        | 35,900              | -                               | -                           | -                             | 35,900               |
| Timing differences            | -                   | -                               | 164,337                     | -                             | 164,337              |
|                               | <u>\$ 4,108,649</u> | <u>\$ 1,108,070</u>             | <u>\$ 6,252,628</u>         | <u>\$ 70,066</u>              | <u>\$ 11,539,413</u> |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

9. LONG-TERM DEBT

Primary government

*General obligation bonds.* The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

*Governmental Activities*

| Bonds                                   | Due  | Annual Installments   | Interest Rate | Amount               |
|---|------|-----------------------|---------------|----------------------|
| 1999A Jackson County Building Authority | 2019 | \$50,000-\$75,000     | 5.30%-6.00%   | \$ 375,000           |
| 2010 Refunding bonds - county jail      | 2022 | \$735,000-\$1,145,000 | 2.85%         | 7,975,000            |
| 2014 LifeWays Refunding bonds           | 2026 | \$325,000-\$475,000   | 2.00%-3.125   | 5,010,000            |
| Total general obligation bonds          |      |                       |               | <u>\$ 13,360,000</u> |



COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

| Year Ended<br>December 31, | Principal            | Interest            | Total                |
|----------------------------|----------------------|---------------------|----------------------|
| 2015                       | \$ 1,260,000         | \$ 394,317          | \$ 1,654,317         |
| 2016                       | 1,370,000            | 347,128             | 1,717,128            |
| 2017                       | 1,430,000            | 308,666             | 1,738,666            |
| 2018                       | 1,460,000            | 268,662             | 1,728,662            |
| 2019                       | 1,465,000            | 226,276             | 1,691,276            |
| 2020-2024                  | 5,415,000            | 456,806             | 5,871,806            |
| 2025-2026                  | 960,000              | 67,056              | 1,027,056            |
|                            | <u>\$ 13,360,000</u> | <u>\$ 2,068,911</u> | <u>\$ 15,428,911</u> |

The County road fund has two lease agreement for financing building improvements for \$266,372 and \$39,518 and carry interest rates at 7.84% and 4.85% respectively. These leases agreements qualify as a capital leases.

The annual requirement to amortize the debt outstanding as of December 31, 2014 is as follows:

| Year Ended<br>December 31,   | Amount           |
|------------------------------|------------------|
| 2015                         | \$ 31,844        |
| 2016                         | 29,394           |
| 2017                         | 13,305           |
| Total minimum lease payments | <u>\$ 74,543</u> |

*Business-type Activities*

| Bonds                | Due  | Annual Installments | Interest Rate   | Amount               |
|----------------------|------|---------------------|-----------------|----------------------|
| 2005 Refunding bonds | 2030 | \$555,000-\$885,000 | 3.150% - 5.125% | <u>\$ 11,425,000</u> |

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

| Year Ended<br>December 31, | Principal            | Interest            | Total                |
|----------------------------|----------------------|---------------------|----------------------|
| 2015                       | \$ 595,000           | \$ 502,173          | \$ 1,097,173         |
| 2016                       | 590,000              | 478,473             | 1,068,473            |
| 2017                       | 635,000              | 453,576             | 1,088,576            |
| 2018                       | 625,000              | 427,588             | 1,052,588            |
| 2019                       | 670,000              | 400,628             | 1,070,628            |
| 2020-2024                  | 3,500,000            | 1,561,384           | 5,061,384            |
| 2025-2029                  | 3,955,000            | 724,641             | 4,679,641            |
| 2030                       | 855,000              | 21,909              | 876,909              |
|                            | <u>\$ 11,425,000</u> | <u>\$ 4,570,372</u> | <u>\$ 15,995,372</u> |

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

Board of Public Works Component Unit

| Bonds  | Due  | Annual Installments | Interest Rate   | Amount               |
|--|------|---------------------|-----------------|----------------------|
| 1997 Village of Brooklyn Waste Water Disposal System Facility Limited Tax GO Bonds | 2016 | \$125,000-\$150,000 | 4.25% - 5.00%   | \$ 300,000           |
| 2006 Wolf Lake Waste Water Refunding Bonds   | 2019 | \$255,000-\$270,000 | 3.75% - 4.00%   | 1,285,000            |
| 2004 Lake Columbia Waste Water Disposal System Limited Tax GO Bonds                | 2024 | \$375,000-\$550,000 | 3.00% - 4.00%   | 4,045,000            |
| 2005 Spring Arbor Township Water Supply Facility Limited Tax GO Bonds              | 2025 | \$25,000-\$30,000   | 3.85 - 4.75%    | 280,000              |
| 2012 Jackson County Water Supply Facility refunding bonds - Village of Parma       | 2021 | \$140,000-\$150,000 | 1.2%-2.50%      | 965,000              |
| State Drinking Water Revolving Loan Funds - Village of Parma                       | 2022 | \$55,000-\$70,000   | 2.50%           | 510,000              |
| 2002B Jackson County Water Supply Facility Grass Lake Area Section                 | 2022 | \$25,000-\$50,000   | 4.35% - 6.00%   | 280,000              |
| 2005 Jackson County Waste Water Disposal Facility Round/Farwell Lakes Area         | 2022 | \$225,000           | 3.50% - 4.00%   | 1,800,000            |
| 2004 Jackson County Wastewater Disposal Facility Vineyard Section                  | 2023 | \$350,000-\$375,000 | 3.625% - 4.50%  | 2,740,000            |
| State Drinking Water Revolving Loan Funds Village of Grass Lake                    | 2023 | \$110,000-\$140,000 | 2.50%           | 1,155,000            |
| 2005 Jackson County Waste Water Disposal Facility Southern Regional Interceptor    | 2025 | \$225,000-\$425,000 | 4.125% - 4.500% | 3,575,000            |
| 2008 Jackson County Waste Water Disposal Facility Rives Township Sewer             | 2030 | \$115,000-\$175,000 | 2.50%           | 2,281,598            |
|  | 2043 | \$15,000-\$40,000   | 4.125%          | 810,000              |
|  |      |                     |                 | <u>\$ 20,026,598</u> |

Annual debt service requirements to maturity for special assessment bonds are as follows:

| Year Ended December 31, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2015                    | \$ 2,100,000         | \$ 737,749          | \$ 2,837,749         |
| 2016                    | 2,160,000            | 664,671             | 2,824,671            |
| 2017                    | 2,020,000            | 588,400             | 2,608,400            |
| 2018                    | 2,045,000            | 515,066             | 2,560,066            |
| 2019                    | 2,065,000            | 437,384             | 2,502,384            |
| 2020-2024               | 7,655,000            | 1,125,432           | 8,780,432            |
| 2025-2029               | 1,400,000            | 1,158,074           | 2,558,074            |
| 2030-2034               | 276,598              | 110,470             | 387,068              |
| 2035-2039               | 170,000              | 74,767              | 244,767              |
| 2040-2043               | 135,000              | 30,422              | 165,422              |
|                         | <u>\$ 20,026,598</u> | <u>\$ 5,442,435</u> | <u>\$ 25,469,033</u> |

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### *Changes in long-term debt.*

|   | Beginning<br>Balance | Additions           | Deductions            | Ending<br>Balance    | Due Within<br>One Year |
|---|----------------------|---------------------|-----------------------|----------------------|------------------------|
| <b>Governmental Activities</b>                  |                      |                     |                       |                      |                        |
| General obligation bonds                        | \$ 14,355,000        | \$ 5,010,000        | \$ (6,005,000)        | \$ 13,360,000        | \$ 1,260,000           |
| Leases  | 105,987              | -                   | (31,444)              | 74,543               | 31,844                 |
| LifeWays settlement                             | 2,451,369            | -                   | -                     | 2,451,369            | 245,137                |
| Compensated absences                            | 1,639,367            | 3,004,956           | (2,403,695)           | 2,240,628            | 672,188                |
| Issuance discount                               | -                    | (20,338)            | -                     | (20,338)             | (1,695)                |
|   | <u>\$ 18,551,723</u> | <u>\$ 7,994,618</u> | <u>\$ (8,440,139)</u> | <u>\$ 18,106,202</u> | <u>\$ 2,207,474</u>    |
| <b>Business-type Activities</b>                 |                      |                     |                       |                      |                        |
| Refunding bonds                                 | \$ 11,975,000        | \$ -                | \$ (550,000)          | \$ 11,425,000        | \$ 595,000             |
| Compensated absences                            | 417,453              | 59,172              | (34,541)              | 442,084              | 49,538                 |
|   | <u>\$ 12,392,453</u> | <u>\$ 59,172</u>    | <u>\$ (584,541)</u>   | <u>\$ 11,867,084</u> | <u>\$ 644,538</u>      |
| <b>Board of Public Works<br/>Component Unit</b> |                      |                     |                       |                      |                        |
| Bonds   | \$ 22,406,598        | \$ -                | \$ (2,380,000)        | \$ 20,026,598        | \$ 2,100,000           |
| Less deferred amount on<br>refunding            | (206,851)            | -                   | 25,857                | (180,994)            | (25,857)               |
|   | <u>\$ 22,199,747</u> | <u>\$ -</u>         | <u>\$ (2,354,143)</u> | <u>\$ 19,845,604</u> | <u>\$ 2,074,143</u>    |

For the governmental activities, the LifeWays settlement and compensated absences are generally liquidated by the general fund.

### *Prior Year Advance Refunding / Defeased Debt*

#### *Governmental activities*

On May 1, 2005, the County issued \$14,000,000 in refunding bonds with interest ranging from 3.150% to 5.125% to advance refund \$12,900,000 of outstanding Series 2000 unlimited tax general obligation bonds. The balance of the defeased bonds outstanding was \$11,100,000 at December 31, 2014.

On November 1, 2010, the County issued \$10,100,000 in refunding bonds with an average interest rate of 2.850% to advance refund \$10,075,000 of outstanding Series 2002 long-term general obligation bonds. The balance of the defeased bonds outstanding was \$7,285,000 at December 31, 2014.

During the year, the County issued \$5,010,000 of refunding bonds to defease \$4,920,000 of bonds by placing the proceeds of the refunding bonds in irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the related liabilities have been removed from the statement of net position. The refunding results in an economic gain of \$569,167 and a net present value savings of \$490,970.

#### *Board of Public Works*

During 2013, Napoleon Township refunded \$600,000 in BPW bonds partially through the issuance of \$437,000 in 2012 limited tax general obligation refunding bonds with interest ranging from 1.400% to 2.100%. The balance of the defeased outstanding wastewater disposal facility bonds was \$450,000 at December 31, 2014. The County is no longer responsible for the debt of Napoleon Township.

During 2006, the Board of Public Works issued \$2,335,000 of Wolf Lake refunding bonds with interest rates ranging from 3.75% to 4.00% to advance refund \$2,300,000 of outstanding Wolf lake 2000 wastewater disposal system bonds. The balance of the defeased debt outstanding was \$1,475,000 at December 31, 2014.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

On May 30, 2012, the County issued \$1,220,000 in refunding bonds with interest ranging from 3.00% to 5.5% to advance refund a portion of the 2002 Village of Parma limited tax general obligation bonds. The balance of the defeased bonds was \$950,000 at December 31, 2014.

On June 28, 2012, the County issued \$4,045,000 in refunding bonds with interest ranging from 3.00% to 4.00% to advance refund a portion of the 2004 Lake Columbia limited tax general obligation bonds. The balance of the defeased bonds was \$6,300,000 at December 31, 2014.

### 10. CONTINGENT LIABILITIES - LIFEWAYS

LifeWays, the mental health authority for Jackson and Hillsdale Counties, approached the County in the fall of 2012 requesting an increase in the County’s appropriation. In the past, the County contributed \$70,779 per year based upon an agreement that LifeWays would generate sufficient local match through other means. Those assumptions were not realized and LifeWays requested the full local match of \$560,000 per year to cover the deficit it realized in 2012. The County agreed to this increase in 2012.

Based on an agreement between the Boards of both Jackson and Hillsdale Counties and the LifeWays Board, which has been approved by the State of Michigan, the County will make up its share owed to LifeWays in the amount of \$2,451,369 through annual payments for a period of ten years. The County will make payments in excess of the normal appropriation by \$245,137 annually beginning in 2015 until the balance is paid in full.

### 11. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2014, the net investment in capital assets was comprised of the following:

|  | Governmental activities  | Business-type activities |
|--|--------------------------|--------------------------|
| Capital assets:                            |                          |                          |
| Capital assets not being depreciated       | \$ 20,143,182            | \$ -                     |
| Capital assets being depreciated, net      | 78,506,402               | 14,914,930               |
| Less related debt -                        |                          |                          |
| Bonds and capital leases payable           | <u>(13,414,205)</u>      | <u>(11,425,000)</u>      |
| <br>Total net investment in capital assets | <br><u>\$ 85,235,379</u> | <br><u>\$ 3,489,930</u>  |

### 12. RISK MANAGEMENT / SELF-INSURANCE PROGRAMS

The government manages its risk exposures and provides certain employee benefits through a combination of self insurance programs, risk management pools, and commercial insurance and excess coverage policies. On risks which are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self insurance programs and risk management pool participation.

*Liability.* The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage and crime coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the self-funded managed care insurance fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA’s general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members’ self insured retention limits along with certain other member specific costs.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

| Type of Risk                     | Maximum Retention Per Occurrence                |
|----------------------------------|---|
| General and automobile liability | \$100,000                                       |
| Motor vehicle physical damage    | \$15,000 per vehicle<br>\$30,000 per occurrence |
| Property damage and crime        | \$0   |

*County of Jackson Self-Funded Managed Care Insurance.* The County operates a self-funding health insurance program for their employees and retirees. An administrative agent has been hired to monitor claims and ensure that only those meeting the member's policies are paid. "Stop-Loss" insurance has been obtained, through payment of monthly premiums, to cover the cost of individual claims in excess of \$100,000. This is done to minimize the member's risk.

The participating members make monthly cash contributions to the managed care insurance internal service fund. The contribution amounts for 2014 were based upon the cost of obtaining traditional health insurance. These contributions are expensed by the members when made, and recognized as revenue by the insurance fund upon receipt.

There were no significant reductions in insurance coverage from the prior year, and no insurance settlements have exceeded coverage in the last three years.

Claims payable, including incurred but not reported amounts, which are estimated by management based on projected experience, are reported as liabilities in the internal service fund at December 31, 2014. The change in the claims liability for 2014 and 2013 is as follows:

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| Unpaid claims, beginning of year                      | \$ 656,047        | \$ 734,114        |
| Incurred claims (including change in IBNR provisions) | 8,323,331         | 6,507,997         |
| Claims payments                                       | (8,266,922)       | (6,586,064)       |
| Unpaid claims, end of year                            | <u>\$ 712,456</u> | <u>\$ 656,047</u> |

*Workers' Compensation.* The government maintains a self insurance program for workers' compensation coverage which is accounted for in an internal service fund (i.e., the self-insured workers compensation fund). The program is administered by a third party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$400,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The change in the claims liability for 2014 and 2013 is as follows:

|  | 2014             | 2013             |
|--|------------------|------------------|
| Unpaid claims, beginning of year                       | \$ 19,947        | \$ 3,200         |
| Incurred claims (including changes in IBNR provisions) | 133,128          | 59,513           |
| Claims payments  | (93,109)         | (42,766)         |
| Unpaid claims, end of year                             | <u>\$ 59,966</u> | <u>\$ 19,947</u> |

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 13. PROPERTY TAXES

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy after 60 days into the subsequent fiscal year are made whole by the County delinquent tax fund through an effective early tax settlement.

This allows the County's general fund to recognize the full amount of the July 1 tax levy in the current year, regardless of the timing of actual collections. Any unpaid balances as of 60 days into the subsequent fiscal year are transferred to the delinquent tax revolving fund where collection is pursued. A similar process takes place between the delinquent tax fund, the other County funds accounting for property tax levies, and other local taxing authorities within the County's geographical region in March or April.

The assessed and taxable value of real and personal property for the July 1, 2014 levy was \$4,136,654,133. The general operating tax rate for this levy was 5.1187 mills with an additional 0.2500 mills, 0.4851 mills, 0.1398 mills for the department on aging, the county jail facility and the medical care facility, respectively.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

### 14. PENSION PLAN

#### General Information about the Pension Plan

*Plan Description.* The County administers the Jackson County Employees' Retirement System, (the "Plan"), a single-employer defined benefit plan provided by authority section 12a of Act No. 156 of the Public Acts of 1851, which was adopted and established by the County in accordance with Michigan Compiled Laws Section 46.12a. The plan is included as a pension trust fund in the County's financial statements and a stand alone report of the Plan has not been issued. Employer and employee contributions and benefit provisions are authorized and may be amended by County Board resolution and benefits may vary pursuant to collective bargaining agreements. Substantially all employees are covered by the Plan. Upon retirement, the plan pays a benefit percentage (depending on group), calculated using the percentage of final average compensation times years of credited service.

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 and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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.

*Summary of Significant Accounting Policies.* The financial statements of the plan are prepared using the accrual basis of accounting. Plan contributions are recognized in the period in which the contributions are due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of applicable boards, with the assistance of a valuation service.

*Benefits Provided.* Plan members may retire at age 55, 57 or 60 with 8, 10 or 25 years of credited service depending on which group the employee is in. Members are vested after completing 8 - 10 years of credited service. Retirement options that provide for survivor benefits are available to members. The Plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Contributions.* The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 2.5% to 14.48% to the Plan, depending on their bargaining unit and hire date, with the County contributing additional amounts, as necessary, to provide assets sufficient to pay for member benefits.

| Bargaining Unit / Employee Group                 | Benefits Multiplier | Contribution Percentage |
|--|---------------------|-------------------------|
| AFSCME (AFL-CIO):                                |                     |                         |
| Hired after January 1, 2007                      | 2.00%-2.50%         | 2.50%-7.85%             |
| All others                                       | 2.00%-2.50%         | 2.50%-7.85%             |
| Assistant Prosecutors Association (APA):         |                     |                         |
| Hired after January 1, 2007                      | 2.00%-2.50%         | 2.50%-7.85%             |
| All others                                       | 2.00%-2.50%         | 2.50%-7.85%             |
| Michigan Nurses Association (MNA):               |                     |                         |
| Hired after January 1, 2007                      | 2.00%-2.50%         | 2.50%-7.85%             |
| All others                                       | 2.00%-2.50%         | 2.50%-7.85%             |
| Police Officers Labor Council (POLC):            |                     |                         |
| Hired after January 1, 2008                      | 2.00%-2.50%         | 2.50%-7.85%             |
| All others                                       | 2.00%-2.50%         | 2.50%-7.85%             |
| Police Officers Association of Michigan (POAM)   | 2.50%               | 9.05%                   |
| Federal Order of Police (FOP)                    | 2.25%               | 6.45%                   |
| Command Officers Association of Michigan (COAM): |                     |                         |
| Road sergeants                                   | 2.50%               | 10.05%                  |
| Corrections supervisors                          | 2.25%               | 6.50%                   |
| Jackson County Road Workers Association (JDOT):  |                     |                         |
| Hired after January 1, 2001                      | 2.50%               | 12.00%-14.48%           |
| All others                                       | 2.50%               | 12.00%-14.48%           |
| All others                                       | 2.00%-2.50%         | 2.50%-7.85%             |

*Employees Covered by Benefit Terms.* At December 31, 2014, the date of the latest actuarial valuation:

|   |                     |
|---|---------------------|
| Retirees and beneficiaries receiving benefits | 698                 |
| Inactive, DROP and non-retired plan members   | 125                 |
| Active plan members                           | <u>592</u>          |
| <b>Total</b>                                  | <u><u>1,415</u></u> |

*Net Pension Liability.* The County's net pension liability was determined by an actuarial valuation as of December 31, 2014. The measurement date was as of December 31, 2014.

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions.

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary increases          | 4.00%, plus service based increases                      |
| Investment rate of return | 7.50%, net of investment expense and including inflation |

Mortality rates were based on the RP-2000 mortality table projected to 2020 using projection scale (adjusted by 120% for males). The mortality rates used for disabled members is the RP-2000 mortality table projected to 2020 using the projection scale AA set forward with 10 years for both males and females. The pre-retirement mortality table used to evaluate death before retirement was the RP-2000 mortality table projected to 2020 using projection scale AA (multiplied by 80% for males and females).

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These real ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each asset class that is included in the pension plan's target asset allocation as of December 31, 2014, these best estimates are summarized in the following table:

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Tare of Return |
|--------------------------------------|-------------------|--|--|
| Domestic equities                    | 30.00%            | 6.20%                                  | 1.86%                                  |
| S & P 400 Mid cap                    | 18.00%            | 6.70%                                  | 1.21%                                  |
| International equities               | 17.00%            | 6.00%                                  | 1.02%                                  |
| Fixed income                         | 9.00%             | 2.30%                                  | 0.21%                                  |
| Intermediate government/credit bonds | 9.00%             | 2.20%                                  | 0.20%                                  |
| Convertible bonds                    | 17.00%            | 2.00%                                  | 0.34%                                  |
| Cash and cash equivalents            | 0.00%             | 0.50%                                  | 0.00%                                  |
|                                      | <u>100.00%</u>    |  | <u>4.83%</u>                           |
| Inflation                            |                   |  | 2.50%                                  |
| Risk adjustments                     |                   |  | <u>0.17%</u>                           |
| Investment rate of return            |                   |  | <u>7.50%</u>                           |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate:

|                            | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Plan net pension liability | \$ 68,043,606          | \$ 46,314,471                       | \$ 27,671,727          |

Other information for the plan is as follows:

|   | General<br>County         | Medical<br>Care           | Road<br>Fund              |
|---|---------------------------|---------------------------|---------------------------|
| Asset valuation method                  | 4-year smoothed<br>market | 4-year smoothed<br>market | 4-year smoothed<br>market |
| Amortization method                     | Level dollar              | Level percent             | Level percent             |
| Remaining amortization period           | 27 years                  | 10 years                  | 27 years                  |
| Open or closed<br>amortization approach | Closed                    | Open                      | Closed                    |



# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Annual Pension Cost.* For the current year, the County’s annual pension cost of \$5,855,877 was equal to the County’s required and actual contributions.

| Three-Year Trend Information |                              |                                     |                           |
|------------------------------|------------------------------|-------------------------------------|---------------------------|
| Years Ended<br>December 31,  | Annual Pension<br>Cost (APC) | Percentage of<br>APC<br>Contributed | Net Pension<br>Obligation |
| 2012                         | \$ 3,022,371                 | 100%                                | \$ -                      |
| 2013                         | 5,699,339                    | 100%                                | -                         |
| 2014                         | 5,855,877                    | 100%                                | -                         |

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was 72.6 percent funded. The actuarial accrued liability (AAL) for benefits was \$195,476,235 and the actuarial value of assets was \$141,904,790 resulting in an unfunded actuarial accrued liability (UAAL) of \$53,571,445. The covered payroll (annual payroll of active employees covered by the plan) was \$25,361,437 and the ratio of the UAAL to the covered payroll was 211.2 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is provided in Note 16.

### *Defined Contribution Plan*

Effective January 1, 2008, the County established a defined contribution plan administered by the Municipal Employees’ Retirement System (“MERS”) for substantially all new full time employees with fully vested service after 5 years of service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employer contributions are a minimum of 1% of eligible compensation and a potential matching of 5% of the employees’ contribution. The employees are required to contribute a minimum of 1% of eligible compensation up to a maximum of 12%. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners. For the year ended December 31, 2014, the County and employees contributed \$304,489 and \$375,843 respectively, to this plan.

## 15. OTHER POSTEMPLOYMENT BENEFITS

### County

*Plan Description.* The County of Jackson provides health insurance benefits for its retired employees and medical care facility employees retired prior to 1988, as established by County Board Resolution. Substantially all of the County’s employees may become eligible for this benefit if they reach normal retirement age while working for the County. The medical care facility retirees are covered under a separate plan. The County’s general fund and retiree health insurance fund covers the cost of other postemployment benefits (OPEB) for all other eligible employees. Health insurance benefits are accounted for in the self-funded managed care insurance fund.

The retiree health insurance fund is reported as an employee benefit trust fund in the accompanying financial statements. The fund does not issue a separate or stand alone report.

*Basis of Accounting.* The financial statements of the Plan are included in the County’s financial statements as an other postemployment benefit trust fund and are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The County’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Methods Used to Value Investments.* Investments are reported at fair value which is determined using selected bases as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments for which quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably approximates fair value.

*Funding Policy.* The County'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 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Benefits are currently funded mostly on a pay-as-you-go basis, with prefunding contributions made periodically as amounts become available to contribute.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost and net OPEB obligation to the Plan for the current year were as follows:

|  |                             |
|--|-----------------------------|
| Annual required contribution               | \$ 7,650,314                |
| Interest on net OPEB obligation            | 340,814                     |
| Adjustment to annual required contribution | <u>(261,382)</u>            |
| Annual OPEB cost                           | 7,729,746                   |
| Contributions made                         | <u>(4,341,727)</u>          |
| Change in net OPEB obligation              | 3,388,019                   |
| Net OPEB obligation, beginning of year     | <u>6,816,282</u>            |
| Net OPEB obligation, end of year           | <u><u>\$ 10,204,301</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

| Three-Year Trend Information |                     |   |                        |
|------------------------------|---------------------|---|------------------------|
| Years Ended<br>December 31,  | Annual OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
| 2012                         | \$ 4,581,305        | 104%  | \$ 3,599,359           |
| * 2013                       | 7,706,625           | 74%   | 6,816,282              |
| 2014                         | 7,729,746           | 56%   | 10,204,301             |

\* The Road Commission was absorbed by the County on December 31, 2013, therefore the above table includes the contribution and net OPEB obligation for the road fund and the County combined.

Membership of the Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

|                      |                   |
|----------------------|-------------------|
| Active plan members  | 369               |
| Retired participants | <u>563</u>        |
| Total                | <u><u>932</u></u> |

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Funded status and funding progress.* As of December 31, 2013, the date of the most recent actuarial valuation, the Plan was 1 percent funded. The actuarial accrued liability (AAL) for benefits was \$142,468,370, and the actuarial value of assets was \$1,563,642, resulting in an unfunded actuarial accrued liability (UAAL) of \$140,904,728. The covered payroll (annual payroll of the active employees covered by the Plan) was \$19,247,146 and the ratio of the UAAL to the covered payroll was 732 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefit.

*Actuarial Methods and Assumptions.* In the December 31, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 5.0%; (b) projected salary increases of 4.0% attributable to inflation; (c) projected healthcare benefit increases of 4.0% to 8.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 30 years on an open basis.

### Medical Care Facility

*Plan Description.* The Facility will provide certain retiree health benefits as other postemployment benefits (OPEB) to the applicable eligible employees (based on hire date and years of service as described in the plan) upon retirement in accordance with their applicable union contract for union and past practice for non-union employees. The following are the Governmental Accounting Standards Board Statement No. 45 required disclosures and these disclosures have been implemented prospectively by the facility. Employees will be eligible for the health insurance benefits with the premiums being paid by the facility. The facility's policy is to finance these benefits on a pay as you basis. The plan does not issue a separate stand alone report.

*Basis of Accounting.* The plan member contributions are recognized in the period in which they are due. The Facility's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Funding Policy.* The Facility'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 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The only current contributions made are to pay the actual current premiums. That amount was less than the annual required contribution and is reflected in the schedule as below.

*Annual OPEB Cost and Net OPEB Obligation.* The Facility's annual other postemployment benefit (OPEB) cost and net OPEB obligation to the Plan for the current year were as follows:

|  |                            |
|--|----------------------------|
| Annual required contribution               | \$ 874,676                 |
| Interest on net OPEB obligation            | 94,251                     |
| Adjustment to annual required contribution | <u>(75,400)</u>            |
| Annual OPEB cost                           | 893,527                    |
| Contributions made                         | <u>(397,958)</u>           |
| Change in net OPEB obligation              | 495,569                    |
| Net OPEB obligation, beginning of year     | <u>1,885,018</u>           |
| Net OPEB obligation, end of year           | <u><u>\$ 2,380,587</u></u> |

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

The facility’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

| Three-Year Trend Information |                  |  |                     |
|------------------------------|------------------|--|---------------------|
| Years Ended December 31,     | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
| 2012                         | \$ 689,499       | 52%  | \$ 1,391,777        |
| 2013                         | 890,736          | 45%  | 1,885,018           |
| 2014                         | 893,527          | 45%  | 2,380,587           |

Membership of the Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

|                      |                       |
|----------------------|-----------------------|
| Active plan members  | 85                    |
| Retired participants | <u>252</u>            |
| <br>Total            | <br><u><u>337</u></u> |

*Funded status and funding progress.* As of December 31, 2013, the date of the most recent actuarial valuation, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$8,772,447, and the plan had no assets, which results in an unfunded actuarial accrued liability (UAAL) of \$8,772,447. The covered payroll (annual payroll of the active employees covered by the Plan) was \$8,448,267 and the ratio of the UAAL to the covered payroll was 104 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefit.

*Actuarial Methods and Assumptions.* In the December 31, 2013 actuarial valuation, the projected unit credit level dollar method was used. The actuarial assumptions includes: (a) a rate of return on investments of 5.0%; (b) projected salary increases of 4.0% attributable to inflation; (c) projected healthcare benefit increases of 4.0% to 8.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period.

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

16. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

|   | Plan Net Position  |                  |                    |
|---|--------------------|------------------|--------------------|
|   | Pension Retirement | Retiree Health   | Total              |
| <b>Assets</b>   |                    |                  |                    |
| Cash and pooled investments                                       | \$ 368,732         | \$ 1,164,472     | \$ 1,533,204       |
| Investments, at fair value:                                       |                    |                  |                    |
| Domestic equities   | 45,965,216         | -                | 45,965,216         |
| Equity mutual funds   | 29,735,561         | -                | 29,735,561         |
| International equities  | 27,782,958         | -                | 27,782,958         |
| U.S. treasuries   | 4,129,063          | -                | 4,129,063          |
| U.S. agencies   | 5,992,537          | -                | 5,992,537          |
| Corporate domestic securities                                     | 28,130,886         | -                | 28,130,886         |
| Collateralized mortgage obligations                               | 752,997            | -                | 752,997            |
| International securities  | 627,253            | -                | 627,253            |
| Money market funds  | 5,438,497          | 519              | 5,439,016          |
| Accounts receivable   | 80,705             | -                | 80,705             |
| Accrued interest  | 271,851            | -                | 271,851            |
| <b>Total assets</b>   | <b>149,276,256</b> | <b>1,164,991</b> | <b>150,441,247</b> |
| <b>Liabilities</b>  |                    |                  |                    |
| Accounts payable  | 114,492            | -                | 114,492            |
| <b>Net position</b>   |                    |                  |                    |
| Restricted for pension benefits and other postemployment benefits | \$ 149,161,764     | \$ 1,164,991     | \$ 150,326,755     |

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

|   | Changes in Plan Net Position |                     |                       |
|---|------------------------------|---------------------|-----------------------|
|   | Pension Retirement           | Retiree Health      | Total                 |
| <b>Additions</b>                              |                              |                     |                       |
| Contributions:                                |                              |                     |                       |
| Employee contributions                        | \$ 2,110,414                 | \$ -                | \$ 2,110,414          |
| Employer contributions                        | 5,855,877                    | 4,341,727           | 10,197,604            |
| Total contributions                           | <u>7,966,291</u>             | <u>4,341,727</u>    | <u>12,308,018</u>     |
| Investment income:                            |                              |                     |                       |
| Net appreciation in fair value of investments | 5,853,309                    | -                   | 5,853,309             |
| Interest and dividends                        | 4,600,884                    | 65,530              | 4,666,414             |
| Total investment income                       | 10,454,193                   | 65,530              | 10,519,723            |
| Less investment expense                       | <u>(685,334)</u>             | <u>-</u>            | <u>(685,334)</u>      |
| Net investment income                         | <u>9,768,859</u>             | <u>65,530</u>       | <u>9,834,389</u>      |
| Total additions                               | <u>17,735,150</u>            | <u>4,407,257</u>    | <u>22,142,407</u>     |
| <b>Deductions</b>                             |                              |                     |                       |
| Benefits                                      | 12,214,850                   | 4,796,305           | 17,011,155            |
| Contribution refunds                          | 222,108                      | -                   | 222,108               |
| Administrative expense                        | 374,359                      | 9,603               | 383,962               |
| Total deductions                              | <u>12,811,317</u>            | <u>4,805,908</u>    | <u>17,617,225</u>     |
| Change in net position                        | 4,923,833                    | (398,651)           | 4,525,182             |
| Net position, beginning of year               | <u>144,237,931</u>           | <u>1,563,642</u>    | <u>145,801,573</u>    |
| Net position, end of year                     | <u>\$ 149,161,764</u>        | <u>\$ 1,164,991</u> | <u>\$ 150,326,755</u> |

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 17. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies and health care intermediaries, including Medicare and Medicaid, are subject to audit and adjustment by those grantor agencies or intermediaries. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit’s counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government. A summary of the more significant matters follow:

**Jackson County Landfill.** The Michigan Department of Natural Resources (MDNR) has ordered that a cleanup process be undertaken at the site of a former County landfill - McGill Road. The County developed an investigative work plan that was approved by the MDNR. There are no cost estimates available for this project. It is anticipated, however, that the State of Michigan and City of Jackson will share in the costs, as former operators at the cleanup site. It is impossible to predict, however, whether further environmental action will be required by the MDNR or whether the County’s portion of related costs would be significant or minimal.

**Grant Agreements.** Under the terms of various state and federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. However, County management does not believe such disallowances, if any, will be material to the financial position of the County.

### 18. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The \$1,030,000 reported within the resource recovery enterprise fund as estimated closure and postclosure monitoring costs at December 31, 2014 represents the estimated costs to perform remaining postclosure care and monitoring through 2021. Included are estimated costs for groundwater monitoring, leachate hauling and disposal, and final cover monitoring in accordance with laws of the State of Michigan Department of Environmental Quality. The County has closed all landfills and ash monofill cells in 1995 and 1996. Actual remaining cost may be higher or lower due to inflation, changes in technology, or changes in regulations.

The following is a summary of changes in this obligation for the year ended December 31, 2014:

| Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|-------------------|-----------|------------|----------------|---------------------|
| \$ 1,125,000      | \$ -      | \$ 95,000  | \$ 1,030,000   | \$ 95,000           |

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 19. FUND BALANCES - GOVERNMENTAL FUNDS

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

|  | General              | Jail Millage    | Maintenance of Effort | Road                | Building Authority Debt Service | Nonmajor Governmental | Total                |
|--|----------------------|-----------------|-----------------------|---------------------|---------------------------------|-----------------------|----------------------|
| <b>Nonspendable</b>                            |                      |                 |                       |                     |                                 |                       |                      |
| Prepaid items and other assets                 | \$ 103,958           | \$ -            | \$ -                  | \$ 1,748,264        | \$ -                            | \$ 209,003            | \$ 2,061,225         |
| Long-term advances, net                        | 827,500              | -               | -                     | -                   | -                               | -                     | 827,500              |
| <b>Total nonspendable</b>                      | <b>931,458</b>       | <b>-</b>        | <b>-</b>              | <b>1,748,264</b>    | <b>-</b>                        | <b>209,003</b>        | <b>2,888,725</b>     |
| <b>Restricted</b>                              |                      |                 |                       |                     |                                 |                       |                      |
| General government                             | -                    | -               | -                     | -                   | -                               | 357,306               | 357,306              |
| Judicial                                       | -                    | -               | -                     | -                   | -                               | 149,365               | 149,365              |
| Public safety                                  | -                    | 4,656           | -                     | -                   | -                               | 17,982                | 22,638               |
| Public works                                   | -                    | -               | -                     | 3,603,406           | -                               | -                     | 3,603,406            |
| Health and welfare                             | -                    | -               | 3,748,945             | -                   | -                               | 1,974,582             | 5,723,527            |
| Community development                          | -                    | -               | -                     | -                   | -                               | 87,269                | 87,269               |
| Recreation and culture                         | -                    | -               | -                     | -                   | -                               | 88,687                | 88,687               |
| Debt service                                   | -                    | -               | -                     | -                   | 5,452                           | -                     | 5,452                |
| <b>Total restricted</b>                        | <b>-</b>             | <b>4,656</b>    | <b>3,748,945</b>      | <b>3,603,406</b>    | <b>5,452</b>                    | <b>2,675,191</b>      | <b>10,037,650</b>    |
| <b>Committed</b>                               |                      |                 |                       |                     |                                 |                       |                      |
| General government                             | 469,482              | -               | -                     | -                   | -                               | 338,999               | 808,481              |
| Judicial                                       | -                    | -               | -                     | -                   | -                               | 128,757               | 128,757              |
| Public safety                                  | -                    | -               | -                     | -                   | -                               | 202,584               | 202,584              |
| Community development                          | -                    | -               | -                     | -                   | -                               | 1,581,027             | 1,581,027            |
| Recreation and culture                         | -                    | -               | -                     | -                   | -                               | 80,150                | 80,150               |
| <b>Total committed</b>                         | <b>469,482</b>       | <b>-</b>        | <b>-</b>              | <b>-</b>            | <b>-</b>                        | <b>2,331,517</b>      | <b>2,800,999</b>     |
| <b>Assigned</b>                                |                      |                 |                       |                     |                                 |                       |                      |
| Subsequent year's expenditures                 | 1,320,167            | -               | -                     | -                   | -                               | -                     | 1,320,167            |
| <b>Unassigned</b>                              | <b>10,365,563</b>    | <b>-</b>        | <b>-</b>              | <b>-</b>            | <b>-</b>                        | <b>-</b>              | <b>10,365,563</b>    |
| <b>Total fund balances, governmental funds</b> | <b>\$ 13,086,670</b> | <b>\$ 4,656</b> | <b>\$ 3,748,945</b>   | <b>\$ 5,351,670</b> | <b>\$ 5,452</b>                 | <b>\$ 5,215,711</b>   | <b>\$ 27,413,104</b> |

### 20. SUBSEQUENT EVENTS

On June 24, 2015, the County issued Capital Improvement Bonds, Series 2015A in the amount of \$2,435,000. These bonds will be used to cover costs of acquiring, constructing and installing capital improvements intended to reduce energy and water consumption in various County buildings. Interest is at 2.00%-3.00% with the bonds maturing in 2035.





## REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF JACKSON, MICHIGAN

**Defined Benefit Pension Plan**

County

**Schedule of Funding Progress (amounts in thousands)**

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Unfunded ALL (UAAL) (A-B) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percent of Covered |
|--------------------------|-------------------------------|---------------------------------|---------------------------|--------------------|---------------------|------------------------------|
| 12/31/2009               | \$ 134,978                    | \$ 152,937                      | \$ (17,959)               | 88.26%             | \$ 31,553           | -56.92%                      |
| 12/31/2010               | 132,409                       | 160,320                         | (27,911)                  | 82.59%             | 29,092              | -95.94%                      |
| 12/31/2011               | 124,714                       | 166,396                         | (41,682)                  | 74.95%             | 27,807              | -149.90%                     |
| 12/31/2012               | 129,651                       | 183,544                         | (53,893)                  | 70.64%             | 27,062              | -199.15%                     |
| 12/31/2013               | 136,406                       | 189,458                         | (53,052)                  | 72.00%             | 26,051              | -203.65%                     |
| 12/31/2014               | 141,905                       | 195,476                         | (53,571)                  | 72.59%             | 25,361              | -211.23%                     |

**Schedule of Employer Contributions**

| Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
|------------------------|-------------------------------|------------------------|
| 2009                   | \$ 1,964,353                  | 100.00%                |
| 2010                   | 2,341,599                     | 100.00%                |
| 2011                   | 2,666,058                     | 100.00%                |
| 2012                   | 3,022,371                     | 100.00%                |
| 2013                   | 5,699,339                     | 100.00%                |
| 2014                   | 5,855,877                     | 100.00%                |

COUNTY OF JACKSON, MICHIGAN

**Other Postemployment Benefits Plan**

County

**Schedule of Funding Progress - Other Postemployment Benefits**

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Unfunded ALL (UAAL) (A-B) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percent of Covered |
|--------------------------|-------------------------------|---------------------------------|---------------------------|--------------------|---------------------|------------------------------|
| 12/31/2006               | \$ 4,256,725                  | \$ 70,170,573                   | \$ (65,913,848)           | 6.07%              | \$ 22,842,590       | -288.56%                     |
| 12/31/2008               | 2,955,983                     | 67,867,311                      | (64,911,328)              | 4.36%              | 21,538,544          | -301.37%                     |
| 12/31/2010               | 2,480,920                     | 67,732,142                      | (65,251,222)              | 3.66%              | 19,916,698          | -327.62%                     |
| 12/31/2013               | 1,563,642                     | 142,468,370                     | (140,904,728)             | 1.10%              | 19,247,146          | -732.08%                     |

**Schedule of Employer Contributions**

| Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
|------------------------|-------------------------------|------------------------|
| 2009                   | \$ 5,182,631                  | 85.60%                 |
| 2010                   | 4,919,512                     | 102.30%                |
| 2011                   | 5,012,415                     | 87.90%                 |
| 2012                   | 4,581,305                     | 104.00%                |
| 2013                   | 7,650,314                     | 74.80%                 |
| 2014                   | 7,650,314                     | 72.04%                 |

## COUNTY OF JACKSON, MICHIGAN

### Defined Benefit Pension Plan (GASB Statement 67)

Required Supplementary Information

Schedule of Changes in the County's Net Pension Liability and Related Ratios

Last Fiscal Year (ultimately building to ten years)

|   | 2014                 |
|---|----------------------|
| Total pension liability   |                      |
| Service cost  | \$ 2,988,028         |
| Interest on total pension liability                                       | 13,855,007           |
| Benefit changes   | (33,795)             |
| Difference between expected and actual experience                         | 1,646,055            |
| Assumption changes  | -                    |
| Benefit payments and refunds  | (12,436,958)         |
| Net change in total pension liability                                     | <u>6,018,337</u>     |
| Total pension liability, beginning of year                                | <u>189,457,898</u>   |
| Total pension liability, end of year                                      | <u>195,476,235</u>   |
| Plan fiduciary net position   |                      |
| Employer contributions  | 5,855,877            |
| Employee contributions  | 2,110,414            |
| Pension plan net investment income  | 9,768,859            |
| Benefit payments and refunds  | (12,436,958)         |
| Pension plan administrative expense                                       | (374,359)            |
| Other   | -                    |
| Net change in plan fiduciary net position                                 | <u>4,923,833</u>     |
| Plan fiduciary net position, beginning of year                            | <u>144,237,931</u>   |
| Plan fiduciary net position, end of year                                  | <u>149,161,764</u>   |
| Net pension liability   | <u>\$ 46,314,471</u> |
| Plan fiduciary net position as a percentage<br>of total pension liability | 76.31%               |
| Covered employee payroll  | <u>\$ 25,361,437</u> |
| Net pension liability as a percentage<br>of covered employee payroll      | 182.62%              |

# COUNTY OF JACKSON, MICHIGAN

## Defined Benefit Pension Plan (GASB Statement 67)

Required Supplementary Information

Schedule of Investment Returns

Last Fiscal Year (ultimately building to ten years)

| Fiscal<br>Year<br>Ended | Annual<br>Return <sup>(1)</sup> |
|-------------------------|---------------------------------|
| 12/31/2014              | 6.62%                           |

<sup>(1)</sup> Annual money-weighted rate of return, net of investment expenses

# COUNTY OF JACKSON, MICHIGAN

## Defined Benefit Pension Plan (GASB Statement 67)

Required Supplementary Information

Schedule of County Contributions

Last Fiscal Year (ultimately building to ten years)

| Fiscal Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------------|-------------------------------------|--|----------------------------------|-----------------|--|
| 12/31/2014        | \$ 5,855,877                        | \$ 5,855,877   | \$ -                             | \$ 25,361,437   | 23.09%   |

### Notes to Schedule of Contributions

Valuation date December 31, 2014

Notes Actuarially determined contribution rates are calculated as of December 31 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Other information There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

### Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry-age normal   |
| Amortization method           | General county - level dollar<br>Medical Care Facility - level percent of payroll<br>Road Commission - level percent of payroll  |
| Remaining amortization period | General county - closed 27 year period<br>Medical Care Facility - open 10 year period<br>Road Commission - closed 27 year period |
| Asset valuation method        | Market value with 4 year smoothing of gains and losses.  |
| Inflation                     | 4.00%  |
| Salary increases              | 4.0%-8.0% including inflation  |
| Investment rate of return     | 7.50% net of pension plan investment expense, including inflation  |
| Mortality rates               | Based on the RP 2000 Combined Mortality Table projected to 2020 using scale AA (adjusted by 120% for males)                      |

### Other Information

Balances of DROP accounts are included in the Plan Fiduciary Net Position. The balances of these DROP accounts as of December 31, 2014 were \$1,279,470.

COUNTY OF JACKSON, MICHIGAN

**Other Postemployment Benefits Plan**

Medical Care Facility

**Schedule of Funding Progress - Other Postemployment Benefits**

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Unfunded ALL (UAAL) (A-B) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percent of Covered |
|--------------------------|-------------------------------|---------------------------------|---------------------------|--------------------|---------------------|------------------------------|
| 12/31/2008               | \$ -                          | \$ 6,347,659                    | \$ (6,347,659)            | 0.00%              | \$ 7,623,471        | -83.26%                      |
| 12/31/2013               | -                             | 8,772,447                       | (8,772,447)               | 0.00%              | 8,448,267           | -103.84%                     |

**Schedule of Employer Contributions**

| Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
|------------------------|-------------------------------|------------------------|
| 2012                   | \$ 689,499                    | 52.00%                 |
| 2013                   | 874,676                       | 45.44%                 |
| 2014                   | 874,676                       | 45.50%                 |

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# COUNTY OF JACKSON, MICHIGAN

## Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2014

|  | Original Budget   | Amended Budget    | Actual            | Over (Under) Budget |
|--|-------------------|-------------------|-------------------|---------------------|
| <b>Revenues</b>                          |                   |                   |                   |                     |
| Property taxes                           |                   |                   |                   |                     |
| Current real property taxes              | \$ 21,015,872     | \$ 21,015,872     | \$ 21,063,855     | \$ 47,983           |
| Delinquent personal property taxes       | 156,000           | 156,000           | 123,091           | (32,909)            |
| Industrial/commercial facilities tax     | 190,000           | 190,000           | 126,188           | (63,812)            |
| Trailer tax                              | 23,000            | 23,000            | 22,092            | (908)               |
| Payment in lieu of taxes                 | 60,000            | 60,000            | 76,711            | 16,711              |
| Total property taxes                     | <u>21,444,872</u> | <u>21,444,872</u> | <u>21,411,937</u> | <u>(32,935)</u>     |
| Licenses, fees, taxes, and permits       |                   |                   |                   |                     |
| Dog licenses                             | 102,000           | 102,000           | 91,352            | (10,648)            |
| Marriage licenses                        | 5,200             | 5,200             | 5,080             | (120)               |
| Gun permits                              | 57,000            | 72,000            | 80,593            | 8,593               |
| Total licenses, fees, taxes, and permits | <u>164,200</u>    | <u>179,200</u>    | <u>177,025</u>    | <u>(2,175)</u>      |
| Intergovernmental                        |                   |                   |                   |                     |
| Revenue sharing                          | 2,691,500         | 2,833,347         | 2,906,904         | 73,557              |
| Liquor tax                               | 807,089           | 1,368,470         | 1,118,470         | (250,000)           |
| Liquor license                           | 9,000             | 9,000             | 9,414             | 414                 |
| State court funding distribution         | 960,000           | 960,000           | 884,958           | (75,042)            |
| Child abuse and neglect                  | 50,729            | 50,729            | 33,037            | (17,692)            |
| Crime victim's rights                    | 101,000           | 101,000           | 131,250           | 30,250              |
| Remonumentation                          | 68,043            | 68,043            | 77,264            | 9,221               |
| Judges supplement                        | 584,650           | 584,650           | 593,867           | 9,217               |
| Road patrol                              | 173,000           | 173,000           | 187,743           | 14,743              |
| Marine safety                            | 50,000            | 50,000            | 42,602            | (7,398)             |
| Community corrections board              | 216,563           | 216,563           | 212,445           | (4,118)             |
| Senior citizens programs                 | 319,691           | 311,201           | 314,367           | 3,166               |
| Senior citizens - home delivered meals   | 389,000           | 429,500           | 430,934           | 1,434               |
| Senior citizens - congregate meals       | 163,000           | 168,800           | 169,072           | 272                 |
| Medicaid waiver                          | 199,230           | 245,130           | 247,801           | 2,671               |
| Circuit court reimbursement              | 15,000            | 51,700            | 61,115            | 9,415               |
| District court reimbursement             | 146,875           | 146,875           | 127,823           | (19,052)            |
| Parole violators - county jail           | 160,000           | 160,000           | 85,470            | (74,530)            |
| Diverted felons - county jail            | 110,000           | 110,000           | 195,591           | 85,591              |
| Cooperative reimbursement -              |                   |                   |                   |                     |
| Prosecuting attorney                     | 177,203           | 177,203           | 204,316           | 27,113              |
| LAWNET narcotics                         | 51,500            | 51,500            | 69,044            | 17,544              |
| Emergency management                     | 25,290            | 25,290            | 47,799            | 22,509              |
| Police service contracts                 | 735,815           | 785,815           | 747,302           | (38,513)            |
| Non profit organizations - sheriff       | 89,000            | 89,000            | 111,753           | 22,753              |
| Emergency dispatch                       | 58,000            | 58,000            | 64,018            | 6,018               |
| Other grants                             | 48,000            | 48,800            | 44,908            | (3,892)             |
| Total intergovernmental                  | <u>8,399,178</u>  | <u>9,273,616</u>  | <u>9,119,267</u>  | <u>(154,349)</u>    |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2014

|   | Original<br>Budget | Amended<br>Budget | Actual           | Over (Under)<br>Budget |
|---|--------------------|-------------------|------------------|------------------------|
| Revenues (continued)                    |                    |                   |                  |                        |
| Charges for services                    |                    |                   |                  |                        |
| 12th district court costs               | \$ 1,600,000       | \$ 1,600,000      | \$ 1,506,075     | \$ (93,925)            |
| 12th district court - other             | 1,387,537          | 1,387,537         | 1,413,463        | 25,926                 |
| Prosecuting attorney                    | 52,025             | 53,705            | 13,349           | (40,356)               |
| Probate court                           | 123,439            | 123,439           | 110,505          | (12,934)               |
| County Clerk - court costs              | 146,166            | 146,166           | 112,564          | (33,602)               |
| County Clerk - other                    | 304,683            | 316,683           | 365,951          | 49,268                 |
| Printing                                | -                  | 18,000            | 16,888           | (1,112)                |
| Map project                             | 263,362            | 309,817           | 254,273          | (55,544)               |
| Geographic information systems          | 85,000             | 85,000            | 92,299           | 7,299                  |
| Transfer tax                            | 285,000            | 288,164           | 334,432          | 46,268                 |
| Register of Deeds - recording charges   | 647,000            | 647,000           | 500,361          | (146,639)              |
| Treasurer                               | 38,500             | 38,500            | 16,482           | (22,018)               |
| Sheriff's department                    | 38,500             | 38,500            | 39,767           | 1,267                  |
| County jail                             | 325,500            | 325,500           | 274,560          | (50,940)               |
| Community corrections fees              | 7,500              | 8,300             | 7,036            | (1,264)                |
| Animal shelter                          | 153,340            | 153,340           | 82,938           | (70,402)               |
| Medical examiner                        | 57,500             | 65,300            | 65,440           | 140                    |
| Information technology fees             | 90,370             | 90,370            | 49,285           | (41,085)               |
| LifeWays building                       | -                  | 230,680           | 223,376          | (7,304)                |
| Total charges for services              | <u>5,605,422</u>   | <u>5,926,001</u>  | <u>5,479,044</u> | <u>(446,957)</u>       |
| Fines and forfeitures                   |                    |                   |                  |                        |
| Fines                                   | 701,500            | 701,500           | 703,924          | 2,424                  |
| Bonds forfeited                         | 10,000             | 10,000            | 20,503           | 10,503                 |
| Total fines and forfeitures             | <u>711,500</u>     | <u>711,500</u>    | <u>724,427</u>   | <u>12,927</u>          |
| Interest and rentals                    |                    |                   |                  |                        |
| Investment earnings                     | 600,000            | 600,000           | 2,586,554        | 1,986,554              |
| Rentals - general                       | 186,942            | 186,942           | 191,734          | 4,792                  |
| Total interest and rentals              | <u>786,942</u>     | <u>786,942</u>    | <u>2,778,288</u> | <u>1,991,346</u>       |
| Other                                   |                    |                   |                  |                        |
| Administrative reimbursements           | 701,600            | 701,600           | 627,801          | (73,799)               |
| Reimbursements - insurance              | -                  | -                 | 127              | 127                    |
| Reimbursements - election               | 31,000             | 31,000            | 29,598           | (1,402)                |
| Reimbursements - prosecuting attorney   | 27,106             | 38,296            | 112,073          | 73,777                 |
| Donations - senior programs             | 6,200              | 4,950             | 4,077            | (873)                  |
| Donations - senior home delivered meals | 105,000            | 98,100            | 95,554           | (2,546)                |
| Donations - seniors congregate meals    | 62,000             | 50,500            | 49,798           | (702)                  |
| Other - animal shelter                  | 6,000              | 22,220            | 22,368           | 148                    |
| Other - clerk                           | 18,731             | 23,731            | 25,391           | 1,660                  |
| Other - treasurer                       | 20,000             | 20,000            | 23,047           | 3,047                  |
| Other - sheriff                         | 1,000              | 1,000             | 7,719            | 6,719                  |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2014

|  | Original Budget   | Amended Budget    | Actual            | Over (Under) Budget |
|--|-------------------|-------------------|-------------------|---------------------|
| <b>Revenues (concluded)</b>            |                   |                   |                   |                     |
| Other - senior programs                | \$ 101,275        | \$ 96,475         | \$ 94,498         | \$ (1,977)          |
| Other - senior home delivered meals    | 1,000             | 2,400             | 2,476             | 76                  |
| Other - senior congregate meals        | 6,000             | 6,000             | 6,554             | 554                 |
| Other - other                          | 642,100           | 642,100           | 1,023,003         | 380,903             |
| Total other revenues                   | <u>1,729,012</u>  | <u>1,738,372</u>  | <u>2,124,084</u>  | <u>385,712</u>      |
| <b>Total revenues</b>                  | <u>38,841,126</u> | <u>40,060,503</u> | <u>41,814,072</u> | <u>1,753,569</u>    |
| <b>Expenditures</b>                    |                   |                   |                   |                     |
| General government                     |                   |                   |                   |                     |
| Board of Commissioners                 | 190,396           | 189,156           | 184,016           | (5,140)             |
| Circuit court                          | 2,222,177         | 2,229,181         | 2,203,347         | (25,834)            |
| Jury commission                        | 231,224           | 243,869           | 243,018           | (851)               |
| 12th district court                    | 3,608,325         | 3,497,455         | 3,491,961         | (5,494)             |
| Adult probation - circuit court        | 15,316            | 15,316            | 14,117            | (1,199)             |
| Public elections                       | 176,650           | 174,650           | 171,535           | (3,115)             |
| County administrator/controller        | 361,547           | 383,422           | 383,394           | (28)                |
| County clerk                           | 1,016,059         | 1,050,509         | 1,049,576         | (933)               |
| Finance                                | 278,207           | 325,052           | 324,275           | (777)               |
| Equalization                           | 590,853           | 660,465           | 650,485           | (9,980)             |
| Geographic information systems         | 195,205           | 193,405           | 192,072           | (1,333)             |
| Human resources                        | 561,631           | 526,481           | 525,323           | (1,158)             |
| Prosecuting Attorney                   | 1,885,208         | 1,876,738         | 1,820,801         | (55,937)            |
| Prosecuting attorney - social services | 280,796           | 264,746           | 260,306           | (4,440)             |
| Prosecuting attorney                   |                   |                   |                   |                     |
| victim/witness program                 | 214,276           | 214,776           | 213,066           | (1,710)             |
| Public defender                        | 1,171,500         | 1,208,200         | 1,218,457         | 10,257              |
| Register of deeds                      | 275,994           | 252,894           | 244,751           | (8,143)             |
| Remonumentation                        | 68,043            | 68,043            | 88,458            | 20,415              |
| County treasurer                       | 79,529            | 123,776           | 145,102           | 21,326              |
| MSU co-operative extension             | 237,969           | 241,989           | 238,383           | (3,606)             |
| Information technology                 | 1,153,762         | 1,144,912         | 1,134,558         | (10,354)            |
| Courthouse and grounds                 | 559,799           | 587,211           | 575,551           | (11,660)            |
| Northlawn building                     | 289,769           | 291,839           | 287,901           | (3,938)             |
| Tower building                         | 789,184           | 777,321           | 759,952           | (17,369)            |
| Woolworth building                     | 10,042            | 14,442            | 13,134            | (1,308)             |
| Human services building                | 331,643           | 385,603           | 377,841           | (7,762)             |
| Drain commissioner                     | 212,003           | 212,003           | 185,323           | (26,680)            |
| Airport maintenance                    | 11,111            | 12,211            | 11,915            | (296)               |
| LifeWays maintenance                   | -                 | 169,208           | 160,693           | (8,515)             |
| Total general government               | <u>17,018,218</u> | <u>17,334,873</u> | <u>17,169,311</u> | <u>(165,562)</u>    |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2014

|                                  | Original Budget   | Amended Budget    | Actual            | Over (Under) Budget |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Expenditures (continued)</b>  |                   |                   |                   |                     |
| <b>Public safety</b>             |                   |                   |                   |                     |
| District court intense probation | \$ 170,764        | \$ 170,764        | \$ 144,812        | \$ (25,952)         |
| County Sheriff                   | 4,773,269         | 4,826,483         | 4,824,589         | (1,894)             |
| Road patrol                      | 210,108           | 209,833           | 207,373           | (2,460)             |
| LAWNET narcotics grant           | 259,335           | 261,530           | 261,190           | (340)               |
| Marine law enforcement           | 80,929            | 65,929            | 49,827            | (16,102)            |
| Truancy grant                    | 178,202           | 148,927           | 148,254           | (673)               |
| 911 communications center        | 1,549,634         | 1,557,851         | 1,556,009         | (1,842)             |
| County jail                      | 6,379,740         | 6,589,259         | 6,588,812         | (447)               |
| Community corrections board      | 224,063           | 214,063           | 218,487           | 4,424               |
| Animal shelter                   | 324,653           | 359,762           | 348,649           | (11,113)            |
| Emergency measures               | 121,891           | 138,241           | 137,379           | (862)               |
| <b>Total public safety</b>       | <b>14,272,588</b> | <b>14,542,642</b> | <b>14,485,381</b> | <b>(57,261)</b>     |
| <b>Health and welfare -</b>      |                   |                   |                   |                     |
| Medical examiner                 | 324,173           | 382,923           | 374,552           | (8,371)             |
| Senior citizens program          | 1,287,132         | 1,207,939         | 1,195,210         | (12,729)            |
| Home delivery meals - seniors    | 1,109,298         | 1,158,109         | 1,150,843         | (7,266)             |
| Congregate meals - seniors       | 343,797           | 336,384           | 329,865           | (6,519)             |
| Veteran's burial claims          | 31,500            | 29,700            | 24,339            | (5,361)             |
| Veteran's affairs office         | 140,899           | 143,399           | 141,545           | (1,854)             |
| <b>Total health and welfare</b>  | <b>3,236,799</b>  | <b>3,258,454</b>  | <b>3,216,354</b>  | <b>(42,100)</b>     |
| <b>Other</b>                     |                   |                   |                   |                     |
| Unallocated retiree benefits     | 3,194,354         | 2,805,079         | 3,206,576         | 401,497             |
| Accrued sick and vacation payoff | 75,000            | 155,300           | 149,232           | (6,068)             |
| Professional services            | 176,250           | 258,750           | 258,978           | 228                 |
| Insurance and bonds              | 725,000           | 715,000           | 714,150           | (850)               |
| Miscellaneous                    | 304,484           | 410,687           | 386,796           | (23,891)            |
| <b>Appropriations:</b>           |                   |                   |                   |                     |
| <b>General government:</b>       |                   |                   |                   |                     |
| Regional planning                | 55,340            | 55,340            | 49,233            | (6,107)             |
| Soil conservation                | 10,000            | 10,000            | 10,000            | -                   |
| Jackson traffic safety program   | 130,000           | 130,000           | 94,289            | (35,711)            |
| <b>Public works -</b>            |                   |                   |                   |                     |
| Transportation system            | 100,000           | 100,000           | 100,000           | -                   |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2014

|  | Original Budget      | Amended Budget       | Actual               | Over (Under) Budget |
|--|----------------------|----------------------|----------------------|---------------------|
| Expenditures (concluded)                 |                      |                      |                      |                     |
| Appropriations (concluded)               |                      |                      |                      |                     |
| Health and welfare:                      |                      |                      |                      |                     |
| Retired senior citizen volunteer program | \$ 7,500             | \$ 7,500             | \$ 7,500             | \$ -                |
| Region II Aging Commission               | 19,314               | 19,314               | 7,500                | (11,814)            |
| Substance abuse - liquor tax             | 400,000              | 621,720              | 559,235              | (62,485)            |
| Enterprise Group                         | 100,000              | 100,000              | 100,000              | -                   |
| LifeWays                                 | 560,000              | 560,000              | 560,000              | -                   |
| Total other                              | <u>5,857,242</u>     | <u>5,948,690</u>     | <u>6,203,489</u>     | <u>254,799</u>      |
| Total expenditures                       | <u>40,384,847</u>    | <u>41,084,659</u>    | <u>41,074,535</u>    | <u>(10,124)</u>     |
| Revenues over (under) expenditures       | <u>(1,543,721)</u>   | <u>(1,024,156)</u>   | <u>739,537</u>       | <u>1,763,693</u>    |
| Other financing sources (uses)           |                      |                      |                      |                     |
| Transfers in                             | 5,016,471            | 4,957,766            | 4,108,649            | (849,117)           |
| Transfers out                            | <u>(3,786,600)</u>   | <u>(4,896,821)</u>   | <u>(4,427,339)</u>   | <u>469,482</u>      |
| Total other financing sources (uses)     | <u>1,229,871</u>     | <u>60,945</u>        | <u>(318,690)</u>     | <u>(379,635)</u>    |
| Net change in fund balance               | (313,850)            | (963,211)            | 420,847              | 1,384,058           |
| Fund balance, beginning of year          | <u>12,665,823</u>    | <u>12,665,823</u>    | <u>12,665,823</u>    | <u>-</u>            |
| Fund balance, end of year                | <u>\$ 12,351,973</u> | <u>\$ 11,702,612</u> | <u>\$ 13,086,670</u> | <u>\$ 1,384,058</u> |

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues - General Operating Fund

Road Fund

For the Year Ended December 31, 2014

### Revenues

|                                       |                             |
|---------------------------------------|-----------------------------|
| Licenses and permits                  | <u>\$ 54,524</u>            |
| Federal sources:                      |                             |
| Surface transportation program        | 1,096,900                   |
| Bridge                                | 788,248                     |
| Other                                 | <u>242,819</u>              |
| Total federal sources                 | <u>2,127,967</u>            |
| State sources:                        |                             |
| Motor Vehicle Highway Funds - Act 51: |                             |
| Engineering                           | 10,000                      |
| Local roads                           | 1,364,616                   |
| Primary urban roads                   | 6,359,582                   |
| Local urban roads                     | 3,069,907                   |
| Critical bridge                       | 147,795                     |
| Other                                 | <u>2,153,840</u>            |
| Total state sources                   | <u>13,105,740</u>           |
| Local sources:                        |                             |
| Township contributions                | 874,115                     |
| Other contributions                   | <u>26,206</u>               |
| Total local sources                   | <u>900,321</u>              |
| Charges for services:                 |                             |
| State maintenance contract            | 2,654,282                   |
| Other services                        | 234,618                     |
| Salvage sales                         | <u>21,982</u>               |
| Total charges for services            | <u>2,910,882</u>            |
| Interest and rent                     | <u>67,309</u>               |
| Other revenue -                       |                             |
| Net proceeds on equipment disposal    | <u>43,149</u>               |
| Total revenues                        | <u><u>\$ 19,209,892</u></u> |



# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Expenditures - General Operating Fund

Road Fund

For the Year Ended December 31, 2014

### Expenditures

Preservation - structural improvements:

Primary roads and structures

\$ 4,359,103

Local roads and structures

1,569,611

Total preservation - structural improvements

5,928,714

Maintenance -

Primary roads and structures, winter and traffic control

10,239,182

Equipment:

Direct

1,984,945

Indirect

1,273,926

Operating

805,787

Less - equipment rental

(4,359,280)

Total equipment

(294,622)

Administrative

305,930

Other - trunkline maintenance, non-maintenance and other

2,311,732

Capital outlay - net

399,825

Debt service:

Principal

31,444

Interest

12,185

Total debt service

43,629

Total expenditures

\$ 18,934,390

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# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund

Road Fund

For the Year Ended December 31, 2014

|                                   | Primary<br>Roads  | Local<br>Roads   | County<br>Roads     | Total               |
|-----------------------------------|-------------------|------------------|---------------------|---------------------|
| <b>Revenues</b>                   |                   |                  |                     |                     |
| Licenses, fees, taxes and permits | \$ -              | \$ -             | \$ 54,524           | \$ 54,524           |
| Intergovernmental:                |                   |                  |                     |                     |
| Federal sources                   | 1,339,720         | 788,247          | -                   | 2,127,967           |
| State sources                     | 9,488,989         | 3,616,752        | -                   | 13,105,741          |
| Local sources                     | -                 | 874,115          | 26,206              | 900,321             |
| Salvage sales                     | -                 | -                | 21,981              | 21,981              |
| Charges for services              | -                 | -                | 2,654,282           | 2,654,282           |
| Investment earnings               | -                 | -                | 1,307               | 1,307               |
| Interest and rental               | -                 | -                | 66,002              | 66,002              |
| Other                             | 6,751             | 175,393          | 95,623              | 277,767             |
| <b>Total revenues</b>             | <b>10,835,460</b> | <b>5,454,507</b> | <b>2,919,925</b>    | <b>19,209,892</b>   |
| <b>Expenditures</b>               |                   |                  |                     |                     |
| Preservation -                    |                   |                  |                     |                     |
| Structural improvements           | 3,931,826         | 1,996,888        | -                   | 5,928,714           |
| Maintenance:                      |                   |                  |                     |                     |
| Road and structures               | 4,169,686         | 2,879,322        | -                   | 7,049,008           |
| Winter                            | 1,558,588         | 1,213,951        | -                   | 2,772,539           |
| Traffic control                   | 303,294           | 114,341          | -                   | 417,635             |
| Equipment - net                   | (115,002)         | (117,913)        | (61,707)            | (294,622)           |
| Administrative                    | 188,528           | 117,402          | -                   | 305,930             |
| Trunkline maintenance             | -                 | -                | 2,311,732           | 2,311,732           |
| Capital outlay-net                | -                 | -                | 399,825             | 399,825             |
| Debt service:                     |                   |                  |                     |                     |
| Principal                         | -                 | -                | 31,444              | 31,444              |
| Interest                          | -                 | -                | 12,185              | 12,185              |
| <b>Total expenditures</b>         | <b>10,036,920</b> | <b>6,203,991</b> | <b>2,693,479</b>    | <b>18,934,390</b>   |
| Revenue over (under) expenditures | 798,540           | (749,484)        | 226,446             | 275,502             |
| Other financing sources (uses)    |                   |                  |                     |                     |
| Transfers in (out)                | (749,485)         | 749,485          | -                   | -                   |
| <b>Net change in fund balance</b> | <b>49,055</b>     | <b>1</b>         | <b>226,446</b>      | <b>275,502</b>      |
| Fund balance, beginning of year   | -                 | -                | 5,076,168           | 5,076,168           |
| <b>Fund balance, end of year</b>  | <b>\$ 49,055</b>  | <b>\$ -</b>      | <b>\$ 5,302,614</b> | <b>\$ 5,351,670</b> |

COUNTY OF JACKSON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2014

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|------------------------------|--------------------|--|
| <b>Assets</b>   |                             |                              |                    |  |
| Cash and pooled investments   | \$ 3,113,452                | \$ 2,006,564                 | \$ 169,153         | \$ 5,289,169                               |
| Accounts receivable   | 17,649                      | -                            | -                  | 17,649                                     |
| Taxes receivable  | 946,593                     | -                            | -                  | 946,593                                    |
| Due from other governmental units   | 1,082,398                   | -                            | -                  | 1,082,398                                  |
| Inventory   | 195,689                     | -                            | -                  | 195,689                                    |
| Prepaid items   | 9,240                       | -                            | -                  | 9,240                                      |
| <b>Total assets</b>   | <b>\$ 5,365,021</b>         | <b>\$ 2,006,564</b>          | <b>\$ 169,153</b>  | <b>\$ 7,540,738</b>                        |
| <b>Liabilities</b>  |                             |                              |                    |  |
| Accounts payable  | \$ 192,960                  | \$ 17,868                    | \$ 156             | \$ 210,984                                 |
| Accrued payroll   | 224,673                     | -                            | -                  | 224,673                                    |
| Accrued liabilities   | 30,105                      | -                            | -                  | 30,105                                     |
| Due to other funds  | 158,227                     | -                            | -                  | 158,227                                    |
| Advance from other funds  | 500,000                     | -                            | -                  | 500,000                                    |
| Unearned revenue  | 207,635                     | 18,138                       | -                  | 225,773                                    |
| <b>Total liabilities</b>  | <b>1,313,600</b>            | <b>36,006</b>                | <b>156</b>         | <b>1,349,762</b>                           |
| <b>Deferred inflows of resources</b>                                      |                             |                              |                    |  |
| Taxes levied for a subsequent period                                      | 975,265                     | -                            | -                  | 975,265                                    |
| <b>Fund balances</b>  |                             |                              |                    |  |
| Nonspendable  | 204,929                     | -                            | 4,074              | 209,003                                    |
| Restricted  | 2,510,268                   | -                            | 164,923            | 2,675,191                                  |
| Committed   | 360,959                     | 1,970,558                    | -                  | 2,331,517                                  |
| <b>Total fund balances</b>  | <b>3,076,156</b>            | <b>1,970,558</b>             | <b>168,997</b>     | <b>5,215,711</b>                           |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 5,365,021</b>         | <b>\$ 2,006,564</b>          | <b>\$ 169,153</b>  | <b>\$ 7,540,738</b>                        |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2014

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|------------------------------|--------------------|--|
| <b>Revenues</b>                             |                             |                              |                    |  |
| Property taxes                              | \$ 1,020,255                | \$ -                         | \$ -               | \$ 1,020,255                               |
| Licenses, fees, taxes and permits           | 321,646                     | -                            | -                  | 321,646                                    |
| Intergovernmental                           | 9,040,468                   | 130,872                      | -                  | 9,171,340                                  |
| Charges for services                        | 2,547,934                   | -                            | -                  | 2,547,934                                  |
| Fines and forfeitures                       | 189,550                     | -                            | -                  | 189,550                                    |
| Investment earnings                         | 19,124                      | 10,252                       | -                  | 29,376                                     |
| Rental                                      | 266,847                     | 13,170                       | -                  | 280,017                                    |
| Donations                                   | -                           | -                            | 10,402             | 10,402                                     |
| Other                                       | 2,049,618                   | 1,143,067                    | 33                 | 3,192,718                                  |
| <b>Total revenues</b>                       | <b>15,455,442</b>           | <b>1,297,361</b>             | <b>10,435</b>      | <b>16,763,238</b>                          |
| <b>Expenditures</b>                         |                             |                              |                    |  |
| Current:                                    |                             |                              |                    |  |
| Judicial                                    | 3,845,425                   | -                            | -                  | 3,845,425                                  |
| General government                          | 238,290                     | -                            | -                  | 238,290                                    |
| Public safety                               | 3,217,974                   | -                            | -                  | 3,217,974                                  |
| Health and welfare                          | 7,980,644                   | -                            | -                  | 7,980,644                                  |
| Recreation and culture                      | 1,690,424                   | -                            | -                  | 1,690,424                                  |
| Community development                       | 1,098,819                   | -                            | -                  | 1,098,819                                  |
| Fair  | 1,067,215                   | -                            | -                  | 1,067,215                                  |
| Other functions                             | -                           | -                            | 18,121             | 18,121                                     |
| Capital outlay                              | -                           | 3,425,984                    | -                  | 3,425,984                                  |
| <b>Total expenditures</b>                   | <b>19,138,791</b>           | <b>3,425,984</b>             | <b>18,121</b>      | <b>22,582,896</b>                          |
| Revenues under expenditures                 | (3,683,349)                 | (2,128,623)                  | (7,686)            | (5,819,658)                                |
| <b>Other financing sources (uses)</b>       |                             |                              |                    |  |
| Transfers in                                | 4,850,028                   | 1,402,600                    | -                  | 6,252,628                                  |
| Transfers out                               | (1,978,396)                 | (816,225)                    | -                  | (2,794,621)                                |
| Sale of capital assets                      | -                           | 30,268                       | -                  | 30,268                                     |
| <b>Total other financing sources (uses)</b> | <b>2,871,632</b>            | <b>616,643</b>               | <b>-</b>           | <b>3,488,275</b>                           |
| <b>Net change in fund balances</b>          | <b>(811,717)</b>            | <b>(1,511,980)</b>           | <b>(7,686)</b>     | <b>(2,331,383)</b>                         |
| Fund balances, beginning of year            | 3,887,873                   | 3,482,538                    | 176,683            | 7,547,094                                  |
| <b>Fund balances, end of year</b>           | <b>\$ 3,076,156</b>         | <b>\$ 1,970,558</b>          | <b>\$ 168,997</b>  | <b>\$ 5,215,711</b>                        |

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2014

|   | Parks<br>Commission | Sparks<br>Parks  | Friend of<br>the Court | Omnibus<br>Forfeitures |
|---|---------------------|------------------|------------------------|------------------------|
| <b>Assets</b>   |                     |                  |                        |                        |
| Cash and pooled investments   | \$ 18,968           | \$ 80,074        | \$ 741                 | \$ 981                 |
| Accounts receivable   | -                   | -                | -                      | -                      |
| Taxes receivable  | -                   | -                | -                      | -                      |
| Due from other governmental units   | -                   | -                | 629,035                | -                      |
| Inventory   | 142,089             | -                | -                      | -                      |
| Prepaid items   | -                   | -                | -                      | -                      |
| <b>Total assets</b>   | <u>\$ 161,057</u>   | <u>\$ 80,074</u> | <u>\$ 629,776</u>      | <u>\$ 981</u>          |
| <b>Liabilities</b>  |                     |                  |                        |                        |
| Accounts payable  | \$ 3,844            | \$ -             | \$ 12,750              | \$ -                   |
| Accrued payroll   | 15,090              | -                | 44,529                 | -                      |
| Accrued liabilities   | -                   | -                | -                      | -                      |
| Due to other funds  | -                   | -                | -                      | -                      |
| Advance from other funds  | -                   | -                | 500,000                | -                      |
| Unearned revenue  | -                   | -                | -                      | -                      |
| <b>Total liabilities</b>  | <u>18,934</u>       | <u>-</u>         | <u>557,279</u>         | <u>-</u>               |
| <b>Deferred inflows of resources</b>                                      |                     |                  |                        |                        |
| Taxes levied for a subsequent period                                      | -                   | -                | -                      | -                      |
| <b>Fund balances</b>  |                     |                  |                        |                        |
| Nonspendable  | 142,089             | -                | -                      | -                      |
| Restricted  | -                   | -                | -                      | -                      |
| Committed   | 34                  | 80,074           | 72,497                 | 981                    |
| <b>Total fund balances</b>  | <u>142,123</u>      | <u>80,074</u>    | <u>72,497</u>          | <u>981</u>             |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <u>\$ 161,057</u>   | <u>\$ 80,074</u> | <u>\$ 629,776</u>      | <u>\$ 981</u>          |



| Prosecuting Attorney Drug Enforcement | Drug Enforcement | County Law Library |
|---------------------------------------|------------------|--------------------|
| \$ 54,923                             | \$ 11,634        | \$ 356             |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| <u>\$ 54,923</u>                      | <u>\$ 11,634</u> | <u>\$ 356</u>      |
| \$ -                                  | \$ -             | \$ -               |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| <u>-</u>                              | <u>-</u>         | <u>-</u>           |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | 11,634           | -                  |
| <u>54,923</u>                         | <u>-</u>         | <u>356</u>         |
| <u>54,923</u>                         | <u>11,634</u>    | <u>356</u>         |
| <u>\$ 54,923</u>                      | <u>\$ 11,634</u> | <u>\$ 356</u>      |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2014

|   | Michigan<br>Justice<br>Training | Social<br>Services | Veteran's<br>Trust | Airport          |
|---|---------------------------------|--------------------|--------------------|------------------|
| <b>Assets</b>   |                                 |                    |                    |                  |
| Cash and pooled investments   | \$ 6,348                        | \$ 139,914         | \$ 8,620           | \$ 21,805        |
| Accounts receivable   | -                               | -                  | 849                | 1,534            |
| Taxes receivable  | -                               | -                  | -                  | -                |
| Due from other governmental units   | -                               | -                  | -                  | -                |
| Inventory   | -                               | -                  | -                  | -                |
| Prepaid items   | 9,240                           | -                  | -                  | -                |
| <b>Total assets</b>   | <b>\$ 15,588</b>                | <b>\$ 139,914</b>  | <b>\$ 9,469</b>    | <b>\$ 23,339</b> |
| <b>Liabilities</b>  |                                 |                    |                    |                  |
| Accounts payable  | \$ -                            | \$ -               | \$ -               | \$ 2,809         |
| Accrued payroll   | -                               | -                  | -                  | 8,779            |
| Accrued liabilities   | -                               | -                  | -                  | -                |
| Due to other funds  | -                               | -                  | -                  | -                |
| Advance from other funds  | -                               | -                  | -                  | -                |
| Unearned revenue  | -                               | -                  | -                  | 1,570            |
| <b>Total liabilities</b>  | <b>-</b>                        | <b>-</b>           | <b>-</b>           | <b>13,158</b>    |
| <b>Deferred inflows of resources</b>                                      |                                 |                    |                    |                  |
| Taxes levied for a subsequent period                                      | -                               | -                  | -                  | -                |
| <b>Fund balances</b>  |                                 |                    |                    |                  |
| Nonspendable  | 9,240                           | -                  | -                  | -                |
| Restricted  | 6,348                           | 139,914            | 9,469              | -                |
| Committed   | -                               | -                  | -                  | 10,181           |
| <b>Total fund balances</b>  | <b>15,588</b>                   | <b>139,914</b>     | <b>9,469</b>       | <b>10,181</b>    |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 15,588</b>                | <b>\$ 139,914</b>  | <b>\$ 9,469</b>    | <b>\$ 23,339</b> |





| Joint<br>Narcotics | Community<br>Development<br>Block<br>Grant | Register<br>of Deeds<br>Automation<br>Fund | Airport<br>Runway<br>Project |
|--------------------|--|--|------------------------------|
|--------------------|--|--|------------------------------|

|                   |                   |                   |                  |
|-------------------|-------------------|-------------------|------------------|
| \$ 149,365        | \$ 176,415        | \$ 357,726        | \$ 86,802        |
| -                 | -                 | -                 | -                |
| -                 | -                 | -                 | -                |
| -                 | 3,853             | -                 | -                |
| -                 | -                 | -                 | -                |
| -                 | -                 | -                 | -                |
| <u>\$ 149,365</u> | <u>\$ 180,268</u> | <u>\$ 357,726</u> | <u>\$ 86,802</u> |

|      |                |            |          |
|------|----------------|------------|----------|
| \$ - | \$ 3,386       | \$ 420     | \$ -     |
| -    | -              | -          | -        |
| -    | -              | -          | -        |
| -    | -              | -          | -        |
| -    | -              | -          | -        |
| -    | 176,415        | -          | -        |
| -    | <u>179,801</u> | <u>420</u> | <u>-</u> |

|                   |                   |                   |                  |
|-------------------|-------------------|-------------------|------------------|
| -                 | -                 | -                 | -                |
| -                 | -                 | -                 | -                |
| 149,365           | 467               | 357,306           | 86,802           |
| -                 | -                 | -                 | -                |
| <u>149,365</u>    | <u>467</u>        | <u>357,306</u>    | <u>86,802</u>    |
| <u>\$ 149,365</u> | <u>\$ 180,268</u> | <u>\$ 357,726</u> | <u>\$ 86,802</u> |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2014

|   | Child<br>Care     | Golf<br>Courses  | Fair              | Health<br>Department |
|---|-------------------|------------------|-------------------|----------------------|
| <b>Assets</b>   |                   |                  |                   |                      |
| Cash and pooled investments   | \$ 309,539        | \$ 3,124         | \$ 328,898        | \$ 736,304           |
| Accounts receivable   | 2,130             | 1,855            | 1,138             | 10,143               |
| Taxes receivable  | -                 | -                | -                 | -                    |
| Due from other governmental units   | 246,152           | -                | -                 | 203,358              |
| Inventory   | -                 | 53,600           | -                 | -                    |
| Prepaid items   | -                 | -                | -                 | -                    |
| <b>Total assets</b>   | <b>\$ 557,821</b> | <b>\$ 58,579</b> | <b>\$ 330,036</b> | <b>\$ 949,805</b>    |
| <b>Liabilities</b>  |                   |                  |                   |                      |
| Accounts payable  | \$ 14,878         | \$ 2,516         | \$ 2,359          | \$ 147,707           |
| Accrued payroll   | 72,141            | 2,421            | 2,929             | 78,784               |
| Accrued liabilities   | -                 | -                | -                 | 30,105               |
| Due to other funds  | -                 | -                | 158,227           | -                    |
| Advance from other funds  | -                 | -                | -                 | -                    |
| Unearned revenue  | -                 | -                | 24,650            | 5,000                |
| <b>Total liabilities</b>  | <b>87,019</b>     | <b>4,937</b>     | <b>188,165</b>    | <b>261,596</b>       |
| <b>Deferred inflows of resources</b>                                      |                   |                  |                   |                      |
| Taxes levied for a subsequent period                                      | -                 | -                | -                 | -                    |
| <b>Fund balances</b>  |                   |                  |                   |                      |
| Nonspendable  | -                 | 53,600           | -                 | -                    |
| Restricted  | 470,802           | -                | -                 | 688,209              |
| Committed   | -                 | 42               | 141,871           | -                    |
| <b>Total fund balances</b>  | <b>470,802</b>    | <b>53,642</b>    | <b>141,871</b>    | <b>688,209</b>       |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 557,821</b> | <b>\$ 58,579</b> | <b>\$ 330,036</b> | <b>\$ 949,805</b>    |



| Department on Aging Millage | Falling Waters Trail | Total               |
|-----------------------------|----------------------|---------------------|
| \$ 529,937                  | \$ 90,978            | \$ 3,113,452        |
| -                           | -                    | 17,649              |
| 946,593                     | -                    | 946,593             |
| -                           | -                    | 1,082,398           |
| -                           | -                    | 195,689             |
| -                           | -                    | 9,240               |
| <u>\$ 1,476,530</u>         | <u>\$ 90,978</u>     | <u>\$ 5,365,021</u> |

|          |              |                  |
|----------|--------------|------------------|
| \$ -     | \$ 2,291     | \$ 192,960       |
| -        | -            | 224,673          |
| -        | -            | 30,105           |
| -        | -            | 158,227          |
| -        | -            | 500,000          |
| -        | -            | 207,635          |
| <u>-</u> | <u>2,291</u> | <u>1,313,600</u> |

|                |          |                |
|----------------|----------|----------------|
| <u>975,265</u> | <u>-</u> | <u>975,265</u> |
|----------------|----------|----------------|

|         |        |           |
|---------|--------|-----------|
| -       | -      | 204,929   |
| 501,265 | 88,687 | 2,510,268 |
| -       | -      | 360,959   |

|                |               |                  |
|----------------|---------------|------------------|
| <u>501,265</u> | <u>88,687</u> | <u>3,076,156</u> |
|----------------|---------------|------------------|

|                     |                  |                     |
|---------------------|------------------|---------------------|
| <u>\$ 1,476,530</u> | <u>\$ 90,978</u> | <u>\$ 5,365,021</u> |
|---------------------|------------------|---------------------|

concluded.

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2014

|   | Parks<br>Commission | Sparks<br>Parks | Friend of<br>the Court | Omnibus<br>Forfeitures |
|---|---------------------|-----------------|------------------------|------------------------|
| <b>Revenues</b>                             |                     |                 |                        |                        |
| Property taxes                              | \$ -                | \$ -            | \$ -                   | \$ -                   |
| Licenses, fees, taxes and permits           | -                   | -               | -                      | -                      |
| Intergovernmental                           | -                   | -               | 2,458,555              | -                      |
| Charges for services                        | 287,535             | -               | 278,965                | -                      |
| Fines and forfeitures                       | -                   | -               | -                      | -                      |
| Investment earnings                         | -                   | -               | -                      | -                      |
| Rental                                      | -                   | -               | -                      | -                      |
| Other revenue                               | 1,629               | 25,000          | -                      | -                      |
| <b>Total revenues</b>                       | <b>289,164</b>      | <b>25,000</b>   | <b>2,737,520</b>       | <b>-</b>               |
| <b>Expenditures</b>                         |                     |                 |                        |                        |
| Current:                                    |                     |                 |                        |                        |
| Judicial                                    | -                   | -               | 3,156,203              | -                      |
| General government                          | -                   | -               | -                      | -                      |
| Public safety                               | -                   | -               | -                      | -                      |
| Health and welfare                          | -                   | -               | -                      | -                      |
| Recreation and culture                      | 910,386             | 828             | -                      | -                      |
| Community development                       | -                   | -               | -                      | -                      |
| Fair  | -                   | -               | -                      | -                      |
| <b>Total expenditures</b>                   | <b>910,386</b>      | <b>828</b>      | <b>3,156,203</b>       | <b>-</b>               |
| Revenues over (under) expenditures          | (621,222)           | 24,172          | (418,683)              | -                      |
| <b>Other financing sources (uses)</b>       |                     |                 |                        |                        |
| Transfers in                                | 837,837             | -               | 477,913                | -                      |
| Transfers out                               | (225,725)           | -               | -                      | -                      |
| <b>Total other financing sources (uses)</b> | <b>612,112</b>      | <b>-</b>        | <b>477,913</b>         | <b>-</b>               |
| Net change in fund balances                 | (9,110)             | 24,172          | 59,230                 | -                      |
| Fund balances, beginning of year            | 151,233             | 55,902          | 13,267                 | 981                    |
| Fund balances, end of year                  | \$ 142,123          | \$ 80,074       | \$ 72,497              | \$ 981                 |



| Prosecuting Attorney Drug Enforcement | Drug Enforcement | County Law Library |
|---------------------------------------|------------------|--------------------|
| \$ -                                  | \$ -             | \$ -               |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| 40,015                                | 16,406           | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | 6,500              |
| <u>40,015</u>                         | <u>16,406</u>    | <u>6,500</u>       |
| 1,861                                 | -                | 11,500             |
| -                                     | -                | -                  |
| -                                     | 10,422           | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| -                                     | -                | -                  |
| <u>1,861</u>                          | <u>10,422</u>    | <u>11,500</u>      |
| <u>38,154</u>                         | <u>5,984</u>     | <u>(5,000)</u>     |
| -                                     | -                | -                  |
| <u>-</u>                              | <u>-</u>         | <u>-</u>           |
| -                                     | -                | -                  |
| <u>-</u>                              | <u>-</u>         | <u>-</u>           |
| 38,154                                | 5,984            | (5,000)            |
| <u>16,769</u>                         | <u>5,650</u>     | <u>5,356</u>       |
| <u>\$ 54,923</u>                      | <u>\$ 11,634</u> | <u>\$ 356</u>      |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2014

|   | Michigan<br>Justice<br>Training | Social<br>Services | Veteran's<br>Trust | Airport          |
|---|---------------------------------|--------------------|--------------------|------------------|
| <b>Revenues</b>                             |                                 |                    |                    |                  |
| Property taxes                              | \$ -                            | \$ -               | \$ -               | \$ -             |
| Licenses, fees, taxes and permits           | -                               | -                  | -                  | 14,292           |
| Intergovernmental                           | 9,776                           | 27                 | 105,276            | -                |
| Charges for services                        | -                               | -                  | -                  | 20,528           |
| Fines and forfeitures                       | -                               | -                  | -                  | -                |
| Investment earnings                         | -                               | -                  | -                  | -                |
| Rental                                      | -                               | -                  | -                  | 260,612          |
| Other revenue                               | 47,820                          | -                  | -                  | 27,646           |
| <b>Total revenues</b>                       | <b>57,596</b>                   | <b>27</b>          | <b>105,276</b>     | <b>323,078</b>   |
| <b>Expenditures</b>                         |                                 |                    |                    |                  |
| Current:                                    |                                 |                    |                    |                  |
| Judicial                                    | -                               | -                  | -                  | -                |
| General government                          | -                               | -                  | -                  | -                |
| Public safety                               | 45,073                          | -                  | -                  | -                |
| Health and welfare                          | -                               | 18,881             | 107,336            | -                |
| Recreation and culture                      | -                               | -                  | -                  | -                |
| Community development                       | -                               | -                  | -                  | 556,491          |
| Fair  | -                               | -                  | -                  | -                |
| <b>Total expenditures</b>                   | <b>45,073</b>                   | <b>18,881</b>      | <b>107,336</b>     | <b>556,491</b>   |
| Revenues over (under) expenditures          | 12,523                          | (18,854)           | (2,060)            | (233,413)        |
| <b>Other financing sources (uses)</b>       |                                 |                    |                    |                  |
| Transfers in                                | -                               | 29,000             | -                  | 230,711          |
| Transfers out                               | (42,800)                        | -                  | -                  | (27,890)         |
| <b>Total other financing sources (uses)</b> | <b>(42,800)</b>                 | <b>29,000</b>      | <b>-</b>           | <b>202,821</b>   |
| <b>Net change in fund balances</b>          | <b>(30,277)</b>                 | <b>10,146</b>      | <b>(2,060)</b>     | <b>(30,592)</b>  |
| Fund balances, beginning of year            | 45,865                          | 129,768            | 11,529             | 40,773           |
| <b>Fund balances, end of year</b>           | <b>\$ 15,588</b>                | <b>\$ 139,914</b>  | <b>\$ 9,469</b>    | <b>\$ 10,181</b> |

| Joint<br>Narcotics | Community<br>Development<br>Block<br>Grant | Register<br>of Deeds<br>Automation<br>Fund | Airport<br>Runway<br>Project |
|--------------------|--|--|------------------------------|
| \$ -               | \$ -                                       | \$ -                                       | \$ -                         |
| -                  | -  | -  | -                            |
| -                  | 383,152                                    | -  | 84,402                       |
| -                  | -  | 140,779                                    | -                            |
| 133,129            | -  | -  | -                            |
| 1,113              | -  | 6,067                                      | -                            |
| -                  | -  | -  | -                            |
| -                  | 111,771                                    | -  | -                            |
| <u>134,242</u>     | <u>494,923</u>                             | <u>146,846</u>                             | <u>84,402</u>                |
| 115,492            | -  | -  | -                            |
| -                  | -  | 238,290                                    | -                            |
| -                  | -  | -  | -                            |
| -                  | -  | -  | -                            |
| -                  | 484,253                                    | -  | 58,075                       |
| -                  | -  | -  | -                            |
| <u>115,492</u>     | <u>484,253</u>                             | <u>238,290</u>                             | <u>58,075</u>                |
| <u>18,750</u>      | <u>10,670</u>                              | <u>(91,444)</u>                            | <u>26,327</u>                |
| -                  | -  | -  | -                            |
| <u>(55,990)</u>    | <u>(10,203)</u>                            | <u>-</u>                                   | <u>-</u>                     |
| <u>(55,990)</u>    | <u>(10,203)</u>                            | <u>-</u>                                   | <u>-</u>                     |
| (37,240)           | 467  | (91,444)                                   | 26,327                       |
| <u>186,605</u>     | <u>-</u>                                   | <u>448,750</u>                             | <u>60,475</u>                |
| <u>\$ 149,365</u>  | <u>\$ 467</u>                              | <u>\$ 357,306</u>                          | <u>\$ 86,802</u>             |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2014

|   | Child<br>Care    | Golf<br>Courses | Fair             | Health<br>Department |
|---|------------------|-----------------|------------------|----------------------|
| <b>Revenues</b>                             |                  |                 |                  |                      |
| Property taxes                              | \$ -             | \$ -            | \$ -             | \$ -                 |
| Licenses, fees, taxes and permits           | -                | -               | -                | 307,354              |
| Intergovernmental                           | 3,215,014        | -               | -                | 2,784,266            |
| Charges for services                        | 26,515           | 448,883         | 952,606          | 392,123              |
| Fines and forfeitures                       | -                | -               | -                | -                    |
| Investment earnings                         | -                | -               | 6,748            | -                    |
| Rental                                      | 6,235            | -               | -                | -                    |
| Other revenue                               | 19,200           | -               | 96,219           | 1,712,783            |
| <b>Total revenues</b>                       | <b>3,266,964</b> | <b>448,883</b>  | <b>1,055,573</b> | <b>5,196,526</b>     |
| <b>Expenditures</b>                         |                  |                 |                  |                      |
| Current:                                    |                  |                 |                  |                      |
| Judicial                                    | 560,369          | -               | -                | -                    |
| General government                          | -                | -               | -                | -                    |
| Public safety                               | 3,162,479        | -               | -                | -                    |
| Health and welfare                          | 2,230,466        | -               | -                | 5,623,961            |
| Recreation and culture                      | -                | 600,205         | -                | -                    |
| Community development                       | -                | -               | -                | -                    |
| Fair  | -                | -               | 1,067,215        | -                    |
| <b>Total expenditures</b>                   | <b>5,953,314</b> | <b>600,205</b>  | <b>1,067,215</b> | <b>5,623,961</b>     |
| Revenues over (under) expenditures          | (2,686,350)      | (151,322)       | (11,642)         | (427,435)            |
| <b>Other financing sources (uses)</b>       |                  |                 |                  |                      |
| Transfers in                                | 2,792,000        | 231,549         | -                | 251,018              |
| Transfers out                               | -                | (78,626)        | -                | (460,867)            |
| <b>Total other financing sources (uses)</b> | <b>2,792,000</b> | <b>152,923</b>  | <b>-</b>         | <b>(209,849)</b>     |
| Net change in fund balances                 | 105,650          | 1,601           | (11,642)         | (637,284)            |
| Fund balances, beginning of year            | 365,152          | 52,041          | 153,513          | 1,325,493            |
| Fund balances, end of year                  | \$ 470,802       | \$ 53,642       | \$ 141,871       | \$ 688,209           |





| Department on Aging Millage | Falling Waters Trail | Total               |
|-----------------------------|----------------------|---------------------|
| \$ 1,020,255                | \$ -                 | \$ 1,020,255        |
| -                           | -                    | 321,646             |
| -                           | -                    | 9,040,468           |
| -                           | -                    | 2,547,934           |
| -                           | -                    | 189,550             |
| 5,196                       | -                    | 19,124              |
| -                           | -                    | 266,847             |
| -                           | 1,050                | 2,049,618           |
| <u>1,025,451</u>            | <u>1,050</u>         | <u>15,455,442</u>   |
| -                           | -                    | 3,845,425           |
| -                           | -                    | 238,290             |
| -                           | -                    | 3,217,974           |
| -                           | -                    | 7,980,644           |
| -                           | 179,005              | 1,690,424           |
| -                           | -                    | 1,098,819           |
| -                           | -                    | 1,067,215           |
| -                           | <u>179,005</u>       | <u>19,138,791</u>   |
| <u>1,025,451</u>            | <u>(177,955)</u>     | <u>(3,683,349)</u>  |
| -                           | -                    | 4,850,028           |
| <u>(1,076,295)</u>          | <u>-</u>             | <u>(1,978,396)</u>  |
| <u>(1,076,295)</u>          | <u>-</u>             | <u>2,871,632</u>    |
| (50,844)                    | (177,955)            | (811,717)           |
| <u>552,109</u>              | <u>266,642</u>       | <u>3,887,873</u>    |
| <u>\$ 501,265</u>           | <u>\$ 88,687</u>     | <u>\$ 3,076,156</u> |

concluded.

COUNTY OF JACKSON, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2014

|   | Parks Commission |                   |                     |
|---|------------------|-------------------|---------------------|
|   | Amended Budget   | Actual            | Over (Under) Budget |
| Revenues                                    |                  |                   |                     |
| Property taxes                              | \$ -             | \$ -              | \$ -                |
| Licenses, fees, taxes and permits           | -                | -                 | -                   |
| Intergovernmental                           | -                | -                 | -                   |
| Charges for services                        | 297,525          | 287,535           | (9,990)             |
| Fines and forfeitures                       | -                | -                 | -                   |
| Investment earnings                         | -                | -                 | -                   |
| Rental                                      | -                | -                 | -                   |
| Other                                       | 6,400            | 1,629             | (4,771)             |
| <b>Total revenues</b>                       | <b>303,925</b>   | <b>289,164</b>    | <b>(14,761)</b>     |
| Expenditures                                |                  |                   |                     |
| Current:                                    |                  |                   |                     |
| Judicial                                    | -                | -                 | -                   |
| General government                          | -                | -                 | -                   |
| Public safety                               | -                | -                 | -                   |
| Health and welfare                          | -                | -                 | -                   |
| Recreation and culture                      | 932,715          | 910,386           | (22,329)            |
| Community development                       | -                | -                 | -                   |
| Fair  | -                | -                 | -                   |
| <b>Total expenditures</b>                   | <b>932,715</b>   | <b>910,386</b>    | <b>(22,329)</b>     |
| Revenues over (under) expenditures          | (628,790)        | (621,222)         | (7,568)             |
| Other financing sources (uses)              |                  |                   |                     |
| Transfers in                                | 735,337          | 837,837           | 102,500             |
| Transfers out                               | (225,725)        | (225,725)         | -                   |
| <b>Total other financing sources (uses)</b> | <b>509,612</b>   | <b>612,112</b>    | <b>102,500</b>      |
| Net change in fund balances                 | (119,178)        | (9,110)           | 110,068             |
| Fund balances, beginning of year            | 151,233          | 151,233           | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 32,055</b> | <b>\$ 142,123</b> | <b>\$ 110,068</b>   |

| Sparks Park    |           |                     | Friend of the Court |           |                     |
|----------------|-----------|---------------------|---------------------|-----------|---------------------|
| Amended Budget | Actual    | Over (Under) Budget | Amended Budget      | Actual    | Over (Under) Budget |
| \$ -           | \$ -      | \$ -                | \$ -                | \$ -      | \$ -                |
| -              | -         | -                   | -                   | -         | -                   |
| -              | -         | -                   | 2,546,041           | 2,458,555 | (87,486)            |
| -              | -         | -                   | 270,916             | 278,965   | 8,049               |
| -              | -         | -                   | -                   | -         | -                   |
| -              | -         | -                   | -                   | -         | -                   |
| -              | 25,000    | 25,000              | -                   | -         | -                   |
| -              | 25,000    | 25,000              | 2,816,957           | 2,737,520 | (79,437)            |
| -              | -         | -                   | 3,323,173           | 3,156,203 | (166,970)           |
| -              | -         | -                   | -                   | -         | -                   |
| -              | -         | -                   | -                   | -         | -                   |
| 55,902         | 828       | (55,074)            | -                   | -         | -                   |
| -              | -         | -                   | -                   | -         | -                   |
| -              | -         | -                   | -                   | -         | -                   |
| 55,902         | 828       | (55,074)            | 3,323,173           | 3,156,203 | (166,970)           |
| (55,902)       | 24,172    | (80,074)            | (506,216)           | (418,683) | (87,533)            |
| -              | -         | -                   | 506,216             | 477,913   | (28,303)            |
| -              | -         | -                   | -                   | -         | -                   |
| -              | -         | -                   | 506,216             | 477,913   | (28,303)            |
| (55,902)       | 24,172    | 80,074              | -                   | 59,230    | 59,230              |
| 55,902         | 55,902    | -                   | 13,267              | 13,267    | -                   |
| \$ -           | \$ 80,074 | \$ 80,074           | \$ 13,267           | \$ 72,497 | \$ 59,230           |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2014

|   | Omnibus Forfeitures |               |                     |
|---|---------------------|---------------|---------------------|
|   | Amended Budget      | Actual        | Over (Under) Budget |
| Revenues                                    |                     |               |                     |
| Property taxes                              | \$ -                | \$ -          | \$ -                |
| Licenses, fees, taxes and permits           | -                   | -             | -                   |
| Intergovernmental                           | -                   | -             | -                   |
| Charges for services                        | -                   | -             | -                   |
| Fines and forfeitures                       | -                   | -             | -                   |
| Investment earnings                         | -                   | -             | -                   |
| Rental                                      | -                   | -             | -                   |
| Other                                       | -                   | -             | -                   |
| <b>Total revenues</b>                       | <b>-</b>            | <b>-</b>      | <b>-</b>            |
| Expenditures                                |                     |               |                     |
| Current:                                    |                     |               |                     |
| Judicial                                    | -                   | -             | -                   |
| General government                          | -                   | -             | -                   |
| Public safety                               | -                   | -             | -                   |
| Health and welfare                          | -                   | -             | -                   |
| Recreation and culture                      | -                   | -             | -                   |
| Community development                       | -                   | -             | -                   |
| Fair  | -                   | -             | -                   |
| <b>Total expenditures</b>                   | <b>-</b>            | <b>-</b>      | <b>-</b>            |
| Revenues over (under) expenditures          | -                   | -             | -                   |
| Other financing sources (uses)              |                     |               |                     |
| Transfers in                                | -                   | -             | -                   |
| Transfers out                               | -                   | -             | -                   |
| <b>Total other financing sources (uses)</b> | <b>-</b>            | <b>-</b>      | <b>-</b>            |
| Net change in fund balances                 | -                   | -             | -                   |
| Fund balances, beginning of year            | 981                 | 981           | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 981</b>       | <b>\$ 981</b> | <b>\$ -</b>         |



| Prosecuting Attorney Drug Enforcement |           |                     | Sherriff Drug Enforcement |           |                     |
|---------------------------------------|-----------|---------------------|---------------------------|-----------|---------------------|
| Amended Budget                        | Actual    | Over (Under) Budget | Amended Budget            | Actual    | Over (Under) Budget |
| \$ -                                  | \$ -      | \$ -                | \$ -                      | \$ -      | \$ -                |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | 40,015    | 40,015              | -                         | 16,406    | 16,406              |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | 40,015    | 40,015              | -                         | 16,406    | 16,406              |
| -                                     | 1,861     | 1,861               | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | 10,422    | 10,422              |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | 1,861     | 1,861               | -                         | 10,422    | 10,422              |
| -                                     | 38,154    | (38,154)            | -                         | 5,984     | (5,984)             |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | -         | -                   | -                         | -         | -                   |
| -                                     | 38,154    | 38,154              | -                         | 5,984     | 5,984               |
| 16,769                                | 16,769    | -                   | 5,650                     | 5,650     | -                   |
| \$ 16,769                             | \$ 54,923 | \$ 38,154           | \$ 5,650                  | \$ 11,634 | \$ 5,984            |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2014

|   | County Law Library |               |                     |
|---|--------------------|---------------|---------------------|
|   | Amended Budget     | Actual        | Over (Under) Budget |
| Revenues                                    |                    |               |                     |
| Property taxes                              | \$ -               | \$ -          | \$ -                |
| Licenses, fees, taxes and permits           | -                  | -             | -                   |
| Intergovernmental                           | -                  | -             | -                   |
| Charges for services                        | -                  | -             | -                   |
| Fines and forfeitures                       | -                  | -             | -                   |
| Investment earnings                         | -                  | -             | -                   |
| Rental                                      | -                  | -             | -                   |
| Other                                       | 13,250             | 6,500         | (6,750)             |
| <b>Total revenues</b>                       | <b>13,250</b>      | <b>6,500</b>  | <b>(6,750)</b>      |
| Expenditures                                |                    |               |                     |
| Current:                                    |                    |               |                     |
| Judicial                                    | 13,250             | 11,500        | (1,750)             |
| General government                          | -                  | -             | -                   |
| Public safety                               | -                  | -             | -                   |
| Health and welfare                          | -                  | -             | -                   |
| Recreation and culture                      | -                  | -             | -                   |
| Community development                       | -                  | -             | -                   |
| Fair  | -                  | -             | -                   |
| <b>Total expenditures</b>                   | <b>13,250</b>      | <b>11,500</b> | <b>(1,750)</b>      |
| Revenues over (under) expenditures          | -                  | (5,000)       | 5,000               |
| Other financing sources (uses)              |                    |               |                     |
| Transfers in                                | -                  | -             | -                   |
| Transfers out                               | -                  | -             | -                   |
| <b>Total other financing sources (uses)</b> | <b>-</b>           | <b>-</b>      | <b>-</b>            |
| Net change in fund balances                 | -                  | (5,000)       | (5,000)             |
| Fund balances, beginning of year            | 5,356              | 5,356         | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 5,356</b>    | <b>\$ 356</b> | <b>\$ (5,000)</b>   |

| Michigan Justice Training |           |                     | Social Services |            |                     |
|---------------------------|-----------|---------------------|-----------------|------------|---------------------|
| Amended Budget            | Actual    | Over (Under) Budget | Amended Budget  | Actual     | Over (Under) Budget |
| \$ -                      | \$ -      | \$ -                | \$ -            | \$ -       | \$ -                |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | 9,776     | 9,776               | -               | 27         | 27                  |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | 47,820    | 47,820              | -               | -          | -                   |
| -                         | 57,596    | 57,596              | -               | 27         | 27                  |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | 45,073    | 45,073              | -               | -          | -                   |
| -                         | -         | -                   | -               | 18,881     | 18,881              |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | -         | -                   | -               | -          | -                   |
| -                         | 45,073    | 45,073              | -               | 18,881     | 18,881              |
| -                         | 12,523    | (12,523)            | -               | (18,854)   | 18,854              |
| -                         | -         | -                   | -               | 29,000     | 29,000              |
| -                         | (42,800)  | (42,800)            | -               | -          | -                   |
| -                         | (42,800)  | (42,800)            | -               | 29,000     | 29,000              |
| -                         | (30,277)  | (30,277)            | -               | 10,146     | 10,146              |
| 45,865                    | 45,865    | -                   | 129,768         | 129,768    | -                   |
| \$ 45,865                 | \$ 15,588 | \$ (30,277)         | \$ 129,768      | \$ 139,914 | \$ 10,146           |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2014

|   | Veterans Trust   |                 |                     |
|---|------------------|-----------------|---------------------|
|   | Amended Budget   | Actual          | Over (Under) Budget |
| Revenues                                    |                  |                 |                     |
| Property taxes                              | \$ -             | \$ -            | \$ -                |
| Licenses, fees, taxes and permits           | -                | -               | -                   |
| Intergovernmental                           | -                | 105,276         | 105,276             |
| Charges for services                        | -                | -               | -                   |
| Fines and forfeitures                       | -                | -               | -                   |
| Investment earnings                         | -                | -               | -                   |
| Rental                                      | -                | -               | -                   |
| Other                                       | -                | -               | -                   |
| <b>Total revenues</b>                       | <b>-</b>         | <b>105,276</b>  | <b>105,276</b>      |
| Expenditures                                |                  |                 |                     |
| Current:                                    |                  |                 |                     |
| Judicial                                    | -                | -               | -                   |
| General government                          | -                | -               | -                   |
| Public safety                               | -                | -               | -                   |
| Health and welfare                          | -                | 107,336         | 107,336             |
| Recreation and culture                      | -                | -               | -                   |
| Community development                       | -                | -               | -                   |
| Fair  | -                | -               | -                   |
| <b>Total expenditures</b>                   | <b>-</b>         | <b>107,336</b>  | <b>107,336</b>      |
| Revenues over (under) expenditures          | -                | (2,060)         | 2,060               |
| Other financing sources (uses)              |                  |                 |                     |
| Transfers in                                | -                | -               | -                   |
| Transfers out                               | -                | -               | -                   |
| <b>Total other financing sources (uses)</b> | <b>-</b>         | <b>-</b>        | <b>-</b>            |
| Net change in fund balances                 | -                | (2,060)         | (2,060)             |
| Fund balances, beginning of year            | 11,529           | 11,529          | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 11,529</b> | <b>\$ 9,469</b> | <b>\$ (2,060)</b>   |



| Airport          |                  |                     | Joint Narcotics   |                   |                     |
|------------------|------------------|---------------------|-------------------|-------------------|---------------------|
| Amended Budget   | Actual           | Over (Under) Budget | Amended Budget    | Actual            | Over (Under) Budget |
| \$ -             | \$ -             | \$ -                | \$ -              | \$ -              | \$ -                |
| 14,500           | 14,292           | (208)               | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 23,050           | 20,528           | (2,522)             | -                 | -                 | -                   |
| -                | -                | -                   | -                 | 133,129           | 133,129             |
| -                | -                | -                   | -                 | 1,113             | 1,113               |
| 259,752          | 260,612          | 860                 | -                 | -                 | -                   |
| 24,100           | 27,646           | 3,546               | -                 | -                 | -                   |
| <u>321,402</u>   | <u>323,078</u>   | <u>1,676</u>        | <u>-</u>          | <u>134,242</u>    | <u>134,242</u>      |
| -                | -                | -                   | -                 | 115,492           | 115,492             |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 556,873          | 556,491          | (382)               | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| <u>556,873</u>   | <u>556,491</u>   | <u>(382)</u>        | <u>-</u>          | <u>115,492</u>    | <u>115,492</u>      |
| <u>(235,471)</u> | <u>(233,413)</u> | <u>(2,058)</u>      | <u>-</u>          | <u>18,750</u>     | <u>(18,750)</u>     |
| 230,711          | 230,711          | -                   | -                 | -                 | -                   |
| (27,890)         | (27,890)         | -                   | -                 | (55,990)          | (55,990)            |
| <u>202,821</u>   | <u>202,821</u>   | <u>-</u>            | <u>-</u>          | <u>(55,990)</u>   | <u>(55,990)</u>     |
| (32,650)         | (30,592)         | 2,058               | -                 | (37,240)          | (37,240)            |
| <u>40,773</u>    | <u>40,773</u>    | <u>-</u>            | <u>186,605</u>    | <u>186,605</u>    | <u>-</u>            |
| <u>\$ 8,123</u>  | <u>\$ 10,181</u> | <u>\$ 2,058</u>     | <u>\$ 186,605</u> | <u>\$ 149,365</u> | <u>\$ (37,240)</u>  |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2014

|   | Community Development Block Grant |                 |                     |
|---|-----------------------------------|-----------------|---------------------|
|   | Amended Budget                    | Actual          | Over (Under) Budget |
| Revenues                                    |                                   |                 |                     |
| Property taxes                              | \$ -                              | \$ -            | \$ -                |
| Licenses, fees, taxes and permits           | -                                 | -               | -                   |
| Intergovernmental                           | -                                 | 383,152         | 383,152             |
| Charges for services                        | -                                 | -               | -                   |
| Fines and forfeitures                       | -                                 | -               | -                   |
| Investment earnings                         | -                                 | -               | -                   |
| Rental                                      | -                                 | -               | -                   |
| Other                                       | -                                 | 111,771         | 111,771             |
| <b>Total revenues</b>                       | <b>-</b>                          | <b>494,923</b>  | <b>494,923</b>      |
| Expenditures                                |                                   |                 |                     |
| Current:                                    |                                   |                 |                     |
| Judicial                                    | -                                 | -               | -                   |
| General government                          | -                                 | -               | -                   |
| Public safety                               | -                                 | -               | -                   |
| Health and welfare                          | -                                 | -               | -                   |
| Recreation and culture                      | -                                 | -               | -                   |
| Community development                       | -                                 | 484,253         | 484,253             |
| Fair  | -                                 | -               | -                   |
| <b>Total expenditures</b>                   | <b>-</b>                          | <b>484,253</b>  | <b>484,253</b>      |
| Revenues over (under) expenditures          | -                                 | 10,670          | (10,670)            |
| Other financing sources (uses)              |                                   |                 |                     |
| Transfers in                                | -                                 | -               | -                   |
| Transfers out                               | -                                 | (10,203)        | (10,203)            |
| <b>Total other financing sources (uses)</b> | <b>-</b>                          | <b>(10,203)</b> | <b>(10,203)</b>     |
| Net change in fund balances                 | -                                 | 467             | 467                 |
| Fund balances, beginning of year            | -                                 | -               | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ -</b>                       | <b>\$ 467</b>   | <b>\$ 467</b>       |

| Register of Deeds Automation |                   |                     | Airport Runway Project |                  |                     |
|------------------------------|-------------------|---------------------|------------------------|------------------|---------------------|
| Amended Budget               | Actual            | Over (Under) Budget | Amended Budget         | Actual           | Over (Under) Budget |
| \$ -                         | \$ -              | \$ -                | \$ -                   | \$ -             | \$ -                |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | 250,000                | 84,402           | (165,598)           |
| 146,000                      | 140,779           | (5,221)             | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| 500                          | 6,067             | 5,567               | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| <u>146,500</u>               | <u>146,846</u>    | <u>346</u>          | <u>250,000</u>         | <u>84,402</u>    | <u>(165,598)</u>    |
| -                            | -                 | -                   | -                      | -                | -                   |
| 271,500                      | 238,290           | (33,210)            | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | 250,000                | 58,075           | (191,925)           |
| -                            | -                 | -                   | -                      | -                | -                   |
| <u>271,500</u>               | <u>238,290</u>    | <u>(33,210)</u>     | <u>250,000</u>         | <u>58,075</u>    | <u>(191,925)</u>    |
| <u>(125,000)</u>             | <u>(91,444)</u>   | <u>(33,556)</u>     | -                      | 26,327           | (26,327)            |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| -                            | -                 | -                   | -                      | -                | -                   |
| (125,000)                    | (91,444)          | 33,556              | -                      | 26,327           | 26,327              |
| 448,750                      | 448,750           | -                   | 60,475                 | 60,475           | -                   |
| <u>\$ 323,750</u>            | <u>\$ 357,306</u> | <u>\$ 33,556</u>    | <u>\$ 60,475</u>       | <u>\$ 86,802</u> | <u>\$ 26,327</u>    |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2014

|   | Child Care        |                   |                     |
|---|-------------------|-------------------|---------------------|
|   | Amended Budget    | Actual            | Over (Under) Budget |
| Revenues                                    |                   |                   |                     |
| Property taxes                              | \$ -              | \$ -              | \$ -                |
| Licenses, fees, taxes and permits           | -                 | -                 | -                   |
| Intergovernmental                           | 3,753,539         | 3,215,014         | (538,525)           |
| Charges for services                        | 30,000            | 26,515            | (3,485)             |
| Fines and forfeitures                       | -                 | -                 | -                   |
| Investment earnings                         | -                 | -                 | -                   |
| Rental                                      | 2,000             | 6,235             | 4,235               |
| Other                                       | 16,000            | 19,200            | 3,200               |
| <b>Total revenues</b>                       | <b>3,801,539</b>  | <b>3,266,964</b>  | <b>(534,575)</b>    |
| Expenditures                                |                   |                   |                     |
| Current:                                    |                   |                   |                     |
| Judicial                                    | 877,000           | 560,369           | (316,631)           |
| General government                          | -                 | -                 | -                   |
| Public safety                               | 3,234,488         | 3,162,479         | (72,009)            |
| Health and welfare                          | 2,482,051         | 2,230,466         | (251,585)           |
| Recreation and culture                      | -                 | -                 | -                   |
| Community development                       | -                 | -                 | -                   |
| Fair  | -                 | -                 | -                   |
| <b>Total expenditures</b>                   | <b>6,593,539</b>  | <b>5,953,314</b>  | <b>(640,225)</b>    |
| Revenues over (under) expenditures          | (2,792,000)       | (2,686,350)       | (105,650)           |
| Other financing sources (uses)              |                   |                   |                     |
| Transfers in                                | 2,792,000         | 2,792,000         | -                   |
| Transfers out                               | -                 | -                 | -                   |
| <b>Total other financing sources (uses)</b> | <b>2,792,000</b>  | <b>2,792,000</b>  | <b>-</b>            |
| Net change in fund balances                 | -                 | 105,650           | 105,650             |
| Fund balances, beginning of year            | 365,152           | 365,152           | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 365,152</b> | <b>\$ 470,802</b> | <b>\$ 105,650</b>   |

| Golf Courses     |                  |                     | Fair              |                   |                     |
|------------------|------------------|---------------------|-------------------|-------------------|---------------------|
| Amended Budget   | Actual           | Over (Under) Budget | Amended Budget    | Actual            | Over (Under) Budget |
| \$ -             | \$ -             | \$ -                | \$ -              | \$ -              | \$ -                |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 494,301          | 448,883          | (45,418)            | 1,022,575         | 952,606           | (69,969)            |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | 500               | 6,748             | 6,248               |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | 22,000            | 96,219            | 74,219              |
| <u>494,301</u>   | <u>448,883</u>   | <u>(45,418)</u>     | <u>1,045,075</u>  | <u>1,055,573</u>  | <u>10,498</u>       |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 602,224          | 600,205          | (2,019)             | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | 1,046,075         | 1,067,215         | 21,140              |
| <u>602,224</u>   | <u>600,205</u>   | <u>(2,019)</u>      | <u>1,046,075</u>  | <u>1,067,215</u>  | <u>21,140</u>       |
| <u>(107,923)</u> | <u>(151,322)</u> | <u>43,399</u>       | <u>(1,000)</u>    | <u>(11,642)</u>   | <u>10,642</u>       |
| 186,549          | 231,549          | 45,000              | -                 | -                 | -                   |
| <u>(78,626)</u>  | <u>(78,626)</u>  | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>            |
| <u>107,923</u>   | <u>152,923</u>   | <u>45,000</u>       | <u>-</u>          | <u>-</u>          | <u>-</u>            |
| -                | 1,601            | 1,601               | (1,000)           | (11,642)          | (10,642)            |
| <u>52,041</u>    | <u>52,041</u>    | <u>-</u>            | <u>153,513</u>    | <u>153,513</u>    | <u>-</u>            |
| <u>\$ 52,041</u> | <u>\$ 53,642</u> | <u>\$ 1,601</u>     | <u>\$ 152,513</u> | <u>\$ 141,871</u> | <u>\$ (10,642)</u>  |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2014

|   | Health Department |                   |                     |
|---|-------------------|-------------------|---------------------|
|   | Amended Budget    | Actual            | Over (Under) Budget |
| Revenues                                    |                   |                   |                     |
| Property taxes                              | \$ -              | \$ -              | \$ -                |
| Licenses, fees, taxes and permits           | 348,317           | 307,354           | (40,963)            |
| Intergovernmental                           | 2,790,383         | 2,784,266         | (6,117)             |
| Charges for services                        | 520,750           | 392,123           | (128,627)           |
| Fines and forfeitures                       | -                 | -                 | -                   |
| Investment earnings                         | 315               | -                 | (315)               |
| Rental                                      | -                 | -                 | -                   |
| Other                                       | 1,831,589         | 1,712,783         | (118,806)           |
| <b>Total revenues</b>                       | <b>5,491,354</b>  | <b>5,196,526</b>  | <b>(294,828)</b>    |
| Expenditures                                |                   |                   |                     |
| Current:                                    |                   |                   |                     |
| Judicial                                    | -                 | -                 | -                   |
| General government                          | -                 | -                 | -                   |
| Public safety                               | -                 | -                 | -                   |
| Health and welfare                          | 6,246,763         | 5,623,961         | (622,802)           |
| Recreation and culture                      | -                 | -                 | -                   |
| Community development                       | -                 | -                 | -                   |
| Fair  | -                 | -                 | -                   |
| <b>Total expenditures</b>                   | <b>6,246,763</b>  | <b>5,623,961</b>  | <b>(622,802)</b>    |
| Revenues over (under) expenditures          | (755,409)         | (427,435)         | (327,974)           |
| Other financing sources (uses)              |                   |                   |                     |
| Transfers in                                | 219,701           | 251,018           | 31,317              |
| Transfers out                               | (620,822)         | (460,867)         | 159,955             |
| <b>Total other financing sources (uses)</b> | <b>(401,121)</b>  | <b>(209,849)</b>  | <b>191,272</b>      |
| Net change in fund balances                 | (1,156,530)       | (637,284)         | 519,246             |
| Fund balances, beginning of year            | 1,325,493         | 1,325,493         | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ 168,963</b> | <b>\$ 688,209</b> | <b>\$ 519,246</b>   |



| Department on Aging Millage |                    |                     | Falling Waters Trail |                  |                     |
|-----------------------------|--------------------|---------------------|----------------------|------------------|---------------------|
| Amended Budget              | Actual             | Over (Under) Budget | Amended Budget       | Actual           | Over (Under) Budget |
| \$ 1,100,000                | \$ 1,020,255       | \$ (79,745)         | \$ -                 | \$ -             | \$ -                |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | 5,196              | 5,196               | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | 550                  | 1,050            | 500                 |
| <u>1,100,000</u>            | <u>1,025,451</u>   | <u>(74,549)</u>     | <u>550</u>           | <u>1,050</u>     | <u>500</u>          |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | 267,192              | 179,005          | (88,187)            |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | -                    | -                | -                   |
| -                           | -                  | -                   | 267,192              | 179,005          | (88,187)            |
| <u>1,100,000</u>            | <u>1,025,451</u>   | <u>74,549</u>       | <u>(266,642)</u>     | <u>(177,955)</u> | <u>(88,687)</u>     |
| -                           | -                  | -                   | -                    | -                | -                   |
| <u>(1,076,295)</u>          | <u>(1,076,295)</u> | <u>-</u>            | <u>-</u>             | <u>-</u>         | <u>-</u>            |
| <u>(1,076,295)</u>          | <u>(1,076,295)</u> | <u>-</u>            | <u>-</u>             | <u>-</u>         | <u>-</u>            |
| 23,705                      | (50,844)           | (74,549)            | (266,642)            | (177,955)        | 88,687              |
| 552,109                     | 552,109            | -                   | 266,642              | 266,642          | -                   |
| <u>\$ 575,814</u>           | <u>\$ 501,265</u>  | <u>\$ (74,549)</u>  | <u>\$ -</u>          | <u>\$ 88,687</u> | <u>\$ 88,687</u>    |

concluded.

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 December 31, 2014

|  | Equipment/<br>Replacement | Sheriff<br>Department<br>Equipment | Building<br>Authority | Public<br>Improvement<br>and Building | Total        |
|--|---------------------------|------------------------------------|-----------------------|---------------------------------------|--------------|
| <b>Assets</b>                              |                           |                                    |                       |                                       |              |
| Cash and pooled investments                | \$ 199,497                | \$ 205,657                         | \$ 18,138             | \$ 1,583,272                          | \$ 2,006,564 |
| <b>Liabilities</b>                         |                           |                                    |                       |                                       |              |
| Accounts payable                           | \$ 2,369                  | \$ 3,073                           | \$ -                  | \$ 12,426                             | \$ 17,868    |
| Unearned revenue                           | -                         | -                                  | 18,138                | -                                     | 18,138       |
| <b>Total liabilities</b>                   | 2,369                     | 3,073                              | 18,138                | 12,426                                | 36,006       |
| <b>Fund balances</b>                       |                           |                                    |                       |                                       |              |
| Committed                                  | 197,128                   | 202,584                            | -                     | 1,570,846                             | 1,970,558    |
| <b>Total liabilities and fund balances</b> | \$ 199,497                | \$ 205,657                         | \$ 18,138             | \$ 1,583,272                          | \$ 2,006,564 |



COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended December 31, 2014

|   | Equipment/<br>Replacement | Sheriff<br>Department<br>Equipment | Building<br>Authority | Public<br>Improvement<br>and Building | Total               |
|---|---------------------------|------------------------------------|-----------------------|---------------------------------------|---------------------|
| <b>Revenues</b>                             |                           |                                    |                       |                                       |                     |
| Intergovernmental                           | \$ 130,872                | \$ -                               | \$ -                  | \$ -                                  | \$ 130,872          |
| Investment earnings                         | -                         | -                                  | -                     | 10,252                                | 10,252              |
| Rental                                      | 13,170                    | -                                  | -                     | -                                     | 13,170              |
| Other                                       | 12,100                    | 1,105,145                          | -                     | 25,822                                | 1,143,067           |
| <b>Total revenues</b>                       | <b>156,142</b>            | <b>1,105,145</b>                   | <b>-</b>              | <b>36,074</b>                         | <b>1,297,361</b>    |
| <b>Expenditures</b>                         |                           |                                    |                       |                                       |                     |
| Capital outlay                              | 1,380,097                 | 1,147,297                          | -                     | 898,590                               | 3,425,984           |
| <b>Revenues under expenditures</b>          | <b>(1,223,955)</b>        | <b>(42,152)</b>                    | <b>-</b>              | <b>(862,516)</b>                      | <b>(2,128,623)</b>  |
| <b>Other financing sources (uses)</b>       |                           |                                    |                       |                                       |                     |
| Transfers in                                | 680,000                   | -                                  | -                     | 722,600                               | 1,402,600           |
| Transfers out                               | -                         | (816,225)                          | -                     | -                                     | (816,225)           |
| Sale of capital assets                      | 30,268                    | -                                  | -                     | -                                     | 30,268              |
| <b>Total other financing sources (uses)</b> | <b>710,268</b>            | <b>(816,225)</b>                   | <b>-</b>              | <b>722,600</b>                        | <b>616,643</b>      |
| <b>Net change in fund balances</b>          | <b>(513,687)</b>          | <b>(858,377)</b>                   | <b>-</b>              | <b>(139,916)</b>                      | <b>(1,511,980)</b>  |
| <b>Fund balances, beginning of year</b>     | <b>710,815</b>            | <b>1,060,961</b>                   | <b>-</b>              | <b>1,710,762</b>                      | <b>3,482,538</b>    |
| <b>Fund balances, end of year</b>           | <b>\$ 197,128</b>         | <b>\$ 202,584</b>                  | <b>\$ -</b>           | <b>\$ 1,570,846</b>                   | <b>\$ 1,970,558</b> |

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Permanent Funds  
 December 31, 2014

|  | Department<br>on Aging<br>Endowment | Preston<br>Endowment | Cemetery<br>Trust | Total             |
|--|-------------------------------------|----------------------|-------------------|-------------------|
| <b>Assets</b>                              |                                     |                      |                   |                   |
| Cash and pooled investments                | \$ 64,904                           | \$ 101,177           | \$ 3,072          | \$ 169,153        |
| <b>Liabilities</b>                         |                                     |                      |                   |                   |
| Accounts payable                           | \$ 156                              | \$ -                 | \$ -              | \$ 156            |
| <b>Fund balances</b>                       |                                     |                      |                   |                   |
| Nonspendable                               | -                                   | 3,353                | 721               | 4,074             |
| Restricted                                 | 64,748                              | 97,824               | 2,351             | 164,923           |
| <b>Total fund balances</b>                 | <u>64,748</u>                       | <u>101,177</u>       | <u>3,072</u>      | <u>168,997</u>    |
| <b>Total liabilities and fund balances</b> | <u>\$ 64,904</u>                    | <u>\$ 101,177</u>    | <u>\$ 3,072</u>   | <u>\$ 169,153</u> |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Permanent Funds  
 For the Year Ended December 31, 2014

|                                    | Department<br>on Aging<br>Endowment | Preston<br>Endowment | Cemetery<br>Trust | Total             |
|------------------------------------|-------------------------------------|----------------------|-------------------|-------------------|
| Revenues                           |                                     |                      |                   |                   |
| Donations                          | \$ 10,402                           | \$ -                 | \$ -              | \$ 10,402         |
| Other                              | -                                   | 33                   | -                 | 33                |
| <b>Total revenues</b>              | <b>10,402</b>                       | <b>33</b>            | <b>-</b>          | <b>10,435</b>     |
| Expenditures                       |                                     |                      |                   |                   |
| Other functions                    | 14,773                              | 3,348                | -                 | 18,121            |
| <b>Net change in fund balances</b> | <b>(4,371)</b>                      | <b>(3,315)</b>       | <b>-</b>          | <b>(7,686)</b>    |
| Fund balances, beginning of year   | 69,119                              | 104,492              | 3,072             | 176,683           |
| <b>Fund balances, end of year</b>  | <b>\$ 64,748</b>                    | <b>\$ 101,177</b>    | <b>\$ 3,072</b>   | <b>\$ 168,997</b> |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2014

|   | Resource<br>Recovery | Personal<br>Property<br>Tax | Total            |
|---|----------------------|-----------------------------|------------------|
| <b>Assets</b>   |                      |                             |                  |
| Current assets -  |                      |                             |                  |
| Cash and pooled investments                                     | \$ 912,688           | \$ 106,087                  | \$ 1,018,775     |
| Noncurrent assets -   |                      |                             |                  |
| Restricted cash   | 783,191              | -                           | 783,191          |
| <b>Total assets</b>   | <b>1,695,879</b>     | <b>106,087</b>              | <b>1,801,966</b> |
| <b>Liabilities</b>  |                      |                             |                  |
| Current liabilities:  |                      |                             |                  |
| Accounts payable  | 952                  | 29,859                      | 30,811           |
| Accrued payroll   | 1,670                | -                           | 1,670            |
| Estimated closure and postclosure<br>monitoring costs - current | 95,000               | -                           | 95,000           |
| <b>Total current liabilities</b>                                | <b>97,622</b>        | <b>29,859</b>               | <b>127,481</b>   |
| Noncurrent liabilities -  |                      |                             |                  |
| Estimated closure and postclosure<br>monitoring costs           | 935,000              | -                           | 935,000          |
| <b>Total liabilities</b>  | <b>1,032,622</b>     | <b>29,859</b>               | <b>1,062,481</b> |
| <b>Net position</b>   |                      |                             |                  |
| Unrestricted  | \$ 663,257           | \$ 76,228                   | \$ 739,485       |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2014

|  | Resource<br>Recovery | Personal<br>Property<br>Tax | Total             |
|--|----------------------|-----------------------------|-------------------|
| Operating revenues                           |                      |                             |                   |
| Interest on taxes                            | \$ -                 | \$ 36,099                   | \$ 36,099         |
| Charges for services                         | 1,292,660            | 11,100                      | 1,303,760         |
| Other revenue                                | 125,434              | -                           | 125,434           |
| <b>Total operating revenues</b>              | <b>1,418,094</b>     | <b>47,199</b>               | <b>1,465,293</b>  |
| Operating expenses                           |                      |                             |                   |
| Personnel services                           | 19,554               | -                           | 19,554            |
| Cost of services                             | 1,738,772            | -                           | 1,738,772         |
| Administration and other                     | 96,571               | 1,614                       | 98,185            |
| <b>Total operating expenses</b>              | <b>1,854,897</b>     | <b>1,614</b>                | <b>1,856,511</b>  |
| Operating income (loss)                      | (436,803)            | 45,585                      | (391,218)         |
| Nonoperating revenues (expenses)             |                      |                             |                   |
| Interest income                              | 7,444                | 32                          | 7,476             |
| Loss on disposal of capital assets           | (56,537)             | -                           | (56,537)          |
| <b>Total nonoperating revenue (expenses)</b> | <b>(49,093)</b>      | <b>32</b>                   | <b>(49,061)</b>   |
| Net Income (loss) before transfers           | (485,896)            | 45,617                      | (440,279)         |
| Transfers out                                | -                    | (2,500)                     | (2,500)           |
| Change in net position                       | (485,896)            | 43,117                      | (442,779)         |
| Net position, beginning of year              | 1,149,153            | 33,111                      | 1,182,264         |
| <b>Net position, end of year</b>             | <b>\$ 663,257</b>    | <b>\$ 76,228</b>            | <b>\$ 739,485</b> |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2014

|  | Resource<br>Recovery | Personal<br>Property<br>Tax | Total               |
|--|----------------------|-----------------------------|---------------------|
| <b>Cash flows from operating activities</b>                |                      |                             |                     |
| Cash received from customers, residents<br>and users       | \$ 2,134,487         | \$ 71,108                   | \$ 2,205,595        |
| Cash paid to employees                                     | (17,884)             | (4,054)                     | (21,938)            |
| Cash paid to suppliers                                     | (2,708,979)          | -                           | (2,708,979)         |
| Payments for interfund services used                       | (96,571)             | -                           | (96,571)            |
| <b>Net cash provided (used) by operating activities</b>    | <b>(688,947)</b>     | <b>67,054</b>               | <b>(621,893)</b>    |
| <b>Cash flows from noncapital financing<br/>activities</b> |                      |                             |                     |
| Transfers to other funds                                   | -                    | (2,500)                     | (2,500)             |
| <b>Cash flows from investing activities</b>                |                      |                             |                     |
| Interest income received                                   | 7,444                | 32                          | 7,476               |
| <b>Net change in cash and<br/>pooled investments</b>       | <b>(681,503)</b>     | <b>64,586</b>               | <b>(616,917)</b>    |
| Cash and pooled investments, beginning of year             | 2,377,382            | 41,501                      | 2,418,883           |
| <b>Cash and pooled investments, end of year</b>            | <b>\$ 1,695,879</b>  | <b>\$ 106,087</b>           | <b>\$ 1,801,966</b> |
| <b>Statement of Net Position Classification</b>            |                      |                             |                     |
| Cash and pooled investments                                | \$ 912,688           | \$ 106,087                  | \$ 1,018,775        |
| Restricted cash  | 783,191              | -                           | 783,191             |
| <b>Total</b>   | <b>\$ 1,695,879</b>  | <b>\$ 106,087</b>           | <b>\$ 1,801,966</b> |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2014

|   | Resource<br>Recovery | Personal<br>Property<br>Tax | Total               |
|---|----------------------|-----------------------------|---------------------|
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities         |                      |                             |                     |
| Operating income (loss)   | \$ (436,803)         | \$ 45,585                   | \$ (391,218)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                      |                             |                     |
| Change in:  |                      |                             |                     |
| Accounts receivable   | 404,093              | -                           | 404,093             |
| Inventory   | 312,300              | -                           | 312,300             |
| Accounts payable  | (871,707)            | 26,762                      | (844,945)           |
| Accrued payroll   | 1,670                | (1,650)                     | 20                  |
| Due to other governmental units   | -                    | (2,853)                     | (2,853)             |
| Unearned revenue  | (3,500)              | -                           | (3,500)             |
| Accrued compensated absences  | -                    | (790)                       | (790)               |
| Estimated closure and postclosure monitoring costs  | (95,000)             | -                           | (95,000)            |
| Net cash provided (used) by operating activities  | <u>\$ (688,947)</u>  | <u>\$ 67,054</u>            | <u>\$ (621,893)</u> |

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COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Net Position**  
 Internal Service Funds  
 December 31, 2014

|                             | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total               |
|-----------------------------|---|--|----------------------|-----------------------------------|---------------------|
| <b>Current assets</b>       |   |  |                      |                                   |                     |
| Cash and pooled investments | \$ 443,577                              | \$ 989,855                               | \$ 23,661            | \$ 3,771                          | \$ 1,460,864        |
| Accounts receivable         | -                                       | 792,945                                  | -                    | -                                 | 792,945             |
| Prepaid items               | 2,500                                   | -  | -                    | -                                 | 2,500               |
| <b>Total assets</b>         | <u>446,077</u>                          | <u>1,782,800</u>                         | <u>23,661</u>        | <u>3,771</u>                      | <u>2,256,309</u>    |
| <b>Liabilities</b>          |   |  |                      |                                   |                     |
| Accounts payable            | -                                       | 280,143                                  | -                    | -                                 | 280,143             |
| Estimated claims payable    | 59,966                                  | 712,456                                  | -                    | -                                 | 772,422             |
| <b>Total liabilities</b>    | <u>59,966</u>                           | <u>992,599</u>                           | <u>-</u>             | <u>-</u>                          | <u>1,052,565</u>    |
| <b>Net position</b>         |   |  |                      |                                   |                     |
| Unrestricted                | <u>\$ 386,111</u>                       | <u>\$ 790,201</u>                        | <u>\$ 23,661</u>     | <u>\$ 3,771</u>                   | <u>\$ 1,203,744</u> |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended December 31, 2014

|                                 | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total         |
|---------------------------------|---|--|----------------------|-----------------------------------|---------------|
| Operating revenues              |   |  |                      |                                   |               |
| Charges for services            | \$ 96,995                               | \$ 11,381,859                            | \$ -                 | \$ -                              | \$ 11,478,854 |
| Operating expenses              |   |  |                      |                                   |               |
| Cost of services                | 93,109                                  | 11,636,282                               | -                    | -                                 | 11,729,391    |
| General and administrative      | 72,638                                  | 498,305                                  | -                    | -                                 | 570,943       |
| Total operating expenses        | 165,747                                 | 12,134,587                               | -                    | -                                 | 12,300,334    |
| Operating loss                  | (68,752)                                | (752,728)                                | -                    | -                                 | (821,480)     |
| Nonoperating revenues           |   |  |                      |                                   |               |
| Interest revenue                | 144                                     | 591                                      | -                    | -                                 | 735           |
| Net loss before transfers       | (68,608)                                | (752,137)                                | -                    | -                                 | (820,745)     |
| Transfers out                   | -                                       | (35,900)                                 | -                    | -                                 | (35,900)      |
| Change in net position          | (68,608)                                | (788,037)                                | -                    | -                                 | (856,645)     |
| Net position, beginning of year | 454,719                                 | 1,578,238                                | 23,661               | 3,771                             | 2,060,389     |
| Net position, end of year       | \$ 386,111                              | \$ 790,201                               | \$ 23,661            | \$ 3,771                          | \$ 1,203,744  |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2014

|   | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total         |
|---|---|--|----------------------|-----------------------------------|---------------|
| Cash flows from operating activities  |   |  |                      |                                   |               |
| Cash received from customers, residents and users                                 | \$ 96,995                               | \$ 11,786,116                            | \$ -                 | \$ -                              | \$ 11,883,111 |
| Cash paid to employees, suppliers and claimants                                   | (125,728)                               | (11,803,325)                             | -                    | -                                 | (11,929,053)  |
| Net cash used by operating activities   | (28,733)                                | (17,209)                                 | -                    | -                                 | (45,942)      |
| Cash flows from noncapital financing activities                                   |   |  |                      |                                   |               |
| Transfers to other funds  | -                                       | (35,900)                                 | -                    | -                                 | (35,900)      |
| Cash flows from investing activities  |   |  |                      |                                   |               |
| Interest income received  | 144                                     | 591                                      | -                    | -                                 | 735           |
| Change in cash and pooled investments   | (28,589)                                | (52,518)                                 | -                    | -                                 | (81,107)      |
| Cash and cash pooled investments, beginning of year                               | 472,166                                 | 1,042,373                                | 23,661               | 3,771                             | 1,541,971     |
| Cash and pooled investments, end of year  | \$ 443,577                              | \$ 989,855                               | \$ 23,661            | \$ 3,771                          | \$ 1,460,864  |
| Reconciliation of operating loss to net cash used by operating activities         |   |  |                      |                                   |               |
| Operating loss  | \$ (68,752)                             | \$ (752,728)                             | \$ -                 | \$ -                              | \$ (821,480)  |
| Adjustments to reconcile operating loss to net cash used by operating activities: |   |  |                      |                                   |               |
| Change in:  |   |  |                      |                                   |               |
| Accounts receivable   | -                                       | (312,537)                                | -                    | -                                 | (312,537)     |
| Prepaid items   | -                                       | 716,794                                  | -                    | -                                 | 716,794       |
| Accounts payable  | -                                       | 274,853                                  | -                    | -                                 | 274,853       |
| Estimated claims payable  | 40,019                                  | 56,409                                   | -                    | -                                 | 96,428        |
| Net cash used operating activities  | \$ (28,733)                             | \$ (17,209)                              | \$ -                 | \$ -                              | \$ (45,942)   |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**

All Agency Funds  
December 31, 2014

|                             | Trust and Agency    | Library          | District Court Bonds | Circuit Court Trust |
|-----------------------------|---------------------|------------------|----------------------|---------------------|
| <b>Assets</b>               |                     |                  |                      |                     |
| Cash and pooled investments | \$ 1,541,711        | \$ 57,289        | \$ 101,208           | \$ 360,678          |
| Accounts receivable         | 69,211              | -                | -                    | -                   |
| <b>Total assets</b>         | <b>\$ 1,610,922</b> | <b>\$ 57,289</b> | <b>\$ 101,208</b>    | <b>\$ 360,678</b>   |
| <b>Liabilities</b>          |                     |                  |                      |                     |
| Undistributed receipts      | \$ 1,418,679        | \$ -             | \$ -                 | \$ 318,451          |
| Due to other governments    | 84,849              | 57,289           | -                    | -                   |
| Bonds payable               | 107,394             | -                | 77,244               | 36,958              |
| Escrow payable              | -                   | -                | 23,964               | 5,269               |
| <b>Total liabilities</b>    | <b>\$ 1,610,922</b> | <b>\$ 57,289</b> | <b>\$ 101,208</b>    | <b>\$ 360,678</b>   |



| LifeWays         | Sheriff<br>Canteen | Total               |
|------------------|--------------------|---------------------|
| \$ 17,697        | \$ 136,157         | \$ 2,214,740        |
| -                | -                  | 69,211              |
| <u>\$ 17,697</u> | <u>\$ 136,157</u>  | <u>\$ 2,283,951</u> |
|                  |                    |                     |
| \$ -             | \$ 136,157         | \$ 1,873,287        |
| 17,697           | -                  | 159,835             |
| -                | -                  | 221,596             |
| -                | -                  | 29,233              |
| <u>\$ 17,697</u> | <u>\$ 136,157</u>  | <u>\$ 2,283,951</u> |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Changes in Fiduciary Assets and Liabilities**

All Agency Funds

For the Year Ended December 31, 2014

|                                 | Balance<br>January 1,<br>2014 | Additions            | Deductions           | Balance<br>December 31,<br>2014 |
|---------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| <b>Trust and agency fund</b>    |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 1,924,578                  | \$ 68,258,880        | \$ 68,641,747        | \$ 1,541,711                    |
| Accounts receivable             | 21,506                        | 846,138              | 798,433              | 69,211                          |
| <b>Total assets</b>             | <b>\$ 1,946,084</b>           | <b>\$ 69,105,018</b> | <b>\$ 69,440,180</b> | <b>\$ 1,610,922</b>             |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Undistributed receipts          | \$ 1,098,230                  | \$ 26,360,011        | \$ 26,039,562        | \$ 1,418,679                    |
| Due to other governments        | 699,412                       | 42,731,112           | 43,345,675           | 84,849                          |
| Bonds payable                   | 148,442                       | 13,895               | 54,943               | 107,394                         |
| <b>Total liabilities</b>        | <b>\$ 1,946,084</b>           | <b>\$ 69,105,018</b> | <b>\$ 69,440,180</b> | <b>\$ 1,610,922</b>             |
| <b>Library fund</b>             |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 97,278                     | \$ 718,617           | \$ 758,606           | \$ 57,289                       |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Due to other governments        | \$ 97,278                     | \$ 718,617           | \$ 758,606           | \$ 57,289                       |
| <b>District court bonds</b>     |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 150,918                    | \$ 569,991           | \$ 619,701           | \$ 101,208                      |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Bonds payable                   | \$ 126,322                    | \$ 428,992           | \$ 478,070           | \$ 77,244                       |
| Escrow payable                  | 24,596                        | 140,998              | 141,630              | 23,964                          |
| <b>Total liabilities</b>        | <b>\$ 150,918</b>             | <b>\$ 569,990</b>    | <b>\$ 619,700</b>    | <b>\$ 101,208</b>               |
| <b>Circuit court trust fund</b> |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 224,987                    | \$ 1,063,655         | \$ 927,964           | \$ 360,678                      |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Undistributed receipts          | \$ 199,439                    | \$ 1,023,826         | \$ 904,814           | \$ 318,451                      |
| Bonds payable                   | 20,279                        | 39,829               | 23,150               | 36,958                          |
| Escrow payable                  | 5,269                         | -                    | -                    | 5,269                           |
| <b>Total liabilities</b>        | <b>\$ 224,987</b>             | <b>\$ 1,063,655</b>  | <b>\$ 927,964</b>    | <b>\$ 360,678</b>               |
| <b>LifeWays</b>                 |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 1,874,540                  | \$ 560,362           | \$ 2,417,205         | \$ 17,697                       |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Due to other governments        | \$ 1,874,540                  | \$ 560,362           | \$ 2,417,205         | \$ 17,697                       |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2014

|                                | Balance<br>January 1,<br>2014 | Additions            | Deductions           | Balance<br>December 31,<br>2014 |
|--------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| <b>Sheriff Canteen</b>         |                               |                      |                      |                                 |
| <b>Assets</b>                  |                               |                      |                      |                                 |
| Cash and pooled investments    | \$ 117,478                    | \$ 1,064,787         | \$ 1,046,108         | \$ 136,157                      |
| <b>Liabilities</b>             |                               |                      |                      |                                 |
| Undistributed receipts         | \$ 117,478                    | \$ 1,064,787         | \$ 1,046,108         | \$ 136,157                      |
| <b>Totals-all agency funds</b> |                               |                      |                      |                                 |
| <b>Assets</b>                  |                               |                      |                      |                                 |
| Cash and pooled investments    | \$ 4,389,779                  | \$ 72,236,291        | \$ 74,411,330        | \$ 2,214,740                    |
| Accounts receivable            | 21,506                        | 846,138              | 798,433              | 69,211                          |
| <b>Total assets</b>            | <b>\$ 4,411,285</b>           | <b>\$ 73,082,429</b> | <b>\$ 75,209,763</b> | <b>\$ 2,283,951</b>             |
| <b>Liabilities</b>             |                               |                      |                      |                                 |
| Undistributed fees/collections | \$ 1,415,147                  | \$ 28,448,624        | \$ 27,990,484        | \$ 1,873,287                    |
| Due to other governments       | 2,671,230                     | 44,010,091           | 46,521,486           | 159,835                         |
| Bonds payable                  | 295,043                       | 482,716              | 556,163              | 221,596                         |
| Escrow payable                 | 29,865                        | 140,998              | 141,630              | 29,233                          |
| <b>Total liabilities</b>       | <b>\$ 4,411,285</b>           | <b>\$ 73,082,429</b> | <b>\$ 75,209,763</b> | <b>\$ 2,283,951</b>             |

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# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position

Land Bank Authority Component Unit

December 31, 2014

### Assets

|                             |               |
|-----------------------------|---------------|
| Cash and pooled investments | \$ 166,668    |
| Loans receivables           | 17,797        |
| Inventories                 | <u>74,593</u> |

### Total assets

259,058

### Liabilities

|                           |                |
|---------------------------|----------------|
| Accounts payable          | 274            |
| Accrued liabilities       | 2,903          |
| Advances from other funds | <u>100,000</u> |

### Total liabilities

103,177

### Net position

|              |                   |
|--------------|-------------------|
| Unrestricted | <u>\$ 155,881</u> |
|--------------|-------------------|

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenses and Change in Fund Net Position

Land Bank Authority Component Unit  
For the Year Ended December 31, 2014

|                                 |             |
|---------------------------------|-------------|
| Operating revenues              |             |
| Property taxes                  | \$ 409      |
| Sales                           | 11,965      |
|                                 | <hr/>       |
| Total operating revenues        | 12,374      |
|                                 | <hr/>       |
| Operating expenses              |             |
| Public works                    | 7,803       |
| Miscellaneous                   | 37,373      |
|                                 | <hr/>       |
| Total operating expenses        | 45,176      |
|                                 | <hr/>       |
| Change in net position          | (32,802)    |
| Net position, beginning of year | 188,683     |
|                                 | <hr/>       |
| Net position, end of year       | \$ 155,881  |
|                                 | <hr/> <hr/> |

# COUNTY OF JACKSON, MICHIGAN

## Statement of Cash Flows

Land Bank Authority Component Unit  
For the Year Ended December 31, 2014

|   |                    |
|---|--------------------|
| Cash flows from operating activities  |                    |
| Cash received from customers, residents and users                                 | \$ 19,245          |
| Cash paid to employees, suppliers and claimants                                   | <u>(44,199)</u>    |
| Net cash used by operating activities   | (24,954)           |
| Cash and pooled investments, beginning of year                                    | <u>191,622</u>     |
| Cash and pooled investments, end of year  | <u>\$ 166,668</u>  |
| Reconciliation of operating loss to net cash used by operating activities         |                    |
| Operating loss  | \$ (32,802)        |
| Adjustments to reconcile operating loss to net cash used by operating activities: |                    |
| Change in:  |                    |
| Loans receivable  | 73                 |
| Inventories   | 6,798              |
| Accounts payable  | 274                |
| Accrued liabilities   | <u>703</u>         |
| Net cash used operating activities  | <u>\$ (24,954)</u> |

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2014

|   | Capital Project Funds            |                     |                    |                            |                            |
|---|----------------------------------|---------------------|--------------------|----------------------------|----------------------------|
|   | Spring Arbor<br>Water<br>Project | Drain<br>Districts  | Drain<br>Revolving | Lake<br>Level<br>Districts | Lake<br>Level<br>Revolving |
| <b>Assets</b>   |                                  |                     |                    |                            |                            |
| Cash and pooled investments   | \$ 3,324                         | \$ 1,135,669        | \$ 110,822         | \$ 64,182                  | \$ 3,680                   |
| Accounts receivable   | -                                | 40,459              | -                  | -                          | -                          |
| Special assessments receivable, net   | -                                | 73,290              | -                  | 6,915                      | -                          |
| Due from other funds  | -                                | -                   | 97,068             | -                          | 6,320                      |
| Capital assets, net of depreciation   | -                                | -                   | -                  | -                          | -                          |
| <b>Total assets</b>   | <b>\$ 3,324</b>                  | <b>\$ 1,249,418</b> | <b>\$ 207,890</b>  | <b>\$ 71,097</b>           | <b>\$ 10,000</b>           |
| <b>Liabilities</b>  |                                  |                     |                    |                            |                            |
| Accounts payable  | \$ -                             | \$ 126              | \$ 7,743           | \$ 683                     | \$ -                       |
| Due to other funds  | -                                | 97,465              | -                  | 5,923                      | -                          |
| Advance from primary government   | -                                | -                   | 200,000            | -                          | 10,000                     |
| <b>Total liabilities</b>  | <b>-</b>                         | <b>97,591</b>       | <b>207,743</b>     | <b>6,606</b>               | <b>10,000</b>              |
| <b>Deferred inflows of resources</b>  |                                  |                     |                    |                            |                            |
| Unavailable revenue   | -                                | 73,290              | -                  | 6,915                      | -                          |
| <b>Fund balances</b>  |                                  |                     |                    |                            |                            |
| Restricted for construction   | 3,324                            | 1,078,537           | 147                | 57,576                     | -                          |
| <b>Total liabilities, deferred inflows<br/>of resources and liabilities</b> | <b>\$ 3,324</b>                  | <b>\$ 1,249,418</b> | <b>\$ 207,890</b>  | <b>\$ 71,097</b>           | <b>\$ 10,000</b>           |
| <b>Net position</b>   |                                  |                     |                    |                            |                            |
| Net investment in capital assets  |                                  |                     |                    |                            |                            |
| Restricted for construction   |                                  |                     |                    |                            |                            |
| <b>Total net position</b>   |                                  |                     |                    |                            |                            |



| Total<br>Governmental<br>Funds | Adjustments         | Statement of<br>Net Position |
|--------------------------------|---------------------|------------------------------|
| \$ 1,317,677                   | \$ -                | \$ 1,317,677                 |
| 40,459                         | -                   | 40,459                       |
| 80,205                         | -                   | 80,205                       |
| 103,388                        | (103,388)           | -                            |
| -                              | 3,313,839           | 3,313,839                    |
| <u>\$ 1,541,729</u>            | <u>\$ 3,210,451</u> | <u>4,752,180</u>             |
| <br>                           |                     |                              |
| \$ 8,552                       | \$ -                | 8,552                        |
| 103,388                        | (103,388)           | -                            |
| 210,000                        | -                   | 210,000                      |
| <u>321,940</u>                 | <u>(103,388)</u>    | <u>218,552</u>               |
| <br>                           |                     |                              |
| 80,205                         | (80,205)            | -                            |
| <br>                           |                     |                              |
| <u>1,139,584</u>               | <u>(1,139,584)</u>  | <u>-</u>                     |
| <br>                           |                     |                              |
| <u>\$ 1,541,729</u>            |                     |                              |
| <br>                           |                     |                              |
|                                | 3,313,839           | 3,313,839                    |
|                                | <u>1,219,789</u>    | <u>1,219,789</u>             |
|                                | <u>\$ 4,533,628</u> | <u>\$ 4,533,628</u>          |

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# COUNTY OF JACKSON, MICHIGAN

## ■ Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Unit  
Drain Commission Component Unit  
December 31, 2014

Fund balances - governmental funds \$ 1,139,584

Amounts reported for *governmental activities* in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds. 3,313,839

Unavailable revenue is not a current financial resource and therefore is not  
reported as revenue in the governmental funds 80,205

Net position of governmental activities \$ 4,533,628

COUNTY OF JACKSON, MICHIGAN

Statement of Activities and Governmental Funds Revenues,  
Expenditures and Changes in Fund Balances  
Drain Commission Component Unit  
For the Year Ended December 31, 2014

|                                     | Capital Project Funds            |                     |                    |                            |                            |
|-------------------------------------|----------------------------------|---------------------|--------------------|----------------------------|----------------------------|
|                                     | Spring Arbor<br>Water<br>Project | Drain<br>Districts  | Drain<br>Revolving | Lake<br>Level<br>Districts | Lake<br>Level<br>Revolving |
| Revenues                            |                                  |                     |                    |                            |                            |
| Intergovernmental revenue           | \$ -                             | \$ 163,027          | \$ -               | \$ 6,915                   | \$ -                       |
| Investment earnings                 | 1                                | 410                 | -                  | 23                         | -                          |
| <b>Total revenues</b>               | <b>1</b>                         | <b>163,437</b>      | <b>-</b>           | <b>6,938</b>               | <b>-</b>                   |
| Expenditures/expenses               |                                  |                     |                    |                            |                            |
| Public works                        | -                                | 110,842             | -                  | 12,234                     | -                          |
| Depreciation expense                | -                                | -                   | -                  | -                          | -                          |
| <b>Total expenditures/expenses</b>  | <b>-</b>                         | <b>110,842</b>      | <b>-</b>           | <b>12,234</b>              | <b>-</b>                   |
| Change in fund balance/net position | 1                                | 52,595              | -                  | (5,296)                    | -                          |
| Fund balances/net position          |                                  |                     |                    |                            |                            |
| Beginning of year                   | 3,323                            | 1,025,942           | 147                | 62,872                     | -                          |
| <b>End of year</b>                  | <b>\$ 3,324</b>                  | <b>\$ 1,078,537</b> | <b>\$ 147</b>      | <b>\$ 57,576</b>           | <b>\$ -</b>                |





| Total               | Adjustments         | Statement<br>of Activities |
|---------------------|---------------------|----------------------------|
| \$ 169,942<br>434   | \$ 16,556<br>-      | \$ 186,498<br>434          |
| <u>170,376</u>      | <u>16,556</u>       | <u>186,932</u>             |
| 123,076             | -                   | 123,076                    |
| <u>-</u>            | <u>161,522</u>      | <u>161,522</u>             |
| <u>123,076</u>      | <u>161,522</u>      | <u>284,598</u>             |
| 47,300              | (144,966)           | (97,666)                   |
| <u>1,092,284</u>    | <u>3,539,010</u>    | <u>4,631,294</u>           |
| <u>\$ 1,139,584</u> | <u>\$ 3,394,044</u> | <u>\$ 4,533,628</u>        |

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## COUNTY OF JACKSON, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Unit  
Drain Commission Component Unit  
For the Year Ended December 31, 2014

|   |    |                 |
|---|----|-----------------|
| Net change in fund balances - governmental funds  | \$ | 47,300          |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because:   |    |                 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. |    |                 |
| Depreciation expense  |    | (161,522)       |
| Governmental funds report payments received by other municipalities for principal debt service as revenue, but the statement of activities does not.  |    |                 |
| Change in special assessments paid in current year  |    | <u>16,556</u>   |
| Change in net position of governmental activities   | \$ | <u>(97,666)</u> |

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Fund Balance Sheet

Brownfield Redevelopment Authority Component Unit

December 31, 2014

|  | Brownfield<br>Redevelopment<br>Authority | Adjustments       | Statement<br>of Net Position |
|--|--|-------------------|------------------------------|
| <b>Current assets</b>                          |  |                   |                              |
| Cash and cash equivalents                      | \$ 84,723                                | \$ -              | \$ 84,723                    |
| Accounts receivable                            | 6,663                                    | -                 | 6,663                        |
| Long-term receivable                           | 633,738                                  | -                 | 633,738                      |
| <b>Total assets</b>                            | <u>\$ 725,124</u>                        | <u>-</u>          | <u>725,124</u>               |
| <b>Liabilities</b>                             |  |                   |                              |
| Accounts payable                               | \$ 2,655                                 | -                 | 2,655                        |
| Advance from primary government                | 117,500                                  | -                 | 117,500                      |
| <b>Total liabilities</b>                       | 120,155                                  | -                 | 120,155                      |
| <b>Fund balances</b>                           |  |                   |                              |
| Nonspendable                                   | 604,969                                  | (604,969)         | -                            |
| <b>Total liabilities and<br/>fund balances</b> | <u>\$ 725,124</u>                        |                   |                              |
| <b>Net position</b>                            |  |                   |                              |
| Unrestricted                                   |  | <u>\$ 604,969</u> | <u>\$ 604,969</u>            |

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances Brownfield Redevelopment Authority Component Unit For the Year Ended December 31, 2014

|                             | Brownfield<br>Redevelopment<br>Authority | Adjustments | Statement<br>of<br>Activities |
|-----------------------------|--|-------------|-------------------------------|
| Revenues                    |  |             |                               |
| Contributions               | \$ 22,677                                | \$ -        | \$ 22,677                     |
| Expenditures/expenses       |  |             |                               |
| Current operations -        |  |             |                               |
| Public works                | 30,181                                   | -           | 30,181                        |
| Net change in fund balances | (7,504)                                  | (7,504)     | -                             |
| Change in net position      |  | 7,504       | (7,504)                       |
| Fund balances/net position  |  |             |                               |
| Beginning of year           | 612,473                                  | -           | 612,473                       |
| End of year                 | \$ 604,969                               | \$ -        | \$ 604,969                    |

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2014

|   | Debt Service Funds               |                       |                       |                            |                     |
|---|----------------------------------|-----------------------|-----------------------|----------------------------|---------------------|
|   | Village of Springport Wastewater | Village of Grass Lake | Village of Springport | Spring Arbor Water Project | Village of Brooklyn |
| <b>Assets</b>   |                                  |                       |                       |                            |                     |
| Cash and pooled investments   | \$ 307                           | \$ -                  | \$ 71                 | \$ 10                      | \$ 37               |
| Due from other governmental units   | -                                | -                     | -                     | 280,000                    | 300,000             |
| <b>Total assets</b>   | <u>\$ 307</u>                    | <u>\$ -</u>           | <u>\$ 71</u>          | <u>\$ 280,010</u>          | <u>\$ 300,037</u>   |
| <b>Liabilities</b>  |                                  |                       |                       |                            |                     |
| Accounts payable  | \$ -                             | \$ -                  | \$ -                  | \$ -                       | \$ -                |
| Accrued liabilities   | -                                | -                     | -                     | -                          | -                   |
| Long-term debt:   |                                  |                       |                       |                            |                     |
| Due in one year   | -                                | -                     | -                     | -                          | -                   |
| Due in more than one year   | -                                | -                     | -                     | -                          | -                   |
| <b>Total liabilities</b>  | <u>-</u>                         | <u>-</u>              | <u>-</u>              | <u>-</u>                   | <u>-</u>            |
| <b>Deferred inflows of resources</b>                                      |                                  |                       |                       |                            |                     |
| Unavailable revenue   | -                                | -                     | -                     | 280,000                    | 300,000             |
| <b>Fund balances</b>  |                                  |                       |                       |                            |                     |
| Restricted for debt service   | 307                              | -                     | 71                    | 10                         | 37                  |
| Restricted for construction   | -                                | -                     | -                     | -                          | -                   |
| <b>Total fund balances</b>  | <u>307</u>                       | <u>-</u>              | <u>71</u>             | <u>10</u>                  | <u>37</u>           |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <u>\$ 307</u>                    | <u>\$ -</u>           | <u>\$ 71</u>          | <u>\$ 280,010</u>          | <u>\$ 300,037</u>   |



| Debt Service Funds |                     |                          |                       |                         |                              |
|--------------------|---------------------|--------------------------|-----------------------|-------------------------|------------------------------|
| Clark Lake         | Wolf Lake Section   | Napoleon Village Section | Lake Columbia Section | Lake Columbia Refunding | Village of Parma - Revolving |
| \$ 87              | \$ 696              | \$ 543                   | \$ 1,932              | \$ -                    | \$ -                         |
| -                  | 1,285,000           | -                        | -                     | 3,864,006               | 510,000                      |
| <u>\$ 87</u>       | <u>\$ 1,285,696</u> | <u>\$ 543</u>            | <u>\$ 1,932</u>       | <u>\$ 3,864,006</u>     | <u>\$ 510,000</u>            |
| \$ -               | \$ -                | \$ -                     | \$ -                  | \$ -                    | \$ -                         |
| -                  | -                   | -                        | -                     | -                       | -                            |
| -                  | -                   | -                        | -                     | -                       | -                            |
| -                  | -                   | -                        | -                     | -                       | -                            |
| -                  | 1,285,000           | -                        | -                     | 3,864,006               | 510,000                      |
| 87                 | 696                 | 543                      | 1,932                 | -                       | -                            |
| -                  | -                   | -                        | -                     | -                       | -                            |
| <u>87</u>          | <u>696</u>          | <u>543</u>               | <u>1,932</u>          | <u>-</u>                | <u>-</u>                     |
| <u>\$ 87</u>       | <u>\$ 1,285,696</u> | <u>\$ 543</u>            | <u>\$ 1,932</u>       | <u>\$ 3,864,006</u>     | <u>\$ 510,000</u>            |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit  
For the Year Ended December 31, 2014

|   | Debt Service Funds            |                            |                                    |                                  |                                    |
|---|-------------------------------|----------------------------|------------------------------------|----------------------------------|------------------------------------|
|   | Village of<br>Parma -<br>LDFA | Grass<br>Lake<br>Revolving | Grass Lake<br>Section<br>SER 2002B | Vineyard<br>Lake Area<br>Section | Round/<br>Farewell<br>Lake Section |
| <b>Assets</b>   |                               |                            |                                    |                                  |                                    |
| Cash and pooled investments   | \$ 2,307                      | \$ -                       | \$ 3,396                           | \$ 264                           | \$ 8,898                           |
| Due from other governmental units   | 2,281,598                     | 1,155,000                  | 280,000                            | 2,740,000                        | 1,800,000                          |
| <b>Total assets</b>   | <b>\$ 2,283,905</b>           | <b>\$ 1,155,000</b>        | <b>\$ 283,396</b>                  | <b>\$ 2,740,264</b>              | <b>\$ 1,808,898</b>                |
| <b>Liabilities</b>  |                               |                            |                                    |                                  |                                    |
| Accounts payable  | \$ -                          | \$ -                       | \$ 150                             | \$ -                             | \$ -                               |
| Accrued liabilities   | -                             | -                          | -                                  | -                                | -                                  |
| Long-term debt:   |                               |                            |                                    |                                  |                                    |
| Due in one year   | -                             | -                          | -                                  | -                                | -                                  |
| Due in more than one year   | -                             | -                          | -                                  | -                                | -                                  |
| <b>Total liabilities</b>  | <b>-</b>                      | <b>-</b>                   | <b>150</b>                         | <b>-</b>                         | <b>-</b>                           |
| <b>Deferred inflows of resources</b>  |                               |                            |                                    |                                  |                                    |
| Unavailable revenue   | 2,281,598                     | 1,155,000                  | 280,000                            | 2,740,000                        | 1,800,000                          |
| <b>Fund balances</b>  |                               |                            |                                    |                                  |                                    |
| Restricted for debt service   | 2,307                         | -                          | 3,246                              | 264                              | 8,898                              |
| Restricted for construction   | -                             | -                          | -                                  | -                                | -                                  |
| <b>Total fund balances</b>  | <b>2,307</b>                  | <b>-</b>                   | <b>3,246</b>                       | <b>264</b>                       | <b>8,898</b>                       |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 2,283,905</b>           | <b>\$ 1,155,000</b>        | <b>\$ 283,396</b>                  | <b>\$ 2,740,264</b>              | <b>\$ 1,808,898</b>                |



| Debt Service Funds            |                      |                             | Capital Projects Funds     |                             |                               |                      |
|-------------------------------|----------------------|-----------------------------|----------------------------|-----------------------------|-------------------------------|----------------------|
| Southern Regional Interceptor | Rives Sanitary Sewer | Village of Parma Wastewater | Vineyard Lake Area Section | Round/Farewell Lake Section | Southern Regional Interceptor | Rives Sanitary Sewer |
| \$ 81,539                     | \$ 32                | \$ -                        | \$ 405                     | \$ 135                      | \$ 1,348                      | \$ 62                |
| 3,575,000                     | 810,000              | 965,000                     | -                          | -                           | -                             | -                    |
| <u>\$ 3,656,539</u>           | <u>\$ 810,032</u>    | <u>\$ 965,000</u>           | <u>\$ 405</u>              | <u>\$ 135</u>               | <u>\$ 1,348</u>               | <u>\$ 62</u>         |
| \$ -                          | \$ -                 | \$ -                        | \$ -                       | \$ -                        | \$ -                          | \$ -                 |
| -                             | -                    | -                           | -                          | -                           | -                             | -                    |
| -                             | -                    | -                           | -                          | -                           | -                             | -                    |
| -                             | -                    | -                           | -                          | -                           | -                             | -                    |
| 3,575,000                     | 810,000              | 965,000                     | -                          | -                           | -                             | -                    |
| 81,539                        | 32                   | -                           | -                          | -                           | -                             | -                    |
| -                             | -                    | -                           | 405                        | 135                         | 1,348                         | 62                   |
| <u>81,539</u>                 | <u>32</u>            | <u>-</u>                    | <u>405</u>                 | <u>135</u>                  | <u>1,348</u>                  | <u>62</u>            |
| <u>\$ 3,656,539</u>           | <u>\$ 810,032</u>    | <u>\$ 965,000</u>           | <u>\$ 405</u>              | <u>\$ 135</u>               | <u>\$ 1,348</u>               | <u>\$ 62</u>         |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet  
 Board of Public Works Component Unit  
 December 31, 2014

|   | Total                | Adjustments       | Statement of Net Position |
|---|----------------------|-------------------|---------------------------|
| <b>Assets</b>   |                      |                   |                           |
| Cash and pooled investments   | \$ 102,069           | \$ -              | \$ 102,069                |
| Due from other governmental units   | 19,845,604           | 52,018            | 19,897,622                |
| <b>Total assets</b>   | <b>\$ 19,947,673</b> | <b>\$ 52,018</b>  | <b>\$ 19,999,691</b>      |
| <b>Liabilities</b>  |                      |                   |                           |
| Accounts payable  | \$ 150               | \$ -              | \$ 150                    |
| Accrued liabilities   | -                    | 153,937           | 153,937                   |
| Long-term debt:   |                      |                   |                           |
| Due in one year   | -                    | 2,074,143         | 2,074,143                 |
| Due in more than one year   | -                    | 17,771,461        | 17,771,461                |
| <b>Total liabilities</b>  | <b>150</b>           | <b>19,999,541</b> | <b>19,999,691</b>         |
| <b>Deferred inflows of resources</b>                                      |                      |                   |                           |
| Unavailable revenue   | 19,845,604           | (19,845,604)      | -                         |
| <b>Fund balances</b>  |                      |                   |                           |
| Restricted for debt service   | 99,969               | (99,969)          | -                         |
| Restricted for construction   | 1,950                | (1,950)           | -                         |
| <b>Total fund balances</b>  | <b>101,919</b>       | <b>(101,919)</b>  | <b>-</b>                  |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 19,947,673</b> |                   |                           |
| <b>Net position</b>   |                      | <b>\$ -</b>       | <b>\$ -</b>               |

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Unit  
Board of Public Works Component Unit  
December 31, 2014

|  |                  |
|--|------------------|
| Fund balances - governmental Funds   | \$ 101,919       |
| Amounts reported for <i>governmental activities</i> in the statement of net position are different because:  |                  |
| Bonds payable of various municipalities are to be repaid by the municipality, and the amount due is not reported as receivable in the funds  | 52,018           |
| Because the focus of governmental funds is on short-term financing some assets will not be available to pay current expenditures. Those assets (i.e. due from other governments) are offset by deferred inflows of resources in the governmental funds | 19,845,604       |
| Long-term liabilities are not due and payable in the current period and are not reported in the funds:   |                  |
| Bonds payable  | (19,845,604)     |
| Interest payable   | <u>(153,937)</u> |
| Net position of governmental activities  | <u>\$ -</u>      |

COUNTY OF JACKSON, MICHIGAN

Statement of Activities and Governmental Funds Revenues,  
Expenditures and Changes in Fund Balances  
Board of Public Works Component Unit  
For the Year Ended December 31, 2014

|                             | Debt Service Funds                     |                             |                          |                                  |                           |
|-----------------------------|--|-----------------------------|--------------------------|----------------------------------|---------------------------|
|                             | Village of<br>Springport<br>Wastewater | Village<br>of Grass<br>Lake | Village of<br>Springport | Spring Arbor<br>Water<br>Project | Village<br>of<br>Brooklyn |
| Revenues                    |  |                             |                          |                                  |                           |
| Intergovernmental           | \$ -                                   | \$ 163,200                  | \$ -                     | \$ 38,081                        | \$ 145,475                |
| Investment earnings         | -                                      | -                           | -                        | 1                                | 3                         |
| Total revenues              | -                                      | 163,200                     | -                        | 38,082                           | 145,478                   |
| Expenditures/expenses       |  |                             |                          |                                  |                           |
| Debt Service -              |  |                             |                          |                                  |                           |
| Principal                   | -                                      | 160,000                     | -                        | 25,000                           | 125,000                   |
| Interest and fiscal charges | -                                      | 3,200                       | -                        | 13,081                           | 20,475                    |
| Total expenditures/expenses | -                                      | 163,200                     | -                        | 38,081                           | 145,475                   |
| Net change in fund balances | -                                      | -                           | -                        | 1                                | 3                         |
| Change in net position      |  |                             |                          |                                  |                           |
| Fund balances/net position  |  |                             |                          |                                  |                           |
| Beginning of year           | 307                                    | -                           | 71                       | 9                                | 34                        |
| End of year                 | \$ 307                                 | \$ -                        | \$ 71                    | \$ 10                            | \$ 37                     |



| Debt Service Funds |                   |                          |                       |                         |                              |
|--------------------|-------------------|--------------------------|-----------------------|-------------------------|------------------------------|
| Clark Lake         | Wolf Lake Section | Napoleon Village Section | Lake Columbia Section | Lake Columbia Refunding | Village of Parma - Revolving |
| \$ -               | \$ 314,363        | \$ -                     | \$ 712,588            | \$ -                    | \$ 68,438                    |
| -                  | 13                | 1                        | 26                    | -                       | -                            |
| -                  | 314,376           | 1                        | 712,614               | -                       | 68,438                       |
| -                  | 255,000           | -                        | 550,000               | -                       | 55,000                       |
| -                  | 59,313            | -                        | 162,350               | -                       | 13,438                       |
| -                  | 314,313           | -                        | 712,350               | -                       | 68,438                       |
| -                  | 63                | 1                        | 264                   | -                       | -                            |
| 87                 | 633               | 542                      | 1,668                 | -                       | -                            |
| \$ 87              | \$ 696            | \$ 543                   | \$ 1,932              | \$ -                    | \$ -                         |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Activities and Governmental Funds Revenues,  
Expenditures and Changes in Fund Balances  
Board of Public Works Component Unit  
For the Year Ended December 31, 2014

|                             | Debt Service Funds            |                            |                                    |                                  |                                    |
|-----------------------------|-------------------------------|----------------------------|------------------------------------|----------------------------------|------------------------------------|
|                             | Village of<br>Parma -<br>LDFA | Grass<br>Lake<br>Revolving | Grass Lake<br>Section<br>SER 2002B | Vineyard<br>Lake Area<br>Section | Round/<br>Farewell<br>Lake Section |
| Revenues                    |                               |                            |                                    |                                  |                                    |
| Intergovernmental           | \$ 163,570                    | \$ 145,313                 | \$ 39,549                          | \$ 473,907                       | \$ 300,675                         |
| Investment earnings         | 8                             | -                          | 3                                  | 15                               | 11                                 |
| Total revenues              | <u>163,578</u>                | <u>145,313</u>             | <u>39,552</u>                      | <u>473,922</u>                   | <u>300,686</u>                     |
| Expenditures/expenses       |                               |                            |                                    |                                  |                                    |
| Debt Service -              |                               |                            |                                    |                                  |                                    |
| Principal                   | 140,000                       | 115,000                    | 25,000                             | 350,000                          | 225,000                            |
| Interest and fiscal charges | 23,445                        | 30,313                     | 14,549                             | 123,908                          | 75,675                             |
| Total expenditures/expenses | <u>163,445</u>                | <u>145,313</u>             | <u>39,549</u>                      | <u>473,908</u>                   | <u>300,675</u>                     |
| Net change in fund balances | 133                           | -                          | 3                                  | 14                               | 11                                 |
| Change in net position      |                               |                            |                                    |                                  |                                    |
| Fund balances/net position  |                               |                            |                                    |                                  |                                    |
| Beginning of year           | <u>2,174</u>                  | <u>-</u>                   | <u>3,243</u>                       | <u>250</u>                       | <u>8,887</u>                       |
| End of year                 | <u>\$ 2,307</u>               | <u>\$ -</u>                | <u>\$ 3,246</u>                    | <u>\$ 264</u>                    | <u>\$ 8,898</u>                    |

| Debt Service Funds            |                      |                             | Capital Projects Funds     |                             |                               |                      |
|-------------------------------|----------------------|-----------------------------|----------------------------|-----------------------------|-------------------------------|----------------------|
| Southern Regional Interceptor | Rives Sanitary Sewer | Village of Parma Wastewater | Vineyard Lake Area Section | Round/Farewell Lake Section | Southern Regional Interceptor | Rives Sanitary Sewer |
| \$ 385,407<br>17              | \$ 48,650<br>3       | \$ 173,477<br>-             | \$ -<br>-                  | \$ -<br>-                   | \$ -<br>-                     | \$ -<br>-            |
| <u>385,424</u>                | <u>48,653</u>        | <u>173,477</u>              | <u>-</u>                   | <u>-</u>                    | <u>-</u>                      | <u>-</u>             |
| 225,000                       | 15,000               | 115,000                     | -                          | -                           | -                             | -                    |
| <u>165,188</u>                | <u>33,650</u>        | <u>58,477</u>               | <u>-</u>                   | <u>-</u>                    | <u>-</u>                      | <u>-</u>             |
| <u>390,188</u>                | <u>48,650</u>        | <u>173,477</u>              | <u>-</u>                   | <u>-</u>                    | <u>-</u>                      | <u>-</u>             |
| (4,764)                       | 3                    | -                           | -                          | -                           | -                             | -                    |
| <u>86,303</u>                 | <u>29</u>            | <u>-</u>                    | <u>405</u>                 | <u>135</u>                  | <u>1,348</u>                  | <u>62</u>            |
| <u>\$ 81,539</u>              | <u>\$ 32</u>         | <u>\$ -</u>                 | <u>\$ 405</u>              | <u>\$ 135</u>               | <u>\$ 1,348</u>               | <u>\$ 62</u>         |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Activities and Governmental Funds Revenues,  
Expenditures and Changes in Fund Balances  
Board of Public Works Component Unit  
For the Year Ended December 31, 2014

|                                    | Total             | Adjustments         | Statement<br>of<br>Activities |
|------------------------------------|-------------------|---------------------|-------------------------------|
| Revenues                           |                   |                     |                               |
| Intergovernmental                  | \$ 3,172,693      | \$ (2,331,523)      | \$ 841,170                    |
| Investment earnings                | 101               | -                   | 101                           |
| <b>Total revenues</b>              | <b>3,172,794</b>  | <b>(2,331,523)</b>  | <b>841,271</b>                |
| Expenditures/expenses              |                   |                     |                               |
| Debt Service -                     |                   |                     |                               |
| Principal                          | 2,380,000         | (2,380,000)         | -                             |
| Interest and fiscal charges        | 797,062           | 44,209              | 841,271                       |
| <b>Total expenditures/expenses</b> | <b>3,177,062</b>  | <b>(2,335,791)</b>  | <b>841,271</b>                |
| Net change in fund balances        | (4,268)           | 4,268               | -                             |
| Change in net position             |                   | -                   | -                             |
| Fund balances/net position         |                   |                     |                               |
| Beginning of year                  | 106,187           | (106,187)           | -                             |
| <b>End of year</b>                 | <b>\$ 101,919</b> | <b>\$ (101,919)</b> | <b>\$ -</b>                   |

concluded.



# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Unit  
Board of Public Works Component Unit  
For the Year Ended December 31, 2014

|   |                    |
|---|--------------------|
| Net change in fund balances - governmental funds  | \$ (4,268)         |
| Amounts reported for <i>governmental activities</i> in the statement of activities<br>are different because:  |                    |
| Governmental funds report payments received by other<br>for principal debt service as revenue, but the<br>statement of activities does not.   |                    |
| Debt assessments received current year  | (2,331,523)        |
| Some expenses reported in the statement of activities do not require the use<br>of current financial resources and therefore are not reported as expenditures<br>in governmental funds. |                    |
| Change in accrued interest on bonds payable   | (44,209)           |
| Repayment of debt principal is an expenditure in the funds<br>but not in the statement of activities.   |                    |
| Bond payments   | <u>2,380,000</u>   |
| Change in net position of governmental activities   | <u><u>\$ -</u></u> |

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# COUNTY OF JACKSON, MICHIGAN

## Statistical Section (Unaudited)

This part of the County of Jackson's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| CONTENTS   | <u>Page</u> |
|--|-------------|
| <b>Financial Trends (schedules 1 thru 5)</b>   |             |
| These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.  | 180         |
| <b>Revenue Capacity (schedules 6 thru 10)</b>  |             |
| These schedules contain information to help the reader assess the government's most significant local sources: property taxes, State shared revenues and water and wastewater usage fees.                                      | 190         |
| <b>Debt Capacity (schedules 11 thru 13)</b>  |             |
| These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.                    | 198         |
| <b>Demographic and Economic Information (schedules 14 and 15)</b>  |             |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.   | 203         |
| <b>Operating Information (schedules 16 thru 18)</b>  |             |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 205         |

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF JACKSON, MICHIGAN

**Net Position by Component**

Last Ten Years

(accrual basis of accounting)

|  | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 15,904,438        | \$ 16,131,214        | \$ 16,662,254        | \$ 16,820,741        | \$ 16,533,573        |
| Restricted   | 1,598,012            | 2,248,154            | 1,999,818            | 1,851,694            | 2,398,320            |
| Unrestricted                                       | 26,634,239           | 30,618,527           | 29,152,734           | 28,243,259           | 27,949,778           |
| <b>Total governmental activities net position</b>  | <b>\$ 44,136,689</b> | <b>\$ 48,997,895</b> | <b>\$ 47,814,806</b> | <b>\$ 46,915,694</b> | <b>\$ 46,881,671</b> |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 8,331,629         | \$ 8,256,892         | \$ 9,254,305         | \$ 11,920,478        | \$ 12,124,522        |
| Unrestricted                                       | 16,105,046           | 19,923,786           | 22,051,366           | 21,158,429           | 23,646,148           |
| <b>Total business-type activities net position</b> | <b>\$ 24,436,675</b> | <b>\$ 28,180,678</b> | <b>\$ 31,305,671</b> | <b>\$ 33,078,907</b> | <b>\$ 35,770,670</b> |
| <b>Primary government</b>                          |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 24,236,067        | \$ 24,388,106        | \$ 25,916,559        | \$ 28,741,219        | \$ 28,658,095        |
| Restricted   | 1,598,012            | 2,248,154            | 1,999,818            | 1,851,694            | 2,398,320            |
| Unrestricted                                       | 42,739,285           | 50,542,313           | 51,204,100           | 49,401,688           | 51,595,926           |
| <b>Total primary government net position</b>       | <b>\$ 68,573,364</b> | <b>\$ 77,178,573</b> | <b>\$ 79,120,477</b> | <b>\$ 79,994,601</b> | <b>\$ 82,652,341</b> |

In 2013, the net position of the County increased significantly due to the transfer of operations of the road fund to the primary government. These operations were previously reported as part of the Road Commission discretely presented component unit.

Schedule 1  
Unaudited

| 2010                 | 2011                 | 2012                 | 2013                  | 2014                  |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| \$ 15,130,221        | \$ 15,172,343        | \$ 14,381,796        | \$ 82,006,055         | \$ 85,235,379         |
| 2,970,238            | 17,220,863           | 15,477,619           | 12,690,046            | 11,852,828            |
| 28,418,753           | 14,863,873           | 13,990,332           | 13,284,484            | 7,656,588             |
| <u>\$ 46,519,212</u> | <u>\$ 47,257,079</u> | <u>\$ 43,849,747</u> | <u>\$ 107,980,585</u> | <u>\$ 104,744,795</u> |
| \$ 13,178,355        | \$ 13,901,502        | \$ 15,663,869        | \$ 3,419,014          | \$ 4,078,658          |
| 24,406,603           | 25,585,370           | 25,095,420           | 23,997,521            | 22,567,600            |
| <u>\$ 37,584,958</u> | <u>\$ 39,486,872</u> | <u>\$ 40,759,289</u> | <u>\$ 27,416,535</u>  | <u>\$ 26,646,258</u>  |
| \$ 28,308,576        | \$ 29,073,845        | \$ 30,045,665        | \$ 85,425,069         | \$ 89,314,037         |
| 2,970,238            | 17,220,863           | 15,477,619           | 12,690,046            | 11,852,828            |
| 52,825,356           | 40,449,243           | 39,085,752           | 37,282,005            | 30,224,188            |
| <u>\$ 84,104,170</u> | <u>\$ 86,743,951</u> | <u>\$ 84,609,036</u> | <u>\$ 135,397,120</u> | <u>\$ 131,391,053</u> |

COUNTY OF JACKSON, MICHIGAN

**Changes in Net Position**

Last Ten Years

(accrual basis of accounting)

|  | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenue</b>                               |                      |                      |                      |                      |                      |
| Governmental activities:                     |                      |                      |                      |                      |                      |
| Program revenues:                            |                      |                      |                      |                      |                      |
| Charges for services                         | \$ 9,725,485         | \$ 9,208,333         | \$ 9,156,733         | \$ 8,139,339         | \$ 9,855,124         |
| Operating grants and contributions           | 19,999,106           | 19,605,978           | 20,002,956           | 19,534,191           | 16,131,328           |
| Capital grants and contributions             | -                    | -                    | -                    | -                    | -                    |
| General revenues:                            |                      |                      |                      |                      |                      |
| Property taxes                               | 28,674,384           | 30,548,572           | 26,632,998           | 26,301,985           | 26,383,232           |
| State shared revenue                         | 612,647              | 656,012              | 686,772              | 736,391              | 1,236,701            |
| Other  | 1,668,218            | 1,990,206            | 2,206,053            | 1,829,418            | 1,177,816            |
| Transfers                                    | 1,614,331            | 592,990              | 1,574,795            | 2,679,194            | 1,122,574            |
| Total governmental activities revenues       | <u>62,294,171</u>    | <u>62,602,091</u>    | <u>60,260,307</u>    | <u>59,220,518</u>    | <u>55,906,775</u>    |
| Business-type activities:                    |                      |                      |                      |                      |                      |
| Program revenues:                            |                      |                      |                      |                      |                      |
| Charges for services                         | 24,809,733           | 29,232,470           | 30,063,817           | 30,586,126           | 30,569,896           |
| Operating grants and contributions           | 1,132,540            | 945,108              | 427,996              | 338,959              | -                    |
| General revenues:                            |                      |                      |                      |                      |                      |
| Other  | -                    | -                    | -                    | -                    | 234,205              |
| Special items                                |                      |                      |                      |                      |                      |
| Impairment loss on capital assets            | -                    | -                    | -                    | -                    | -                    |
| Loss on write-down of inventory              | -                    | -                    | -                    | -                    | -                    |
| Transfers                                    | (1,594,101)          | (663,226)            | (1,565,385)          | (2,626,150)          | (1,123,027)          |
| Total business-type activities revenues      | <u>24,348,172</u>    | <u>29,514,352</u>    | <u>28,926,428</u>    | <u>28,298,935</u>    | <u>29,681,074</u>    |
| Total primary government revenues            | <u>86,642,343</u>    | <u>92,116,443</u>    | <u>89,186,735</u>    | <u>87,519,453</u>    | <u>85,587,849</u>    |
| <b>Expenses</b>                              |                      |                      |                      |                      |                      |
| Governmental activities:                     |                      |                      |                      |                      |                      |
| General government                           | 21,992,799           | 21,501,134           | 23,777,304           | 22,601,423           | 23,650,817           |
| Public safety                                | 15,373,560           | 16,090,197           | 16,944,208           | 18,171,168           | 18,196,223           |
| Public works                                 | -                    | -                    | -                    | -                    | -                    |
| Health and welfare                           | 9,640,700            | 9,687,103            | 9,878,983            | 9,254,566            | 9,521,311            |
| Recreation and culture                       | 1,691,953            | 1,666,183            | 1,732,731            | 1,766,639            | 3,188,894            |
| Community development                        | 8,798,015            | 8,225,733            | 8,253,892            | 7,494,081            | 1,463,740            |
| Interest on long-term debt                   | 536,869              | 570,535              | 856,277              | 831,753              | 803,914              |
| Total governmental activities expenses       | <u>58,033,896</u>    | <u>57,740,885</u>    | <u>61,443,395</u>    | <u>60,119,630</u>    | <u>56,824,899</u>    |
| Business-type activities:                    |                      |                      |                      |                      |                      |
| Delinquent tax collection/forfeitures        | 465,438              | 582,566              | 543,975              | 523,433              | 560,542              |
| Medical care facility                        | 12,982,116           | 14,950,198           | 15,375,425           | 15,758,850           | 16,060,347           |
| Foreclosure tax administration               | 107,519              | 382,099              | 233,853              | 301,988              | 426,210              |
| Resource recovery                            | 8,094,120            | 7,682,790            | 8,602,557            | 8,640,601            | 8,991,113            |
| Personal property tax                        | 394,249              | 59,534               | 70,351               | 66,944               | 66,998               |
| Soil erosion                                 | 83,665               | 108,442              | 98,247               | 65,186               | -                    |
| Total business-type activities expenses      | <u>22,127,107</u>    | <u>23,765,629</u>    | <u>24,924,408</u>    | <u>25,357,002</u>    | <u>26,105,210</u>    |
| Total primary government expenses            | <u>80,161,003</u>    | <u>81,506,514</u>    | <u>86,367,803</u>    | <u>85,476,632</u>    | <u>82,930,109</u>    |
| Change in net position                       | 6,481,340            | 10,609,929           | 2,818,932            | 2,042,821            | 2,657,740            |
| Net position, beginning of year, as restated | <u>63,466,549</u>    | <u>67,744,072</u>    | <u>77,428,572</u>    | <u>79,120,477</u>    | <u>79,994,601</u>    |
| Net position, end of year                    | <u>\$ 69,947,889</u> | <u>\$ 78,354,001</u> | <u>\$ 80,247,504</u> | <u>\$ 81,163,298</u> | <u>\$ 82,652,341</u> |

Source: Jackson County Finance Department

Schedule 2  
Unaudited

| 2010                 | 2011                 | 2012                 | 2013                  | 2014                  |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| \$ 9,597,688         | \$ 9,515,532         | \$ 10,060,336        | \$ 11,874,779         | \$ 12,297,064         |
| 16,857,973           | 17,845,207           | 18,373,243           | 30,792,988            | 35,206,928            |
| -                    | 382,293              | 4,025                | 2,583,837             | 2,212,368             |
| 25,542,916           | 24,779,304           | 24,605,780           | 24,038,899            | 24,982,710            |
| 2,361,911            | 3,297,426            | 2,577,616            | 3,629,709             | 4,034,788             |
| 741,905              | 1,504,285            | 567,758              | (2,143,041)           | 2,644,025             |
| 1,233,954            | 960,559              | 792,659              | 1,718,754             | 2,073,417             |
| <u>56,336,347</u>    | <u>58,284,606</u>    | <u>56,981,417</u>    | <u>72,495,925</u>     | <u>83,451,300</u>     |
| 29,535,470           | 29,741,712           | 31,129,191           | 26,247,095            | 19,431,181            |
| -                    | -                    | -                    | 4,748,424             | 4,631,877             |
| 54,945               | 157,095              | 143,494              | -                     | -                     |
| -                    | -                    | -                    | (11,573,914)          | -                     |
| -                    | -                    | -                    | (1,604,251)           | -                     |
| (1,225,023)          | (948,952)            | (873,240)            | (1,656,210)           | (1,909,080)           |
| <u>28,365,392</u>    | <u>28,949,855</u>    | <u>30,399,445</u>    | <u>16,161,144</u>     | <u>22,153,978</u>     |
| <u>84,701,739</u>    | <u>87,234,461</u>    | <u>87,380,862</u>    | <u>88,657,069</u>     | <u>105,605,278</u>    |
| 22,366,906           | 22,951,626           | 25,607,190           | 27,844,444            | 30,506,164            |
| 18,336,839           | 18,882,372           | 18,745,790           | 18,748,028            | 20,578,254            |
| -                    | -                    | -                    | 12,432,981            | 17,643,349            |
| 10,487,852           | 10,664,522           | 10,734,927           | 15,170,502            | 12,362,735            |
| 2,843,700            | 2,844,926            | 2,910,341            | 1,733,043             | 2,242,769             |
| 1,033,799            | 2,006,522            | 1,795,363            | 5,418,245             | 2,818,220             |
| 1,156,503            | 443,479              | 595,138              | 604,922               | 535,599               |
| <u>56,225,599</u>    | <u>57,793,447</u>    | <u>60,388,749</u>    | <u>81,952,165</u>     | <u>86,687,090</u>     |
| 345,126              | 490,959              | 325,312              | 1,035,957             | 939,727               |
| 16,681,276           | 17,816,002           | 18,151,367           | 18,391,888            | 18,865,612            |
| 494,072              | 462,740              | 1,626,864            | 1,338,751             | 1,205,868             |
| 8,893,948            | 8,242,890            | 8,960,431            | 8,377,360             | 1,911,434             |
| 66,631               | 35,350               | 63,054               | 9,493                 | 1,614                 |
| -                    | -                    | -                    | -                     | -                     |
| <u>26,481,053</u>    | <u>27,047,941</u>    | <u>29,127,028</u>    | <u>29,153,449</u>     | <u>22,924,255</u>     |
| <u>82,706,652</u>    | <u>84,841,388</u>    | <u>89,515,777</u>    | <u>111,105,614</u>    | <u>109,611,345</u>    |
| 1,995,087            | 2,393,073            | (2,134,915)          | (22,448,545)          | (4,006,067)           |
| <u>82,109,083</u>    | <u>84,350,878</u>    | <u>86,743,951</u>    | <u>157,845,665</u>    | <u>135,397,120</u>    |
| <u>\$ 84,104,170</u> | <u>\$ 86,743,951</u> | <u>\$ 84,609,036</u> | <u>\$ 135,397,120</u> | <u>\$ 131,391,053</u> |

COUNTY OF JACKSON, MICHIGAN

**Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

|   | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund                              |                      |                      |                      |                      |                      |
| Nonspendable                              |                      |                      |                      |                      |                      |
| Committed                                 |                      |                      |                      |                      |                      |
| Assigned                                  |                      |                      |                      |                      |                      |
| Unassigned                                |                      |                      |                      |                      |                      |
| Reserved                                  | \$ 887,987           | \$ 881,264           | \$ 881,943           | \$ 878,826           | \$ 879,589           |
| Unreserved                                | 5,470,437            | 6,105,169            | 8,333,984            | 10,211,100           | 12,834,704           |
| <b>Total general fund</b>                 | <b>\$ 6,358,424</b>  | <b>\$ 6,986,433</b>  | <b>\$ 9,215,927</b>  | <b>\$ 11,089,926</b> | <b>\$ 13,714,293</b> |
| All other governmental funds              |                      |                      |                      |                      |                      |
| Nonspendable                              |                      |                      |                      |                      |                      |
| Restricted                                |                      |                      |                      |                      |                      |
| Committed                                 |                      |                      |                      |                      |                      |
| Assigned                                  |                      |                      |                      |                      |                      |
| Unassigned (deficit)                      |                      |                      |                      |                      |                      |
| Reserved                                  | \$ 1,577,476         | \$ 2,227,860         | \$ 1,988,260         | \$ 1,815,135         | \$ 1,886,987         |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |
| Special revenue funds                     | 19,221,587           | 23,544,783           | 20,596,873           | 19,461,048           | 17,334,858           |
| Permanent funds                           | 128,548              | 136,555              | 149,945              | 176,986              | 181,134              |
| <b>Total all other governmental funds</b> | <b>20,927,611</b>    | <b>25,909,198</b>    | <b>22,735,078</b>    | <b>21,453,169</b>    | <b>19,402,979</b>    |
| <b>Total governmental funds</b>           | <b>\$ 27,286,035</b> | <b>\$ 32,895,631</b> | <b>\$ 31,951,005</b> | <b>\$ 32,543,095</b> | <b>\$ 33,117,272</b> |

(A) Jackson County implemented GASB Statement No. 54 as of and for the year ended December 31, 2011. Fund balance component classifications are shown as reported under that new criteria as of that date.



Schedule 3  
Unaudited

| 2010                 | 2011                 | 2012                 | 2013                 | 2014                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
|                      | \$ 876,332           | \$ 888,149           | \$ 874,160           | \$ 931,458           |
|                      | 1,447,924            | 958,703              | 469,482              | 469,482              |
|                      | 830,299              | 830,299              | 263,369              | 1,320,167            |
|                      | 12,965,088           | 12,789,539           | 11,058,812           | 10,365,563           |
| \$ 880,467           | -                    | -                    | -                    | -                    |
| 13,012,690           | -                    | -                    | -                    | -                    |
| <u>\$ 13,893,157</u> | <u>\$ 16,119,643</u> | <u>\$ 15,466,690</u> | <u>\$ 12,665,823</u> | <u>\$ 13,086,670</u> |
|                      | \$ 431,540           | \$ 387,139           | \$ 1,479,623         | \$ 1,957,267         |
|                      | 17,150,425           | 15,397,727           | 11,347,738           | 10,037,650           |
|                      | 1,504,087            | 1,539,808            | 3,785,981            | 2,331,517            |
|                      | -                    | -                    | -                    | -                    |
|                      | (2,753)              | -                    | (2,964)              | -                    |
| \$ 3,038,560         | -                    | -                    | -                    | -                    |
| 16,882,432           | -                    | -                    | -                    | -                    |
| 180,616              | -                    | -                    | -                    | -                    |
| <u>20,101,608</u>    | <u>19,083,299</u>    | <u>17,324,674</u>    | <u>16,610,378</u>    | <u>14,326,434</u>    |
| <u>\$ 33,994,765</u> | <u>\$ 35,202,942</u> | <u>\$ 32,791,364</u> | <u>\$ 29,276,201</u> | <u>\$ 27,413,104</u> |

COUNTY OF JACKSON, MICHIGAN

**Changes in Fund Balances - Governmental Funds**  
 Last Ten Years  
 (modified accrual basis of accounting)

|  | 2005                | 2006               | 2007                  | 2008                  | 2009                  |
|--|---------------------|--------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>  |                     |                    |                       |                       |                       |
| Property taxes   | \$ 28,674,384       | \$ 30,548,572      | \$ 26,632,998         | \$ 26,301,985         | \$ 26,383,232         |
| Licenses, fees, taxes and permits                              | 568,405             | 536,321            | 497,887               | 474,069               | 437,296               |
| Intergovernmental  | 16,591,458          | 15,788,530         | 15,701,183            | 14,098,155            | 13,904,984            |
| Charges for services   | 8,647,694           | 8,203,360          | 8,006,369             | 8,873,750             | 7,589,130             |
| Fines and forfeitures  | 1,178,027           | 1,057,902          | 1,211,283             | 999,836               | 1,021,582             |
| Investment earnings (loss)                                     | 2,010,888           | 2,574,872          | 2,848,441             | 2,389,750             | 1,548,242             |
| Rental, donations, and other                                   | 2,934,004           | 3,270,925          | 3,761,527             | 3,385,049             | 4,181,788             |
| <b>Total revenues</b>  | <b>60,604,860</b>   | <b>61,980,482</b>  | <b>58,659,688</b>     | <b>56,522,594</b>     | <b>55,066,254</b>     |
| <b>Expenditures</b>  |                     |                    |                       |                       |                       |
| Current:   |                     |                    |                       |                       |                       |
| Judicial   | -                   | -                  | -                     | -                     | -                     |
| General government   | 20,765,931          | 21,199,149         | 21,682,119            | 21,063,018            | 20,540,737            |
| Public safety  | 14,690,942          | 14,783,211         | 15,579,716            | 15,805,365            | 14,871,330            |
| Public works   | -                   | -                  | -                     | -                     | -                     |
| Health and welfare   | 14,690,942          | 14,783,211         | 15,579,716            | 15,805,365            | 14,871,330            |
| Recreation and cultural  | 1,661,674           | 1,556,943          | 2,080,699             | 1,775,068             | 2,448,636             |
| Community development  | -                   | 143,212            | 2,002,491             | 1,090,014             | 1,290,775             |
| Fair   | -                   | -                  | -                     | -                     | -                     |
| Other functions  | 8,023,440           | 8,049,294          | 9,583,117             | 7,653,906             | 7,061,789             |
| Debt service:  |                     |                    |                       |                       |                       |
| Principal  | 275,000             | 350,000            | 600,000               | 700,000               | 700,000               |
| Interest   | 539,369             | 531,869            | 860,645               | 836,969               | 809,331               |
| Issuance costs   | -                   | -                  | -                     | -                     | -                     |
| Capital outlay   | 2,488,485           | 8,302,321          | 1,559,476             | 2,177,165             | 917,416               |
| <b>Total expenditures</b>                                      | <b>63,135,783</b>   | <b>69,699,210</b>  | <b>69,527,979</b>     | <b>66,906,870</b>     | <b>63,511,344</b>     |
| <b>Revenues over (under) expenditures</b>                      | <b>(2,530,923)</b>  | <b>(7,718,728)</b> | <b>(10,868,291)</b>   | <b>(10,384,276)</b>   | <b>(8,445,090)</b>    |
| <b>Other financing sources (uses)</b>                          |                     |                    |                       |                       |                       |
| Proceeds from the issuance of debt                             | -                   | 7,045,000          | -                     | -                     | -                     |
| Payment to refunding bond escrow agent                         | -                   | -                  | -                     | -                     | -                     |
| Discount on bonds  | -                   | (42,340)           | -                     | -                     | -                     |
| Transfers in   | 14,008,213          | 13,437,705         | 15,652,285            | 15,375,975            | 14,747,892            |
| Transfers out  | (12,217,191)        | (12,663,185)       | (13,863,913)          | (12,591,093)          | (13,809,630)          |
| Sale of capital assets   | -                   | -                  | -                     | -                     | -                     |
| <b>Total other financing sources (uses)</b>                    | <b>1,791,022</b>    | <b>7,777,180</b>   | <b>1,788,372</b>      | <b>2,784,882</b>      | <b>938,262</b>        |
| <b>Net change in fund balances</b>                             | <b>\$ (739,901)</b> | <b>\$ 58,452</b>   | <b>\$ (9,079,919)</b> | <b>\$ (7,599,394)</b> | <b>\$ (7,506,828)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b> | <b>1.3%</b>         | <b>1.3%</b>        | <b>2.1%</b>           | <b>2.3%</b>           | <b>2.4%</b>           |

Source: Jackson County Finance Department

Schedule 4  
Unaudited

| 2010                  | 2011                  | 2012                   | 2013                  | 2014                  |
|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| \$ 25,541,044         | \$ 24,779,305         | \$ 24,606,997          | \$ 24,038,899         | \$ 24,982,710         |
| 471,432               | 459,766               | 464,860                | 629,992               | 553,195               |
| 15,498,755            | 17,817,486            | 17,413,440             | 31,565,444            | 34,424,635            |
| 7,920,575             | 7,603,096             | 7,802,940              | 10,304,110            | 10,937,860            |
| 987,318               | 929,517               | 884,085                | 894,326               | 913,977               |
| 1,136,906             | 1,759,834             | 975,110                | (2,146,321)           | 2,621,077             |
| 3,871,363             | 4,300,043             | 4,366,326              | 5,510,816             | 6,418,398             |
| <u>55,427,393</u>     | <u>57,649,047</u>     | <u>56,513,758</u>      | <u>70,797,266</u>     | <u>80,851,852</u>     |
| -                     | -                     | -                      | 3,997,148             | 3,845,425             |
| 19,928,198            | 19,954,588            | 20,594,967             | 16,116,914            | 17,407,601            |
| 15,132,380            | 15,434,422            | 15,720,974             | 16,763,410            | 17,703,355            |
| -                     | -                     | -                      | 10,743,885            | 11,891,655            |
| 15,132,380            | 15,434,422            | 15,720,974             | 11,589,346            | 11,842,417            |
| 2,112,047             | 1,985,441             | 2,175,564              | 1,335,362             | 1,690,424             |
| 919,684               | 1,775,957             | 1,586,540              | 2,125,453             | 1,098,819             |
| -                     | -                     | -                      | 995,116               | 1,067,215             |
| 1,950,462             | 4,278,569             | 4,258,056              | 7,539,934             | 6,221,610             |
| 775,000               | 905,000               | 895,000                | 1,071,085             | 1,116,444             |
| 779,925               | 421,334               | 600,133                | 581,230               | 544,479               |
| -                     | -                     | -                      | -                     | 69,662                |
| 5,932,361             | 5,769,282             | 6,400,349              | 8,189,363             | 10,425,090            |
| <u>62,662,437</u>     | <u>65,959,015</u>     | <u>67,952,557</u>      | <u>81,048,246</u>     | <u>84,924,196</u>     |
| <u>(7,235,044)</u>    | <u>(8,309,968)</u>    | <u>(11,438,799)</u>    | <u>(10,250,980)</u>   | <u>(4,072,344)</u>    |
| 10,100,000            | -                     | -                      | -                     | 5,010,000             |
| (10,018,468)          | -                     | -                      | -                     | (4,920,000)           |
| -                     | -                     | -                      | -                     | (20,338)              |
| 13,543,829            | 12,695,160            | 11,001,852             | 8,150,845             | 11,469,347            |
| (12,215,610)          | (11,696,532)          | (10,168,939)           | (6,396,191)           | (9,360,030)           |
| -                     | -                     | -                      | 5,635                 | 30,268                |
| <u>1,409,751</u>      | <u>998,628</u>        | <u>832,913</u>         | <u>1,760,289</u>      | <u>2,209,247</u>      |
| <u>\$ (5,825,293)</u> | <u>\$ (7,311,340)</u> | <u>\$ (10,605,886)</u> | <u>\$ (8,490,691)</u> | <u>\$ (1,863,097)</u> |
| <u>2.5%</u>           | <u>2.0%</u>           | <u>2.2%</u>            | <u>2.30%</u>          | <u>2.28%</u>          |

COUNTY OF JACKSON, MICHIGAN

Changes in Fund Balances - General Fund

Last Ten Years

(modified accrual basis of accounting)

|  | 2005              | 2006              | 2007                | 2008                | 2009                |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                              |                   |                   |                     |                     |                     |
| Property taxes                               | \$ 19,398,287     | \$ 21,074,348     | \$ 23,036,819       | \$ 22,536,049       | \$ 22,553,464       |
| Licenses, fees, taxes and permits            | 140,166           | 126,079           | 119,539             | 135,192             | 156,335             |
| Intergovernmental                            | 6,181,855         | 6,161,126         | 6,153,948           | 5,961,239           | 6,141,528           |
| Charges for services                         | 6,573,634         | 6,303,080         | 6,218,903           | 5,338,369           | 5,079,399           |
| Fines and forfeitures                        | 906,658           | 845,866           | 941,868             | 749,644             | 732,132             |
| Investment earnings (loss)                   | 1,470,154         | 1,981,369         | 2,255,763           | 1,897,465           | 1,205,421           |
| Rental                                       | -                 | -                 | -                   | -                   | -                   |
| Other  | 1,382,861         | 1,283,861         | 1,329,233           | 1,474,543           | 580,749             |
| <b>Total revenues</b>                        | <b>36,053,615</b> | <b>37,775,729</b> | <b>40,056,073</b>   | <b>38,092,501</b>   | <b>36,449,028</b>   |
| <b>Expenditures</b>                          |                   |                   |                     |                     |                     |
| Legislative                                  | 101,107           | 180,727           | 127,981             | 277,010             | -                   |
| Judicial                                     | 214,972           | 204,724           | 222,134             | 223,025             | -                   |
| Elections                                    | 5,820,832         | 5,880,955         | 6,051,352           | 5,934,204           | -                   |
| General government                           | 9,811,231         | 9,984,893         | 10,062,268          | 9,858,185           | 15,908,581          |
| Public safety                                | 11,869,900        | 12,065,712        | 12,745,940          | 12,681,662          | 12,531,637          |
| Health and welfare                           | 2,868,936         | 3,103,073         | 3,232,085           | 3,032,634           | 2,602,846           |
| Other functions                              | 5,326,414         | 5,831,316         | 5,674,330           | 5,493,801           | 5,051,238           |
| <b>Total expenditures</b>                    | <b>36,013,392</b> | <b>37,251,400</b> | <b>38,116,090</b>   | <b>37,500,521</b>   | <b>36,094,302</b>   |
| Excess of revenues over (under) expenditures | 40,223            | 524,329           | 1,939,983           | 591,980             | 354,726             |
| <b>Other financing sources (uses)</b>        |                   |                   |                     |                     |                     |
| Transfers in                                 | 6,226,447         | 6,214,717         | 6,599,333           | 6,671,943           | 7,780,600           |
| Transfers (out)                              | (5,478,041)       | (6,111,037)       | (6,309,822)         | (5,389,924)         | (5,510,959)         |
| <b>Total other financing sources (uses)</b>  | <b>748,406</b>    | <b>103,680</b>    | <b>289,511</b>      | <b>1,282,019</b>    | <b>2,269,641</b>    |
| <b>Net change in fund balances</b>           | <b>\$ 788,629</b> | <b>\$ 628,009</b> | <b>\$ 2,229,494</b> | <b>\$ 1,873,999</b> | <b>\$ 2,624,367</b> |

Source: Jackson County Finance Department

Schedule 5  
Unaudited

| 2010              | 2011               | 2012                | 2013                  | 2014              |
|-------------------|--------------------|---------------------|-----------------------|-------------------|
| \$ 21,700,151     | \$ 21,109,245      | \$ 21,043,608       | \$ 20,482,195         | \$ 21,411,937     |
| 175,006           | 171,086            | 156,443             | 207,230               | 177,025           |
| 7,862,620         | 8,968,474          | 8,287,347           | 8,539,239             | 9,119,267         |
| 5,491,690         | 5,208,296          | 5,564,361           | 5,542,454             | 5,479,044         |
| 728,241           | 700,521            | 728,655             | 751,820               | 724,427           |
| 869,110           | 1,374,972          | 617,042             | (2,137,379)           | 2,586,554         |
| -                 | -                  | -                   | 183,840               | 191,734           |
| 525,441           | 631,080            | 710,319             | 2,240,661             | 2,124,084         |
| <u>37,352,259</u> | <u>38,163,674</u>  | <u>37,107,775</u>   | <u>35,810,060</u>     | <u>41,814,072</u> |
| -                 | -                  | -                   | -                     | -                 |
| -                 | -                  | -                   | -                     | -                 |
| -                 | -                  | -                   | -                     | -                 |
| 15,835,320        | 15,626,331         | 16,241,246          | 16,058,391            | 17,169,311        |
| 12,925,272        | 13,105,635         | 13,386,637          | 13,533,400            | 14,485,381        |
| 2,601,208         | 2,611,342          | 2,653,476           | 3,017,394             | 3,216,354         |
| 5,497,645         | 5,007,331          | 5,663,549           | 7,526,066             | 6,203,489         |
| <u>36,859,445</u> | <u>36,350,639</u>  | <u>37,944,908</u>   | <u>40,135,251</u>     | <u>41,074,535</u> |
| <u>492,814</u>    | <u>1,813,035</u>   | <u>(837,133)</u>    | <u>(4,325,191)</u>    | <u>739,537</u>    |
| 5,646,699         | 4,515,983          | 4,576,289           | 3,737,376             | 4,108,649         |
| (5,591,401)       | (5,550,456)        | (4,392,109)         | (2,213,052)           | (4,427,339)       |
| <u>55,298</u>     | <u>(1,034,473)</u> | <u>184,180</u>      | <u>1,524,324</u>      | <u>(318,690)</u>  |
| <u>\$ 548,112</u> | <u>\$ 778,562</u>  | <u>\$ (652,953)</u> | <u>\$ (2,800,867)</u> | <u>\$ 420,847</u> |

COUNTY OF JACKSON, MICHIGAN

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years  
(amounts expressed in thousands)

| Fiscal Year | Taxable Value by Property Type |            |            |              |           |                   |
|-------------|--------------------------------|------------|------------|--------------|-----------|-------------------|
|             | Real Property                  |            |            |              | Other     | Personal Property |
|             | Residential                    | Commercial | Industrial | Agricultural |           |                   |
| 2005        | \$ 2,702,975                   | \$ 505,751 | \$ 247,242 | \$ 158,885   | \$ 16,424 | \$ 356,962        |
| 2006        | 2,900,367                      | 532,560    | 241,307    | 162,175      | 13,294    | 370,865           |
| 2007        | 3,086,703                      | 564,281    | 246,554    | 170,502      | 13,253    | 368,855           |
| 2008        | 3,153,655                      | 586,814    | 238,922    | 176,195      | 9,399     | 366,925           |
| 2009        | 3,152,609                      | 594,997    | 242,768    | 183,178      | 6,973     | 370,891           |
| 2010        | 3,010,501                      | 593,343    | 217,483    | 181,464      | 5,667     | 364,718           |
| 2011        | 2,918,037                      | 585,050    | 212,279    | 183,094      | 4,647     | 375,068           |
| 2012        | 2,841,876                      | 553,113    | 205,194    | 187,167      | 4,125     | 385,366           |
| 2013        | 2,844,162                      | 539,221    | 194,597    | 188,802      | 3,718     | 411,501           |
| 2014        | 2,872,372                      | 537,330    | 147,001    | 190,837      | 3,386     | 418,119           |

Source: County Equalization Department, exclusive of commercial facility tax and prior to any Board of Review action

Schedule 6  
Unaudited

| Total        | Estimated Actual Value | Industrial Facilities Taxable Value | Total Direct Tax Rate |
|--------------|------------------------|-------------------------------------|-----------------------|
| \$ 3,988,239 | \$ 5,234,043           | \$ -                                | 6.0244                |
| 4,220,568    | 5,815,259              | -                                   | 5.9994                |
| 4,450,148    | 6,033,906              | -                                   | 5.9909                |
| 4,531,910    | 5,962,893              | -                                   | 5.9909                |
| 4,551,416    | 5,604,766              | -                                   | 5.9909                |
| 4,373,176    | 5,225,510              | 120,563                             | 5.9909                |
| 4,278,175    | 4,971,653              | 108,419                             | 5.9909                |
| 4,176,841    | 4,772,886              | 111,961                             | 5.9936                |
| 4,182,001    | 4,754,803              | 129,410                             | 5.9936                |
| 4,249,045    | 4,843,654              | 167,171                             | 5.9936                |

## COUNTY OF JACKSON, MICHIGAN

### Property Tax Rates - Direct and Overlapping

Last Ten Years

(rate per \$1,000 of taxable value)

|  | 2005          | 2006          | 2007          | 2008          | 2009          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>County direct rates</b>             |               |               |               |               |               |
| Operating                              | 5.1471        | 5.1259        | 5.1187        | 5.1187        | 5.1187        |
| Medical Care Facility                  | 0.1406        | 0.1400        | 0.1398        | 0.1398        | 0.1398        |
| Jail                                   | 0.4879        | 0.4858        | 0.4851        | 0.4851        | 0.4851        |
| Senior services                        | 0.2488        | 0.2477        | 0.2473        | 0.2473        | 0.2473        |
| <b>Total direct rate</b>               | <b>6.0244</b> | <b>5.9994</b> | <b>5.9909</b> | <b>5.9909</b> | <b>5.9909</b> |
| <b>Overlapping rates</b>               |               |               |               |               |               |
| Cities -                               |               |               |               |               |               |
| Jackson                                | 15.8785       | 15.3289       | 14.6889       | 14.5889       | 15.8089       |
| Townships (average)                    | 1.7763        | 1.7185        | 1.6796        | 1.7737        | 1.7709        |
| Villages (average)                     | 10.7263       | 10.6623       | 10.0423       | 9.4123        | 10.9535       |
| School districts (average)             | 22.2208       | 22.3375       | 22.3495       | 22.4486       | 22.3737       |
| Intermediate school district (average) | 6.0999        | 5.9006        | 5.8883        | 5.8986        | 5.9528        |
| Community College:                     | 1.1565        | 1.1463        | 1.1446        | 1.1446        | 1.1446        |
| District library                       | 0.8682        | 0.8606        | 0.8593        | 1.2593        | 1.2593        |

### Operating Tax Rate Limitations

|                       | 2010 - 2012        |                                  | 2013 - 2014        |                                  |
|-----------------------|--------------------|----------------------------------|--------------------|----------------------------------|
|                       | Millage Authorized | Maximum Allowable after Rollback | Millage Authorized | Maximum Allowable after Rollback |
| Operating             | 5.9500             | 5.1187                           | 5.9500             | 5.1187                           |
| Medical Care Facility | 0.1500             | 0.1398                           | 0.1500             | 0.1398                           |
| Jail debt             | 0.5000             | 0.4851                           | 0.5000             | 0.4851                           |
| Senior services       | 0.2500             | 0.2473                           | 0.2500             | 0.2500                           |

Source: Jackson County Equalization Department



| 2010          | 2011          | 2012          | 2013          | 2014          |
|---------------|---------------|---------------|---------------|---------------|
| 5.1187        | 5.1187        | 5.1187        | 5.1187        | 5.1187        |
| 0.1398        | 0.1398        | 0.1398        | 0.1398        | 0.1398        |
| 0.4851        | 0.4851        | 0.4851        | 0.4851        | 0.4851        |
| 0.2473        | 0.2473        | 0.2500        | 0.2500        | 0.2500        |
| <u>5.9909</u> | <u>5.9909</u> | <u>5.9936</u> | <u>5.9936</u> | <u>5.9936</u> |

15.3589      15.8389      16.1389      16.0889      16.9789

1.8980      1.9418      1.9367      1.9445      2.0500

10.7720      10.7496      11.0929      10.8634      13.0162

22.3737      22.8728      21.8281      23.0342      23.4993

5.9528      5.9692      6.0600      6.0612      6.0612

1.1446      1.1446      1.1446      1.1446      1.1446

1.2593      1.2593      1.2593      1.2593      1.2593

**Principal Property Taxpayers**  
Current Year and Nine Years Ago

| Taxpayer                         | 2014                  |      |                                | 2005                  |      |                                |
|----------------------------------|-----------------------|------|--------------------------------|-----------------------|------|--------------------------------|
|                                  | Taxable Value         | Rank | Percent of Total Taxable Value | Taxable Value         | Rank | Percent of Total Taxable Value |
| Consumers Energy                 | \$ 171,387,467        | 1    | 4.03%                          | \$ 106,341,818        | 2    | 2.67%                          |
| MACI                             | 75,622,772            | 2    | 1.78%                          | 35,618,521            | 4    | 0.89%                          |
| DPC Juniper LLC                  | 61,632,557            | 3    | 1.45%                          | 125,302,200           | 1    | 3.14%                          |
| Alphagen                         | 42,363,525            | 4    | 1.00%                          | -                     |      |                                |
| Gerdau MAC Steel                 | 28,547,882            | 5    | 0.67%                          | 60,794,571            | 3    | 1.52%                          |
| Enbride                          | 25,806,326            | 6    | 0.61%                          | -                     |      |                                |
| West Bay Exploration             | 21,393,818            | 7    | 0.50%                          | -                     |      |                                |
| Ramco Jackson LTD                | 15,525,947            | 8    | 0.37%                          | 6,480,298             | 10   | 0.16%                          |
| TAC Manufacturing Inc.           | 13,111,273            | 9    | 0.31%                          | -                     |      |                                |
| Wal-mart Stores Inc.             | 12,956,039            | 10   | 0.30%                          | -                     |      |                                |
| Lloyd Ganton                     | 12,608,638            | 11   | 0.30%                          | -                     |      |                                |
| Vista Grande Villa               | 12,236,918            | 12   | 0.29%                          | -                     |      |                                |
| Tenneco/Walker                   | 12,157,824            | 13   | 0.29%                          | -                     |      |                                |
| Meijer Inc.                      | 12,032,526            | 14   | 0.28%                          | 6,598,581             | 9    | 0.17%                          |
| Michigan Electric Transmission   | 11,802,971            | 15   | 0.28%                          | -                     |      |                                |
| John Ganton                      | 11,334,791            | 16   | 0.27%                          | 9,386,749             | 7    | 0.24%                          |
| Wolverine Tech/Certainteed       | 9,298,278             | 17   | 0.22%                          | 10,606,900            | 6    | 0.27%                          |
| Comcast                          | 8,921,233             | 18   | 0.21%                          | -                     |      |                                |
| Adco                             | 8,449,946             | 19   | 0.20%                          | -                     |      |                                |
| Vector Pipeline LP               | 7,134,624             | 20   | 0.17%                          | 11,229,325            | 5    | 0.28%                          |
| Worthington Specialty Processing | -                     |      |                                | 7,476,482             | 8    | 0.19%                          |
|                                  | <u>\$ 574,325,355</u> |      | <u>13.52%</u>                  | <u>\$ 379,835,445</u> |      | <u>9.53%</u>                   |

Source: Jackson County Equalization Department

**Property Tax Levies and Collections**  
Last Ten Years

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy |
|-------------|----------------|-------------------------|------------------------------------|----------------------------|-----------------------|--|
| 2005        | \$ 21,626,845  | \$ 19,709,618           | 91.13%                             | \$ 1,660,868               | \$ 21,370,486         | 98.81%   |
| 2006        | 22,764,241     | 20,944,310              | 92.01%                             | 1,702,934                  | 22,647,244            | 99.49%   |
| 2007        | 25,334,259     | 23,532,388              | 92.89%                             | 1,605,031                  | 25,137,419            | 99.22%   |
| 2008        | 25,805,606     | 24,135,002              | 93.53%                             | 1,439,464                  | 25,574,466            | 99.10%   |
| 2009        | 25,772,909     | 23,450,825              | 90.99%                             | 1,699,356                  | 25,150,181            | 97.58%   |
| 2010        | 24,776,520     | 22,980,074              | 92.75%                             | 1,568,371                  | 24,548,445            | 99.08%   |
| 2011        | 24,191,799     | 22,635,414              | 93.57%                             | 1,460,958                  | 24,096,372            | 99.61%   |
| 2012        | 23,838,450     | 22,426,460              | 94.08%                             | 1,361,990                  | 23,788,450            | 99.79%   |
| 2013        | 24,076,501     | 22,603,314              | 93.88%                             | 1,473,188                  | 24,076,501            | 100.00%  |
| 2014        | 24,486,531     | 23,097,727              | 94.33%                             | 1,388,805                  | 24,486,531            | 100.00%  |

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State Revenue Sharing Payments  
Last Ten Years

| Fiscal Year Ended | Revenue Sharing Payments |
|-------------------|--------------------------|
| 2005              | \$ -                     |
| 2006              | -                        |
| 2007              | -                        |
| 2008              | -                        |
| 2009              | 523,936                  |
| 2010              | 2,361,911                |
| 2011              | 3,297,426                |
| 2012              | 2,577,416                |
| 2013              | 2,611,765                |
| 2014              | 2,906,904                |

Source: Jackson County Finance Department

**Ratios of Outstanding Debt by Type**  
Last Ten Years

| Fiscal Year | Governmental Activities  | Business-type Activities |               | Total Primary Government | % of Personal Income | Per Capita |
|-------------|--------------------------|--------------------------|---------------|--------------------------|----------------------|------------|
|             | General Obligation Bonds | General Obligation Bonds | Revenue Bonds |                          |                      |            |
| 2005        | \$ 12,800,000            | \$ 14,790,714            | \$ 12,385,000 | \$ 39,975,714            | 8.96%                | \$ 244.31  |
| 2006        | 19,495,000               | 14,424,109               | 10,825,000    | 44,744,109               | 10.00%               | 273.08     |
| 2007        | 18,895,000               | 14,055,505               | 9,245,000     | 42,195,505               | 9.08%                | 258.86     |
| 2008        | 18,913,195               | 13,680,900               | 7,675,000     | 40,269,095               | 8.45%                | 251.40     |
| 2009        | 17,495,000               | 13,254,295               | 5,775,000     | 36,524,295               | 7.75%                | 228.52     |
| 2010        | 17,195,000               | 12,822,645               | 4,445,000     | 34,462,645               | 7.31%                | 215.06     |
| 2011        | 16,290,000               | 12,341,085               | 2,695,000     | 31,326,085               | 8.91%                | 195.49     |
| 2012        | 15,395,000               | 11,864,481               | 905,000       | 28,164,481               | 7.90%                | 175.69     |
| 2013        | 14,355,000               | 11,309,481               | -             | 25,664,481               | 7.15%                | 160.03     |
| 2014        | 13,339,662               | 11,425,000               | -             | 24,764,662               | 4.73%                | 167.00     |

Source: Jackson County Finance Department

**Ratios of Net General Bonded Debt Outstanding**  
Last Ten Years

| Fiscal Year | General Obligation Bonds | Less: Amounts Restricted to Repaying Principal | Total         | % of Personal Income | % of Ad Valorem Taxable Value of Property | Per Capita |
|-------------|--------------------------|--|---------------|----------------------|---|------------|
| 2005        | \$ 27,590,714            | \$ -   | \$ 27,590,714 | 6.18%                | 0.69%                                     | \$ 168.62  |
| 2006        | 33,919,109               | -  | 33,919,109    | 7.58%                | 0.80%                                     | 207.01     |
| 2007        | 32,950,505               | -  | 32,950,505    | 7.09%                | 0.74%                                     | 202.14     |
| 2008        | 32,594,095               | -  | 32,594,095    | 6.84%                | 0.72%                                     | 203.48     |
| 2009        | 30,749,295               | -  | 30,749,295    | 6.52%                | 0.68%                                     | 192.39     |
| 2010        | 30,017,645               | -  | 30,017,645    | 6.37%                | 0.69%                                     | 187.32     |
| 2011        | 28,631,085               | -  | 28,631,085    | 8.14%                | 0.67%                                     | 178.67     |
| 2012        | 27,259,481               | -  | 27,259,481    | 7.65%                | 0.65%                                     | 170.04     |
| 2013        | 25,664,481               | -  | 25,664,481    | 7.15%                | 0.61%                                     | 160.03     |
| 2014        | 24,764,662               | -  | 24,764,662    | 4.73%                | 0.58%                                     | 167.00     |

Source: Jackson County Finance Department

**Computation of Net Direct and Overlapping Debt**  
December 31, 2014

|  | Gross Amount Outstanding | Self-Supporting or Paid by Benefited Government | Net Amount Outstanding |
|--|--------------------------|---|------------------------|
| <b>Direct debt</b>                     |                          |   |                        |
| General obligation bonds               | \$ 13,360,000            | \$ 5,385,000                                    | \$ 7,975,000           |
| Medical care facility bonds            | 11,425,000               | 11,425,000                                      | -                      |
| Road fund debt                         | 74,543                   | 74,543  | -                      |
| Board of public works - Component Unit | 19,845,604               | 19,845,604                                      | -                      |
| <b>Net direct debt</b>                 | <b>\$ 44,705,147</b>     | <b>\$ 36,730,147</b>                            | <b>\$ 7,975,000</b>    |

|                                | Gross         | County Share | Net Amount Outstanding |
|--------------------------------|---------------|--------------|------------------------|
| <b>Overlapping debt</b>        |               |              |                        |
| City of Jackson                | \$ 39,110,000 | 100.00%      | 39,110,000             |
| Blackman Township              | 2,850,000     | 100.00%      | 2,850,000              |
| Columbia Township              | 5,288,765     | 100.00%      | 5,288,765              |
| Grass Lake Township            | 579,019       | 100.00%      | 579,019                |
| Hanover Township               | 1,426,320     | 100.00%      | 1,426,320              |
| Henrietta Township             | 2,170,000     | 100.00%      | 2,170,000              |
| Leoni Township                 | 3,575,000     | 100.00%      | 3,575,000              |
| Liberty Township               | 373,680       | 100.00%      | 373,680                |
| Napoleon Township              | 2,795,981     | 100.00%      | 2,795,981              |
| Norvell Township               | 1,359,484     | 100.00%      | 1,359,484              |
| Rives Township                 | 985,000       | 100.00%      | 985,000                |
| Spring Arbor Township          | 280,000       | 100.00%      | 280,000                |
| Brooklyn Village               | 2,150,000     | 100.00%      | 2,150,000              |
| Concord Village                | 560,000       | 100.00%      | 560,000                |
| Grass Lake Village             | 1,745,000     | 100.00%      | 1,745,000              |
| Parma Village                  | 4,655,000     | 100.00%      | 4,655,000              |
| Springport Village             | 260,000       | 100.00%      | 260,000                |
| Addison School District        | 16,855,000    | 0.05%        | 8,428                  |
| Albion School District         | 4,750,000     | 6.43%        | 305,425                |
| Chelsea School District        | 46,003,004    | 4.69%        | 2,157,541              |
| Columbia School District       | 30,480,000    | 77.74%       | 23,695,152             |
| Concord School District        | 2,815,000     | 100.00%      | 2,815,000              |
| East Jackson School District   | 24,626,542    | 100.00%      | 24,626,542             |
| Grass Lake School District     | 29,175,593    | 99.26%       | 28,959,694             |
| Hanover-Horton School District | 3,310,000     | 86.20%       | 2,853,220              |

continued...



**Computation of Net Direct and Overlapping Debt**  
December 31, 2014

|                                      | Gross                 | County Share | Net Amount Outstanding |
|--------------------------------------|-----------------------|--------------|------------------------|
| <b>Overlapping debt (Continued)</b>  |                       |              |                        |
| Homer School District                | \$ 20,891,165         | 1.26%        | \$ 263,229             |
| Jackson School District              | 46,865,000            | 100.00%      | 46,865,000             |
| Jonesville School District           | 22,932,784            | 0.66%        | 151,356                |
| Leslie School District               | 13,462,087            | 12.38%       | 1,666,606              |
| Litchfield School District           | 645,000               | 3.15%        | 20,318                 |
| Manchester School District           | 42,799,031            | 0.71%        | 303,873                |
| Napoleon School District             | 18,940,000            | 99.95%       | 18,930,530             |
| North Adams-Jerome School District   | 600,000               | 0.87%        | 5,220                  |
| Northwest School District            | 43,070,000            | 99.77%       | 42,970,939             |
| Springport School District           | 14,438,330            | 65.39%       | 9,441,224              |
| Stockbridge School District          | 10,275,000            | 22.45%       | 2,306,738              |
| Vandercook Lake School district      | 6,940,000             | 100.00%      | 6,940,000              |
| Western School District              | 43,032,391            | 100.00%      | 43,032,391             |
| Ingham Intermediate School district  | 2,002,000             | 1.17%        | 23,423                 |
| Jackson Intermediate School District | 830,000               | 94.50%       | 785,097                |
| Jackson College                      | 35,340,000            | 100.00%      | 35,340,000             |
|                                      | <u>\$ 551,241,176</u> |              | <u>\$ 364,630,194</u>  |
| <b>Total overlapping debt</b>        |                       |              |                        |
|                                      |                       |              | <u>\$ 372,605,194</u>  |

concluded.

Overlapping debt is calculated for an entity, based upon assessed values received from the State of Michigan, which determines the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

COUNTY OF JACKSON, MICHIGAN

Schedule 13  
Unaudited

**Legal Debt Margin**  
Last Ten Years

|   |                           |
|---|---------------------------|
| Legal debt margin calculation for 2014        |                           |
| Assessed value                                | <u>\$ 4,843,654,000</u>   |
| Debt limit (10% of state equalized value)     | 484,365,400               |
| Debt applicable to limit - gross direct bonds | <u>(46,521,973)</u>       |
| <br>Legal debt margin                         | <br><u>\$ 437,843,427</u> |

| Year | Debt Limit     | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to Limit As % of Debt Limit Ratio |
|------|----------------|------------------------------------|-------------------|---|
| 2005 | \$ 523,440,388 | \$ 83,655,000                      | \$ 439,785,388    | 15.98%  |
| 2006 | 581,211,455    | 85,880,000                         | 495,331,455       | 14.78%  |
| 2007 | 603,390,600    | 80,995,000                         | 522,395,600       | 13.42%  |
| 2008 | 596,294,900    | 76,808,255                         | 519,486,645       | 12.88%  |
| 2009 | 560,476,600    | 73,033,008                         | 487,443,592       | 13.03%  |
| 2010 | 522,551,000    | 68,521,552                         | 454,029,448       | 13.11%  |
| 2011 | 497,165,300    | 62,576,592                         | 434,588,708       | 12.59%  |
| 2012 | 477,288,600    | 54,015,443                         | 423,273,157       | 11.32%  |
| 2013 | 475,480,300    | 47,970,215                         | 427,510,085       | 10.09%  |
| 2014 | 484,365,400    | 46,521,973                         | 437,843,427       | 9.60%   |

Source: Jackson County Finance Department

Demographic and Economic Statistics  
Last Ten Years

| Fiscal Year | (1)<br>Population | (2)<br>Labor Force | (2)<br>Employment | (2)<br>Unemployment | (2)<br>Unemployment Rate | (3)<br>Total Personal Income (000's) | (3)<br>Per Capita Income |
|-------------|-------------------|--------------------|-------------------|---------------------|--------------------------|--------------------------------------|--------------------------|
| 2005        | 163,629           | 78,700             | 73,375            | 5,325               | 6.8%                     | \$ 4,461,465                         | \$ 27,266                |
| 2006        | 163,851           | 78,612             | 72,987            | 5,625               | 7.2%                     | 4,475,638                            | 27,315                   |
| 2007        | 163,006           | 77,442             | 71,591            | 5,851               | 7.6%                     | 4,644,937                            | 28,495                   |
| 2008        | 160,180           | 76,513             | 69,845            | 6,668               | 8.7%                     | 4,767,939                            | 29,766                   |
| 2009        | 159,828           | 76,470             | 66,162            | 10,308              | 13.5%                    | 4,713,086                            | 29,488                   |
| 2010        | 160,248           | 72,338             | 65,106            | 7,232               | 10.0%                    | 4,713,086                            | 29,411                   |
| 2011        | 160,248           | 71,890             | 65,680            | 6,210               | 8.6%                     | 3,516,693                            | 21,945                   |
| 2012        | 160,309           | 69,851             | 64,240            | 5,611               | 8.0%                     | 3,563,188                            | 22,227                   |
| 2013        | 160,369           | 69,678             | 64,115            | 5,563               | 8.0%                     | 3,590,341                            | 22,388                   |
| 2014        | 159,741           | 72,300             | 68,600            | 3,700               | 5.1%                     | 5,237,323                            | 32,786                   |

Source: Jackson County Finance Department

**Principal Employers**  
Current Year and Twelve Years Ago

| Employer                              | 2014 (1)                  |      |                                     | 2002 (2)      |      |                                     |
|---------------------------------------|---------------------------|------|-------------------------------------|---------------|------|-------------------------------------|
|                                       | (1)<br>Total<br>Employees | Rank | % of<br>Total County<br>Labor Force | Employees     | Rank | % of<br>Total County<br>Labor Force |
| Allegiance Health System              | 3,620                     | 1    | 5.01%                               | 2,589         | 1    | 3.55%                               |
| Consumers Energy                      | 2,400                     | 2    | 3.32%                               | 2,025         | 3    | 2.78%                               |
| Michigan Department of Corrections    | 2,040                     | 3    | 2.82%                               | 2,301         | 2    | 3.16%                               |
| Great Lakes Home Health/Hospice       | 1,118                     | 4    | 1.55%                               |               |      |                                     |
| Local Government                      | 870                       | 5    | 1.20%                               | 955           | 5    | 1.31%                               |
| Jackson Public Schools                | 782                       | 6    | 1.08%                               |               |      |                                     |
| Meijer Inc.                           | 755                       | 7    | 1.04%                               | 1,400         | 4    | 1.92%                               |
| Michigan Automotive Compressor (MACI) | 750                       | 8    | 1.04%                               | 500           | 8    | 0.69%                               |
| Jackson College                       | 650                       | 9    | 0.90%                               | 833           | 6    | 1.14%                               |
| Eaton Corporation                     | 636                       | 10   | 0.88%                               | 600           | 7    | 0.82%                               |
| TAC Manufacturing                     | 580                       | 11   | 0.80%                               | 300           | 12   | 0.41%                               |
| Wal-Mart Inc.                         | 568                       | 12   | 0.79%                               |               |      |                                     |
| JCISD                                 | 500                       | 13   | 0.69%                               |               |      | 0.00%                               |
| McDonalds Restaurants                 | 450                       | 14   | 0.62%                               |               |      |                                     |
| Dawn Food Products                    | 400                       | 15   | 0.55%                               | 350           | 10   | 0.48%                               |
| Gerdau Special Steel North America    | 385                       | 16   | 0.53%                               |               |      |                                     |
| Tenneco                               | 350                       | 17   | 0.48%                               |               |      |                                     |
| Spring Arbor University               | 300                       | 18   | 0.41%                               |               |      |                                     |
| Anesthesia Business Consultants       | 284                       | 19   | 0.39%                               |               |      |                                     |
| LifeWays/Community Connections        | 275                       | 20   | 0.38%                               |               |      |                                     |
| Michigan Seat Company                 |                           |      |                                     | 400           | 9    | 0.55%                               |
| Wolverine Vinyl Siding                |                           |      |                                     | 350           | 11   | 0.48%                               |
|                                       | <u>17,713</u>             |      | <u>24.48%</u>                       | <u>12,603</u> |      | <u>17.29%</u>                       |

Source (1): The Enterprise Group, Jackson County.  
Source (2): Jackson County Building Authority Bonds Series 2002  
Official bond Statement 2002

**Full-Time Equivalent County Government Employees by Function/Program**  
By Function/Program  
Last Ten Years

| Function/Program                  | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Legislative:                      |              |              |              |              |              |              |              |              |              |              |
| Board of Commissioners            | 12.0         | 12.0         | 12.0         | 12.0         | 12.0         | 12.0         | 12.0         | 12.0         | 9.0          | 9.0          |
| Judicial:                         |              |              |              |              |              |              |              |              |              |              |
| Circuit court                     | 30.5         | 31.5         | 30.0         | 29.0         | 29.0         | 28.0         | 28.0         | 28.0         | 28.0         | 28.0         |
| District court                    | 55.0         | 55.0         | 55.0         | 55.0         | 54.5         | 51.0         | 49.0         | 49.0         | 49.5         | 49.5         |
| Friend of the court               | 47.5         | 47.5         | 47.5         | 46.5         | 44.5         | 43.5         | 44.0         | 44.0         | 44.0         | 44.0         |
| County guardian                   | 3.3          | 3.0          | -            | -            | -            | -            | -            | -            | -            | -            |
| General government and elections: |              |              |              |              |              |              |              |              |              |              |
| County Administration             | 3.0          | 3.0          | 2.0          | 2.0          | 3.0          | 3.5          | 2.5          | 2.5          | 2.5          | 2.5          |
| *Finance                          | 4.8          | 4.5          | 4.5          | 4.3          | 7.5          | 6.5          | 3.5          | 3.6          | 3.5          | 3.5          |
| Information & Tech Systems        | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          |
| *Human Resources                  | 5.0          | 3.0          | 3.0          | 3.0          | -            | -            | 4.8          | 4.5          | 5.8          | 5.8          |
| Equalization                      | 9.0          | 8.0          | 8.0          | 8.0          | 8.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| GIS                               | -            | -            | 3.0          | 3.0          | 3.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Facilities Management             | 18.0         | 18.0         | 17.8         | 21.5         | 20.5         | 17.0         | 14.8         | 14.8         | 14.8         | 14.8         |
| Fleet Operations                  | 3.0          | 3.0          | 2.0          | -            | -            | -            | -            | -            | -            | -            |
| Clerk                             | 19.5         | 20.3         | 20.4         | 20.7         | 21.0         | 20.0         | 19.3         | 18.8         | 18.8         | 18.8         |
| Register of Deeds                 | 6.0          | 6.0          | 6.0          | 6.0          | 5.0          | 4.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| Treasurer                         | 1.5          | 2.0          | 1.5          | 1.5          | 1.5          | 1.0          | 1.0          | 1.0          | 0.5          | 0.5          |
| MSU Extension                     | 3.5          | 3.5          | 3.0          | 3.0          | 2.5          | 2.5          | 2.5          | 2.0          | 2.0          | 1.0          |
| Drain Commissioner                | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Print Department                  | 1.0          | 1.0          | 1.0          | 1.0          | -            | -            | -            | -            | -            | -            |
| ***Retirement Board               | 1.0          | 1.0          | 1.3          | 1.3          | 1.3          | 1.3          | -            | -            | -            | -            |
| Public safety:                    |              |              |              |              |              |              |              |              |              |              |
| Prosecuting attorney              | 27.5         | 27.5         | 27.5         | 27.5         | 27.5         | 25.6         | 25.6         | 25.6         | 25.6         | 25.6         |
| Sheriff                           | 65.0         | 65.0         | 62.0         | 60.0         | 59.0         | 54.0         | 55.0         | 58.0         | 58.0         | 57.0         |
| Emergency management              | 20.0         | 20.0         | 20.0         | 20.0         | 20.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         |
| Jail                              | 56.3         | 58.0         | 56.0         | 56.0         | 55.0         | 54.0         | 54.0         | 54.0         | 54.0         | 54.0         |
| Animal control                    | 7.8          | 7.3          | 7.3          | 7.0          | 4.0          | 3.0          | 3.0          | 3.0          | 3.0          | -            |
| Youth center                      | 39.5         | 39.5         | 38.0         | 36.6         | 35.8         | 32.4         | 32.4         | 32.3         | 32.3         | 32.3         |
| Health and welfare:               |              |              |              |              |              |              |              |              |              |              |
| Environmental Health              | -            | 13.0         | 13.0         | 9.8          | 8.3          | 8.0          | 8.0          | 8.0          | 8.2          | 8.2          |
| Public Health                     | 56.0         | 43.7         | 40.7         | 39.0         | 41.8         | 40.2         | 41.5         | 43.5         | 44.0         | 44.0         |
| Medical Examiner                  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Department On Aging               | 26.5         | 26.3         | 30.4         | 29.9         | 28.8         | 28.6         | 27.7         | 27.7         | 27.7         | 27.7         |
| Veterans Services                 | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| **Animal Shelter                  | -            | -            | -            | -            | 3.0          | 3.5          | 3.5          | 3.5          | 3.5          | 3.5          |
| Cultural and recreation:          |              |              |              |              |              |              |              |              |              |              |
| Parks & Recreation                | 10.0         | 8.0          | 8.0          | 8.0          | 8.0          | 6.0          | 6.0          | 6.0          | 6.0          | 5.7          |
| Golf Course                       | -            | 1.0          | 4.6          | 4.0          | 4.0          | 2.6          | 2.8          | 2.8          | 2.8          | 2.8          |
| ***Fair                           | -            | -            | -            | -            | -            | 2.5          | 1.0          | 1.0          | 1.0          | 1.3          |
| Other:                            |              |              |              |              |              |              |              |              |              |              |
| Airport                           | 4.0          | 4.0          | 4.0          | 4.0          | 3.5          | 3.5          | 3.5          | 3.7          | 3.5          | 3.5          |
| Transportation                    | -            | -            | -            | -            | -            | -            | -            | -            | 75.0         | 75.0         |
| Enterprise funds                  | 9.0          | 8.5          | 7.5          | 7.5          | 8.5          | 6.0          | 6.0          | 6.0          | 6.5          | 6.5          |
| <b>Total</b>                      | <b>558.2</b> | <b>557.1</b> | <b>550.0</b> | <b>540.1</b> | <b>533.5</b> | <b>503.2</b> | <b>499.4</b> | <b>503.3</b> | <b>577.5</b> | <b>572.5</b> |

Source: Jackson County Finance Department

\* Human Resources was combined with Administration Services in 2009

\*\* Animal Shelter was separated in 2009 from Animal Control

\*\*\* Fair Fund became a special revenue fund in 2010

COUNTY OF JACKSON, MICHIGAN

Operating Indicators by Function/Program  
Last Ten Years

| Function/Program               | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Public safety</b>           |         |         |         |         |         |         |
| Sheriff:                       |         |         |         |         |         |         |
| Complaints                     | 23,795  | 24,669  | 26,641  | 26,792  | 33,034  | 30,069  |
| Dispatches                     | 140,099 | 134,028 | 129,691 | 127,895 | 146,669 | 138,673 |
| Arrests                        | 1,610   | 1,871   | 1,856   | 1,875   | 1,551   | 1,506   |
| Bookings                       | 8,376   | 8,991   | 9,576   | 8,996   | 9,543   | 11,104  |
| <b>Health</b>                  |         |         |         |         |         |         |
| Public health:                 |         |         |         |         |         |         |
| Immunizations administered     | 12,586  | 7,859   | 7,645   | 7,575   | 7,133   | 14,921  |
| WIC participants               | 5,243   | 5,082   | 5,272   | 5,534   | 5,687   | 5,725   |
| Vision/hearing screenings      | 15,411  | 9,518   | 14,964  | 16,433  | 10,472  | 16,392  |
| <b>Cultural and recreation</b> |         |         |         |         |         |         |
| Parks and recreation:          |         |         |         |         |         |         |
| Special events participation   | 215,000 | 215,000 | 200,000 | 220,000 | 220,000 | 220,000 |
| Cascades Falls participation   | 28,000  | 27,500  | 40,000  | 29,750  | 29,750  | 29,750  |
| Rounds of golf                 | 45,665  | 40,700  | 30,000  | 38,550  | 33,700  | 33,400  |
| Camper participation           | 14,500  | 15,300  | 13,300  | 15,550  | 15,550  | 33,700  |

Source: Jackson County Finance Department, Sheriff, Health, and Parks and Recreation Departments

Schedule 17  
Unaudited



| 2011    | 2012    | 2013    | 2013    | 2014    |
|---------|---------|---------|---------|---------|
| 39,448  | 35,654  | 36,076  | 36,076  | 36,480  |
| 149,663 | 152,808 | 141,157 | 141,157 | 132,512 |
| 1,335   | 2,328   | 2,305   | 2,305   | 2,010   |
| 10,779  | 8,182   | 8,309   | 8,309   | 7,190   |
| 10,052  | 9,247   | 7,576   | 7,576   | 5,965   |
| 5,485   | 5,401   | 5,361   | 5,361   | 5,445   |
| 17,597  | 18,671  | 18,330  | 18,330  | 17,741  |
| 220,000 | 225,000 | 225,000 | 225,000 | 230,000 |
| 29,750  | 31,425  | 23,964  | 23,964  | 26,895  |
| 33,400  | 32,248  | 25,000  | 25,000  | 22,500  |
| 33,700  | 14,740  | 2,400   | 2,400   | 1,635   |

**Capital Assets Statistics by Function/Program**  
Last Ten Years

| Function/Program                | 2005 | 2006  | 2007  | 2008 | 2009 | 2010 | 2011  | 2012 | 2013 | 2014  |
|---------------------------------|------|-------|-------|------|------|------|-------|------|------|-------|
| Public safety                   |      |       |       |      |      |      |       |      |      |       |
| Corrections facility capacities | 426  | 426   | 426   | 426  | 426  | 426  | 426   | 426  | 426  | 426   |
| Vehicle:                        |      |       |       |      |      |      |       |      |      |       |
| Sheriff                         | 40   | 43    | 38    | 39   | 47   | 41   | 49    | 35   | 31   | 34    |
| Animal control                  | 4    | 4     | 4     | 4    | 5    | 4    | 5     | 3    | -    | -     |
| Culture and recreation          |      |       |       |      |      |      |       |      |      |       |
| Parks:                          |      |       |       |      |      |      |       |      |      |       |
| County                          | 15   | 15    | 16    | 16   | 16   | 16   | 16    | 16   | 16   | 16    |
| Acreage                         | 591  | 591   | 1,000 | 900  | 900  | 900  | 900   | 900  | 900  | 1,086 |
| Picnic areas                    | 15   | 15    | 17    | 17   | 17   | 17   | 17    | 17   | 17   | 17    |
| Buildings:                      |      |       |       |      |      |      |       |      |      |       |
| Restaurant/meeting              | 1    | 1     | 1     | 1    | 1    | 1    | 1     | 1    | 1    | 1     |
| County recreation center        | 1    | 1     | 1     | 1    | 1    | 1    | 1     | 1    | 1    | 1     |
| Picnic shelter/pavilions        | 10   | 10    | 10    | 15   | 15   | 15   | 15    | 15   | 15   | 15    |
| Concession                      | 2    | 2     | 2     | 4    | 4    | 4    | 4     | 4    | 4    | 4     |
| Swimming beach areas            | 12   | 12    | 12    | 12   | 12   | 12   | 12    | 12   | 12   | 12    |
| Golf courses:                   |      |       |       |      |      |      |       |      |      |       |
| 18 hole course                  | 1    | 1     | 1     | 1    | 1    | 1    | 1     | 1    | 1    | 1     |
| Par 3 course                    | 1    | 1     | 1     | 1    | 1    | 1    | 1     | 1    | 1    | 1     |
| Driving range                   | 1    | 1     | 1     | 1    | 1    | 1    | 1     | 1    | 1    | 1     |
| Trails/paths/sidewalks          | 3    | 3     | 4     | 4    | 4    | 4    | 4     | 4    | 4    | 4     |
| Playgrounds                     | 15   | 15    | 15    | 9    | 9    | 10   | 10    | 10   | 10   | 10    |
| Boat launch                     | 8    | 8     | 8     | 8    | 8    | 8    | 8     | 8    | 8    | 8     |
| Campgrounds                     | 2    | 2     | 2     | 2    | 2    | 2    | 2     | 2    | 2    | 2     |
| Public works                    |      |       |       |      |      |      |       |      |      |       |
| Miles of streets:               |      |       |       |      |      |      |       |      |      |       |
| Paved primary                   | 652  | 652   | 652   | 546  | 544  | 544  | 544   | 544  | 544  | 544   |
| Paved local                     | 972  | 1,010 | 1,010 | 788  | 790  | 796  | 1,042 | 786  | 811  | 811   |
| Gravel                          | 312  | 283   | 283   | 249  | 248  | 253  | 250   | 253  | 229  | 229   |

Source: Jackson County Finance Department