

County of Jackson,  
Michigan



For the Year Ended  
December 31, 2015

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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# COUNTY OF JACKSON, MICHIGAN

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## INTRODUCTORY SECTION

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# Jackson County

## ADMINISTRATOR/CONTROLLER

Michael R. Overton, Administrator/Controller

June 30, 2016

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, 2015. 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 the financial statements of Jackson County for the fiscal year ended December 31, 2015 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 Jackson County's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. This is the highest opinion that can be received. The independent auditor's 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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. Jackson County's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE JACKSON COUNTY GOVERNMENT

Jackson County occupies 707 square miles, has a current population of just over 160,000, and 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 constitutionally mandated 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 is to determine the type and level of County services, approve the County budget, maintain equalization of County property values, provide responsive legislative oversight for County services, and the appointment of various boards, commissions and County officials.

Judges of the 4th Judicial Circuit, Probate Court, and 12th 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 Jackson County Board of Commissioners dissolved the Road Commission and assumed their 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 578 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 the Henry Ford 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.

The Jackson County Airport's runway realignment project, which began in 2006, is currently in phase II construction. The total estimated construction budget is \$40 million. When completed in 2017, this project will enhance the viability of an "Aviation Business Park" located on surplus airport property.

The 2015 taxable value for Jackson County increased by 1.62%. 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 or 2.94% for 2015.

For the period of 2013-2015, the economic impact for Jackson County included 708 new jobs created, 2,210 jobs retained, and \$434.2 million in new investment. Year-to-date through 5/23/16, \$8,591,049 investment has been realized, creating 189 jobs, and retaining 184. The County was successful in obtaining a \$400,000 EPA Assessment Grant in 2015 to encourage redevelopment of Brownfields, and has awarded over \$100,000 for projects requiring environmental assessment to date. Notable for 2014, Jackson County ranked #97 out of 322 manufacturing metro areas as one of the fastest growing manufacturing metros of 2014, with a 3.2% growth rate from 300 new manufacturing jobs.

### Long-Term Financial Planning

Unassigned fund balance in the general fund is 22.06% 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 2017.

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 83 FTE's. This reduction has largely been achieved via attrition (retirements & terminations) and departmental reorganizations. The adopted 2016 budget does not call for decreases in staff.

The Board of Commissioners continues to adopt a 5 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 2017. The expectation is that revenues and expenditures will be structurally balanced by 2018. 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.

#### Relevant Financial Policies

The greatest impact on the County budget in many years was the passage of Public Act 357 of 2004 that shifted the collection of the County property tax assessment from the winter to the summer. The Legislature passed this act to create a revenue stream that, for the next few years, would offset the elimination of state revenue sharing payments. This shift has necessitated the large increase in undesignated reserves for cash flow purposes since the largest single revenue source the county receives (property taxes) are now not fully collected until May following the December fiscal yearend. The change caused an additional challenge since budgeting is dependent on the legislature continuing to fund revenue sharing to Counties while the State's revenues decrease. In anticipation of this challenge, the Board of Commissioners increased the target for undesignated/unreserved fund balance as has been previously discussed.

The Headlee Amendment of 1978 was designed to limit the ability of local governments to levy new taxes and to limit the growth of property tax revenues in general. Its provisions require that when growth on existing property is greater than inflation, the local government must "roll back" its millage rate so that the total increase does not exceed inflation. In 1994 Proposal A was passed which limits the increase in property taxes on individual properties to the lesser of inflation or 5% unless the property is sold. These two provisions control growth but not declines in property values meaning that governments that experience losses during downturns will take decades to restore tax revenues during recoveries. The net effect of these two provisions will limit our revenue increase to 0.3%. It seems each year the County's cost increases significantly outpace revenue increases, it's only a matter of time before municipal governments have to reduce levels of service due to lack of funding.

Jackson County depleted its Revenue Sharing Reserve Fund in 2010 and as a result the State did reinstate Revenue Sharing payments beginning in 2010 at full funding levels. However, going forward the amounts are equivalent to what the County received in 2001. The County has entered into several Inter-local Agreements with units of governments that will enhance general operating revenues going forward.

#### 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. Inter Local Agreements were consummated for Road Patrol services with eight townships, villages and other local governments. The Equalization office began township assessing in 2012 and expects to add additional services in 2016. In 2013 the County entered into an agreement to share JCDOT management personnel and equipment with the Calhoun County Road Department. This endeavor resulted in over \$300,000 of additional revenue in 2015. The County will continue to explore other collaborative arrangements in the areas of IT, Assessing, 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, 2014. This is the 21st consecutive year that the County has achieved this prestigious award. 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 years beginning January 1, 2011, 2012 and 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.

Jackson County's bond rating was upgraded by Standard & Poor to AA from A+ in early 2010, and we've been reviewed multiple times since and continue to be an A+ community.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the County of Jackson, and outside participating partners. 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 the County of Jackson's finances.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael Overton". The signature is written in a cursive, flowing style.

Michael R. Overton

Administrator/Controller

# COUNTY OF JACKSON, MICHIGAN

## PRINCIPAL OFFICIALS

YEAR ENDED DECEMBER 31, 2015

### BOARD OF COMMISSIONERS

James E. Shotwell, Jr., Chair

Sarah Lightner  
Rodney Walz  
Carl Rice, Jr.  
Phillip S. Duckham, III

Julie L. Alexander  
Daniel J. Mahoney  
John Polaczyk  
David K. Elwell

### ADMINISTRATOR/CONTROLLER

Michael R. Overton

### DEPUTY ADMINISTRATOR

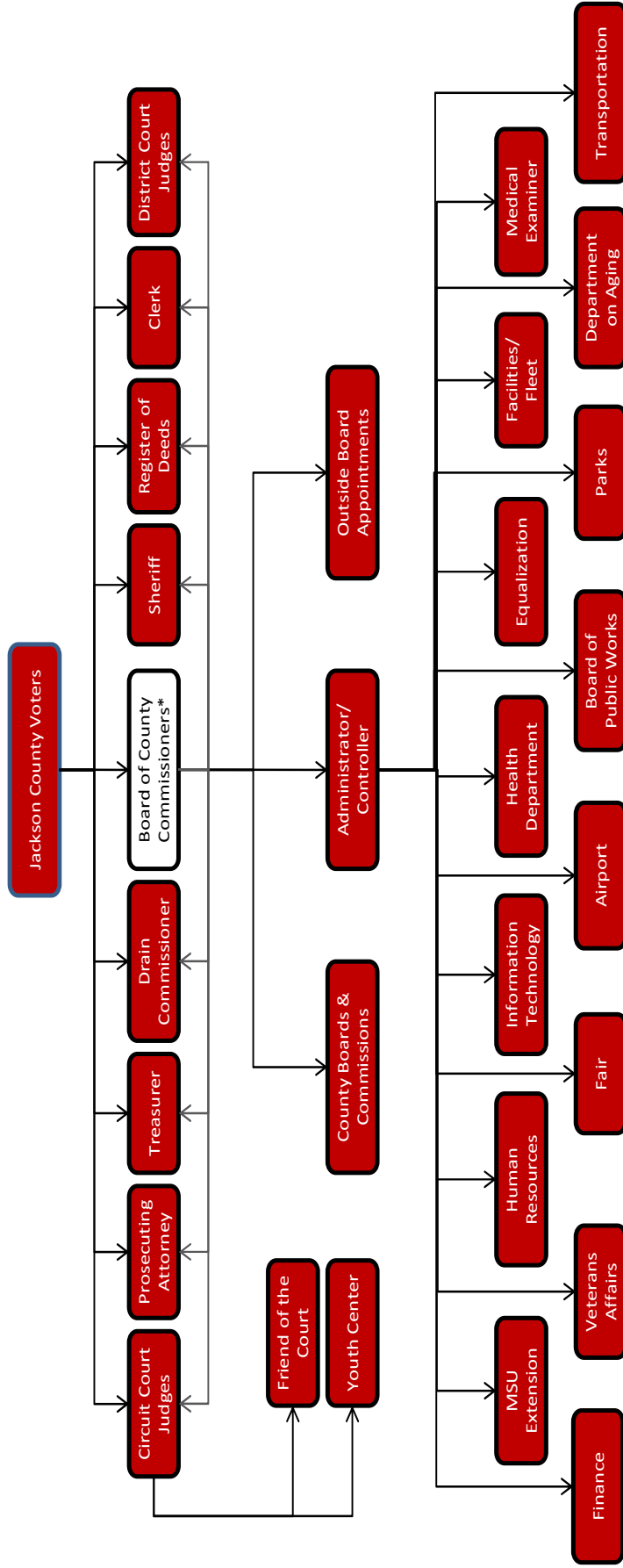
Adam J. Brown

### 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, 2014**

Executive Director/CEO



## FINANCIAL SECTION

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**INDEPENDENT AUDITORS' REPORT**

June 30, 2016

Board of Commissioners  
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, 2015, 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 60.5%, 45.0%, and 78.4%, 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 3.9%, 15.8% and 2.8%, 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, 2015, 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. 68*

As described in Note 20, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. Accordingly, beginning net position of governmental activities, business-type activities and the Medical Care Facility enterprise fund were restated. 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, and the introductory section and statistical tables 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, 2016 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. The financial statements of the Jackson County Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

*Rehmann Johnson 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, 2015. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements.

### Financial Highlights

- The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. In addition to expanded disclosure requirements, the County is required to report its net pension liability on the statement of net position. This change has resulted in a net position of \$91,621,420. Of this amount, (\$9,509,768) is unrestricted net position (deficit) and \$16,954,611 is restricted for various purposes.
- The government's net position decreased by \$405,543. Net position from governmental activities decreased by \$1,102,850 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) increased by \$697,307.
- 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 \$33,044,791, an increase of \$5,631,687 in comparison with the prior year. Of this balance, \$10,278,607 (31.1 percent), is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,278,607 or 22.1 percent of total general fund expenditures and transfers out.
- The County's total bonded debt equaled \$31,260,000 at the close of 2015, increasing by \$6,475,000 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 of resources, liabilities and deferred inflows of resources 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 judicial, 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.

**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.



## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

*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 35 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 debt service fund, all of which are considered to be major funds. Data from the other 30 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 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.

#### 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 of resources exceeded liabilities and deferred inflows of resources by \$91,621,420 at the close of the most recent fiscal year.

COUNTY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and other assets	\$ 50,155,521	\$ 42,660,508	\$ 38,848,529	\$ 27,678,870	\$ 89,004,050	\$ 70,339,378
Capital assets, net	101,973,077	98,649,584	14,346,636	14,914,930	116,319,713	113,564,514
Total assets	152,128,598	141,310,092	53,195,165	42,593,800	205,323,763	183,903,892
<b>Deferred outflows of resources</b>						
	8,495,179	-	415,355	588,728	8,910,534	588,728
<b>Liabilities</b>						
Long-term liabilities	25,309,831	18,106,202	11,628,109	11,867,084	36,937,940	29,973,286
Other liabilities	76,815,196	15,046,058	4,684,834	4,669,186	81,500,030	19,715,244
Total liabilities	102,125,027	33,152,260	16,312,943	16,536,270	118,437,970	49,688,530
<b>Deferred inflows of resources</b>						
	3,972,460	3,413,037	202,447	-	4,174,907	3,413,037
<b>Net position</b>						
Net investment in capital assets	80,763,955	85,235,379	3,412,622	4,078,658	84,176,577	89,314,037
Restricted	16,954,611	11,852,828	-	-	16,954,611	11,852,828
Unrestricted	(43,192,276)	7,656,588	33,682,508	22,567,600	(9,509,768)	30,224,188
Total net position	\$ 54,526,290	\$ 104,744,795	\$ 37,095,130	\$ 26,646,258	\$ 91,621,420	\$ 131,391,053

A substantial portion of the County's net position, \$84,176,577 (91.9 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 \$16,954,611 (18.6 percent) represents resources that are subject to external restrictions on how they may be used. The County reports an *unrestricted net position (deficit)* of (\$9,509,768).

COUNTY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

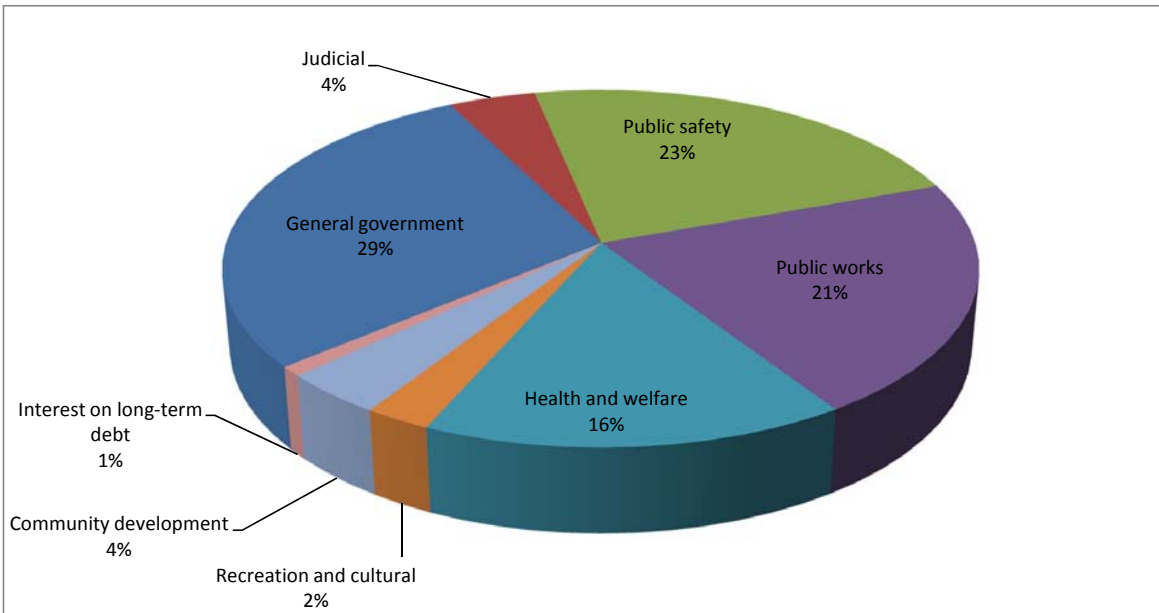
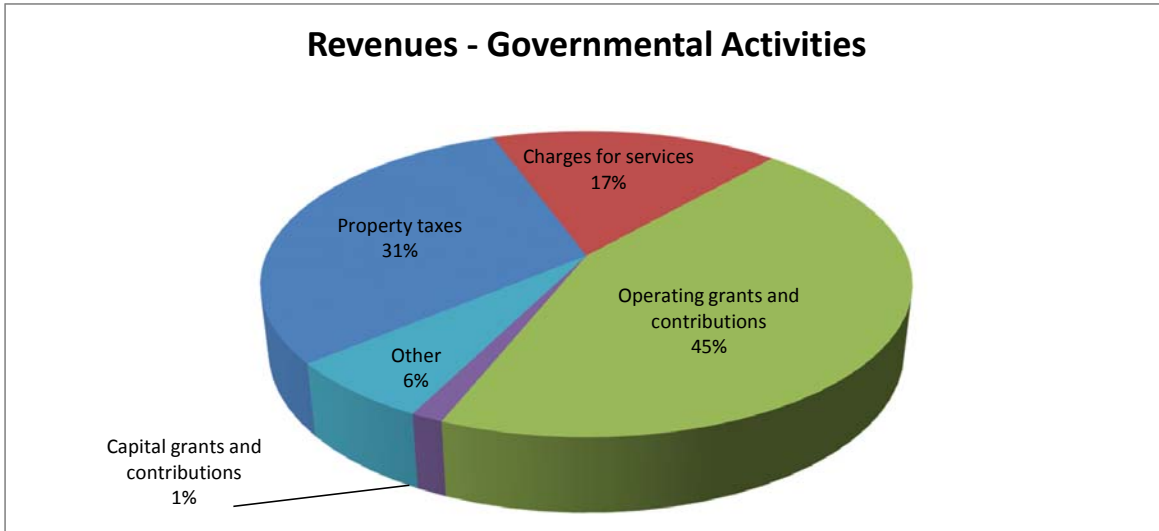
	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 14,265,623	\$ 12,297,064	\$ 20,899,090	\$ 19,431,181	\$ 35,164,713	\$ 31,728,245
Operating grants and contributions	37,314,600	35,206,928	4,295,869	4,631,877	41,610,469	39,838,805
Capital grants and contributions	1,143,175	2,212,368	-	-	1,143,175	2,212,368
General revenues:						
Property taxes	25,555,482	24,982,710	-	-	25,555,482	24,982,710
Unrestricted state shared revenues	4,549,491	4,034,788	-	-	4,549,491	4,034,788
Unrestricted investment earnings	811,414	2,613,757	-	-	811,414	2,613,757
Gain on sale of capital assets	11,649	30,268	-	-	11,649	30,268
<b>Total revenues</b>	<b>83,651,434</b>	<b>81,377,883</b>	<b>25,194,959</b>	<b>24,063,058</b>	<b>108,846,393</b>	<b>105,440,941</b>
<b>Expenses</b>						
Judicial	3,704,190	3,845,425	-	-	3,704,190	3,845,425
General government	24,853,910	26,660,739	-	-	24,853,910	26,660,739
Public safety	19,761,116	20,578,254	-	-	19,761,116	20,578,254
Public works	18,498,264	17,643,349	-	-	18,498,264	17,643,349
Health and welfare	13,801,527	12,362,735	-	-	13,801,527	12,362,735
Recreation and cultural	2,162,591	2,242,769	-	-	2,162,591	2,242,769
Community development	3,377,913	2,818,220	-	-	3,377,913	2,818,220
Interest on long-term debt	769,992	535,599	-	-	769,992	535,599
Delinquent tax revolving	-	-	2,191,806	939,727	2,191,806	939,727
Medical care facility	-	-	19,075,813	18,865,612	19,075,813	18,865,612
Foreclosure tax administration	-	-	876,550	1,205,868	876,550	1,205,868
Resource recovery	-	-	126,738	1,911,434	126,738	1,911,434
Personal property tax	-	-	1,565	1,614	1,565	1,614
<b>Total expenses</b>	<b>86,929,503</b>	<b>86,687,090</b>	<b>22,272,472</b>	<b>22,924,255</b>	<b>109,201,975</b>	<b>109,611,345</b>
Change in net position before transfers	(3,278,069)	(5,309,207)	2,922,487	1,138,803	(355,582)	(4,170,404)
Transfers	2,175,219	2,073,417	(2,225,180)	(1,909,080)	(49,961)	164,337
<b>Change in net position</b>	<b>(1,102,850)</b>	<b>(3,235,790)</b>	<b>697,307</b>	<b>(770,277)</b>	<b>(405,543)</b>	<b>(4,006,067)</b>
<b>Net position</b>						
Beginning of year	104,744,795	107,980,585	26,646,258	27,416,535	131,391,053	135,397,120
Restatement for implementation of GASB 68	(49,115,655)	-	9,751,565	-	(39,364,090)	-
<b>End of year</b>	<b>\$ 54,526,290</b>	<b>\$ 104,744,795</b>	<b>\$ 37,095,130</b>	<b>\$ 26,646,258</b>	<b>\$ 91,621,420</b>	<b>\$ 131,391,053</b>

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

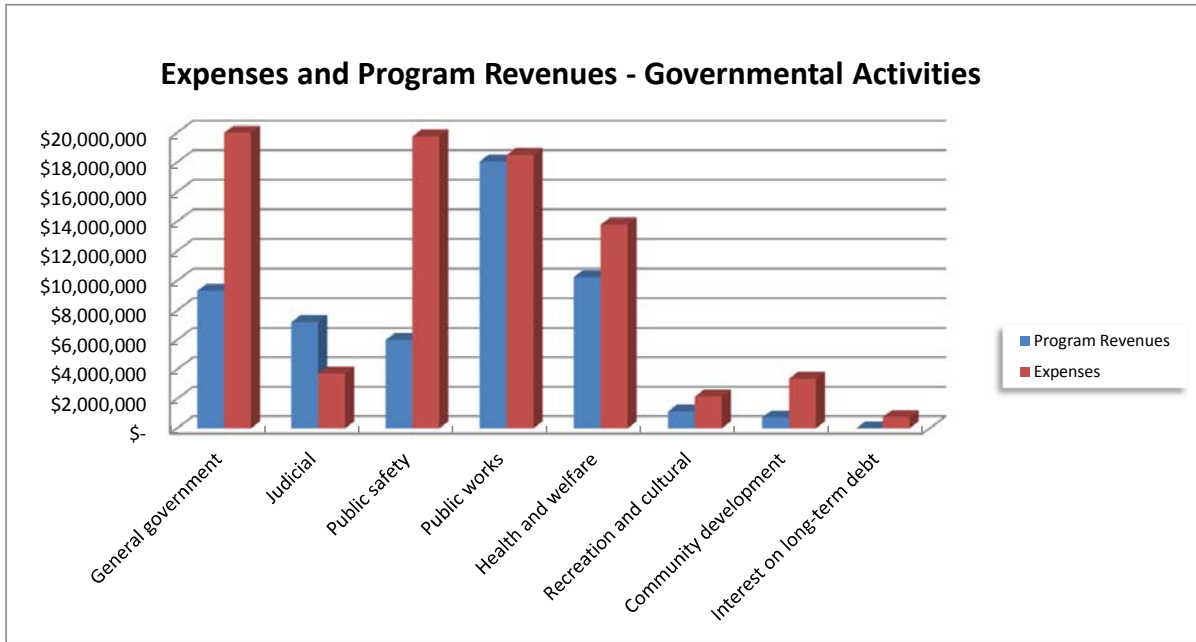
Governmental Activities. Governmental activities decreased net position by \$1,102,850. Key elements of this decrease are as follows:

- The increase to postemployment benefit liabilities reduced the County's net position by \$5.5 million. This increase was partially offset by the increased revenues as noted below.
- For revenues, other significant changes from prior year include increases for property taxes of \$572,772, State revenue sharing of \$514,703, transfer tax of \$141,332, fines of \$573,824, grandstand receipts of \$306,699. Expenditures in most functions decreased in various accounts due to a reduction in healthcare claims and overall expenditure controls by the departments.



COUNTY OF JACKSON, MICHIGAN

Management's Discussion and Analysis



Business-type Activities. Business-type activities increased the County’s net position by \$697,307. Key elements of this increase are as follows:

- The medical care facility had an increase of \$677,995 in net position. This is attributable to an increase in charges for services over the prior year of \$1,281,298. This increase was offset by an increase in interest expense related to the issuance of new debt.

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 \$33,044,791, an increase of \$5,631,687 in comparison with the prior year. A portion of this total \$10,278,607 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 \$10,278,607, while total fund balance reached \$11,873,579. 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 23.4 percent of total general fund expenditures and transfers out, while total fund balance represents 25.5 percent of that same amount.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

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 \$4,295. The transfers out were comprised of \$965,500 for operations to the general fund and \$1,087,288 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 \$44,193.

The road fund balance increased by \$1,020,681 primarily due to a reduction in revenues but with a greater reduction in expenditures for capital outlay.

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 \$4,985,000 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 \$3,773 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 \$16,019,523, \$13,286,199 and \$3,705,941, respectively. Net position for the delinquent tax revolving fund decreased \$1,738,619, the medical care facility net position increased \$677,995 and the foreclosure tax administration fund net position increased \$1,826,571. The County had a significant tax reduction due to three properties that were written off due to bankruptcy. The foreclosure tax administration fund saw a significant number of properties foreclosed on during 2015.

Internal service funds net position at the end of the year amounted to \$1,413,548, increasing by \$209,804 from the prior year. This primarily due to decreased health care claims expense.

#### General Fund Budgetary Highlights

The general fund revenue increased by \$630,484 from the original to the final amended budget. This was primarily due to senior citizen programs, liquor and transfers taxes, other clerk revenues and increased contracts for police services.

Overall, actual general fund revenue and other financing sources for the year ended were under the final budget by \$258,228. Actual expenditures and other financing uses for the year ended were under the final budget by \$266,504.

The general fund amended budget had appropriations to other funds transfers out of \$5,036,195. Actual appropriations were \$5,007,195, a decrease of \$29,000.

#### Capital Asset and Debt Administration

*Capital Assets.* The County's capital assets for its governmental and business-type activities as of December 31, 2015 amounted to \$116,319,713 (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.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,846,846	\$ 2,846,846	\$ 5,040	\$ -	\$ 2,851,886	\$ 2,846,846
Land improvements	16,116,380	16,116,380	-	-	16,116,380	16,116,380
Construction in progress	5,729,315	804,409	-	-	5,729,315	804,409
Avigation easements	375,547	375,547	-	-	375,547	375,547
Buildings and improvements	20,436,217	21,091,702	13,532,464	13,988,097	33,968,681	35,079,799
Equipment and furniture	2,911,398	3,239,453	690,060	786,997	3,601,458	4,026,450
Vehicles	359,393	185,900	119,072	139,836	478,465	325,736
Infrastructure	52,796,926	53,588,292	-	-	52,796,926	53,588,292
Depletable assets	401,055	401,055	-	-	401,055	401,055
<b>Total capital assets, net</b>	<b>\$ 101,973,077</b>	<b>\$ 98,649,584</b>	<b>\$ 14,346,636</b>	<b>\$ 14,914,930</b>	<b>\$ 116,319,713</b>	<b>\$ 113,564,514</b>

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$31,260,000 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 \$6,485,000 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 21,035,000	\$ 13,360,000	\$ 10,225,000	\$ 11,425,000	\$ 31,260,000	\$ 24,785,000
Issuance discount	(18,643)	(20,338)	-	-	(18,643)	(20,338)
Issuance premium	147,286	-	954,034	-	1,101,320	-
Leases	45,479	74,543	-	-	45,479	74,543
LifeWays settlement	1,641,369	2,451,369	-	-	1,641,369	2,451,369
Compensated absences	2,459,340	2,240,628	449,075	442,084	2,908,415	2,682,712
<b>Total</b>	<b>\$ 25,309,831</b>	<b>\$ 18,106,202</b>	<b>\$ 11,628,109</b>	<b>\$ 11,867,084</b>	<b>\$ 36,937,940</b>	<b>\$ 29,973,286</b>

The County's total installment debt increased by \$6,475,000 (26.1 percent) during the current fiscal year. This mainly attributable to additional debt issued during 2015.

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 \$498,586,785 which is significantly higher than the County's outstanding general obligation debt.

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

The following factors were considered in preparing the County's budget for the 2016 fiscal year:

- Unemployment in the County of Jackson at the end of 2015 stood at 2.9% which is down from 5.1 in 2014. 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 2015 the applicable inflation rate was 1.4%. However, the 2016 budget assumes taxable values will increase by only 1.5%. Total general fund expenditures are expected to increase by 1.8%.
- Interest rates have declined over the past few years. The 2016 budget assumes only modest increases to interest rates.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

- 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 2016 budget assumes that the State will continue the revenue sharing/county incentive program at previous levels. In addition, the 2016 assumes addition revenue from 911 telephone fees of \$750,000.
- 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, 2015

	Primary Government			Total	Component Units
	Governmental Activities	Business-type Activities	Elimination		
<b>Assets</b>					
Cash and pooled investments	\$ 27,029,706	\$ 12,412,623	\$ -	\$ 39,442,329	\$ 2,218,764
Restricted cash and pooled investments	-	2,407,694	-	2,407,694	-
Receivables, net	17,999,053	12,838,160	-	30,837,213	18,932,608
Advance to component unit	327,500	100,000	-	427,500	-
Internal balances	1,277,980	(1,277,980)	-	-	-
Prepaid items and other assets	3,521,282	2,279,446	-	5,800,728	83,497
Net pension asset	-	10,088,586	(10,088,586)	-	-
Capital assets not being depreciated	25,068,088	5,040	-	25,073,128	-
Capital assets being depreciated, net	76,904,989	14,341,596	-	91,246,585	3,153,082
<b>Total assets</b>	<b>152,128,598</b>	<b>53,195,165</b>	<b>(10,088,586)</b>	<b>195,235,177</b>	<b>24,387,951</b>
<b>Deferred outflows of resources</b>					
Deferred pension amounts	8,495,179	170,335	-	8,665,514	-
Deferred charges on refunding	-	245,020	-	245,020	155,137
<b>Total deferred outflows of resources</b>	<b>8,495,179</b>	<b>415,355</b>	<b>-</b>	<b>8,910,534</b>	<b>155,137</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	4,519,469	2,071,081	-	6,590,550	154,548
Unearned revenue	236,986	-	-	236,986	-
Advance from primary government	-	-	-	-	427,500
Long-term liabilities:					
Due within one year	3,461,789	1,007,677	-	4,469,466	2,120,000
Due in more than one year	21,848,042	10,620,432	-	32,468,474	15,846,598
Net pension liability	56,403,058	-	(10,088,586)	46,314,472	-
Net other postemployment benefit obligation	15,655,683	2,613,753	-	18,269,436	-
<b>Total liabilities</b>	<b>102,125,027</b>	<b>16,312,943</b>	<b>(10,088,586)</b>	<b>108,349,384</b>	<b>18,548,646</b>
<b>Deferred inflows of resources</b>					
Deferred pension amounts	320,439	202,447	-	522,886	-
Taxes levied for a subsequent period	3,652,021	-	-	3,652,021	-
<b>Total deferred inflows of resources</b>	<b>3,972,460</b>	<b>202,447</b>	<b>-</b>	<b>4,174,907</b>	<b>-</b>
<b>Net position</b>					
Net investment in capital assets	80,763,955	3,412,622	-	84,176,577	3,153,082
Restricted for:					
Judicial	9,240	-	-	9,240	-
Public safety	716,165	-	-	716,165	-
Public works	9,144,146	-	-	9,144,146	-
Health and welfare	6,308,462	-	-	6,308,462	-
Recreation and cultural	39,118	-	-	39,118	-
Community development	203,659	-	-	203,659	-
State mandated and other purposes	370,579	-	-	370,579	-
Capital projects	-	-	-	-	1,154,215
Permanent funds:					
Expendable	759	-	-	759	-
Nonexpendable	162,483	-	-	162,483	-
Unrestricted (deficit)	(43,192,276)	33,682,508	-	(9,509,768)	1,687,145
<b>Total net position</b>	<b>\$ 54,526,290</b>	<b>\$ 37,095,130</b>	<b>\$ -</b>	<b>\$ 91,621,420</b>	<b>\$ 5,994,442</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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
Judicial	\$ 3,704,190	\$ 2,584,711	\$ 4,624,222	\$ -	\$ 3,504,743
General government	24,853,910	5,725,730	3,594,952	-	(15,533,228)
Public safety	19,761,116	1,577,655	4,414,979	-	(13,768,482)
Public works	18,498,264	2,296,942	14,663,971	1,099,790	(437,561)
Health and welfare	13,801,527	892,359	9,363,792	-	(3,545,376)
Recreation and cultural	2,162,591	853,670	295,098	-	(1,013,823)
Community development	3,377,913	334,556	357,586	43,385	(2,642,386)
Interest on long-term debt	769,992	-	-	-	(769,992)
<b>Total governmental activities</b>	<b>86,929,503</b>	<b>14,265,623</b>	<b>37,314,600</b>	<b>1,143,175</b>	<b>(34,206,105)</b>
Business-type activities:					
Delinquent tax revolving	2,191,806	1,210,332	1,465,535	-	484,061
Medical care facility	19,075,813	16,968,402	2,785,406	-	677,995
Foreclosure tax administration	876,550	2,703,121	-	-	1,826,571
Resource recovery	126,738	100	770	-	(125,868)
Personal property tax	1,565	17,135	44,158	-	59,728
<b>Total business-type activities</b>	<b>22,272,472</b>	<b>20,899,090</b>	<b>4,295,869</b>	<b>-</b>	<b>2,922,487</b>
<b>Total primary government</b>	<b>\$ 109,201,975</b>	<b>\$ 35,164,713</b>	<b>\$ 41,610,469</b>	<b>\$ 1,143,175</b>	<b>\$ (31,283,618)</b>
<b>Component units</b>					
Economic development	\$ 36,921	\$ 300	\$ 23,528	\$ -	\$ (13,093)
Land bank	64,111	61,730	-	-	(2,381)
County drains	284,942	-	-	57,970	(226,972)
Brownfield redevelopment	57,626	-	36,213	-	(21,413)
County board of public works	689,505	-	-	681,213	(8,292)
<b>Total component units</b>	<b>\$ 1,133,105</b>	<b>\$ 62,030</b>	<b>\$ 59,741</b>	<b>\$ 739,183</b>	<b>\$ (272,151)</b>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities For the Year Ended December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenue	\$ (34,206,105)	\$ 2,922,487	\$ (31,283,618)	\$ (272,151)
General revenues:				
Property taxes	25,555,482	-	25,555,482	580
Unrestricted state shared revenue	4,549,491	-	4,549,491	-
Unrestricted investment earnings	811,414	-	811,414	10,635
Gain on sale of capital assets	11,649	-	11,649	-
Transfers - internal activities	2,175,219	(2,225,180)	(49,961)	-
Total general revenues and transfers	33,103,255	(2,225,180)	30,878,075	11,215
Change in net position	(1,102,850)	697,307	(405,543)	(260,936)
Net position, beginning of year, as restated	55,629,140	36,397,823	92,026,963	6,255,378
Net position, end of year	\$ 54,526,290	\$ 37,095,130	\$ 91,621,420	\$ 5,994,442

concluded.

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

COUNTY OF JACKSON, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 December 31, 2015

	General	Jail Millage	Maintenance of Effort	Road
<b>Assets</b>				
Cash and pooled investments	\$ 7,907,176	\$ 80,061	\$ 4,054,424	\$ 3,458,892
Receivables:				
Accounts	1,247,832	-	-	321,555
Taxes	-	1,945,212	560,598	-
Accrued interest	177,045	-	-	-
Due from other governments	292,245	-	-	3,424,923
Due from other funds	1,419,888	-	-	-
Interfund receivable	965,739	-	-	-
Advances to component units	327,500	-	-	-
Advances to other funds	500,000	-	-	-
Inventories	11,691	-	-	1,881,587
Prepaid items	50,338	-	-	-
<b>Total assets</b>	<b>\$ 12,899,454</b>	<b>\$ 2,025,273</b>	<b>\$ 4,615,022</b>	<b>\$ 9,086,957</b>
<b>Liabilities</b>				
Accounts payable	\$ 711,587	\$ -	\$ 326,715	\$ 1,243,752
Accrued payroll	267,750	-	-	77,746
Accrued liabilities	5,619	-	-	-
Due to other governments	-	-	-	13,203
Due to other funds	-	-	-	-
Interfund payable	-	-	-	-
Deposits payable	-	-	-	62,400
Advances from other governments	-	-	-	421,934
Advances from other funds	-	-	-	-
Unearned revenue	40,919	-	-	-
<b>Total liabilities</b>	<b>1,025,875</b>	<b>-</b>	<b>326,715</b>	<b>1,819,035</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - LifeWays	-	-	-	-
Unavailable revenue - state grant	-	-	-	895,571
Taxes levied for a subsequent period	-	2,024,912	583,555	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>2,024,912</b>	<b>583,555</b>	<b>895,571</b>
<b>Fund balances</b>				
Nonspendable	889,529	-	-	1,881,587
Restricted	-	361	3,704,752	4,490,764
Committed	-	-	-	-
Assigned	705,443	-	-	-
Unassigned	10,278,607	-	-	-
<b>Total fund balances</b>	<b>11,873,579</b>	<b>361</b>	<b>3,704,752</b>	<b>6,372,351</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,899,454</b>	<b>\$ 2,025,273</b>	<b>\$ 4,615,022</b>	<b>\$ 9,086,957</b>

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

Building Authority Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 11,159,743	\$ 26,660,296
21,325	153,839	1,744,551
-	1,002,486	3,508,296
-	-	177,045
6,485,000	1,457,234	11,659,402
-	-	1,419,888
-	-	965,739
-	-	327,500
-	-	500,000
-	161,004	2,054,282
-	9,240	59,578
<u>\$ 6,506,325</u>	<u>\$ 13,943,546</u>	<u>\$ 49,076,577</u>
\$ 500	\$ 527,487	\$ 2,810,041
-	197,539	543,035
-	42,555	48,174
-	-	13,203
-	141,908	141,908
11,600	209,913	221,513
-	-	62,400
-	-	421,934
-	500,000	500,000
-	196,067	236,986
<u>12,100</u>	<u>1,815,469</u>	<u>4,999,194</u>
6,485,000	-	6,485,000
-	-	895,571
-	1,043,554	3,652,021
<u>6,485,000</u>	<u>1,043,554</u>	<u>11,032,592</u>
-	171,003	2,942,119
9,225	6,810,105	15,015,207
-	4,103,415	4,103,415
-	-	705,443
-	-	10,278,607
<u>9,225</u>	<u>11,084,523</u>	<u>33,044,791</u>
<u>\$ 6,506,325</u>	<u>\$ 13,943,546</u>	<u>\$ 49,076,577</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2015

Fund balances - total governmental funds	\$ 33,044,791
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	25,068,088
Capital assets being depreciated, net	76,904,989
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	6,485,000
Unavailable state grant funding for state and local road and bridge programs	895,571
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	1,413,548
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	(21,080,479)
Unamortized bond premium	(147,286)
Unamortized bond discount	18,643
Due to LifeWays - long-term agreement	(1,641,369)
Compensated absences	(2,459,340)
Accrued interest on long-term liabilities	(91,865)
Net other postemployment benefit obligation	(15,655,683)
Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(56,403,058)
Deferred outflows related to the net pension liability	8,495,179
Deferred inflows related to the net pension liability	(320,439)
Net position of governmental activities	<u>\$ 54,526,290</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, 2015

	General	Jail Millage	Maintenance of Effort	Road
<b>Revenues</b>				
Property taxes	\$ 21,882,537	\$ 2,048,425	\$ 582,063	\$ -
Licenses, fees, taxes and permits	176,633	-	-	98,016
Intergovernmental	9,845,236	-	-	15,291,301
Charges for services	5,634,251	-	-	2,196,968
Fines and forfeitures	680,240	-	-	-
Investment earnings	804,259	68	2,953	1,958
Rental	203,379	-	-	66,332
Donations	-	-	-	-
Other	1,897,529	-	-	5,585
<b>Total revenues</b>	<b>41,124,064</b>	<b>2,048,493</b>	<b>585,016</b>	<b>17,660,160</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	17,099,912	-	-	-
Public safety	14,563,759	-	-	-
Public works	-	-	-	12,341,964
Health and welfare	3,302,188	-	629,209	-
Recreation and cultural	-	-	-	-
Community development	-	-	-	-
Fair	-	-	-	-
Other functions	6,618,646	-	-	-
Debt service:				
Principal	-	-	-	29,064
Interest	-	-	-	13,147
Issuance costs	-	-	-	-
Capital outlay	-	-	-	4,255,304
<b>Total expenditures</b>	<b>41,584,505</b>	<b>-</b>	<b>629,209</b>	<b>16,639,479</b>
<b>Revenue over (under) expenditures</b>	<b>(460,441)</b>	<b>2,048,493</b>	<b>(44,193)</b>	<b>1,020,681</b>
<b>Other financing sources (uses)</b>				
Proceeds from issuance of long-term debt	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	4,254,545	-	-	-
Transfers out	(5,007,195)	(2,052,788)	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(752,650)</b>	<b>(2,052,788)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,213,091)</b>	<b>(4,295)</b>	<b>(44,193)</b>	<b>1,020,681</b>
<b>Fund balances, beginning of year</b>	<b>13,086,670</b>	<b>4,656</b>	<b>3,748,945</b>	<b>5,351,670</b>
<b>Fund balances, end of year</b>	<b>\$ 11,873,579</b>	<b>\$ 361</b>	<b>\$ 3,704,752</b>	<b>\$ 6,372,351</b>

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

Building Authority Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 1,042,457	\$ 25,555,482
-	356,801	631,450
766,177	9,259,441	35,162,155
-	3,019,526	10,850,745
-	776,510	1,456,750
-	3,267	812,505
-	329,427	599,138
-	25,585	25,585
137,797	5,003,385	7,044,296
<u>903,974</u>	<u>19,816,399</u>	<u>82,138,106</u>
-	3,737,954	3,737,954
-	139,109	17,239,021
-	3,117,289	17,681,048
-	-	12,341,964
-	8,727,138	12,658,535
-	1,822,130	1,822,130
-	1,065,995	1,065,995
-	1,309,611	1,309,611
-	31,389	6,650,035
1,260,000	-	1,289,064
727,489	113,439	854,075
-	139,792	139,792
-	6,774,263	11,029,567
<u>1,987,489</u>	<u>26,978,109</u>	<u>87,818,791</u>
<u>(1,083,515)</u>	<u>(7,161,710)</u>	<u>(5,680,685)</u>
-	8,935,000	8,935,000
-	147,286	147,286
1,087,288	6,896,562	12,238,395
-	(2,967,293)	(10,027,276)
-	18,967	18,967
<u>1,087,288</u>	<u>13,030,522</u>	<u>11,312,372</u>
3,773	5,868,812	5,631,687
5,452	5,215,711	27,413,104
<u>\$ 9,225</u>	<u>\$ 11,084,523</u>	<u>\$ 33,044,791</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$ 5,631,687
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	10,624,811
Depreciation expense	(7,294,000)
Loss on disposal of capital assets	(7,318)
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	1,100,000
Change in unavailable State grant funding for state and local road and bridge programs	400,543
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	2,099,064
Proceeds from issuance of long-term debt	(8,935,000)
Bond premium	(147,286)
Amortization of bond discount	(1,695)
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	(703)
Change in the accrual for compensated absences	(218,712)
Change in net other postemployment benefit obligation	(5,451,382)
Net pension liability and related deferred amounts	887,337
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	1,136
Net operating income of the internal service funds	244,568
Transfers accounted for in internal service funds	(35,900)
Change in net position of governmental activities	<u>\$ (1,102,850)</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

Budget and Actual - General Fund

For the Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes	\$ 21,852,482	\$ 21,911,882	\$ 21,882,537	\$ (29,345)
Licenses, fees, taxes, and permits	179,350	184,350	176,633	(7,717)
Intergovernmental	9,224,184	9,931,262	9,845,236	(86,026)
Charges for services	6,239,257	6,057,007	5,634,251	(422,756)
Fines and forfeitures	713,500	715,300	680,240	(35,060)
Investment earnings	450,000	559,080	804,259	245,179
Rental	197,807	197,807	203,379	5,572
Other	1,700,631	1,631,007	1,897,529	266,522
<b>Total revenues</b>	<b>40,557,211</b>	<b>41,187,695</b>	<b>41,124,064</b>	<b>(63,631)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	17,397,966	17,361,297	17,099,912	(261,385)
Public safety	14,544,024	14,562,969	14,563,759	790
Health and welfare	3,281,110	3,300,397	3,302,188	1,791
Other functions	6,349,181	6,655,346	6,618,646	(36,700)
<b>Total expenditures</b>	<b>41,572,281</b>	<b>41,880,009</b>	<b>41,584,505</b>	<b>(295,504)</b>
Revenues under expenditures	(1,015,070)	(692,314)	(460,441)	231,873
<b>Other financing sources (uses)</b>				
Transfers in	4,546,989	4,449,142	4,254,545	(194,597)
Transfers out	(4,935,956)	(5,036,195)	(5,007,195)	29,000
<b>Total other financing sources (uses)</b>	<b>(388,967)</b>	<b>(587,053)</b>	<b>(752,650)</b>	<b>(165,597)</b>
Net change in fund balance	(1,404,037)	(1,279,367)	(1,213,091)	66,276
Fund balance, beginning of year	13,086,670	13,086,670	13,086,670	-
Fund balance, end of year	\$ 11,682,633	\$ 11,807,303	\$ 11,873,579	\$ 66,276

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Jail Millage Fund For the Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 2,145,517	\$ 2,145,517	\$ 2,048,425	\$ (97,092)
Investment earnings	-	-	68	68
Total revenues	2,145,517	2,145,517	2,048,493	(97,024)
Other financing uses				
Transfers out	(2,145,517)	(2,145,517)	(2,052,788)	92,729
Net change in fund balance	-	-	(4,295)	(4,295)
Fund balance, beginning of year	4,656	4,656	4,656	-
Fund balance, end of year	\$ 4,656	\$ 4,656	\$ 361	\$ (4,295)

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Maintenance of Effort Fund For the Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 600,000	\$ 600,000	\$ 582,063	\$ (17,937)
Investment earnings	-	-	2,953	2,953
Total revenues	600,000	600,000	585,016	(14,984)
Expenditures				
Current -				
Health and welfare	345,286	653,286	629,209	(24,077)
Net change in fund balance	254,714	(53,286)	(44,193)	9,093
Fund balance, beginning of year	3,748,945	3,748,945	3,748,945	-
Fund balance, end of year	\$ 4,003,659	\$ 3,695,659	\$ 3,704,752	\$ 9,093

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



# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Road Fund

For the Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ 65,779	\$ 87,692	\$ 98,016	\$ 10,324
Intergovernmental	15,216,768	15,243,995	15,291,301	47,306
Charges for services	1,993,612	2,232,280	2,196,968	(35,312)
Investment earnings	9,380	1,144	1,958	814
Rental	52,205	66,607	66,332	(275)
Other	93,025	36,831	5,585	(31,246)
<b>Total revenues</b>	<b>17,430,769</b>	<b>17,668,549</b>	<b>17,660,160</b>	<b>(8,389)</b>
<b>Expenditures</b>				
Current -				
Public works	13,133,254	13,367,004	12,341,964	(1,025,040)
Debt service:				
Principal	29,064	29,064	29,064	-
Interest	13,147	13,147	13,147	-
Capital outlay	4,255,304	4,255,304	4,255,304	-
<b>Total expenditures</b>	<b>17,430,769</b>	<b>17,664,519</b>	<b>16,639,479</b>	<b>(1,025,040)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>4,030</b>	<b>1,020,681</b>	<b>1,016,651</b>
<b>Fund balance, beginning of year</b>	<b>5,351,670</b>	<b>5,351,670</b>	<b>5,351,670</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 5,351,670</b>	<b>\$ 5,355,700</b>	<b>\$ 6,372,351</b>	<b>\$ 1,016,651</b>

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

COUNTY OF JACKSON, MICHIGAN

**Statement of Net Position**

Proprietary Funds  
December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Medical Care Facility	Foreclosure Tax Administration
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 7,704,287	\$ 3,003,214	\$ 832,052
Receivables:			
Accounts	270,276	2,561,228	623,645
Taxes	8,188,200	-	-
Accrued interest	1,194,811	-	-
Due from other funds	141,908	-	-
Advances to component units	-	-	100,000
Inventories	-	73,356	-
Prepaid items	-	55,846	-
<b>Total current assets</b>	<b>17,499,482</b>	<b>5,693,644</b>	<b>1,555,697</b>
Noncurrent assets:			
Restricted cash	-	1,624,503	-
Land held for resale	-	-	2,150,244
Net pension asset	-	10,088,586	-
Capital assets not being depreciated	-	5,040	-
Capital assets being depreciated, net	13,075	14,328,521	-
<b>Total noncurrent assets</b>	<b>13,075</b>	<b>26,046,650</b>	<b>2,150,244</b>
<b>Total assets</b>	<b>17,512,557</b>	<b>31,740,294</b>	<b>3,705,941</b>
Deferred outflows of resources			
Deferred pension amounts	-	170,335	-
Deferred charges on refunding	-	245,020	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>415,355</b>	<b>-</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	39,646	565,402	-
Estimated claims payable	-	-	-
Accrued payroll	4,210	114,657	-
Residents' trust payable	-	14,873	-
Other liabilities	-	346,877	-
Due to other funds	1,419,888	-	-
Interfund payable	-	-	-
Accrued compensated absences	16,215	432,860	-
Current portion of general obligation bonds payable	-	558,602	-
Current portion of estimated closure and postclosure monitoring costs	-	-	-
<b>Total current liabilities</b>	<b>1,479,959</b>	<b>2,033,271</b>	<b>-</b>
Noncurrent liabilities:			
General obligation bonds payable	-	10,620,432	-
Estimated closure and postclosure monitoring costs	-	-	-
Net other postemployment benefit obligation	-	2,613,753	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>13,234,185</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,479,959</b>	<b>15,267,456</b>	<b>-</b>
Deferred inflows of resources			
Deferred pension amounts	-	202,447	-
<b>Net position</b>			
Net investment in capital assets	13,075	3,399,547	-
Unrestricted	16,019,523	13,286,199	3,705,941
<b>Total net position</b>	<b>\$ 16,032,598</b>	<b>\$ 16,685,746</b>	<b>\$ 3,705,941</b>

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

		Governmental Activities
Nonmajor Funds	Total	Internal Service Funds
\$ 873,070	\$ 12,412,623	\$ 369,410
-	3,455,149	909,759
-	8,188,200	-
-	1,194,811	-
-	141,908	-
-	100,000	-
-	73,356	-
-	55,846	1,407,422
<u>873,070</u>	<u>25,621,893</u>	<u>2,686,591</u>
783,191	2,407,694	-
-	2,150,244	-
-	10,088,586	-
-	5,040	-
-	14,341,596	-
<u>783,191</u>	<u>28,993,160</u>	<u>-</u>
<u>1,656,261</u>	<u>54,615,053</u>	<u>2,686,591</u>
-	170,335	-
-	245,020	-
-	415,355	-
49,856	654,904	3,987
-	-	524,830
560	119,427	-
-	14,873	-
-	346,877	-
-	1,419,888	-
-	-	744,226
-	449,075	-
-	558,602	-
90,000	90,000	-
<u>140,416</u>	<u>3,653,646</u>	<u>1,273,043</u>
-	10,620,432	-
845,000	845,000	-
-	2,613,753	-
<u>845,000</u>	<u>14,079,185</u>	<u>-</u>
<u>985,416</u>	<u>17,732,831</u>	<u>1,273,043</u>
-	202,447	-
-	3,412,622	-
<u>670,845</u>	<u>33,682,508</u>	<u>1,413,548</u>
<u>\$ 670,845</u>	<u>\$ 37,095,130</u>	<u>\$ 1,413,548</u>

# COUNTY OF JACKSON, MICHIGAN

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

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Medical Care Facility	Foreclosure Tax Administration
Operating revenues			
Interest on taxes	\$ 1,448,120	\$ -	\$ -
Charges for services	1,210,332	16,968,402	2,703,121
Other revenue	4,433	2,759,474	-
<b>Total operating revenues</b>	<b>2,662,885</b>	<b>19,727,876</b>	<b>2,703,121</b>
Operating expenses			
Personnel services	422,946	12,681,579	-
Cost of services	1,288,046	4,862,069	-
Depreciation	3,871	677,223	-
Administration	83,020	-	876,550
Other	393,923	-	-
<b>Total operating expenses</b>	<b>2,191,806</b>	<b>18,220,871</b>	<b>876,550</b>
Operating income (loss)	471,079	1,507,005	1,826,571
Nonoperating revenue (expenses)			
Interest income	12,982	25,932	-
Interest expense	-	(854,942)	-
<b>Total nonoperating revenue (expenses)</b>	<b>12,982</b>	<b>(829,010)</b>	<b>-</b>
Net Income (loss) before transfers	484,061	677,995	1,826,571
Transfers in	70,066	-	-
Transfers out	(2,292,746)	-	-
Change in net position	(1,738,619)	677,995	1,826,571
Net position, beginning of year, as restated	17,771,217	16,007,751	1,879,370
<b>Net position, end of year</b>	<b>\$ 16,032,598</b>	<b>\$ 16,685,746</b>	<b>\$ 3,705,941</b>

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



		Governmental Activities	
Nonmajor Funds	Total	Internal Service Funds	
\$ 44,055	\$ 1,492,175	\$ -	
17,235	20,899,090	11,273,915	
-	2,763,907	-	
<u>61,290</u>	<u>25,155,172</u>	<u>11,273,915</u>	
50,192	13,154,717	-	
10,987	6,161,102	10,113,985	
-	681,094	-	
67,124	1,026,694	915,362	
-	393,923	-	
<u>128,303</u>	<u>21,417,530</u>	<u>11,029,347</u>	
<u>(67,013)</u>	<u>3,737,642</u>	<u>244,568</u>	
873	39,787	1,136	
-	(854,942)	-	
<u>873</u>	<u>(815,155)</u>	<u>1,136</u>	
(66,140)	2,922,487	245,704	
-	70,066	-	
<u>(2,500)</u>	<u>(2,295,246)</u>	<u>(35,900)</u>	
(68,640)	697,307	209,804	
<u>739,485</u>	<u>36,397,823</u>	<u>1,203,744</u>	
<u>\$ 670,845</u>	<u>\$ 37,095,130</u>	<u>\$ 1,413,548</u>	

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Medical Care Facility	Foreclosure Tax Administration
Cash flows from operating activities			
Cash received from customers, residents and users	\$ 4,586,871	\$ 16,681,752	\$ 2,383,555
Other operating receipts	4,433	302,494	-
Cash received from quality assurance supplement program	-	2,455,759	-
Cash paid to employees	(427,450)	(12,616,333)	-
Cash paid to suppliers	(1,257,272)	(5,073,299)	(1,861,383)
Payments for interfund services used	-	-	(5,320,814)
Receipts for interfund services provided	3,927,008	-	-
Net cash provided (used) by operating activities	<u>6,833,590</u>	<u>1,750,373</u>	<u>(4,798,642)</u>
Cash flows from capital and related financing activities			
Proceeds from issuance of long-term debt	-	11,179,034	-
Principal payments on long-term debt	-	(11,425,000)	-
Interest payments on long-term debt	-	(511,234)	-
Purchase of capital assets	-	(112,800)	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(870,000)</u>	<u>-</u>
Cash flows from noncapital financing activities			
Transfers from other funds	70,066	-	-
Transfers to other funds	(2,292,746)	-	-
Net cash provided (used) by noncapital financing activities	<u>(2,222,680)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest income received	12,982	25,932	-
Net change in cash and pooled investments	4,623,892	906,305	(4,798,642)
Cash and pooled investments, beginning of year	<u>3,080,395</u>	<u>3,721,412</u>	<u>5,630,694</u>
Cash and pooled investments, end of year	<u>\$ 7,704,287</u>	<u>\$ 4,627,717</u>	<u>\$ 832,052</u>
Statement of Net Position Classification			
Cash and pooled investments	\$ 7,704,287	\$ 3,003,214	\$ 832,052
Restricted cash	-	1,624,503	-
Total	<u>\$ 7,704,287</u>	<u>\$ 4,627,717</u>	<u>\$ 832,052</u>

		Governmental Activities
Nonmajor Funds	Total	Internal Service Funds
\$ 68,126	\$ 23,720,304	\$ 9,752,179
-	306,927	-
-	2,455,759	-
(52,867)	(13,096,650)	(10,808,869)
(93,778)	(8,285,732)	-
(65,559)	(5,386,373)	-
-	3,927,008	-
<u>(144,078)</u>	<u>3,641,243</u>	<u>(1,056,690)</u>
-	11,179,034	-
-	(11,425,000)	-
-	(511,234)	-
-	(112,800)	-
<u>-</u>	<u>(870,000)</u>	<u>-</u>
-	70,066	-
(2,500)	(2,295,246)	(35,900)
<u>(2,500)</u>	<u>(2,225,180)</u>	<u>(35,900)</u>
<u>873</u>	<u>39,787</u>	<u>1,136</u>
(145,705)	585,850	(1,091,454)
<u>1,801,966</u>	<u>14,234,467</u>	<u>1,460,864</u>
<u>\$ 1,656,261</u>	<u>\$ 14,820,317</u>	<u>\$ 369,410</u>
\$ 873,070	\$ 12,412,623	\$ 369,410
783,191	2,407,694	-
<u>\$ 1,656,261</u>	<u>\$ 14,820,317</u>	<u>\$ 369,410</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Medical Care Facility	Foreclosure Tax Administration
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 471,079	\$ 1,507,005	\$ 1,826,571
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,871	677,223	-
Change in:			
Accounts receivable	1,016,358	(287,871)	(319,566)
Taxes receivable	912,061	-	-
Due from other funds	4,460,583	-	-
Prepaid items	-	110,305	-
Inventory	-	(24,814)	(1,861,383)
Net pension asset	-	(337,021)	-
Deferred inflows of resources related to pension	-	(170,335)	-
Accounts payable	30,774	278,242	-
Estimated claims payable	-	-	-
Accrued payroll	(9,848)	(376,023)	-
Residents' trust payable	-	5,619	-
Other liabilities	-	(69,217)	-
Due to other funds	(56,632)	-	(4,444,264)
Interfund payable	-	-	-
Accrued compensated absences	5,344	1,647	-
Estimated closure and postclosure monitoring costs	-	-	-
Net other postemployment benefit obligation	-	233,166	-
Deferred outflows of resources related to pension	-	202,447	-
Net cash provided (used) by operating activities	<u>\$ 6,833,590</u>	<u>\$ 1,750,373</u>	<u>\$ (4,798,642)</u>

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





		Governmental Activities
Nonmajor Funds	Total	Internal Service Funds
\$ (67,013)	\$ 3,737,642	\$ 244,568
-	681,094	-
-	408,921	(116,814)
-	912,061	-
-	4,460,583	-
-	110,305	(1,404,922)
-	(1,886,197)	-
-	(337,021)	-
-	(170,335)	-
19,045	328,061	(276,156)
-	-	(247,592)
(1,110)	(386,981)	-
-	5,619	-
-	(69,217)	-
-	(4,500,896)	-
-	-	744,226
-	6,991	-
(95,000)	(95,000)	-
-	233,166	-
-	202,447	-
<u>\$ (144,078)</u>	<u>\$ 3,641,243</u>	<u>\$ (1,056,690)</u>

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Statement of Fiduciary Net Position Fiduciary Funds December 31, 2015

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and pooled investments	\$ 2,520,621	\$ 2,482,645
Investments, at fair value:		
Domestic equities	41,937,365	-
Equity mutual funds	26,561,170	-
International equities	26,219,851	-
U.S. treasuries	5,361,802	-
U.S. agencies	3,765,816	-
Corporate domestic securities	26,403,916	-
Collateralized mortgage obligations	377,921	-
International securities	669,857	-
Money market funds	9,861,255	-
Receivables:		
Accounts	215,611	87,457
Interest	275,239	-
<b>Total assets</b>	<b>144,170,424</b>	<b>\$ 2,570,102</b>
<b>Liabilities</b>		
Accounts payable	190,897	\$ -
Undistributed receipts	-	2,331,389
Due to other governments	-	90,386
Bonds payable	-	122,727
Escrow payable	-	25,600
<b>Total liabilities</b>	<b>190,897</b>	<b>\$ 2,570,102</b>
<b>Net position</b>		
Restricted for pension benefits and postemployment benefits	<b>\$ 143,979,527</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, 2015

	Pension and Other Postemployment Benefit Trust Funds
<b>Additions</b>	
Contributions:	
Employees	\$ 1,997,726
Employer	9,183,714
Total contributions	<u>11,181,440</u>
Investment earnings:	
Interest and dividends	2,569,068
Net depreciation in fair value of investments	(1,476,349)
Less investment expenses	(826,586)
Net investment earnings	<u>266,133</u>
Total additions	<u>11,447,573</u>
<b>Deductions</b>	
Pension benefit payments	17,468,505
Administrative expenses	326,296
Total deductions	<u>17,794,801</u>
Change in net position	(6,347,228)
Net position, beginning of year	<u>150,326,755</u>
Net position, end of year	<u>\$ 143,979,527</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, 2015

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority
<b>Assets</b>				
Cash and pooled investments	\$ 581,902	\$ 158,258	\$ 1,289,215	\$ 90,560
Receivables, net	368,761	17,707	75,000	625,350
Other assets	-	83,497	-	-
Capital assets being depreciated, net	-	-	3,153,082	-
<b>Total assets</b>	<b>950,663</b>	<b>259,462</b>	<b>4,517,297</b>	<b>715,910</b>
<b>Deferred outflows of resources</b>				
Deferred charges on refunding	-	-	-	-
<b>Liabilities</b>				
Accounts payable and accrued expenses	2,442	3,962	-	14,854
Due to other governments	132	-	-	-
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>2,574</b>	<b>103,962</b>	<b>210,000</b>	<b>132,354</b>
<b>Net position</b>				
Net investment in capital assets	-	-	3,153,082	-
Restricted for construction	-	-	1,154,215	-
Unrestricted	948,089	155,500	-	583,556
<b>Total net position</b>	<b>\$ 948,089</b>	<b>\$ 155,500</b>	<b>\$ 4,307,297</b>	<b>\$ 583,556</b>

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



Board of Public Works	Totals
\$ 98,829	\$ 2,218,764
17,845,790	18,932,608
-	83,497
-	3,153,082
<u>17,944,619</u>	<u>24,387,951</u>
<u>155,137</u>	<u>155,137</u>
133,158	154,416
-	132
-	427,500
2,120,000	2,120,000
15,846,598	15,846,598
<u>18,099,756</u>	<u>18,548,646</u>
-	3,153,082
-	1,154,215
-	1,687,145
<u>\$ -</u>	<u>\$ 5,994,442</u>

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2015

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	\$ 36,921	\$ 300	\$ 23,528	\$ -	\$ (13,093)
<b>Land Bank Authority</b>					
Governmental activities -					
Other	64,111	61,730	-	-	(2,381)
<b>Drain Commission</b>					
Governmental activities -					
Public works	284,942	-	-	57,970	(226,972)
<b>Brownfield Redevelopment Authority</b>					
Governmental activities -					
Public works	57,626	-	36,213	-	(21,413)
<b>Board of Public Works</b>					
Governmental activities -					
Public works	-	-	-	681,213	681,213
Interest on long-term debt	689,505	-	-	-	(689,505)
<b>Total Board of Public Works</b>	<b>689,505</b>	<b>-</b>	<b>-</b>	<b>681,213</b>	<b>(8,292)</b>
<b>Total component units</b>	<b>\$ 1,133,105</b>	<b>\$ 62,030</b>	<b>\$ 59,741</b>	<b>\$ 739,183</b>	<b>\$ (272,151)</b>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2015

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority	Board of Public Works	Totals
Change in net position						
Net expense	\$ (13,093)	\$ (2,381)	\$ (226,972)	\$ (21,413)	\$ (8,292)	\$ (272,151)
General revenues:						
Property taxes	-	580	-	-	-	580
Interest income	282	1,420	641	-	8,292	10,635
Total general revenues	282	2,000	641	-	8,292	11,215
Change in net position	(12,811)	(381)	(226,331)	(21,413)	-	(260,936)
Net position, beginning of year	960,900	155,881	4,533,628	604,969	-	6,255,378
Net position, end of year	\$ 948,089	\$ 155,500	\$ 4,307,297	\$ 583,556	\$ -	\$ 5,994,442

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, appointed by the County Board of Commissioners, including four Commissioners. The Authority, a separate legal entity, 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 the 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 reports deferred charges on refunding 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. The County also reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plan. More detailed information can be found in Note 14.

## 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 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 government has two types of items that qualify for reporting in this category. The government reports deferred pension inflows in the statement of net position. A deferred pension inflow results when there is a change in total pension liability due to benefit changes, differences between expected and actual experience, changes in actuarial assumptions, or differences between expected and actual investment returns. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting from 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.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and 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.

### 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, 2015, the County incurred expenditures in excess of the amounts appropriated as follows:

	Amended Budget	Actual	Variance
<b>General fund</b>			
General government:			
Public elections	\$ 115,590	\$ 115,829	\$ 239
Prosecuting attorney - social services	255,169	258,633	3,464
Public defender	1,232,000	1,250,715	18,715
County treasurer	120,820	150,755	29,935
Public safety:			
LAWNET narcotics grant	271,137	274,025	2,888
911 communications center	1,649,701	1,658,158	8,457
County jail	6,628,099	6,647,530	19,431
Community corrections board	217,363	219,323	1,960
Health and welfare:			
Senior citizens program	1,221,402	1,227,470	6,068
Veteran's affairs office	145,813	146,185	372
Other:			
Pension expense	-	106,018	106,018
Professional services	305,250	341,462	36,212
<b>Special revenue funds</b>			
Airport -			
Community development	558,900	560,022	1,122
Community development block grant -			
Transfers out	-	(7,475)	(7,475)
Child care:			
Public safety	3,052,997	3,064,023	11,026
Health and welfare	2,484,854	2,578,475	93,621
Golf courses -			
Recreation and culture	538,102	553,858	15,756



COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2015:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash and pooled investments	\$ 39,442,329	\$ 2,218,764	\$ 41,661,093
Restricted cash and pooled investments	2,407,694	-	2,407,694
<b>Statement of Fiduciary Net Position</b>			
Cash and pooled investments	5,003,266	-	5,003,266
Investments	141,158,953	-	141,158,953
<b>Total</b>	<u>\$ 188,012,242</u>	<u>\$ 2,218,764</u>	<u>\$ 190,231,006</u>
<b>Deposits and investments</b>			
Bank deposits -			
Checking/savings accounts/certificates of deposit			\$ 3,409,853
Investments in securities and mutual funds:			
Treasurer's investment pool			44,917,898
Pension investments			141,158,953
Cash on hand			101,171
Net effect of funds with different year ends			<u>643,131</u>
<b>Total</b>			<u>\$ 190,231,006</u>

Restricted cash of the primary government consists of \$783,191 restricted in the resource recovery fund for closure and postclosure landfill monitoring and \$1,609,630 in the medical care facility fund for capital acquisitions and improvements and \$14,873 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 \$3,409,853. The combined bank balance of these deposits was \$7,013,289 of which \$6,402,025 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, 2015:

U.S. government agencies	\$ 27,021,505
Money market and cash management funds	<u>17,896,393</u>
<b>Total</b>	<u>\$ 44,917,898</u>

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, 2015, all of the County's investments in securities of U.S. agencies were rated 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, 2015, the County had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Federal Farm Credit Bank	Various	43.3%
Federal Home Loan Bank	Various	33.3%
Federal National Mortgage Association	Various	11.1%
Federal Home Loan Mortgage Corporation	Various	9.2%

*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, 2015, the County's debt securities had the following maturities:

	Fair Value	< 1 year	1 - 5 years	6 - 10 years	Total
U.S. government agencies	\$ 27,021,505	\$ -	\$ 15,321,505	\$ 11,700,000	\$ 27,021,505

### 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, 2015:

	Total
Investments at fair value, as determined by quoted market price:	
Domestic equities	\$ 41,937,365
Equity mutual funds	26,561,170
International equities	26,219,851
U.S. treasuries	5,361,802
U.S. agencies	3,765,816
Corporate domestic securities	26,403,916
Collateralized mortgage obligations	377,921
International securities	669,857
Money market funds	9,861,255
<b>Total investments</b>	<b>\$ 141,158,953</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, 2015, 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	\$ 380,736
AA+	1,222,898
AA	471,008
AA-	623,349
A+	651,989
A	3,178,314
A-	1,571,010
BBB+	2,272,616
BBB	3,146,875
BBB-	1,161,262
BB+	2,148,827
BB	461,175
BB-	335,838
B	653,550
B+	399,466
B-	709,180
Not subject to credit risk	<u>11,829,417</u>
<b>Total</b>	<b><u>\$ 31,217,510</u></b>

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, 2015 was as follows:

Investment Type	Fair Value
International equities	\$ 26,219,851
International securities	669,857

*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, 2015, the System had greater than 5% of its total investment portfolio concentrated as follows:

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

Investment Type	Issuer	% of Portfolio
Equity mutual funds	State Street S&P Midcap Index	10.3%
Money market funds	Comerica	7.0%

*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.

	Fair value	Investment Maturities (fair value by years)			
		< 1 year	1 - 5 years	6 - 10 years	More Than 10
U.S. treasuries	\$ 5,361,802	\$ -	\$ 151,146	\$ 4,683,485	\$ 527,171
U.S. agencies	3,765,816	-	409,419	977,066	2,379,331
Corporate domestic securities	26,403,916	1,802,335	12,908,027	6,442,659	5,250,895
Collateralized mortgage obligations	377,921	-	-	-	377,921
International securities	669,857	265,036	175,854	228,967	-
<b>Total</b>	<b>\$ 36,579,312</b>	<b>\$ 2,067,371</b>	<b>\$ 13,644,446</b>	<b>\$ 12,332,177</b>	<b>\$ 8,535,318</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.

5. RECEIVABLES

Receivables are comprised of the following at December 31, 2015:

	Governmental Activities	Business-type Activities
Accounts	\$ 2,654,310	\$ 3,719,471
Less: allowance for uncollectibles	-	(264,322)
Property taxes	3,508,296	8,188,200
Interest	177,045	1,194,811
Due from other governments	11,659,402	-
	<u>\$ 17,999,053</u>	<u>\$ 12,838,160</u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2015 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	804,409	5,155,799	230,893	5,729,315
Avigation easements	375,547	-	-	375,547
	<u>20,143,182</u>	<u>5,155,799</u>	<u>230,893</u>	<u>25,068,088</u>
Capital assets being depreciated:				
Buildings and improvements	52,970,876	696,301	-	53,667,177
Equipment and furniture	28,948,077	908,488	556,717	29,299,848
Vehicles	2,497,103	508,697	165,857	2,839,943
Infrastructure	92,011,083	3,586,419	-	95,597,502
Depletable assets	548,074	-	-	548,074
	<u>176,975,213</u>	<u>5,699,905</u>	<u>722,574</u>	<u>181,952,544</u>
Less accumulated depreciation for:				
Buildings improvements	31,879,174	1,351,786	-	33,230,960
Equipment and furniture	25,708,624	1,229,225	549,399	26,388,450
Vehicles	2,311,203	335,204	165,857	2,480,550
Infrastructure	38,422,791	4,377,785	-	42,800,576
Depletable assets	147,019	-	-	147,019
	<u>98,468,811</u>	<u>7,294,000</u>	<u>715,256</u>	<u>105,047,555</u>
Total capital assets being depreciated, net	<u>78,506,402</u>	<u>(1,594,095)</u>	<u>7,318</u>	<u>76,904,989</u>
Governmental activities capital assets, net	<u>\$ 98,649,584</u>	<u>\$ 3,561,704</u>	<u>\$ 238,211</u>	<u>\$ 101,973,077</u>

Depreciation of governmental activities by function

General government	\$ 446,442
Public safety	858,980
Public works	5,141,110
Judicial	222,603
Health and welfare	356,735
Recreation and culture	268,130
	<u>\$ 7,294,000</u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Capital assets not being depreciated -				
Construction in progress	\$ -	\$ 5,040	\$ -	\$ 5,040
Capital assets being depreciated:				
Buildings and improvements	19,775,275	82,377	-	19,857,652
Equipment and furniture	1,816,244	25,383	-	1,841,627
Vehicles	281,685	-	-	281,685
	<u>21,873,204</u>	<u>107,760</u>	<u>-</u>	<u>21,980,964</u>
Less accumulated depreciation for:				
Buildings and improvements	5,787,175	538,013	-	6,325,188
Equipment and furniture	1,029,250	122,317	-	1,151,567
Vehicles	141,849	20,764	-	162,613
	<u>6,958,274</u>	<u>681,094</u>	<u>-</u>	<u>7,639,368</u>
Total capital assets being depreciated, net	<u>14,914,930</u>	<u>(573,334)</u>	<u>-</u>	<u>14,341,596</u>
Business-type activities capital assets, net	<u>\$ 14,914,930</u>	<u>\$ (568,294)</u>	<u>\$ -</u>	<u>\$ 14,346,636</u>

Depreciation of business-type activities by function

Medical Care Facility	\$ 677,223
Delinquent tax revolving fund	<u>3,871</u>
	<u>\$ 681,094</u>

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Drain Commission				
Capital assets being depreciated -				
Infrastructure	\$ 12,242,656	\$ -	\$ -	\$ 12,242,656
Less accumulated depreciation for -				
Infrastructure	<u>8,928,817</u>	<u>160,757</u>	<u>-</u>	<u>9,089,574</u>
Drain Commission capital assets, net	<u>\$ 3,313,839</u>	<u>\$ (160,757)</u>	<u>\$ -</u>	<u>\$ 3,153,082</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, 2015:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 2,814,028	\$ 654,904
Accrued and other liabilities	591,209	466,304
Residents' trust payable	-	14,873
Estimated claims payable	524,830	-
Due to other governments	13,203	-
Deposits payable	62,400	-
Advances from other governments	421,934	-
Estimated closure and postclosure monitoring costs	-	935,000
Accrued interest on long-term debt	91,865	-
	<u>\$ 4,519,469</u>	<u>\$ 2,071,081</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, was as follows:

	Due from other funds	Due to other funds
General fund	\$ 1,419,888	\$ -
Nonmajor governmental funds	-	141,908
Delinquent tax revolving fund	141,908	1,419,888
	<u>\$ 1,561,796</u>	<u>\$ 1,561,796</u>

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.

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.

As of December 31, 2015, certain internal service funds and nonmajor governmental funds with negative balances in the County's pooled cash accounts report an interfund payable, which is equal to the interfund receivable of \$974,439 reported in the general fund.

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

For the year ended December 31, 2015, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Building Authority Debt Service Fund	Nonmajor Governmental Funds	Delinquent Tax Revolving Fund	
General fund	\$ -	\$ -	\$ 5,007,195	\$ -	\$ 5,007,195
Jail millage fund	965,500	1,087,288	-	-	2,052,788
Nonmajor governmental funds	2,674,099	-	223,128	70,066	2,967,293
Delinquent tax revolving fund	576,546	-	1,716,200	-	2,292,746
Nonmajor enterprise funds	2,500	-	-	-	2,500
Internal service funds	35,900	-	-	-	35,900
Timing differences	-	-	(49,961)	-	(49,961)
	<u>\$ 4,254,545</u>	<u>\$ 1,087,288</u>	<u>\$ 6,896,562</u>	<u>\$ 70,066</u>	<u>\$ 12,308,461</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. Timing differences are a result of certain funds having a fiscal year-end that is different from the County's year-end.

**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%	\$ 300,000
2010 Refunding bonds - county jail	2022	\$735,000-\$1,145,000	2.85%	7,115,000
2014 LifeWays Refunding bonds	2026	\$325,000-\$475,000	2.00%-3.125%	4,685,000
Capital Improvement bond, Series 2015A - Energy	2035	\$85,000-\$160,000	2.00%-3.625%	2,435,000
Capital Improvement bond, Series 2015B - LifeWays	2035	\$55,000-\$105,000	3.00%-3.50%	1,500,000
Capital Improvement bond, Series 2015C - Airport runway	2026	\$365,000-\$545,000	2.00%-2.50%	5,000,000
Total general obligation bonds				<u>\$ 21,035,000</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 December 31,	Principal	Interest	Total
2016	\$ 1,875,000	\$ 565,325	\$ 2,440,325
2017	1,970,000	518,474	2,488,474
2018	2,020,000	466,945	2,486,945
2019	2,045,000	412,609	2,457,609
2020	2,045,000	355,293	2,400,293
2021-2025	7,770,000	953,939	8,723,939
2026-2030	2,065,000	320,270	2,385,270
2031-2035	1,245,000	113,644	1,358,644
	<u>\$ 21,035,000</u>	<u>\$ 3,706,499</u>	<u>\$ 24,741,499</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, 2015 is as follows:

Year Ended December 31,	Amount
2016	\$ 29,384
2017	16,095
Total minimum lease payments	<u>\$ 45,479</u>

Business-type Activities

Bonds	Due	Annual Installments	Interest Rate	Amount
2015 Refunding bonds	2030	\$495,000- \$855,000	3.150% - 5.125%	<u>\$ 10,225,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2016	\$ 495,000	\$ 430,544	\$ 925,544
2017	515,000	412,819	927,819
2018	535,000	391,819	926,819
2019	560,000	367,119	927,119
2020	585,000	338,494	923,494
2021-2025	3,415,000	1,209,719	4,624,719
2026-2030	4,120,000	375,627	4,495,627
	<u>\$ 10,225,000</u>	<u>\$ 3,526,141</u>	<u>\$ 13,751,141</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%	\$ 150,000
2006 Wolf Lake Waste Water Refunding Bonds	2019	\$255,000-\$270,000	3.75% - 4.00%	1,035,000
2004 Lake Columbia Waste Water Disposal System Limited Tax GO Bonds	2024	\$375,000-\$550,000	3.00% - 4.00%	3,670,000
2005 Spring Arbor Township Water Supply Facility Limited Tax GO Bonds	2025	\$25,000-\$30,000	3.85 - 4.75%	255,000
2012 Jackson County Water Supply Facility Refunding Bonds - Village of Parma	2021	\$140,000-\$150,000	1.2%-2.50%	830,000
State Drinking Water Revolving Loan Funds - Village of Parma	2022	\$55,000-\$70,000	2.50%	450,000
2002B Jackson County Water Supply Facility Grass Lake Area Section	2022	\$25,000-\$50,000	4.35% - 6.00%	255,000
2005 Jackson County Waste Water Disposal Facility Round/Farwell Lakes Area	2022	\$225,000	3.50% - 4.00%	1,575,000
2004 Jackson County Wastewater Disposal Facility Vineyard Section	2023	\$350,000-\$375,000	3.625% - 4.50%	2,430,000
State Drinking Water Revolving Loan Funds Village of Grass Lake	2023	\$110,000-\$140,000	2.50%	1,040,000
2005 Jackson County Waste Water Disposal Facility Southern Regional Interceptor	2025	\$225,000-\$425,000	4.125% - 4.500%	3,325,000
2008 Jackson County Waste Water Disposal Facility Rives Township Sewer	2030	\$115,000-\$175,000	2.50%	2,161,598
	2043	\$15,000-\$40,000	4.125%	790,000
				\$ 17,966,598

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

Year Ended December 31,	Principal	Interest	Total
2016	\$ 2,120,000	\$ 664,671	\$ 2,784,671
2017	1,980,000	588,400	2,568,400
2018	2,005,000	515,066	2,520,066
2019	2,015,000	437,384	2,452,384
2020	1,835,000	393,397	2,228,397
2021-2025	6,665,000	804,572	7,469,572
2026-2030	921,598	185,806	1,107,404
2031-2035	150,000	101,991	251,991
2036-2040	175,000	67,549	242,549
2041-2043	100,000	19,800	119,800
	\$ 17,966,598	\$ 3,778,636	\$ 21,745,234

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 13,360,000	\$ 8,935,000	\$ (1,260,000)	\$ 21,035,000	\$ 1,875,000
Leases	74,543	-	(29,064)	45,479	29,384
LifeWays settlement	2,451,369	-	(810,000)	1,641,369	810,000
Compensated absences	2,240,628	3,285,485	(3,066,773)	2,459,340	737,802
Issuance discount	(20,338)	-	1,695	(18,643)	(1,695)
Issuance premium	-	147,286	-	147,286	11,298
	<u>\$ 18,106,202</u>	<u>\$ 12,367,771</u>	<u>\$ (5,164,142)</u>	<u>\$ 25,309,831</u>	<u>\$ 3,461,789</u>
<b>Business-type Activities</b>					
Refunding bonds	\$ 11,425,000	\$ 10,225,000	\$ (11,425,000)	\$ 10,225,000	\$ 495,000
Issuance premium	-	954,034	-	954,034	63,602
Compensated absences	442,084	92,245	(85,254)	449,075	449,075
	<u>\$ 11,867,084</u>	<u>\$ 11,271,279</u>	<u>\$ (11,510,254)</u>	<u>\$ 11,628,109</u>	<u>\$ 1,007,677</u>
<b>Board of Public Works</b>					
<b>Component Unit</b>					
Bonds	\$ 20,026,598	\$ -	\$ (2,060,000)	\$ 17,966,598	\$ 2,120,000

For the governmental activities, the net pension liability, other postemployment benefits, 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 3.15% 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 \$10,575,000 at December 31, 2015.

On November 1, 2010, the County issued \$10,100,000 in refunding bonds with an average interest rate of 2.85% to advance refund \$10,075,000 of outstanding Series 2002 long-term general obligation bonds. The balance of the defeased bonds outstanding was \$7,025,000 at December 31, 2015.

During 2014, the County issued \$5,010,000 of refunding bonds with interest ranging from 2.00% to 3.125% to advance refund \$4,920,000 of outstanding Series 2014 building authority refunding bonds. The balance of the defeased bonds outstanding was \$4,595,000 at December 31, 2015.

#### *Medical Care Facility*

During 2015, the Jackson County Building Authority defeased the 2005 Refunding Bonds, which are due and payable May 1, 2016 through May 1, 2030. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest obligations. The Jackson County Building authority issued general obligation 2015 Refunding Bonds in the amount of \$10,225,000 to provide resources to fund the escrow amounts and pay the costs of issuance of the refunding bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Facility's financial statements. At December 31, 2015, bonds due and payable May 1, 2016 through May 1, 2030 for the 2005 Refunding Bonds in the amount of \$10,830,000 are considered defeased. As a result of the advance refunding, the Facility decreased its total debt service requirements by \$1,373,294 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,212,446.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 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 1.40% to 2.10%. The balance of the defeased outstanding wastewater disposal facility bonds was \$375,000 at December 31, 2015. 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 \$1,200,000 at December 31, 2015.

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 \$825,000 at December 31, 2015.

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 \$5,750,000 at December 31, 2015.

## 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. During the year ended December 31, 2015, the County repaid \$810,000 resulting in a remaining balance of \$1,641,369.

## 11. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2015, the net investment in capital assets was comprised of the following:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 25,068,088	\$ 5,040
Capital assets being depreciated, net	76,904,989	14,341,596
Less related debt -		
Bonds and capital leases payable	(21,080,479)	(10,225,000)
Issuance discount	18,643	-
Issuance premium	(147,286)	(954,034)
Deferred charge on refunding	-	245,020
<b>Total net investment in capital assets</b>	<b>\$ 80,763,955</b>	<b>\$ 3,412,622</b>

## 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.

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

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.

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 \$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 2015 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, 2015. The change in the claims liability for 2015 and 2014 is as follows:

	2015	2014
Unpaid claims, beginning of year	\$ 712,456	\$ 656,047
Incurred claims (including change in IBNR provisions)	11,679,202	8,323,331
Claims payments	(11,866,828)	(8,266,922)
Unpaid claims, end of year	<u>\$ 524,830</u>	<u>\$ 712,456</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.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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 2015 and 2014 is as follows:

	2015	2014
Unpaid claims, beginning of year	\$ 59,966	\$ 19,947
Incurred claims (including changes in IBNR provisions)	(53,968)	133,128
Claims payments	(5,998)	(93,109)
	<u>          </u>	<u>          </u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ 59,966</u>

### 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, 2015 levy was \$4,316,863,666. 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. 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. The Plan issues a publicly available financial report that can be obtained at the County of Jackson, 120 West Michigan Avenue, Jackson, Michigan 49201.

*Method Used to Value Investments.* 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.

*Investment Policy.* The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment process that the Board deems appropriate. The Plan's asset allocation policy is shown on the following pages.

*Rate of Return.* For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*Concentrations.* At December 31, 2015, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Refer to Note 4 for the details of these concentrations.

*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.

*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	592
<b>Total</b>	<b>1,415</b>

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Inflation	2.50%-3.00%
Salary increases	4.00%, plus service based increases
Investment rate of return	7.50%, net of investment and administrative expenses

Mortality rates were based on the RP-2000 mortality table projected to 2020 using projection scale (adjusted by 120% for males).

# 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%	0.20%
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.

*Changes in the Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2013	\$ 189,457,898	\$ 144,237,931	\$ 45,219,967
Changes for the year:			
Service cost	2,988,028	-	2,988,028
Interest	13,855,008	-	13,855,008
Changes in benefit terms	(33,794)	-	(33,794)
Differences between expected and actual experience	1,646,054	-	1,646,054
Employer contributions	-	5,855,877	(5,855,877)
Employee contributions	-	2,110,414	(2,110,414)
Net investment income	-	9,552,482	(9,552,482)
Benefit payments, including refunds of employee contributions	(12,436,958)	(12,436,958)	-
Administrative expense	-	(157,982)	157,982
Net changes	<u>6,018,338</u>	<u>4,923,833</u>	<u>1,094,505</u>
Balances at December 31, 2014	<u>\$ 195,476,236</u>	<u>\$ 149,161,764</u>	<u>\$ 46,314,472</u>



# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

*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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability - County	\$ 75,781,970	\$ 56,403,058	\$ 39,986,364
Plan net pension (asset) - Medical Care Facility	(7,583,364)	(10,088,586)	(12,159,638)
Net pension liability	<u>\$ 68,198,606</u>	<u>\$ 46,314,472</u>	<u>\$ 27,826,726</u>

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

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended December 31, 2015, the County recognized pension expense of \$5,530,829. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Changes in benefit terms	\$ -	\$ 320,439	\$ (320,439)
Difference between expected and actual experience	1,743,050	202,447	1,540,603
Net difference between projected and actual earnings on pension plan investments	873,430	-	873,430
	<u>2,616,480</u>	<u>522,886</u>	<u>2,093,594</u>
Contributions subsequent to the measurement date	6,049,034	-	6,049,034
Total	<u>\$ 8,665,514</u>	<u>\$ 522,886</u>	<u>\$ 8,142,628</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 824,594	\$ (180,346)
2017	824,594	(180,346)
2018	748,936	(89,314)
2019	218,356	(43,189)
2020	-	(29,691)
Total	<u>\$ 2,616,480</u>	<u>\$ (522,886)</u>

*Payable to the pension plan.* At December 31, 2015, the County did not have any outstanding contributions payable to the pension plan for the year then ended.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 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, 2015, the County and employees contributed \$350,465 and \$421,798 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.

*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.

Membership of the Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Active plan members	559
Retired participants	<u>545</u>
Total	<u><u>1,104</u></u>

*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	\$ 8,792,893
Interest on net OPEB obligation	306,129
Adjustment to annual required contribution	<u>(512,959)</u>
Annual OPEB cost	8,586,063
Contributions made	<u>(3,134,681)</u>
Change in net OPEB obligation	5,451,382
Net OPEB obligation, beginning of year	<u>10,204,301</u>
Net OPEB obligation, end of year	<u><u>\$ 15,655,683</u></u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 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
2013	\$ 7,706,625	74%	\$ 6,816,282
2014	7,729,746	56%	10,204,301
2015	8,586,063	37%	15,655,683

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is 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.

*Funded status and funding progress.* As of December 31, 2015, the date of the most recent actuarial valuation, the Plan was 0% percent funded. The actuarial accrued liability (AAL) for benefits was \$117,277,316, and the actuarial value of assets was none, resulting in an unfunded actuarial accrued liability (UAAL) of \$117,277,316. The covered payroll (annual payroll of the active employees covered by the Plan) was \$24,450,728 and the ratio of the UAAL to the covered payroll was 480 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 3.0%; (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.

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

Membership of the Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Active plan members	118
Retired participants	<u>278</u>
Total	<u><u>396</u></u>

*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	\$ 964,579
Interest on net OPEB obligation	119,029
Adjustment to annual required contribution	<u>(64,680)</u>
Annual OPEB cost	1,018,928
Contributions made	<u>(785,762)</u>
Change in net OPEB obligation	233,166
Net OPEB obligation, beginning of year	<u>2,380,587</u>
Net OPEB obligation, end of year	<u><u>\$ 2,613,753</u></u>

The facility's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 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
2013	\$ 890,736	45%	\$ 1,885,018
2014	893,527	45%	2,380,587
2015	1,018,928	77%	2,613,753

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 above.

*Funded status and funding progress.* As of December 31, 2015, the date of the most recent actuarial valuation, the Plan was not funded. The actuarial accrued liability (AAL) for benefits was \$10,191,510, and the plan had no assets, which results in an unfunded actuarial accrued liability (UAAL) of \$10,191,510. The covered payroll (annual payroll of the active employees covered by the Plan) was \$9,083,584 and the ratio of the UAAL to the covered payroll was 112 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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 liabilities for benefits.

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

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

In the December 31, 2015 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 8.0% downgraded to 4% over 8 years. 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.

**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	\$ 2,520,069	\$ 552	\$ 2,520,621
Investments, at fair value:			
Domestic equities	41,937,365	-	41,937,365
Equity mutual funds	26,561,170	-	26,561,170
International equities	26,219,851	-	26,219,851
U.S. treasuries	5,361,802	-	5,361,802
U.S. agencies	3,765,816	-	3,765,816
Corporate domestic securities	26,403,916	-	26,403,916
Collateralized mortgage obligations	377,921	-	377,921
International securities	669,857	-	669,857
Money market funds	9,861,255	-	9,861,255
Accounts receivable	215,611	-	215,611
Accrued interest	275,239	-	275,239
<b>Total assets</b>	<b>144,169,872</b>	<b>552</b>	<b>144,170,424</b>
<b>Liabilities</b>			
Accounts payable	190,897	-	190,897
<b>Net position</b>			
Restricted for pension benefits and other postemployment benefits	\$ 143,978,975	\$ 552	\$ 143,979,527

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

	Changes in Plan Net Position		
	Pension Retirement	Retiree Health	Total
<b>Additions</b>			
Contributions:			
Employee contributions	\$ 1,997,726	\$ -	\$ 1,997,726
Employer contributions	6,049,033	3,134,681	9,183,714
<b>Total contributions</b>	<b>8,046,759</b>	<b>3,134,681</b>	<b>11,181,440</b>
Investment income:			
Net depreciation in fair value of investments	(1,476,349)	-	(1,476,349)
Interest and dividends	2,569,068	-	2,569,068
<b>Total investment income</b>	<b>1,092,719</b>	<b>-</b>	<b>1,092,719</b>
Less investment expense	(826,586)	-	(826,586)
<b>Net investment income</b>	<b>266,133</b>	<b>-</b>	<b>266,133</b>
<b>Total additions</b>	<b>8,312,892</b>	<b>3,134,681</b>	<b>11,447,573</b>
<b>Deductions</b>			
Benefits	13,169,385	4,299,120	17,468,505
Administrative expense	326,296	-	326,296
<b>Total deductions</b>	<b>13,495,681</b>	<b>4,299,120</b>	<b>17,794,801</b>
<b>Change in net position</b>	<b>(5,182,789)</b>	<b>(1,164,439)</b>	<b>(6,347,228)</b>
<b>Net position, beginning of year</b>	<b>149,161,764</b>	<b>1,164,991</b>	<b>150,326,755</b>
<b>Net position, end of year</b>	<b>\$ 143,978,975</b>	<b>\$ 552</b>	<b>\$ 143,979,527</b>

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 \$935,000 reported within the resource recovery enterprise fund as estimated closure and postclosure monitoring costs at December 31, 2015 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, 2015:

Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
\$ 1,030,000	\$ -	\$ 95,000	\$ 935,000	\$ 90,000

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	\$ 62,029	\$ -	\$ -	\$ 1,881,587	\$ -	\$ 170,244	\$ 2,113,860
Endowments	-	-	-	-	-	759	759
Long-term advances, net	827,500	-	-	-	-	-	827,500
<b>Total nonspendable</b>	<b>889,529</b>	<b>-</b>	<b>-</b>	<b>1,881,587</b>	<b>-</b>	<b>171,003</b>	<b>2,942,119</b>
<b>Restricted</b>							
Jail millage	-	361	-	-	-	-	361
Maintenance of effort	-	-	3,704,752	-	-	-	3,704,752
Road	-	-	-	4,490,764	-	-	4,490,764
Building authority debt service	-	-	-	-	9,225	-	9,225
Sheriff drug enforcement	-	-	-	-	-	5,725	5,725
Social services	-	-	-	-	-	110,532	110,532
Veteran's trust	-	-	-	-	-	17	17
Joint narcotics	-	-	-	-	-	701,379	701,379
Register of deeds automation fund	-	-	-	-	-	361,354	361,354
Child care	-	-	-	-	-	772,986	772,986
Health department	-	-	-	-	-	1,135,973	1,135,973
Department on aging millage	-	-	-	-	-	565,340	565,340
Falling waters trail	-	-	-	-	-	203,659	203,659
Capital improvement airport	-	-	-	-	-	58,184	58,184
Capital improvement lifeways	-	-	-	-	-	18,862	18,862
Airport runway project	-	-	-	-	-	2,713,611	2,713,611
Department on aging endowment	-	-	-	-	-	58,944	58,944
Preston endowment	-	-	-	-	-	101,188	101,188
Cemetery trust	-	-	-	-	-	2,351	2,351
<b>Total restricted</b>	<b>-</b>	<b>361</b>	<b>3,704,752</b>	<b>4,490,764</b>	<b>9,225</b>	<b>6,810,105</b>	<b>15,015,207</b>
<b>Committed</b>							
Parks commission	-	-	-	-	-	508	508
Cascades preservation	-	-	-	-	-	420	420
Friend of the court	-	-	-	-	-	335,121	335,121
Omnibus forfeitures	-	-	-	-	-	981	981
Prosecuting attorney drug enforcement	-	-	-	-	-	121,224	121,224
County law library	-	-	-	-	-	1,026	1,026
Airport	-	-	-	-	-	8,611	8,611
Golf courses	-	-	-	-	-	175	175
Fair	-	-	-	-	-	188,245	188,245
Equipment/replacement	-	-	-	-	-	736,941	736,941
Sheriff department equipment	-	-	-	-	-	8,208	8,208
Public improvement and building	-	-	-	-	-	2,701,893	2,701,893
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,103,353</b>	<b>4,103,353</b>
<b>Assigned</b>							
Subsequent year's expenditures	705,443	-	-	-	-	-	705,443
<b>Unassigned (deficit)</b>							
	10,278,607	-	-	-	-	-	10,278,607
<b>Total fund balances, governmental funds</b>							
	<b>\$ 11,873,579</b>	<b>\$ 361</b>	<b>\$ 3,704,752</b>	<b>\$ 6,372,351</b>	<b>\$ 9,225</b>	<b>\$ 11,084,461</b>	<b>\$ 33,044,729</b>



# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 20. RESTATEMENT

The County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result of this change, beginning net position of governmental activities decreased by \$49,115,655, the business-type activities and the Medical Care Facility enterprise fund increased by \$9,751,565.

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## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information Employees' Retirement System

### Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended December 31, 2015
Total pension liability	
Service cost	\$ 2,988,028
Interest on total pension liability	13,855,007
Benefit changes	(33,794)
Difference between expected and actual experience	1,646,055
Benefit payments and refunds	<u>(12,436,958)</u>
Net change in total pension liability	6,018,338
Total pension liability, beginning of year	<u>189,457,898</u>
Total pension liability, end of year	<u>195,476,236</u>
Plan fiduciary net position	
Employer contributions	5,855,877
Employee contributions	2,110,414
Pension plan net investment income	9,552,482
Benefit payments and refunds	(12,436,958)
Pension plan administrative expense	<u>(157,982)</u>
Net change in plan fiduciary net position	4,923,833
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>\$ 46,314,472</u>
Plan fiduciary net position as a percentage of total pension liability	76.31%
Covered employee payroll	<u>\$ 25,361,437</u>
Net pension liability as a percentage of covered employee payroll	182.62%

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Measurement date. The County's net pension liability is measured as of December 31 of the year preceding the County's fiscal year end.

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information Employees' Retirement System

### Schedule of the Net Pension Liability

Fiscal Year Ended	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Position Liability as Percentage of Covered
12/31/2015	\$195,476,236	\$ 149,161,764	\$46,314,472	76.3%	\$ 25,361,437	182.6%

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Measurement date. The County's net pension liability is measured as of December 31 of the year preceding the County's fiscal year end.

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information Employees' Retirement System

### Schedule of Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/2014	\$ 5,855,877	\$ 5,855,877	\$ -	\$ 25,361,437	23.1%
12/31/2015	6,049,033	6,049,033	-	26,353,056	23.0%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to Schedule of Contributions

Valuation date                      December 31, 2014

Notes                                      Actuarially determined contribution rates are calculated as of December 31 that is 24 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 Medical Care Facility - level percent of payroll Road fund - level percent of payroll
Remaining amortization period	General county - closed 26 year period Medical Care Facility - open 10 year period Road fund - closed 26 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 and administrative expenses
Mortality rates	Based on the RP 2000 Combined Mortality Table projected to 2020 using scale AA (adjusted by 120% for males)

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)	Underfunded ALL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((A-B)/C)
12/31/2006	\$ 4,256,725	\$ 70,170,573	\$ (65,913,848)	6.07%	\$ 22,842,590	-288.6%
12/31/2008	2,955,983	67,867,311	(64,911,328)	4.36%	21,538,544	-301.4%
12/31/2010	2,480,920	67,732,142	(65,251,222)	3.66%	19,916,698	-327.6%
12/31/2013	1,563,642	142,468,370	(140,904,728)	1.10%	19,247,146	-732.1%
12/31/2015	-	117,277,316	(117,277,316)	0.00%	24,450,728	-479.6%

**Schedule of Employer Contributions**

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2010	\$ 4,919,512	102.3%
2011	5,012,415	87.9%
2012	4,581,305	104.0%
2013	7,650,314	74.8%
2014	7,650,314	72.0%
2015	8,792,893	35.7%

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	-83.3%
12/31/2013	-	8,772,447	(8,772,447)	0.00%	8,448,267	-103.8%
12/31/2015	-	10,191,510	(10,191,510)	0.00%	9,083,584	-112.2%

**Schedule of Employer Contributions**

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2013	\$ 874,676	45.4%
2014	874,676	45.5%
2015	964,579	81.5%



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

# 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, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes				
Current real property taxes	\$ 21,423,482	\$ 21,482,882	\$ 21,497,875	\$ 14,993
Delinquent personal property taxes	156,000	156,000	165,446	9,446
Industrial/commercial facilities tax	190,000	190,000	120,536	(69,464)
Trailer tax	23,000	23,000	23,597	597
Payment in lieu of taxes	60,000	60,000	75,083	15,083
Total property taxes	<u>21,852,482</u>	<u>21,911,882</u>	<u>21,882,537</u>	<u>(29,345)</u>
Licenses, fees, taxes, and permits				
Dog licenses	102,000	102,000	81,162	(20,838)
Marriage licenses	5,500	5,500	5,500	-
Gun permits	71,850	76,850	89,971	13,121
Total licenses, fees, taxes, and permits	<u>179,350</u>	<u>184,350</u>	<u>176,633</u>	<u>(7,717)</u>
Intergovernmental				
Revenue sharing	3,359,000	3,359,000	3,366,891	7,891
Liquor tax	850,000	1,172,214	1,172,214	-
Liquor license	9,000	9,000	10,386	1,386
State court funding distribution	960,000	960,000	919,068	(40,932)
Child abuse and neglect	50,729	50,729	27,378	(23,351)
Crime victim's rights	124,600	124,600	124,601	1
Remonumentation	68,043	91,429	88,081	(3,348)
Judges supplement	584,650	584,650	583,429	(1,221)
Road patrol	179,000	179,000	179,118	118
Marine safety	50,000	50,000	36,600	(13,400)
Community corrections board	216,563	216,563	207,628	(8,935)
Senior citizens programs	321,711	381,840	380,739	(1,101)
Senior citizens - home delivered meals	393,000	453,343	454,955	1,612
Senior citizens - congregate meals	163,000	178,228	178,278	50
Medicaid waiver	191,430	242,191	243,399	1,208
Circuit court reimbursement	15,000	45,000	44,026	(974)
District court reimbursement	148,250	148,750	148,100	(650)
Parole violators - county jail	160,000	160,000	113,715	(46,285)
Diverted felons - county jail	160,000	160,000	161,910	1,910
Cooperative reimbursement -				
Prosecuting attorney	177,203	177,203	197,696	20,493
LAWNET narcotics	47,000	47,000	31,208	(15,792)
Emergency management	25,290	30,290	35,168	4,878
Highway training and education - safe communities	-	-	5,242	5,242
Police service contracts	762,715	894,232	904,141	9,909
Non profit organizations - sheriff	104,000	104,000	122,439	18,439
Emergency dispatch	61,000	67,000	67,219	219
Other grants	43,000	45,000	41,607	(3,393)
Total intergovernmental	<u>9,224,184</u>	<u>9,931,262</u>	<u>9,845,236</u>	<u>(86,026)</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, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues (continued)</b>				
<b>Charges for services</b>				
12th district court costs	\$ 1,700,000	\$ 1,700,000	\$ 1,590,501	\$ (109,499)
12th district court - other	1,535,619	1,413,619	1,270,132	(143,487)
Prosecuting attorney	121,000	121,000	23,356	(97,644)
Probate court	123,439	123,439	118,063	(5,376)
County Clerk - court costs	150,000	110,000	110,522	522
County Clerk - other	340,937	378,937	374,323	(4,614)
Printing	14,000	17,000	17,370	370
Map project	293,022	208,372	202,169	(6,203)
Geographic information systems	85,000	85,000	86,792	1,792
Transfer tax	290,000	372,000	475,764	103,764
Register of Deeds - recording charges	631,030	556,030	551,385	(4,645)
Treasurer	38,500	38,500	26,082	(12,418)
Sheriff's department	43,500	50,900	36,847	(14,053)
County jail	324,000	324,000	257,967	(66,033)
Community corrections fees	7,500	7,500	6,555	(945)
Animal shelter	153,340	153,340	80,941	(72,399)
Medical examiner	62,500	71,500	71,665	165
Information technology fees	90,370	90,370	104,726	14,356
LifeWays building	235,500	235,500	229,091	(6,409)
<b>Total charges for services</b>	<b>6,239,257</b>	<b>6,057,007</b>	<b>5,634,251</b>	<b>(422,756)</b>
<b>Fines and forfeitures</b>				
Fines	701,500	701,500	655,280	(46,220)
Bonds forfeited	12,000	13,800	24,960	11,160
<b>Total fines and forfeitures</b>	<b>713,500</b>	<b>715,300</b>	<b>680,240</b>	<b>(35,060)</b>
<b>Interest and rentals</b>				
Investment earnings	450,000	559,080	804,259	245,179
Rentals - general	197,807	197,807	203,379	5,572
<b>Total interest and rentals</b>	<b>647,807</b>	<b>756,887</b>	<b>1,007,638</b>	<b>250,751</b>
<b>Other</b>				
Administrative reimbursements	701,600	491,949	491,712	(237)
Reimbursements - insurance	-	-	433	433
Reimbursements - election	14,900	43,400	42,761	(639)
Reimbursements - prosecuting attorney	27,106	35,206	8,369	(26,837)
Donations - senior programs	4,000	4,234	4,385	151
Donations - senior home delivered meals	105,000	88,500	88,971	471
Donations - seniors congregate meals	55,000	52,200	53,419	1,219
Other - animal shelter	6,000	6,000	3,503	(2,497)
Other - clerk	19,000	19,000	25,905	6,905
Other - treasurer	20,000	20,000	14,490	(5,510)
Other - sheriff	1,000	1,000	343	(657)

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, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues (concluded)</b>				
Other - senior programs	\$ 75,225	\$ 84,863	\$ 85,867	\$ 1,004
Other - senior home delivered meals	1,000	35,776	35,825	49
Other - senior congregate meals	6,000	6,000	6,000	-
Other - other	664,800	742,879	1,035,546	292,667
Total other revenues	1,700,631	1,631,007	1,897,529	266,522
<b>Total revenues</b>	<b>40,557,211</b>	<b>41,187,695</b>	<b>41,124,064</b>	<b>(63,631)</b>
<b>Expenditures</b>				
<b>General government</b>				
Board of Commissioners	181,795	182,165	163,984	(18,181)
Circuit court	2,435,760	2,294,434	2,266,752	(27,682)
Jury commission	243,998	249,328	246,765	(2,563)
12th district court	3,658,610	3,586,835	3,528,523	(58,312)
Adult probation - circuit court	15,316	16,156	15,256	(900)
Public elections	83,550	115,590	115,829	239
County administrator/controller	372,814	387,824	385,302	(2,522)
County clerk	1,029,856	1,061,996	1,058,366	(3,630)
Finance	307,575	293,330	288,214	(5,116)
Equalization	665,755	655,645	647,002	(8,643)
Geographic information systems	194,780	198,600	196,793	(1,807)
Human resources	568,270	562,245	559,433	(2,812)
Prosecuting Attorney	1,814,698	1,917,136	1,892,738	(24,398)
Prosecuting attorney - social services	258,610	255,169	258,633	3,464
Prosecuting attorney				
victim/witness program	227,907	238,152	237,825	(327)
Public defender	1,171,500	1,232,000	1,250,715	18,715
Register of deeds	270,055	245,749	241,771	(3,978)
Remonumentation	68,043	91,429	91,429	-
County treasurer	110,970	120,820	150,755	29,935
MSU co-operative extension	243,716	242,716	241,049	(1,667)
Information technology	1,146,734	1,179,259	1,151,671	(27,588)
Courthouse and grounds	601,236	485,996	459,630	(26,366)
Northlawn building	295,368	276,718	267,163	(9,555)
Tower building	832,186	773,983	714,538	(59,445)
Human services building	345,944	341,597	331,151	(10,446)
Drain commissioner	142,510	200,380	187,331	(13,049)
Airport maintenance	11,280	12,705	10,719	(1,986)
LifeWays maintenance	99,130	143,340	140,575	(2,765)
Total general government	17,397,966	17,361,297	17,099,912	(261,385)

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, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Expenditures (concluded)</b>				
<b>Public safety</b>				
District court intense probation	\$ 167,100	\$ 141,600	\$ 141,016	\$ (584)
County Sheriff	4,911,480	4,694,002	4,691,795	(2,207)
Road patrol	199,010	204,730	202,956	(1,774)
LAWNET narcotics grant	253,992	271,137	274,025	2,888
Marine law enforcement	34,100	61,823	59,947	(1,876)
Truancy grant	198,260	191,810	187,352	(4,458)
911 communications center	1,499,510	1,649,701	1,658,158	8,457
County jail	6,616,345	6,628,099	6,647,530	19,431
Community corrections board	224,063	217,363	219,323	1,960
Animal shelter	297,280	367,170	348,279	(18,891)
Emergency measures	142,884	135,534	133,378	(2,156)
<b>Total public safety</b>	<b>14,544,024</b>	<b>14,562,969</b>	<b>14,563,759</b>	<b>790</b>
<b>Health and welfare</b>				
Medical examiner	319,437	379,767	379,038	(729)
Senior citizens program	1,379,675	1,221,402	1,227,470	6,068
Home delivery meals - seniors	1,062,480	1,172,775	1,171,286	(1,489)
Congregate meals - seniors	345,960	347,740	345,364	(2,376)
Veteran's burial claims	31,500	32,900	32,845	(55)
Veteran's affairs office	142,058	145,813	146,185	372
<b>Total health and welfare</b>	<b>3,281,110</b>	<b>3,300,397</b>	<b>3,302,188</b>	<b>1,791</b>
<b>Other</b>				
Other postemployment benefits expense	2,400,000	2,400,000	2,400,000	-
Pension expense	-	-	106,018	106,018
Unallocated retiree benefits	1,096,293	939,243	920,688	(18,555)
Accrued sick and vacation payoff	75,000	140,000	125,510	(14,490)
Professional services	176,250	305,250	341,462	36,212
Insurance and bonds	725,000	703,108	696,176	(6,932)
Miscellaneous	279,484	359,484	310,732	(48,752)
<b>Appropriations:</b>				
<b>General government:</b>				
Regional planning	55,340	55,340	43,267	(12,073)
Soil conservation	10,000	10,000	10,000	-
Jackson traffic safety program	120,000	120,000	60,654	(59,346)
<b>Public works -</b>				
Transportation system	100,000	100,000	100,000	-
<b>Health and welfare:</b>				
Retired senior citizen volunteer program	7,500	7,500	-	(7,500)
Region II Aging Commission	19,314	19,314	11,814	(7,500)
Substance abuse - liquor tax	425,000	586,107	582,325	(3,782)
Enterprise Group	100,000	100,000	100,000	-
LifeWays	760,000	810,000	810,000	-
<b>Total other</b>	<b>6,349,181</b>	<b>6,655,346</b>	<b>6,618,646</b>	<b>(36,700)</b>
<b>Total expenditures</b>	<b>41,572,281</b>	<b>41,880,009</b>	<b>41,584,505</b>	<b>(295,504)</b>

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, 2015

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues under expenditures	\$ (1,015,070)	\$ (692,314)	\$ (460,441)	\$ 231,873
Other financing sources (uses)				
Transfers in	4,546,989	4,449,142	4,254,545	(194,597)
Transfers out	(4,935,956)	(5,036,195)	(5,007,195)	29,000
Total other financing sources (uses)	(388,967)	(587,053)	(752,650)	(165,597)
Net change in fund balance	(1,404,037)	(1,279,367)	(1,213,091)	66,276
Fund balance, beginning of year	13,086,670	13,086,670	13,086,670	-
Fund balance, end of year	\$ 11,682,633	\$ 11,807,303	\$ 11,873,579	\$ 66,276

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues - General Operating Fund

Road Fund

For the Year Ended December 31, 2015

### Revenues

Licenses and permits	<u>\$ 98,016</u>
Federal sources:	
Surface transportation program	991,805
Other	107,985
Total federal sources	<u>1,099,790</u>
State sources:	
Motor Vehicle Highway Funds - Act 51:	
Engineering	10,000
Primary roads	6,656,998
Local roads	3,219,082
Primary urban roads	1,004,745
Local urban roads	406,680
Critical bridge	673,349
Rural primary roads	120,231
Other	1,378,582
Total state sources	<u>13,469,667</u>
Local sources:	
Township contributions	712,293
Other contributions	9,551
Total local sources	<u>721,844</u>
Charges for services:	
State maintenance contract	2,063,756
Other services	120,036
Salvage sales	13,176
Total charges for services	<u>2,196,968</u>
Interest and rent	<u>68,290</u>
Other revenues:	
Net proceeds on equipment disposal	1,225
Other	4,360
Total other revenues	<u>5,585</u>
Total revenues	<u><u>\$ 17,660,160</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Expenditures - General Operating Fund

Road Fund

For the Year Ended December 31, 2015

### Expenditures

#### Preservation - structural improvements:

Primary roads and structures	\$ 2,959,935
Local roads and structures	626,484
Total preservation - structural improvements	<u>3,586,419</u>

#### Maintenance -

Primary roads and structures, winter and traffic control	<u>10,355,227</u>
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#### Equipment:

Direct	2,257,401
Indirect	1,480,225
Operating	386,555
Less - equipment rental	(3,894,065)
Total equipment	<u>230,116</u>

Administrative	<u>504,929</u>
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Other - trunkline maintenance, non-maintenance and other	<u>2,028,768</u>
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Capital outlay - net	<u>(108,191)</u>
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#### Debt service:

Principal	29,064
Interest	13,147
Total debt service	<u>42,211</u>

Total expenditures	<u>\$ 16,639,479</u>
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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, 2015

	Primary Roads	Local Roads	County Roads	Total
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ -	\$ -	\$ 98,016	\$ 98,016
Intergovernmental:				
Federal sources	1,089,456	-	10,334	1,099,790
State sources	9,840,645	3,629,022	-	13,469,667
Local sources	-	712,293	9,551	721,844
Salvage sales	-	-	13,176	13,176
Charges for services	-	-	2,183,793	2,183,793
Investment earnings	-	-	1,940	1,940
Interest and rental	17	-	66,332	66,349
Other	-	-	5,585	5,585
<b>Total revenues</b>	<b>10,930,118</b>	<b>4,341,315</b>	<b>2,388,727</b>	<b>17,660,160</b>
<b>Expenditures</b>				
Preservation -				
Structural improvements	2,959,935	626,484	-	3,586,419
Maintenance:				
Road and structures	4,185,625	3,006,610	-	7,192,235
Winter	1,607,058	1,173,576	-	2,780,634
Traffic control	295,325	87,033	-	382,358
Equipment - net	97,888	89,604	42,625	230,117
Administrative	327,692	177,237	-	504,929
Trunkline maintenance	-	-	2,028,768	2,028,768
Capital outlay-net	-	-	(108,191)	(108,191)
Debt service:				
Principal	-	-	29,064	29,064
Interest	-	-	13,146	13,146
<b>Total expenditures</b>	<b>9,473,523</b>	<b>5,160,544</b>	<b>2,005,412</b>	<b>16,639,479</b>
Revenue over (under) expenditures	1,456,595	(819,229)	383,315	1,020,681
Other financing sources (uses)				
Transfers in (out)	(819,229)	819,229	-	-
<b>Net change in fund balance</b>	<b>637,366</b>	<b>-</b>	<b>383,315</b>	<b>1,020,681</b>
Fund balance, beginning of year	49,056	-	5,302,614	5,351,670
<b>Fund balance, end of year</b>	<b>\$ 686,422</b>	<b>\$ -</b>	<b>\$ 5,685,929</b>	<b>\$ 6,372,351</b>

COUNTY OF JACKSON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2015

	Special Revenue Funds	Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and pooled investments	\$ 4,488,198	\$ 86,946	\$ 6,421,281	\$ 163,318	\$ 11,159,743
Accounts receivable	132,573	-	21,266	-	153,839
Taxes receivable	1,002,486	-	-	-	1,002,486
Due from other governments	1,457,234	-	-	-	1,457,234
Inventories	161,004	-	-	-	161,004
Prepaid items	9,240	-	-	-	9,240
<b>Total assets</b>	<b>\$ 7,250,735</b>	<b>\$ 86,946</b>	<b>\$ 6,442,547</b>	<b>\$ 163,318</b>	<b>\$ 13,943,546</b>
<b>Liabilities</b>					
Accounts payable	\$ 235,617	\$ 9,900	\$ 281,894	\$ 76	\$ 527,487
Accrued payroll	197,539	-	-	-	197,539
Accrued liabilities	42,555	-	-	-	42,555
Due to other funds	141,908	-	-	-	141,908
Interfund payable	209,913	-	-	-	209,913
Advance from other funds	500,000	-	-	-	500,000
Unearned revenue	196,067	-	-	-	196,067
<b>Total liabilities</b>	<b>1,523,599</b>	<b>9,900</b>	<b>281,894</b>	<b>76</b>	<b>1,815,469</b>
<b>Deferred inflows of resources</b>					
Taxes levied for a subsequent period	1,043,554	-	-	-	1,043,554
<b>Fund balances</b>					
Nonspendable	170,244	-	-	759	171,003
Restricted	3,856,965	77,046	2,713,611	162,483	6,810,105
Committed	656,373	-	3,447,042	-	4,103,415
<b>Total fund balances</b>	<b>4,683,582</b>	<b>77,046</b>	<b>6,160,653</b>	<b>163,242</b>	<b>11,084,523</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,250,735</b>	<b>\$ 86,946</b>	<b>\$ 6,442,547</b>	<b>\$ 163,318</b>	<b>\$ 13,943,546</b>

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2015

	Special Revenue Funds	Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 1,042,457	\$ -	\$ -	\$ -	\$ 1,042,457
Licenses, fees, taxes and permits	356,801	-	-	-	356,801
Intergovernmental	9,165,786	-	93,655	-	9,259,441
Charges for services	3,019,526	-	-	-	3,019,526
Fines and forfeitures	776,510	-	-	-	776,510
Investment earnings	1,715	3	1,549	-	3,267
Rental	316,882	-	12,545	-	329,427
Donations	-	-	-	25,585	25,585
Other	3,608,561	-	1,394,775	49	5,003,385
<b>Total revenues</b>	<b>18,288,238</b>	<b>3</b>	<b>1,502,524</b>	<b>25,634</b>	<b>19,816,399</b>
<b>Expenditures</b>					
<b>Current:</b>					
Judicial	3,737,954	-	-	-	3,737,954
General government	139,109	-	-	-	139,109
Public safety	3,117,289	-	-	-	3,117,289
Health and welfare	8,727,138	-	-	-	8,727,138
Recreation and culture	1,822,130	-	-	-	1,822,130
Community development	1,065,995	-	-	-	1,065,995
Fair	1,309,611	-	-	-	1,309,611
Other functions	-	-	-	31,389	31,389
<b>Debt service -</b>					
Interest	-	26,958	86,481	-	113,439
Issuance costs	-	-	139,792	-	139,792
Capital outlay	-	-	6,774,263	-	6,774,263
<b>Total expenditures</b>	<b>19,919,226</b>	<b>26,958</b>	<b>7,000,536</b>	<b>31,389</b>	<b>26,978,109</b>
<b>Revenues under expenditures</b>	<b>(1,630,988)</b>	<b>(26,955)</b>	<b>(5,498,012)</b>	<b>(5,755)</b>	<b>(7,161,710)</b>
<b>Other financing sources (uses)</b>					
Proceeds from issuance of long-term debt	-	-	8,935,000	-	8,935,000
Premium on bonds	-	-	147,286	-	147,286
Transfers in	5,125,561	104,001	1,667,000	-	6,896,562
Transfers out	(1,801,306)	-	(1,165,987)	-	(2,967,293)
Proceeds from sale of capital assets	961	-	18,006	-	18,967
<b>Total other financing sources (uses)</b>	<b>3,325,216</b>	<b>104,001</b>	<b>9,601,305</b>	<b>-</b>	<b>13,030,522</b>
<b>Net change in fund balances</b>	<b>1,694,228</b>	<b>77,046</b>	<b>4,103,293</b>	<b>(5,755)</b>	<b>5,868,812</b>
<b>Fund balances, beginning of year</b>	<b>2,989,354</b>	<b>-</b>	<b>2,057,360</b>	<b>168,997</b>	<b>5,215,711</b>
<b>Fund balances, end of year</b>	<b>\$ 4,683,582</b>	<b>\$ 77,046</b>	<b>\$ 6,160,653</b>	<b>\$ 163,242</b>	<b>\$ 11,084,523</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2015

	Parks Commission	Cascades Preservation	Friend of the Court	Omnibus Forfeitures
<b>Assets</b>				
Cash and pooled investments	\$ 10,761	\$ -	\$ -	\$ 981
Accounts receivable	-	75,000	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	1,018,137	-
Inventories	121,886	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 132,647</b>	<b>\$ 75,000</b>	<b>\$ 1,018,137</b>	<b>\$ 981</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,604	\$ -	\$ 10,274	\$ -
Accrued payroll	3,649	-	68,700	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	-	74,580	104,042	-
Advance from other funds	-	-	500,000	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>10,253</b>	<b>74,580</b>	<b>683,016</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	121,886	-	-	-
Restricted	-	-	-	-
Committed	508	420	335,121	981
<b>Total fund balances</b>	<b>122,394</b>	<b>420</b>	<b>335,121</b>	<b>981</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 132,647</b>	<b>\$ 75,000</b>	<b>\$ 1,018,137</b>	<b>\$ 981</b>



Prosecuting Attorney Drug Enforcement	Sheriff Drug Enforcement	County Law Library
\$ 121,224	\$ 5,760	\$ 1,026
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 121,224</u>	<u>\$ 5,760</u>	<u>\$ 1,026</u>
\$ -	\$ 35	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	35	-
-	-	-
-	-	-
-	5,725	-
<u>121,224</u>	<u>-</u>	<u>1,026</u>
<u>121,224</u>	<u>5,725</u>	<u>1,026</u>
<u>\$ 121,224</u>	<u>\$ 5,760</u>	<u>\$ 1,026</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2015

	Michigan Justice Training	Social Services	Veteran's Trust	Airport
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 110,532	\$ -	\$ -
Accounts receivable	-	-	-	47,582
Taxes receivable	-	-	-	-
Due from other governments	3,863	-	2,819	-
Inventories	-	-	-	-
Prepaid items	9,240	-	-	-
<b>Total assets</b>	<b>\$ 13,103</b>	<b>\$ 110,532</b>	<b>\$ 2,819</b>	<b>\$ 47,582</b>
<b>Liabilities</b>				
Accounts payable	\$ 592	\$ -	\$ 1,749	\$ 7,372
Accrued payroll	-	-	-	3,000
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Interfund payable	3,209	-	1,053	27,029
Advance from other funds	-	-	-	-
Unearned revenue	-	-	-	1,570
<b>Total liabilities</b>	<b>3,801</b>	<b>-</b>	<b>2,802</b>	<b>38,971</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	9,240	-	-	-
Restricted	-	110,532	17	-
Committed	62	-	-	8,611
<b>Total fund balances</b>	<b>9,302</b>	<b>110,532</b>	<b>17</b>	<b>8,611</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,103</b>	<b>\$ 110,532</b>	<b>\$ 2,819</b>	<b>\$ 47,582</b>



Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund
\$ 709,897	\$ 189,683	\$ 368,139
-	-	-
-	7,820	-
-	-	-
-	-	-
<u>\$ 709,897</u>	<u>\$ 197,503</u>	<u>\$ 368,139</u>
\$ 8,518	\$ 60,274	\$ 6,785
-	-	-
-	-	-
-	-	-
-	-	-
-	137,229	-
<u>8,518</u>	<u>197,503</u>	<u>6,785</u>
-	-	-
-	-	-
701,379	-	361,354
-	-	-
<u>701,379</u>	<u>-</u>	<u>361,354</u>
<u>\$ 709,897</u>	<u>\$ 197,503</u>	<u>\$ 368,139</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2015

	Child Care	Golf Courses	Fair	Health Department
<b>Assets</b>				
Cash and pooled investments	\$ 618,703	\$ 2,005	\$ 367,591	\$ 1,171,829
Accounts receivable	536	-	-	9,455
Taxes receivable	-	-	-	-
Due from other governments	229,189	-	-	195,406
Inventories	-	39,118	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 848,428</b>	<b>\$ 41,123</b>	<b>\$ 367,591</b>	<b>\$ 1,376,690</b>
<b>Liabilities</b>				
Accounts payable	\$ 34,872	\$ 90	\$ 5,792	\$ 92,660
Accrued payroll	24,820	1,740	1,000	94,630
Accrued liabilities	-	-	-	42,555
Due to other funds	-	-	141,908	-
Interfund payable	-	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue	15,750	-	30,646	10,872
<b>Total liabilities</b>	<b>75,442</b>	<b>1,830</b>	<b>179,346</b>	<b>240,717</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	39,118	-	-
Restricted	772,986	-	-	1,135,973
Committed	-	175	188,245	-
<b>Total fund balances</b>	<b>772,986</b>	<b>39,293</b>	<b>188,245</b>	<b>1,135,973</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 848,428</b>	<b>\$ 41,123</b>	<b>\$ 367,591</b>	<b>\$ 1,376,690</b>





Department on Aging Millage	Falling Waters Trail	Total
\$ 606,408	\$ 203,659	\$ 4,488,198
-	-	132,573
1,002,486	-	1,002,486
-	-	1,457,234
-	-	161,004
-	-	9,240
<u>\$ 1,608,894</u>	<u>\$ 203,659</u>	<u>\$ 7,250,735</u>
\$ -	\$ -	\$ 235,617
-	-	197,539
-	-	42,555
-	-	141,908
-	-	209,913
-	-	500,000
-	-	196,067
-	-	<u>1,523,599</u>
<u>1,043,554</u>	-	<u>1,043,554</u>
-	-	170,244
565,340	203,659	3,856,965
-	-	656,373
<u>565,340</u>	<u>203,659</u>	<u>4,683,582</u>
<u>\$ 1,608,894</u>	<u>\$ 203,659</u>	<u>\$ 7,250,735</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, 2015

	Parks Commission	Cascades Preservation	Friend of the Court	Omnibus Forfeitures
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	-
Intergovernmental	-	-	2,673,380	-
Charges for services	301,361	-	264,367	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Rental	-	-	-	-
Other revenue	8,204	155,164	-	-
<b>Total revenues</b>	<b>309,565</b>	<b>155,164</b>	<b>2,937,747</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	3,289,749	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and culture	900,196	351,818	-	-
Community development	-	-	-	-
Fair	-	-	-	-
<b>Total expenditures</b>	<b>900,196</b>	<b>351,818</b>	<b>3,289,749</b>	<b>-</b>
Revenues over (under) expenditures	(590,631)	(196,654)	(352,002)	-
<b>Other financing sources (uses)</b>				
Transfers in	613,078	117,000	614,626	-
Transfers out	(42,176)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>570,902</b>	<b>117,000</b>	<b>614,626</b>	<b>-</b>
Net change in fund balances	(19,729)	(79,654)	262,624	-
Fund balances, beginning of year	142,123	80,074	72,497	981
Fund balances, end of year	\$ 122,394	\$ 420	\$ 335,121	\$ 981



Prosecuting Attorney Drug Enforcement	Sheriff Drug Enforcement	County Law Library
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
74,563	11,278	-
-	-	-
-	-	-
-	-	6,500
<u>74,563</u>	<u>11,278</u>	<u>6,500</u>
8,262	-	5,830
-	-	-
-	17,187	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>8,262</u>	<u>17,187</u>	<u>5,830</u>
<u>66,301</u>	<u>(5,909)</u>	<u>670</u>
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
66,301	(5,909)	670
54,923	11,634	356
<u>\$ 121,224</u>	<u>\$ 5,725</u>	<u>\$ 1,026</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, 2015

	Michigan Justice Training	Social Services	Veteran's Trust	Airport
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	17,251
Intergovernmental	10,372	150	26,776	4,850
Charges for services	-	-	-	24,083
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Rental	-	-	-	308,932
Other revenue	52,521	-	-	21,226
<b>Total revenues</b>	<b>62,893</b>	<b>150</b>	<b>26,776</b>	<b>376,342</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	36,079	-	-	-
Health and welfare	-	29,532	36,228	-
Recreation and culture	-	-	-	-
Community development	-	-	-	560,022
Fair	-	-	-	-
<b>Total expenditures</b>	<b>36,079</b>	<b>29,532</b>	<b>36,228</b>	<b>560,022</b>
<b>Revenues over (under) expenditures</b>	<b>26,814</b>	<b>(29,382)</b>	<b>(9,452)</b>	<b>(183,680)</b>
<b>Other financing sources (uses)</b>				
Transfers in	9,700	-	-	210,000
Transfers out	(42,800)	-	-	(27,890)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(33,100)</b>	<b>-</b>	<b>-</b>	<b>182,110</b>
<b>Net change in fund balances</b>	<b>(6,286)</b>	<b>(29,382)</b>	<b>(9,452)</b>	<b>(1,570)</b>
<b>Fund balances, beginning of year</b>	<b>15,588</b>	<b>139,914</b>	<b>9,469</b>	<b>10,181</b>
<b>Fund balances, end of year</b>	<b>\$ 9,302</b>	<b>\$ 110,532</b>	<b>\$ 17</b>	<b>\$ 8,611</b>



Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund
\$ -	\$ -	\$ -
-	-	-
-	308,000	-
-	-	142,785
690,669	-	-
264	-	372
-	-	-
-	204,981	-
<u>690,933</u>	<u>512,981</u>	<u>143,157</u>
74,229	-	-
-	-	139,109
-	-	-
-	-	-
-	505,973	-
-	-	-
<u>74,229</u>	<u>505,973</u>	<u>139,109</u>
<u>616,704</u>	<u>7,008</u>	<u>4,048</u>
-	-	-
(64,690)	(7,475)	-
-	-	-
<u>(64,690)</u>	<u>(7,475)</u>	<u>-</u>
552,014	(467)	4,048
<u>149,365</u>	<u>467</u>	<u>357,306</u>
<u>\$ 701,379</u>	<u>\$ -</u>	<u>\$ 361,354</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, 2015

	Child Care	Golf Courses	Fair	Health Department
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	339,550
Intergovernmental	2,923,615	-	-	3,088,643
Charges for services	43,776	552,309	1,253,377	437,468
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	269	-
Rental	7,950	-	-	-
Other revenue	26,769	-	102,339	3,029,627
<b>Total revenues</b>	<b>3,002,110</b>	<b>552,309</b>	<b>1,355,985</b>	<b>6,895,288</b>
<b>Expenditures</b>				
Current:				
Judicial	359,884	-	-	-
General government	-	-	-	-
Public safety	3,064,023	-	-	-
Health and welfare	2,578,475	-	-	6,082,903
Recreation and culture	-	553,858	-	-
Community development	-	-	-	-
Fair	-	-	1,309,611	-
<b>Total expenditures</b>	<b>6,002,382</b>	<b>553,858</b>	<b>1,309,611</b>	<b>6,082,903</b>
Revenues over (under) expenditures	(3,000,272)	(1,549)	46,374	812,385
<b>Other financing sources (uses)</b>				
Transfers in	3,302,456	39,000	-	219,701
Transfers out	-	(51,800)	-	(584,322)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,302,456</b>	<b>(12,800)</b>	<b>-</b>	<b>(364,621)</b>
Net change in fund balances	302,184	(14,349)	46,374	447,764
Fund balances, beginning of year	470,802	53,642	141,871	688,209
<b>Fund balances, end of year</b>	<b>\$ 772,986</b>	<b>\$ 39,293</b>	<b>\$ 188,245</b>	<b>\$ 1,135,973</b>



Department on Aging Millage	Falling Waters Trail	Total
\$ 1,042,457	\$ -	\$ 1,042,457
-	-	356,801
-	130,000	9,165,786
-	-	3,019,526
-	-	776,510
810	-	1,715
-	-	316,882
-	1,230	3,608,561
<u>1,043,267</u>	<u>131,230</u>	<u>18,288,238</u>
-	-	3,737,954
-	-	139,109
-	-	3,117,289
-	-	8,727,138
-	16,258	1,822,130
-	-	1,065,995
-	-	1,309,611
-	16,258	19,919,226
<u>1,043,267</u>	<u>114,972</u>	<u>(1,630,988)</u>
-	-	5,125,561
(980,153)	-	(1,801,306)
961	-	961
<u>(979,192)</u>	-	<u>3,325,216</u>
64,075	114,972	1,694,228
<u>501,265</u>	<u>88,687</u>	<u>2,989,354</u>
<u>\$ 565,340</u>	<u>\$ 203,659</u>	<u>\$ 4,683,582</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, 2015

	Parks Commission		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	293,150	301,361	8,211
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Other	6,400	8,204	1,804
<b>Total revenues</b>	<b>299,550</b>	<b>309,565</b>	<b>10,015</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	920,598	900,196	(20,402)
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>920,598</b>	<b>900,196</b>	<b>(20,402)</b>
<b>Revenues over (under) expenditures</b>	<b>(621,048)</b>	<b>(590,631)</b>	<b>(30,417)</b>
<b>Other financing sources (uses)</b>			
Transfers in	586,878	613,078	26,200
Transfers out	(42,176)	(42,176)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>544,702</b>	<b>570,902</b>	<b>26,200</b>
<b>Net change in fund balances</b>	<b>(76,346)</b>	<b>(19,729)</b>	<b>56,617</b>
<b>Fund balances, beginning of year</b>	<b>142,123</b>	<b>142,123</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 65,777</b>	<b>\$ 122,394</b>	<b>\$ 56,617</b>



Cascades Preservation			Friend of the Court		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,655,193	2,673,380	18,187
-	-	-	270,972	264,367	(6,605)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
185,423	155,164	(30,259)	-	-	-
185,423	155,164	(30,259)	2,926,165	2,937,747	11,582
-	-	-	3,572,252	3,289,749	(282,503)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,496	351,818	(8,678)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,496	351,818	(8,678)	3,572,252	3,289,749	(282,503)
(175,073)	(196,654)	21,581	(646,087)	(352,002)	(294,085)
95,000	117,000	22,000	646,087	614,626	(31,461)
-	-	-	-	-	-
-	-	-	-	-	-
95,000	117,000	22,000	646,087	614,626	(31,461)
(80,073)	(79,654)	419	-	262,624	262,624
80,074	80,074	-	72,497	72,497	-
\$ 1	\$ 420	\$ 419	\$ 72,497	\$ 335,121	\$ 262,624

continued...

# 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, 2015

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



Prosecuting Attorney Drug Enforcement			Sheriff Drug Enforcement		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
15,000	74,563	59,563	17,500	11,278	(6,222)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,000</u>	<u>74,563</u>	<u>59,563</u>	<u>17,500</u>	<u>11,278</u>	<u>(6,222)</u>
15,000	8,262	(6,738)	-	-	-
-	-	-	-	-	-
-	-	-	17,500	17,187	(313)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,000</u>	<u>8,262</u>	<u>(6,738)</u>	<u>17,500</u>	<u>17,187</u>	<u>(313)</u>
-	66,301	(66,301)	-	(5,909)	5,909
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	66,301	66,301	-	(5,909)	(5,909)
<u>54,923</u>	<u>54,923</u>	<u>-</u>	<u>11,634</u>	<u>11,634</u>	<u>-</u>
<u>\$ 54,923</u>	<u>\$ 121,224</u>	<u>\$ 66,301</u>	<u>\$ 11,634</u>	<u>\$ 5,725</u>	<u>\$ (5,909)</u>

continued...

# 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, 2015

	County Law Library		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Other	6,500	6,500	-
<b>Total revenues</b>	<b>6,500</b>	<b>6,500</b>	<b>-</b>
<b>Expenditures</b>			
Current:			
Judicial	6,500	5,830	(670)
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>6,500</b>	<b>5,830</b>	<b>(670)</b>
Revenues over (under) expenditures	-	670	(670)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	670	670
Fund balances, beginning of year	356	356	-
Fund balances, end of year	\$ 356	\$ 1,026	\$ 670

Michigan Justice Training			Social Services		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
20,000	10,372	(9,628)	30,000	150	(29,850)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	52,521	(7,479)	-	-	-
80,000	62,893	(17,107)	30,000	150	(29,850)
-	-	-	-	-	-
-	-	-	-	-	-
37,200	36,079	(1,121)	-	-	-
-	-	-	30,000	29,532	(468)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,200	36,079	(1,121)	30,000	29,532	(468)
42,800	26,814	15,986	-	(29,382)	29,382
-	9,700	9,700	-	-	-
(42,800)	(42,800)	-	-	-	-
-	-	-	-	-	-
(42,800)	(33,100)	9,700	-	-	-
-	(6,286)	(6,286)	-	(29,382)	(29,382)
15,588	15,588	-	139,914	139,914	-
\$ 15,588	\$ 9,302	\$ (6,286)	\$ 139,914	\$ 110,532	\$ (29,382)

continued...

# 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, 2015

	Veterans Trust		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	36,500	26,776	(9,724)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>36,500</b>	<b>26,776</b>	<b>(9,724)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	36,500	36,228	(272)
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>36,500</b>	<b>36,228</b>	<b>(272)</b>
Revenues over (under) expenditures	-	(9,452)	9,452
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	(9,452)	(9,452)
Fund balances, beginning of year	9,469	9,469	-
Fund balances, end of year	\$ 9,469	\$ 17	\$ (9,452)



Airport			Joint Narcotics		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,300	17,251	3,951	-	-	-
4,850	4,850	-	-	-	-
21,950	24,083	2,133	-	-	-
-	-	-	131,000	690,669	559,669
-	-	-	-	264	264
294,847	308,932	14,085	-	-	-
31,700	21,226	(10,474)	-	-	-
<u>366,647</u>	<u>376,342</u>	<u>9,695</u>	<u>131,000</u>	<u>690,933</u>	<u>559,933</u>
-	-	-	75,010	74,229	(781)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
558,900	560,022	1,122	-	-	-
-	-	-	-	-	-
<u>558,900</u>	<u>560,022</u>	<u>1,122</u>	<u>75,010</u>	<u>74,229</u>	<u>(781)</u>
<u>(192,253)</u>	<u>(183,680)</u>	<u>(8,573)</u>	<u>55,990</u>	<u>616,704</u>	<u>(560,714)</u>
210,000	210,000	-	-	-	-
(27,890)	(27,890)	-	(55,990)	(64,690)	(8,700)
-	-	-	-	-	-
<u>182,110</u>	<u>182,110</u>	<u>-</u>	<u>(55,990)</u>	<u>(64,690)</u>	<u>(8,700)</u>
(10,143)	(1,570)	8,573	-	552,014	552,014
10,181	10,181	-	149,365	149,365	-
<u>\$ 38</u>	<u>\$ 8,611</u>	<u>\$ 8,573</u>	<u>\$ 149,365</u>	<u>\$ 701,379</u>	<u>\$ 552,014</u>

continued...

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, 2015

	Community Development Block Grant		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	125,000	308,000	183,000
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Other	400,000	204,981	(195,019)
<b>Total revenues</b>	<b>525,000</b>	<b>512,981</b>	<b>(12,019)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	525,000	505,973	(19,027)
Fair	-	-	-
<b>Total expenditures</b>	<b>525,000</b>	<b>505,973</b>	<b>(19,027)</b>
Revenues over (under) expenditures	-	7,008	(7,008)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(7,475)	(7,475)
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(7,475)</b>	<b>(7,475)</b>
Net change in fund balances	-	(467)	(467)
Fund balances, beginning of year	467	467	-
Fund balances, end of year	\$ 467	\$ -	\$ (467)



Register of Deeds Automation			Child Care		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	3,055,185	2,923,615	(131,570)
148,000	142,785	(5,215)	32,510	43,776	11,266
-	-	-	-	-	-
500	372	(128)	-	-	-
-	-	-	2,000	7,950	5,950
-	-	-	22,700	26,769	4,069
<u>148,500</u>	<u>143,157</u>	<u>(5,343)</u>	<u>3,112,395</u>	<u>3,002,110</u>	<u>(110,285)</u>
-	-	-	877,000	359,884	(517,116)
148,500	139,109	(9,391)	-	-	-
-	-	-	3,052,997	3,064,023	11,026
-	-	-	2,484,854	2,578,475	93,621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>148,500</u>	<u>139,109</u>	<u>(9,391)</u>	<u>6,414,851</u>	<u>6,002,382</u>	<u>(412,469)</u>
-	4,048	(4,048)	(3,302,456)	(3,000,272)	(302,184)
-	-	-	3,302,456	3,302,456	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,302,456	3,302,456	-
-	4,048	4,048	-	302,184	302,184
<u>357,306</u>	<u>357,306</u>	<u>-</u>	<u>470,802</u>	<u>470,802</u>	<u>-</u>
<u>\$ 357,306</u>	<u>\$ 361,354</u>	<u>\$ 4,048</u>	<u>\$ 470,802</u>	<u>\$ 772,986</u>	<u>\$ 302,184</u>

continued...

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, 2015

	Golf Courses		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	638,199	552,309	(85,890)
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>638,199</b>	<b>552,309</b>	<b>(85,890)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	538,102	553,858	15,756
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>538,102</b>	<b>553,858</b>	<b>15,756</b>
<b>Revenues over (under) expenditures</b>	<b>100,097</b>	<b>(1,549)</b>	<b>101,646</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	39,000	39,000
Transfers out	(51,800)	(51,800)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>(51,800)</b>	<b>(12,800)</b>	<b>39,000</b>
<b>Net change in fund balances</b>	<b>48,297</b>	<b>(14,349)</b>	<b>(62,646)</b>
<b>Fund balances, beginning of year</b>	<b>53,642</b>	<b>53,642</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 101,939</b>	<b>\$ 39,293</b>	<b>\$ (62,646)</b>

Fair			Health Department		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	348,317	339,550	(8,767)
-	-	-	2,898,712	3,088,643	189,931
1,322,575	1,253,377	(69,198)	574,000	437,468	(136,532)
-	-	-	-	-	-
500	269	(231)	315	-	(315)
-	-	-	-	-	-
49,000	102,339	53,339	2,500,977	3,029,627	528,650
<u>1,372,075</u>	<u>1,355,985</u>	<u>(16,090)</u>	<u>6,322,321</u>	<u>6,895,288</u>	<u>572,967</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,369,907	6,082,903	(287,004)
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,322,232</u>	<u>1,309,611</u>	<u>(12,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,322,232</u>	<u>1,309,611</u>	<u>(12,621)</u>	<u>6,369,907</u>	<u>6,082,903</u>	<u>(287,004)</u>
<u>49,843</u>	<u>46,374</u>	<u>3,469</u>	<u>(47,586)</u>	<u>812,385</u>	<u>(859,971)</u>
-	-	-	219,701	219,701	-
-	-	-	(584,322)	(584,322)	-
<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>(364,621)</u>	<u>(364,621)</u>	<u>-</u>
51,843	46,374	(5,469)	(412,207)	447,764	859,971
<u>141,871</u>	<u>141,871</u>	<u>-</u>	<u>688,209</u>	<u>688,209</u>	<u>-</u>
<u>\$ 193,714</u>	<u>\$ 188,245</u>	<u>\$ (5,469)</u>	<u>\$ 276,002</u>	<u>\$ 1,135,973</u>	<u>\$ 859,971</u>

continued...

# 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, 2015

	Department on Aging Millage		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 1,007,032	\$ 1,042,457	\$ 35,425
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	810	810
Rental	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>1,007,032</b>	<b>1,043,267</b>	<b>36,235</b>
<b>Expenditures</b>			
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>
<b>Revenues over (under) expenditures</b>	<b>1,007,032</b>	<b>1,043,267</b>	<b>(36,235)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(980,153)	(980,153)	-
Proceeds from sale of capital assets	-	961	961
<b>Total other financing sources (uses)</b>	<b>(980,153)</b>	<b>(979,192)</b>	<b>961</b>
<b>Net change in fund balances</b>	<b>26,879</b>	<b>64,075</b>	<b>37,196</b>
<b>Fund balances, beginning of year</b>	<b>501,265</b>	<b>501,265</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 528,144</b>	<b>\$ 565,340</b>	<b>\$ 37,196</b>



Falling Waters Trail		
Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -
-	-	-
-	130,000	130,000
-	-	-
-	-	-
-	-	-
-	1,230	1,230
-	131,230	131,230
-	-	-
-	-	-
-	-	-
-	-	-
88,687	16,258	(72,429)
-	-	-
-	-	-
88,687	16,258	(72,429)
(88,687)	114,972	(203,659)
-	-	-
-	-	-
-	-	-
(88,687)	114,972	203,659
88,687	88,687	-
\$ -	\$ 203,659	\$ 203,659

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2015

	Capital Improvement Series 2015C Airport	Capital Improvement Series 2015A Energy	Capital Improvement Series 2015B LifeWays	Total
<b>Assets</b>				
Cash and pooled investments	\$ 58,184	\$ -	\$ 28,762	\$ 86,946
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 9,900	\$ 9,900
<b>Fund balances</b>				
Restricted	58,184	-	18,862	77,046
<b>Total liabilities and fund balances</b>	<b>\$ 58,184</b>	<b>\$ -</b>	<b>\$ 28,762</b>	<b>\$ 86,946</b>

# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2015

	Capital Improvement Series 2015C Airport	Capital Improvement Series 2015A Energy	Capital Improvement Series 2015B LifeWays	Total
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 3	\$ 3
<b>Expenditures</b>				
Debt service:				
Interest	500	26,458	-	26,958
Revenues over (under) expenditures	(500)	(26,458)	3	(26,955)
<b>Other financing sources</b>				
Transfers in	58,684	26,458	18,859	104,001
Net change in fund balances	58,184	-	18,862	77,046
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 58,184	\$ -	\$ 18,862	\$ 77,046

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 December 31, 2015

	Equipment/ Replacement	Sheriff Department Equipment	Public Improvement and Building	Airport Runway Project	Total
<b>Assets</b>					
Cash and pooled investments	\$ 752,081	\$ 11,408	\$ 2,755,227	\$ 2,902,565	\$ 6,421,281
Accounts receivable	21,266	-	-	-	21,266
<b>Total assets</b>	<u>\$ 773,347</u>	<u>\$ 11,408</u>	<u>\$ 2,755,227</u>	<u>\$ 2,902,565</u>	<u>\$ 6,442,547</u>
<b>Liabilities</b>					
Accounts payable	\$ 36,406	\$ 3,200	\$ 53,334	\$ 188,954	\$ 281,894
<b>Fund balances</b>					
Restricted	-	-	-	2,713,611	2,713,611
Committed	736,941	8,208	2,701,893	-	3,447,042
<b>Total fund balances</b>	<u>736,941</u>	<u>8,208</u>	<u>2,701,893</u>	<u>2,713,611</u>	<u>6,160,653</u>
<b>Total liabilities and fund balances</b>	<u>\$ 773,347</u>	<u>\$ 11,408</u>	<u>\$ 2,755,227</u>	<u>\$ 2,902,565</u>	<u>\$ 6,442,547</u>



COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended December 31, 2015

	Equipment/ Replacement	Sheriff Department Equipment	Public Improvement and Building	Airport Runway Project	Total
<b>Revenues</b>					
Intergovernmental	\$ 50,270	\$ -	\$ -	\$ 43,385	\$ 93,655
Investment earnings	-	-	1,549	-	1,549
Rental	12,545	-	-	-	12,545
Other	-	1,095,195	299,580	-	1,394,775
<b>Total revenues</b>	<b>62,815</b>	<b>1,095,195</b>	<b>301,129</b>	<b>43,385</b>	<b>1,502,524</b>
<b>Expenditures</b>					
Debt service:					
Interest	-	-	66,481	20,000	86,481
Issuance costs	-	-	84,362	55,430	139,792
Capital outlay	776,008	222,346	3,414,763	2,361,146	6,774,263
<b>Total expenditures</b>	<b>776,008</b>	<b>222,346</b>	<b>3,565,606</b>	<b>2,436,576</b>	<b>7,000,536</b>
Revenues under expenditures	(713,193)	872,849	(3,264,477)	(2,393,191)	(5,498,012)
<b>Other financing sources (uses)</b>					
Proceeds from issuance of long-term debt	-	-	3,935,000	5,000,000	8,935,000
Premium on bonds	-	-	68,602	78,684	147,286
Transfers in	1,235,000	-	432,000	-	1,667,000
Transfers out	-	(1,067,225)	(40,078)	(58,684)	(1,165,987)
Sale of capital assets	18,006	-	-	-	18,006
<b>Total other financing sources (uses)</b>	<b>1,253,006</b>	<b>(1,067,225)</b>	<b>4,395,524</b>	<b>5,020,000</b>	<b>9,601,305</b>
Net change in fund balances	539,813	(194,376)	1,131,047	2,626,809	4,103,293
Fund balances, beginning of year	197,128	202,584	1,570,846	86,802	2,057,360
<b>Fund balances, end of year</b>	<b>\$ 736,941</b>	<b>\$ 8,208</b>	<b>\$ 2,701,893</b>	<b>\$ 2,713,611</b>	<b>\$ 6,160,653</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Permanent Funds  
 December 31, 2015

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
<b>Assets</b>				
Cash and pooled investments	\$ 59,020	\$ 101,226	\$ 3,072	\$ 163,318
<b>Liabilities</b>				
Accounts payable	\$ 76	\$ -	\$ -	\$ 76
<b>Fund balances</b>				
Nonspendable	-	38	721	759
Restricted	58,944	101,188	2,351	162,483
<b>Total fund balances</b>	<u>58,944</u>	<u>101,226</u>	<u>3,072</u>	<u>163,242</u>
<b>Total liabilities and fund balances</b>	<u>\$ 59,020</u>	<u>\$ 101,226</u>	<u>\$ 3,072</u>	<u>\$ 163,318</u>

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Permanent Funds  
 For the Year Ended December 31, 2015

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
Revenues				
Donations	\$ 25,585	\$ -	\$ -	\$ 25,585
Other	-	49	-	49
Total revenues	25,585	49	-	25,634
Expenditures				
Other functions	31,389	-	-	31,389
Net change in fund balances	(5,804)	49	-	(5,755)
Fund balances, beginning of year	64,748	101,177	3,072	168,997
Fund balances, end of year	\$ 58,944	\$ 101,226	\$ 3,072	\$ 163,242

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 December 31, 2015

	Resource Recovery	Personal Property Tax	Total
<b>Assets</b>			
Current assets -			
Cash and pooled investments	\$ 702,919	\$ 170,151	\$ 873,070
Noncurrent assets -			
Restricted cash	783,191	-	783,191
<b>Total assets</b>	<b>1,486,110</b>	<b>170,151</b>	<b>1,656,261</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	13,161	36,695	49,856
Accrued payroll	560	-	560
Current portion of estimated closure and postclosure monitoring costs	90,000	-	90,000
<b>Total current liabilities</b>	<b>103,721</b>	<b>36,695</b>	<b>140,416</b>
Noncurrent liabilities -			
Estimated closure and postclosure monitoring costs	845,000	-	845,000
<b>Total liabilities</b>	<b>948,721</b>	<b>36,695</b>	<b>985,416</b>
<b>Net position</b>			
Unrestricted	\$ 537,389	\$ 133,456	\$ 670,845

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2015

	Resource Recovery	Personal Property Tax	Total
Operating revenues			
Interest on taxes	\$ -	\$ 44,055	\$ 44,055
Charges for services	100	17,135	17,235
<b>Total operating revenues</b>	<b>100</b>	<b>61,190</b>	<b>61,290</b>
Operating expenses			
Personnel services	50,192	-	50,192
Cost of services	10,987	-	10,987
Administration	65,559	1,565	67,124
<b>Total operating expenses</b>	<b>126,738</b>	<b>1,565</b>	<b>128,303</b>
Operating income (loss)	(126,638)	59,625	(67,013)
Nonoperating revenues (expenses)			
Interest income	770	103	873
Net Income (loss) before transfers	(125,868)	59,728	(66,140)
Transfers out	-	(2,500)	(2,500)
Change in net position	(125,868)	57,228	(68,640)
Net position, beginning of year	663,257	76,228	739,485
Net position, end of year	\$ 537,389	\$ 133,456	\$ 670,845

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2015

	Resource Recovery	Personal Property Tax	Total
<b>Cash flows from operating activities</b>			
Cash received from customers, residents and users	\$ 100	\$ 68,026	\$ 68,126
Cash paid to employees	(51,302)	(1,565)	(52,867)
Cash paid to suppliers	(93,778)	-	(93,778)
Payments for interfund services used	(65,559)	-	(65,559)
	<u>(210,539)</u>	<u>66,461</u>	<u>(144,078)</u>
<b>Net cash provided (used) by operating activities</b>			
<b>Cash flows from noncapital financing activities</b>			
Transfers to other funds	-	(2,500)	(2,500)
<b>Cash flows from investing activities</b>			
Interest income received	770	103	873
	<u>770</u>	<u>103</u>	<u>873</u>
<b>Net change in cash and pooled investments</b>	(209,769)	64,064	(145,705)
<b>Cash and pooled investments, beginning of year</b>	<u>1,695,879</u>	<u>106,087</u>	<u>1,801,966</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 1,486,110</u>	<u>\$ 170,151</u>	<u>\$ 1,656,261</u>
<b>Statement of Net Position Classification</b>			
Cash and pooled investments	\$ 702,919	\$ 170,151	\$ 873,070
Restricted cash	783,191	-	783,191
	<u>783,191</u>	<u>-</u>	<u>783,191</u>
<b>Total</b>	<u>\$ 1,486,110</u>	<u>\$ 170,151</u>	<u>\$ 1,656,261</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2015

	Resource Recovery	Personal Property Tax	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (126,638)	\$ 59,625	\$ (67,013)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Change in:			
Accounts payable	12,209	6,836	19,045
Accrued payroll	(1,110)	-	(1,110)
Estimated closure and postclosure monitoring costs	(95,000)	-	(95,000)
Net cash provided (used) by operating activities	<u>\$ (210,539)</u>	<u>\$ 66,461</u>	<u>\$ (144,078)</u>

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COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Net Position**  
 Internal Service Funds  
 December 31, 2015

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
<b>Current assets</b>					
Cash and pooled investments	\$ 341,977	\$ -	\$ 23,662	\$ 3,771	\$ 369,410
Accounts receivable	-	909,759	-	-	909,759
Prepaid items	2,500	1,404,922	-	-	1,407,422
<b>Total assets</b>	<b>344,477</b>	<b>2,314,681</b>	<b>23,662</b>	<b>3,771</b>	<b>2,686,591</b>
<b>Liabilities</b>					
Accounts payable	-	3,987	-	-	3,987
Estimated claims payable	-	524,830	-	-	524,830
Interfund payable	-	744,226	-	-	744,226
<b>Total liabilities</b>	<b>-</b>	<b>1,273,043</b>	<b>-</b>	<b>-</b>	<b>1,273,043</b>
<b>Net position</b>					
Unrestricted	\$ 344,477	\$ 1,041,638	\$ 23,662	\$ 3,771	\$ 1,413,548

# COUNTY OF JACKSON, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2015

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
Operating revenues					
Charges for services	\$ 50,362	\$ 11,223,553	\$ -	\$ -	\$ 11,273,915
Operating expenses					
Cost of services	5,998	10,107,987	-	-	10,113,985
Administration	86,237	829,125	-	-	915,362
Total operating expenses	92,235	10,937,112	-	-	11,029,347
Operating income (loss)	(41,873)	286,441	-	-	244,568
Nonoperating revenues					
Interest revenue	239	896	1	-	1,136
Net income (loss) before transfers	(41,634)	287,337	1	-	245,704
Transfers out	-	(35,900)	-	-	(35,900)
Change in net position	(41,634)	251,437	1	-	209,804
Net position, beginning of year	386,111	790,201	23,661	3,771	1,203,744
Net position, end of year	\$ 344,477	\$ 1,041,638	\$ 23,662	\$ 3,771	\$ 1,413,548

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2015

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
Cash flows from operating activities					
Cash received from customers, residents and users	\$ 50,362	\$ 9,701,817	\$ -	\$ -	\$ 9,752,179
Cash paid to employees, suppliers and claimants	(152,201)	(10,656,668)	-	-	(10,808,869)
Net cash used by operating activities	(101,839)	(954,851)	-	-	(1,056,690)
Cash flows from noncapital financing activities					
Transfers to other funds	-	(35,900)	-	-	(35,900)
Cash flows from investing activities					
Interest income received	239	896	1	-	1,136
Change in cash and pooled investments	(101,600)	(989,855)	1	-	(1,091,454)
Cash and cash pooled investments, beginning of year	443,577	989,855	23,661	3,771	1,460,864
Cash and pooled investments, end of year	\$ 341,977	\$ -	\$ 23,662	\$ 3,771	\$ 369,410
Reconciliation of operating income (loss) to net cash used by operating activities					
Operating income (loss)	\$ (41,873)	\$ 286,441	\$ -	\$ -	\$ 244,568
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Change in:					
Accounts receivable	-	(116,814)	-	-	(116,814)
Prepaid items	-	(1,404,922)	-	-	(1,404,922)
Accounts payable	-	(276,156)	-	-	(276,156)
Estimated claims payable	(59,966)	(187,626)	-	-	(247,592)
Interfund payable	-	744,226	-	-	744,226
Net cash used operating activities	\$ (101,839)	\$ (954,851)	\$ -	\$ -	\$ (1,056,690)

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**

All Agency Funds  
December 31, 2015

	Trust and Agency	Library	District Court Bonds	Circuit Court Trust
<b>Assets</b>				
Cash and pooled investments	\$ 1,878,544	\$ 90,373	\$ 106,804	\$ 231,009
Accounts receivable	87,457	-	-	-
<b>Total assets</b>	<b>\$ 1,966,001</b>	<b>\$ 90,373</b>	<b>\$ 106,804</b>	<b>\$ 231,009</b>
<b>Liabilities</b>				
Undistributed receipts	\$ 1,936,834	\$ -	\$ -	\$ 218,640
Due to other governments	13	90,373	-	-
Bonds payable	29,154	-	86,473	7,100
Escrow payable	-	-	20,331	5,269
<b>Total liabilities</b>	<b>\$ 1,966,001</b>	<b>\$ 90,373</b>	<b>\$ 106,804</b>	<b>\$ 231,009</b>



LifeWays	Sheriff Canteen	Total
\$ -	\$ 175,915	\$ 2,482,645
-	-	87,457
<u>\$ -</u>	<u>\$ 175,915</u>	<u>\$ 2,570,102</u>
\$ -	\$ 175,915	\$ 2,331,389
-	-	90,386
-	-	122,727
-	-	25,600
<u>\$ -</u>	<u>\$ 175,915</u>	<u>\$ 2,570,102</u>

COUNTY OF JACKSON, MICHIGAN

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

All Agency Funds

For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>Trust and agency fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 1,541,711	\$ 57,898,309	\$ 57,561,476	\$ 1,878,544
Accounts receivable	69,211	393,289	375,043	87,457
<b>Total assets</b>	<b>\$ 1,610,922</b>	<b>\$ 58,291,598</b>	<b>\$ 57,936,519</b>	<b>\$ 1,966,001</b>
<b>Liabilities</b>				
Undistributed receipts	\$ 1,418,679	\$ 25,630,696	\$ 25,112,541	\$ 1,936,834
Due to other governments	84,849	32,620,902	32,705,738	13
Bonds payable	107,394	40,000	118,240	29,154
<b>Total liabilities</b>	<b>\$ 1,610,922</b>	<b>\$ 58,291,598</b>	<b>\$ 57,936,519</b>	<b>\$ 1,966,001</b>
<b>Library fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 57,289	\$ 1,005,529	\$ 972,445	\$ 90,373
<b>Liabilities</b>				
Due to other governments	\$ 57,289	\$ 1,005,529	\$ 972,445	\$ 90,373
<b>District court bonds</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 101,208	\$ 598,706	\$ 593,110	\$ 106,804
<b>Liabilities</b>				
Bonds payable	\$ 77,244	\$ 456,329	\$ 447,100	\$ 86,473
Escrow payable	23,964	142,377	146,010	20,331
<b>Total liabilities</b>	<b>\$ 101,208</b>	<b>\$ 598,706</b>	<b>\$ 593,110</b>	<b>\$ 106,804</b>
<b>Circuit court trust fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 360,678	\$ 1,432,210	\$ 1,561,879	\$ 231,009
<b>Liabilities</b>				
Undistributed receipts	\$ 318,451	\$ 1,344,969	\$ 1,444,780	\$ 218,640
Bonds payable	36,958	87,241	117,099	7,100
Escrow payable	5,269	-	-	5,269
<b>Total liabilities</b>	<b>\$ 360,678</b>	<b>\$ 1,432,210</b>	<b>\$ 1,561,879</b>	<b>\$ 231,009</b>
<b>LifeWays</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 17,697	\$ 810,002	\$ 827,699	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 17,697	\$ 810,002	\$ 827,699	\$ -

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>Sheriff Canteen</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 136,157	\$ 1,156,449	\$ 1,116,691	\$ 175,915
<b>Liabilities</b>				
Undistributed receipts	\$ 136,157	\$ 1,156,449	\$ 1,116,691	\$ 175,915
<b>Totals-all agency funds</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 2,214,740	\$ 62,901,205	\$ 62,633,300	\$ 2,482,645
Accounts receivable	69,211	393,289	375,043	87,457
<b>Total assets</b>	<b>\$ 2,283,951</b>	<b>\$ 63,294,494</b>	<b>\$ 63,008,343</b>	<b>\$ 2,570,102</b>
<b>Liabilities</b>				
Undistributed receipts	\$ 1,873,287	\$ 28,132,114	\$ 27,674,012	\$ 2,331,389
Due to other governments	159,835	34,436,433	34,505,882	90,386
Bonds payable	221,596	583,570	682,439	122,727
Escrow payable	29,233	142,377	146,010	25,600
<b>Total liabilities</b>	<b>\$ 2,283,951</b>	<b>\$ 63,294,494</b>	<b>\$ 63,008,343</b>	<b>\$ 2,570,102</b>

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# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position

Land Bank Authority Component Unit

December 31, 2015

### Assets

Cash and pooled investments	\$ 158,258
Loans receivables	17,707
Inventories	<u>83,497</u>

### Total assets

259,462

### Liabilities

Accounts payable	384
Accrued liabilities	3,578
Advance from primary government	<u>100,000</u>

### Total liabilities

103,962

### Net position

Unrestricted	<u>\$ 155,500</u>
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# 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, 2015

Operating revenues	
Property taxes	\$ 580
Sales	<u>61,730</u>
Total operating revenues	<u>62,310</u>
Operating expenses	
Public works	18,206
Miscellaneous	<u>45,905</u>
Total operating expenses	<u>64,111</u>
Operating loss	(1,801)
Nonoperating revenue	
Interest income	<u>1,420</u>
Change in net position	(381)
Net position, beginning of year	<u>155,881</u>
Net position, end of year	<u><u>\$ 155,500</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Cash Flows

Land Bank Authority Component Unit  
For the Year Ended December 31, 2015

Cash flows from operating activities	
Cash received from customers, residents and users	\$ 53,496
Cash paid to employees, suppliers and claimants	<u>(63,326)</u>
Net cash used by operating activities	(9,830)
Cash flows from investing activities	
Interest income received	<u>1,420</u>
Net change in cash and pooled investments	(8,410)
Cash and pooled investments, beginning of year	<u>166,668</u>
Cash and pooled investments, end of year	<u>\$ 158,258</u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (1,801)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in:	
Loans receivable	90
Inventories	(8,904)
Accounts payable	110
Accrued liabilities	<u>675</u>
Net cash used operating activities	<u>\$ (9,830)</u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2015

	Capital Project Funds		
	Spring Arbor Water Project	Drain Districts	Drain Revolving
<b>Assets</b>			
Cash and pooled investments	\$ 3,325	\$ 1,120,654	\$ 105,758
Special assessments receivable, net	-	69,822	-
Due from other funds	-	-	97,068
Capital assets, net of depreciation	-	-	-
<b>Total assets</b>	<b>\$ 3,325</b>	<b>\$ 1,190,476</b>	<b>\$ 202,826</b>
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 97,465	\$ -
Advance from primary government	-	-	200,000
<b>Total liabilities</b>	<b>-</b>	<b>97,465</b>	<b>200,000</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	69,822	-
<b>Fund balances</b>			
Restricted for construction	3,325	1,023,189	2,826
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,325</b>	<b>\$ 1,190,476</b>	<b>\$ 202,826</b>
<b>Net position</b>			
Net investment in capital assets Restricted for construction			
<b>Total net position</b>			



Capital Project Funds				
Lake Level Districts	Lake Level Revolving	Total Governmental Funds	Adjustments	Statement of Net Position
\$ 55,449	\$ 4,029	\$ 1,289,215	\$ -	\$ 1,289,215
5,178	-	75,000	-	75,000
-	6,320	103,388	(103,388)	-
-	-	-	3,153,082	3,153,082
<u>\$ 60,627</u>	<u>\$ 10,349</u>	<u>\$ 1,467,603</u>	<u>\$ 3,049,694</u>	<u>4,517,297</u>
\$ 5,923	\$ -	\$ 103,388	\$ (103,388)	\$ -
-	10,000	210,000	-	210,000
<u>5,923</u>	<u>10,000</u>	<u>313,388</u>	<u>(103,388)</u>	<u>210,000</u>
<u>5,178</u>	<u>-</u>	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
<u>49,526</u>	<u>349</u>	<u>1,079,215</u>	<u>(1,079,215)</u>	<u>-</u>
<u>\$ 60,627</u>	<u>\$ 10,349</u>	<u>\$ 1,467,603</u>		
			3,153,082	3,153,082
			1,154,215	1,154,215
			<u>\$ 4,307,297</u>	<u>\$ 4,307,297</u>

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# COUNTY OF JACKSON, MICHIGAN

## ■ Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Component Unit  
Drain Commission Component Unit  
December 31, 2015

Fund balances - governmental funds \$ 1,079,215

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. 3,153,082

Unavailable revenue is not a current financial resource and therefore is not  
reported as revenue in the governmental funds 75,000

Net position of governmental activities \$ 4,307,297

# 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, 2015

	Capital Project Funds		
	Spring Arbor Water Project	Drain Districts	Drain Revolving
<b>Revenues</b>			
Intergovernmental revenue	\$ -	\$ 63,175	\$ -
Investment earnings	1	582	28
<b>Total revenues</b>	<u>1</u>	<u>63,757</u>	<u>28</u>
<b>Expenditures/expenses</b>			
Current operations -			
Public works	-	50,572	65,882
Depreciation expense	-	-	-
<b>Total expenditures/expenses</b>	<u>-</u>	<u>50,572</u>	<u>65,882</u>
Revenues over (under) expenditures	<u>1</u>	<u>13,185</u>	<u>(65,854)</u>
<b>Other financing sources (uses)/transfers</b>			
Transfers in	-	-	68,533
Transfers out	-	(68,533)	-
<b>Total other financing sources (uses)/transfers</b>	<u>-</u>	<u>(68,533)</u>	<u>68,533</u>
Change in fund balance/net position	1	(55,348)	2,679
<b>Fund balances/net position</b>			
Beginning of year	<u>3,324</u>	<u>1,078,537</u>	<u>147</u>
End of year	<u>\$ 3,325</u>	<u>\$ 1,023,189</u>	<u>\$ 2,826</u>





Capital Project Funds				
Lake Level Districts	Lake Level Revolving	Total Governmental Funds	Adjustments	Statement of Activities
\$ -	\$ -	\$ 63,175	\$ (5,205)	\$ 57,970
27	3	641	-	641
<u>27</u>	<u>3</u>	<u>63,816</u>	<u>(5,205)</u>	<u>58,611</u>
7,656	75	124,185	-	124,185
-	-	-	160,757	160,757
<u>7,656</u>	<u>75</u>	<u>124,185</u>	<u>160,757</u>	<u>284,942</u>
<u>(7,629)</u>	<u>(72)</u>	<u>(60,369)</u>	<u>(165,962)</u>	<u>(226,331)</u>
-	421	68,954	-	68,954
(421)	-	(68,954)	-	(68,954)
<u>(421)</u>	<u>421</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(8,050)</u>	<u>349</u>	<u>(60,369)</u>	<u>(165,962)</u>	<u>(226,331)</u>
57,576	-	1,139,584	3,394,044	4,533,628
<u>\$ 49,526</u>	<u>\$ 349</u>	<u>\$ 1,079,215</u>	<u>\$ 3,228,082</u>	<u>\$ 4,307,297</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, 2015

Net change in fund balances - governmental funds	\$ (60,369)
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	(160,757)
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>(5,205)</u>
Change in net position of governmental activities	<u><u>\$ (226,331)</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Fund Balance Sheet

Brownfield Redevelopment Authority Component Unit

December 31, 2015

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
<b>Current assets</b>			
Cash and pooled investments	\$ 90,560	\$ -	\$ 90,560
Accounts receivable	12,341	-	12,341
Long-term receivable	613,009	-	613,009
<b>Total assets</b>	<u>\$ 715,910</u>	<u>-</u>	<u>715,910</u>
<b>Liabilities</b>			
Accounts payable	\$ 14,854	-	14,854
Advance from primary government	117,500	-	117,500
<b>Total liabilities</b>	132,354	-	132,354
<b>Fund balances</b>			
Nonspendable	583,556	(583,556)	-
<b>Total liabilities and fund balances</b>	<u>\$ 715,910</u>		
<b>Net position</b>			
Restricted for loans		<u>\$ 583,556</u>	<u>\$ 583,556</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, 2015**

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Contributions	\$ 36,213	\$ -	\$ 36,213
Expenditures/expenses			
Current operations -			
Public works	57,626	-	57,626
Net change in fund balances	(21,413)	(21,413)	-
Change in net position		21,413	(21,413)
Fund balances/net position			
Beginning of year	604,969	-	604,969
End of year	<u>\$ 583,556</u>	<u>\$ -</u>	<u>\$ 583,556</u>

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2015

	Debt Service Funds				
	Village of Springport Wastewater	Village of Springport	Spring Arbor Water Project	Village of Brooklyn	Clark Lake
<b>Assets</b>					
Cash and pooled investments	\$ 307	\$ 71	\$ 11	\$ 46	\$ 87
Accounts receivable	-	-	-	-	-
Due from other governmental units	-	-	255,000	150,000	-
<b>Total assets</b>	<u>\$ 307</u>	<u>\$ 71</u>	<u>\$ 255,011</u>	<u>\$ 150,046</u>	<u>\$ 87</u>
<b>Deferred outflows of resources</b>					
Deferred charges on refunding	-	-	-	-	-
<b>Liabilities</b>					
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	-	-	255,000	150,000	-
<b>Fund balances</b>					
Restricted for debt service	307	71	11	46	87
Restricted for construction	-	-	-	-	-
<b>Total fund balances</b>	<u>307</u>	<u>71</u>	<u>11</u>	<u>46</u>	<u>87</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 307</u>	<u>\$ 71</u>	<u>\$ 255,011</u>	<u>\$ 150,046</u>	<u>\$ 87</u>



Debt Service Funds						
Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Village of Parma - Revolving	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B
\$ 771	\$ 543	\$ 1,959	\$ -	\$ 2,327	\$ -	\$ 3,250
-	-	-	-	-	-	150
1,035,000	-	3,514,863	450,000	830,000	1,040,000	255,000
<u>\$ 1,035,771</u>	<u>\$ 543</u>	<u>\$ 3,516,822</u>	<u>\$ 450,000</u>	<u>\$ 832,327</u>	<u>\$ 1,040,000</u>	<u>\$ 258,400</u>
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,035,000	-	3,514,863	450,000	830,000	1,040,000	255,000
771	543	1,959	-	2,327	-	3,400
-	-	-	-	-	-	-
771	543	1,959	-	2,327	-	3,400
<u>\$ 1,035,771</u>	<u>\$ 543</u>	<u>\$ 3,516,822</u>	<u>\$ 450,000</u>	<u>\$ 832,327</u>	<u>\$ 1,040,000</u>	<u>\$ 258,400</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, 2015

	Debt Service Funds				
	Vineyard Lake Area Section	Round/ Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater
<b>Assets</b>					
Cash and pooled investments	\$ 284	\$ 9,060	\$ 78,006	\$ 156	\$ -
Accounts receivable	-	-	-	-	-
Due from other governmental units	2,430,000	1,575,000	3,325,000	790,000	2,161,598
<b>Total assets</b>	<b>\$ 2,430,284</b>	<b>\$ 1,584,060</b>	<b>\$ 3,403,006</b>	<b>\$ 790,156</b>	<b>\$ 2,161,598</b>
<b>Deferred outflows of resources</b>					
Deferred charges on refunding	-	-	-	-	-
<b>Liabilities</b>					
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt:					
Due in one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	2,430,000	1,575,000	3,325,000	790,000	2,161,598
<b>Fund balances</b>					
Restricted for debt service	284	9,060	78,006	156	-
Restricted for construction	-	-	-	-	-
<b>Total fund balances</b>	<b>284</b>	<b>9,060</b>	<b>78,006</b>	<b>156</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,430,284</b>	<b>\$ 1,584,060</b>	<b>\$ 3,403,006</b>	<b>\$ 790,156</b>	<b>\$ 2,161,598</b>

Net position



Capital Projects Funds						
Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Total	Adjustments	Statement of Net Position
\$ 405	\$ 135	\$ 1,349	\$ 62	\$ 98,829	\$ -	\$ 98,829
-	-	-	-	150	-	150
-	-	-	-	17,811,461	34,179	17,845,640
<u>\$ 405</u>	<u>\$ 135</u>	<u>\$ 1,349</u>	<u>\$ 62</u>	<u>\$ 17,910,440</u>	<u>\$ 34,179</u>	<u>\$ 17,944,619</u>
-	-	-	-	-	155,137	155,137
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,158	\$ 133,158
-	-	-	-	-	2,120,000	2,120,000
-	-	-	-	-	15,846,598	15,846,598
-	-	-	-	-	18,254,893	18,254,893
-	-	-	-	17,811,461	(17,811,461)	-
-	-	-	-	97,028	(97,028)	-
405	135	1,349	62	1,951	(1,951)	-
405	135	1,349	62	98,979	(98,979)	-
<u>\$ 405</u>	<u>\$ 135</u>	<u>\$ 1,349</u>	<u>\$ 62</u>	<u>\$ 17,910,440</u>		
					<u>\$ -</u>	<u>\$ -</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Component Unit  
Board of Public Works Component Unit  
December 31, 2015

Fund balances - governmental Funds	\$	98,979
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		
		34,179
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		
		17,811,461
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds payable		(17,966,598)
Interest payable		(133,158)
Deferred charges on refunding		155,137
		<hr/>
Net position of governmental activities	\$	<hr/> <hr/> -

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, 2015

	Debt Service Funds				
	Village of Springport Wastewater	Village of Springport	Spring Arbor Water Project	Village of Brooklyn	Clark Lake
Revenues					
Intergovernmental	\$ -	\$ -	\$ 37,088	\$ 164,225	\$ -
Investment earnings	-	-	1	9	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>37,089</b>	<b>164,234</b>	<b>-</b>
Expenditures/expenses					
Debt Service:					
Principal	-	-	25,000	150,000	-
Interest and fiscal charges	-	-	12,088	14,225	-
<b>Total expenditures/expenses</b>	<b>-</b>	<b>-</b>	<b>37,088</b>	<b>164,225</b>	<b>-</b>
Net change in fund balances	-	-	1	9	-
Change in net position					
Fund balances/net position					
Beginning of year	307	71	10	37	87
End of year	<u>\$ 307</u>	<u>\$ 71</u>	<u>\$ 11</u>	<u>\$ 46</u>	<u>\$ 87</u>



Debt Service Funds						
Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Village of Parma - Revolving	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B
\$ 299,800	\$ -	\$ 520,575	\$ 72,000	\$ 156,345	\$ 142,438	\$ 38,424
25	-	27	-	20	-	4
<u>299,825</u>	<u>-</u>	<u>520,602</u>	<u>72,000</u>	<u>156,365</u>	<u>142,438</u>	<u>38,428</u>
250,000	-	375,000	60,000	135,000	115,000	25,000
49,750	-	145,575	12,000	21,345	27,438	13,274
<u>299,750</u>	<u>-</u>	<u>520,575</u>	<u>72,000</u>	<u>156,345</u>	<u>142,438</u>	<u>38,274</u>
75	-	27	-	20	-	154
696	543	1,932	-	2,307	-	3,246
<u>\$ 771</u>	<u>\$ 543</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 2,327</u>	<u>\$ -</u>	<u>\$ 3,400</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, 2015

	Debt Service Funds				
	Vineyard Lake Area Section	Round/ Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater
Revenues					
Intergovernmental	\$ 420,707	\$ 260,869	\$ 393,923	\$ 51,261	\$ 175,540
Investment earnings	21	12	8,169	3	-
Total revenues	<u>420,728</u>	<u>260,881</u>	<u>402,092</u>	<u>51,264</u>	<u>175,540</u>
Expenditures/expenses					
Debt Service:					
Principal	310,000	225,000	250,000	20,000	120,000
Interest and fiscal charges	<u>110,708</u>	<u>35,719</u>	<u>155,625</u>	<u>31,140</u>	<u>55,540</u>
Total expenditures/expenses	<u>420,708</u>	<u>260,719</u>	<u>405,625</u>	<u>51,140</u>	<u>175,540</u>
Net change in fund balances	20	162	(3,533)	124	-
Change in net position					
Fund balances/net position					
Beginning of year	<u>264</u>	<u>8,898</u>	<u>81,539</u>	<u>32</u>	<u>-</u>
End of year	<u>\$ 284</u>	<u>\$ 9,060</u>	<u>\$ 78,006</u>	<u>\$ 156</u>	<u>\$ -</u>



Capital Projects Funds						
Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Total	Adjustments	Statement of Activities
\$ -	\$ -	\$ -	\$ -	\$ 2,733,195	\$ (2,051,982)	\$ 681,213
-	-	1	-	8,292	-	8,292
-	-	1	-	2,741,487	(2,051,982)	689,505
-	-	-	-	2,060,000	(2,060,000)	-
-	-	-	-	684,427	5,078	689,505
-	-	-	-	2,744,427	(2,054,922)	689,505
-	-	1	-	(2,940)	2,940	-
405	135	1,348	62	101,919	(101,919)	-
\$ 405	\$ 135	\$ 1,349	\$ 62	\$ 98,979	\$ (98,979)	\$ -

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, 2015

Net change in fund balances - governmental funds	\$ (2,940)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report payments received by other for principal debt service as revenue, but the statement of activities does not.	
Debt assessments received current year	(2,051,982)
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 on bonds payable	(5,078)
Repayment of debt principal is an expenditure in the funds but not in the statement of activities.	
Bond payments	<u>2,060,000</u>
Change in net position of governmental activities	<u><u>\$ -</u></u>



# 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.	178
<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.	188
<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.	196
<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.	201
<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.	203

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)

	2006	2007	2008	2009	2010
<b>Governmental activities</b>					
Net investment in capital assets	\$ 16,131,214	\$ 16,662,254	\$ 16,820,741	\$ 16,533,573	\$ 15,130,221
Restricted	2,248,154	1,999,818	1,851,694	2,398,320	2,970,238
Unrestricted	30,618,527	29,152,734	28,243,259	27,949,778	28,418,753
<b>Total governmental activities net position</b>	<b>\$ 48,997,895</b>	<b>\$ 47,814,806</b>	<b>\$ 46,915,694</b>	<b>\$ 46,881,671</b>	<b>\$ 46,519,212</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 8,256,892	\$ 9,254,305	\$ 11,920,478	\$ 12,124,522	\$ 13,178,355
Unrestricted	19,923,786	22,051,366	21,158,429	23,646,148	24,406,603
<b>Total business-type activities net position</b>	<b>\$ 28,180,678</b>	<b>\$ 31,305,671</b>	<b>\$ 33,078,907</b>	<b>\$ 35,770,670</b>	<b>\$ 37,584,958</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 24,388,106	\$ 25,916,559	\$ 28,741,219	\$ 28,658,095	\$ 28,308,576
Restricted	2,248,154	1,999,818	1,851,694	2,398,320	2,970,238
Unrestricted	50,542,313	51,204,100	49,401,688	51,595,926	52,825,356
<b>Total primary government net position</b>	<b>\$ 77,178,573</b>	<b>\$ 79,120,477</b>	<b>\$ 79,994,601</b>	<b>\$ 82,652,341</b>	<b>\$ 84,104,170</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.

Note: GASB Statement No. 68 was implemented for the fiscal year ended December 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

Schedule 1  
Unaudited

2011	2012	2013	2014	2015
\$ 15,172,343	\$ 14,381,796	\$ 82,006,055	\$ 85,235,379	\$ 80,763,955
17,220,863	15,477,619	12,690,046	11,852,828	16,954,611
14,863,873	13,990,332	13,284,484	7,656,588	(43,192,276)
<u>\$ 47,257,079</u>	<u>\$ 43,849,747</u>	<u>\$ 107,980,585</u>	<u>\$ 104,744,795</u>	<u>\$ 54,526,290</u>
\$ 13,901,502	\$ 15,663,869	\$ 3,419,014	\$ 4,078,658	\$ 3,412,622
25,585,370	25,095,420	23,997,521	22,567,600	33,682,508
<u>\$ 39,486,872</u>	<u>\$ 40,759,289</u>	<u>\$ 27,416,535</u>	<u>\$ 26,646,258</u>	<u>\$ 37,095,130</u>
\$ 29,073,845	\$ 30,045,665	\$ 85,425,069	\$ 89,314,037	\$ 84,176,577
17,220,863	15,477,619	12,690,046	11,852,828	16,954,611
40,449,243	39,085,752	37,282,005	30,224,188	(9,509,768)
<u>\$ 86,743,951</u>	<u>\$ 84,609,036</u>	<u>\$ 135,397,120</u>	<u>\$ 131,391,053</u>	<u>\$ 91,621,420</u>

COUNTY OF JACKSON, MICHIGAN

**Changes in Net Position**

Last Ten Years

(accrual basis of accounting)

	2006	2007	2008	2009	2010
<b>Revenue</b>					
Governmental activities:					
Program revenues:					
Charges for services	\$ 9,208,333	\$ 9,156,733	\$ 8,139,339	\$ 9,855,124	\$ 9,597,688
Operating grants and contributions	19,605,978	20,002,956	19,534,191	16,131,328	16,857,973
Capital grants and contributions	-	-	-	-	-
General revenues:					
Property taxes	30,548,572	26,632,998	26,301,985	26,383,232	25,542,916
State shared revenue	656,012	686,772	736,391	1,236,701	2,361,911
Other	1,990,206	2,206,053	1,829,418	1,177,816	741,905
Transfers	592,990	1,574,795	2,679,194	1,122,574	1,233,954
Total governmental activities revenues	<u>62,602,091</u>	<u>60,260,307</u>	<u>59,220,518</u>	<u>55,906,775</u>	<u>56,336,347</u>
Business-type activities:					
Program revenues:					
Charges for services	29,232,470	30,063,817	30,586,126	30,569,896	29,535,470
Operating grants and contributions	945,108	427,996	338,959	-	-
General revenues:					
Other	-	-	-	234,205	54,945
Special items					
Impairment loss on capital assets	-	-	-	-	-
Loss on write-down of inventory	-	-	-	-	-
Transfers	(663,226)	(1,565,385)	(2,626,150)	(1,123,027)	(1,225,023)
Total business-type activities revenues	<u>29,514,352</u>	<u>28,926,428</u>	<u>28,298,935</u>	<u>29,681,074</u>	<u>28,365,392</u>
Total primary government revenues	<u>92,116,443</u>	<u>89,186,735</u>	<u>87,519,453</u>	<u>85,587,849</u>	<u>84,701,739</u>
<b>Expenses</b>					
Governmental activities:					
Judicial	-	-	-	-	-
General government	21,501,134	23,777,304	22,601,423	23,650,817	22,366,906
Public safety	16,090,197	16,944,208	18,171,168	18,196,223	18,336,839
Public works	-	-	-	-	-
Health and welfare	9,687,103	9,878,983	9,254,566	9,521,311	10,487,852
Recreation and culture	1,666,183	1,732,731	1,766,639	3,188,894	2,843,700
Community development	8,225,733	8,253,892	7,494,081	1,463,740	1,033,799
Interest on long-term debt	570,535	856,277	831,753	803,914	1,156,503
Total governmental activities expenses	<u>57,740,885</u>	<u>61,443,395</u>	<u>60,119,630</u>	<u>56,824,899</u>	<u>56,225,599</u>
Business-type activities:					
Delinquent tax collection/forfeitures	582,566	543,975	523,433	560,542	345,126
Medical care facility	14,950,198	15,375,425	15,758,850	16,060,347	16,681,276
Foreclosure tax administration	382,099	233,853	301,988	426,210	494,072
Resource recovery	7,682,790	8,602,557	8,640,601	8,991,113	8,893,948
Personal property tax	59,534	70,351	66,944	66,998	66,631
Soil erosion	108,442	98,247	65,186	-	-
Total business-type activities expenses	<u>23,765,629</u>	<u>24,924,408</u>	<u>25,357,002</u>	<u>26,105,210</u>	<u>26,481,053</u>
Total primary government expenses	<u>81,506,514</u>	<u>86,367,803</u>	<u>85,476,632</u>	<u>82,930,109</u>	<u>82,706,652</u>
Change in net position	10,609,929	2,818,932	2,042,821	2,657,740	1,995,087
Net position, beginning of year, as restated	<u>67,744,072</u>	<u>77,428,572</u>	<u>79,120,477</u>	<u>79,994,601</u>	<u>82,109,083</u>
Net position, end of year	<u>\$ 78,354,001</u>	<u>\$ 80,247,504</u>	<u>\$ 81,163,298</u>	<u>\$ 82,652,341</u>	<u>\$ 84,104,170</u>

Source: Jackson County Finance Department

Schedule 2  
Unaudited

2011	2012	2013	2014	2015
\$ 9,515,532	\$ 10,060,336	\$ 11,874,779	\$ 12,297,064	\$ 14,265,623
17,845,207	18,373,243	30,792,988	35,206,928	37,314,600
382,293	4,025	2,583,837	2,212,368	1,143,175
24,779,304	24,605,780	24,038,899	24,982,710	25,555,482
3,297,426	2,577,616	3,629,709	4,034,788	4,549,491
1,504,285	567,758	(2,143,041)	2,644,025	823,063
960,559	792,659	1,718,754	2,073,417	2,175,219
<u>58,284,606</u>	<u>56,981,417</u>	<u>72,495,925</u>	<u>83,451,300</u>	<u>85,826,653</u>
29,741,712	31,129,191	26,247,095	19,431,181	20,899,090
-	-	4,748,424	4,631,877	4,295,869
157,095	143,494	-	-	-
-	-	(11,573,914)	-	-
-	-	(1,604,251)	-	-
(948,952)	(873,240)	(1,656,210)	(1,909,080)	(2,225,180)
<u>28,949,855</u>	<u>30,399,445</u>	<u>16,161,144</u>	<u>22,153,978</u>	<u>22,969,779</u>
<u>87,234,461</u>	<u>87,380,862</u>	<u>88,657,069</u>	<u>105,605,278</u>	<u>108,796,432</u>
-	-	-	3,845,425	3,704,190
22,951,626	25,607,190	27,844,444	26,660,739	24,853,910
18,882,372	18,745,790	18,748,028	20,578,254	19,761,116
-	-	12,432,981	17,643,349	18,498,264
10,664,522	10,734,927	15,170,502	12,362,735	13,801,527
2,844,926	2,910,341	1,733,043	2,242,769	2,162,591
2,006,522	1,795,363	5,418,245	2,818,220	3,377,913
443,479	595,138	604,922	535,599	769,992
<u>57,793,447</u>	<u>60,388,749</u>	<u>81,952,165</u>	<u>86,687,090</u>	<u>86,929,503</u>
490,959	325,312	1,035,957	939,727	2,191,806
17,816,002	18,151,367	18,391,888	18,865,612	19,075,813
462,740	1,626,864	1,338,751	1,205,868	876,550
8,242,890	8,960,431	8,377,360	1,911,434	126,738
35,350	63,054	9,493	1,614	1,565
-	-	-	-	-
<u>27,047,941</u>	<u>29,127,028</u>	<u>29,153,449</u>	<u>22,924,255</u>	<u>22,272,472</u>
<u>84,841,388</u>	<u>89,515,777</u>	<u>111,105,614</u>	<u>109,611,345</u>	<u>109,201,975</u>
2,393,073	(2,134,915)	(22,448,545)	(4,006,067)	(405,543)
<u>84,350,878</u>	<u>86,743,951</u>	<u>157,845,665</u>	<u>135,397,120</u>	<u>92,026,963</u>
<u>\$ 86,743,951</u>	<u>\$ 84,609,036</u>	<u>\$ 135,397,120</u>	<u>\$ 131,391,053</u>	<u>\$ 91,621,420</u>

COUNTY OF JACKSON, MICHIGAN

**Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010
General fund					
Nonspendable					
Committed					
Assigned					
Unassigned					
Reserved	\$ 881,264	\$ 881,943	\$ 878,826	\$ 879,589	\$ 880,467
Unreserved	6,105,169	8,333,984	10,211,100	12,834,704	13,012,690
<b>Total general fund</b>	<b>\$ 6,986,433</b>	<b>\$ 9,215,927</b>	<b>\$ 11,089,926</b>	<b>\$ 13,714,293</b>	<b>\$ 13,893,157</b>
All other governmental funds					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned (deficit)					
Reserved	\$ 2,227,860	\$ 1,988,260	\$ 1,815,135	\$ 1,886,987	\$ 3,038,560
Unreserved, reported in:					
Special revenue funds	23,544,783	20,596,873	19,461,048	17,334,858	16,882,432
Permanent funds	136,555	149,945	176,986	181,134	180,616
<b>Total all other governmental funds</b>	<b>25,909,198</b>	<b>22,735,078</b>	<b>21,453,169</b>	<b>19,402,979</b>	<b>20,101,608</b>
<b>Total governmental funds</b>	<b>\$ 32,895,631</b>	<b>\$ 31,951,005</b>	<b>\$ 32,543,095</b>	<b>\$ 33,117,272</b>	<b>\$ 33,994,765</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.

Source: Jackson County Finance Department

Schedule 3  
Unaudited

2011	2012	2013	2014	2015
\$ 876,332	\$ 888,149	\$ 874,160	\$ 931,458	\$ 889,529
1,447,924	958,703	469,482	469,482	-
830,299	830,299	263,369	1,320,167	705,443
12,965,088	12,789,539	11,058,812	10,365,563	10,278,607
-	-	-	-	-
-	-	-	-	-
<u>\$ 16,119,643</u>	<u>\$ 15,466,690</u>	<u>\$ 12,665,823</u>	<u>\$ 13,086,670</u>	<u>\$ 11,873,579</u>
\$ 431,540	\$ 387,139	\$ 1,479,623	\$ 1,957,267	\$ 2,052,590
17,150,425	15,397,727	11,347,738	10,037,650	15,015,207
1,504,087	1,539,808	3,785,981	2,331,517	4,103,415
-	-	-	-	-
(2,753)	-	(2,964)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>19,083,299</u>	<u>17,324,674</u>	<u>16,610,378</u>	<u>14,326,434</u>	<u>21,171,212</u>
<u>\$ 35,202,942</u>	<u>\$ 32,791,364</u>	<u>\$ 29,276,201</u>	<u>\$ 27,413,104</u>	<u>\$ 33,044,791</u>

COUNTY OF JACKSON, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010
<b>Revenues</b>					
Property taxes	\$ 30,548,572	\$ 26,632,998	\$ 26,301,985	\$ 26,383,232	\$ 25,541,044
Licenses, fees, taxes and permits	536,321	497,887	474,069	437,296	471,432
Intergovernmental	15,788,530	15,701,183	14,098,155	13,904,984	15,498,755
Charges for services	8,203,360	8,006,369	8,873,750	7,589,130	7,920,575
Fines and forfeitures	1,057,902	1,211,283	999,836	1,021,582	987,318
Investment earnings (loss)	2,574,872	2,848,441	2,389,750	1,548,242	1,136,906
Rental, donations, and other	3,270,925	3,761,527	3,385,049	4,181,788	3,871,363
<b>Total revenues</b>	<b>61,980,482</b>	<b>58,659,688</b>	<b>56,522,594</b>	<b>55,066,254</b>	<b>55,427,393</b>
<b>Expenditures</b>					
<b>Current:</b>					
Judicial	-	-	-	-	-
General government	21,199,149	21,682,119	21,063,018	20,540,737	19,928,198
Public safety	14,783,211	15,579,716	15,805,365	14,871,330	15,132,380
Public works	-	-	-	-	-
Health and welfare	14,783,211	15,579,716	15,805,365	14,871,330	15,132,380
Recreation and cultural	1,556,943	2,080,699	1,775,068	2,448,636	2,112,047
Community development	143,212	2,002,491	1,090,014	1,290,775	919,684
Fair	-	-	-	-	-
Other functions	8,049,294	9,583,117	7,653,906	7,061,789	1,950,462
<b>Debt service:</b>					
Principal	350,000	600,000	700,000	700,000	775,000
Interest	531,869	860,645	836,969	809,331	779,925
Issuance costs	-	-	-	-	-
Capital outlay	8,302,321	1,559,476	2,177,165	917,416	5,932,361
<b>Total expenditures</b>	<b>69,699,210</b>	<b>69,527,979</b>	<b>66,906,870</b>	<b>63,511,344</b>	<b>62,662,437</b>
<b>Revenues over (under) expenditures</b>	<b>(7,718,728)</b>	<b>(10,868,291)</b>	<b>(10,384,276)</b>	<b>(8,445,090)</b>	<b>(7,235,044)</b>
<b>Other financing sources (uses)</b>					
Proceeds from the issuance of long-term debt	7,045,000	-	-	-	10,100,000
Payment to refunding bond escrow agent	-	-	-	-	(10,018,468)
Premium on bonds	-	-	-	-	-
Discount on bonds	(42,340)	-	-	-	-
Transfers in	13,437,705	15,652,285	15,375,975	14,747,892	13,543,829
Transfers out	(12,663,185)	(13,863,913)	(12,591,093)	(13,809,630)	(12,215,610)
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>7,777,180</b>	<b>1,788,372</b>	<b>2,784,882</b>	<b>938,262</b>	<b>1,409,751</b>
<b>Net change in fund balances</b>	<b>\$ 58,452</b>	<b>\$ (9,079,919)</b>	<b>\$ (7,599,394)</b>	<b>\$ (7,506,828)</b>	<b>\$ (5,825,293)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.44%</b>	<b>2.15%</b>	<b>2.37%</b>	<b>2.41%</b>	<b>2.74%</b>

Source: Jackson County Finance Department



Schedule 4  
Unaudited

2011	2012	2013	2014	2015
\$ 24,779,305	\$ 24,606,997	\$ 24,038,899	\$ 24,982,710	\$ 25,555,482
459,766	464,860	629,992	553,195	631,450
17,817,486	17,413,440	31,565,444	34,424,635	35,162,155
7,603,096	7,802,940	10,304,110	10,937,860	10,850,745
929,517	884,085	894,326	913,977	1,456,750
1,759,834	975,110	(2,146,321)	2,621,077	812,505
4,300,043	4,366,326	5,510,816	6,418,398	7,669,019
<u>57,649,047</u>	<u>56,513,758</u>	<u>70,797,266</u>	<u>80,851,852</u>	<u>82,138,106</u>
-	-	3,997,148	3,845,425	3,737,954
19,954,588	20,594,967	16,116,914	17,407,601	17,239,021
15,434,422	15,720,974	16,763,410	17,703,355	17,681,048
-	-	10,743,885	11,891,655	12,341,964
15,434,422	15,720,974	11,589,346	11,842,417	12,658,535
1,985,441	2,175,564	1,335,362	1,690,424	1,822,130
1,775,957	1,586,540	2,125,453	1,098,819	1,065,995
-	-	995,116	1,067,215	1,309,611
4,278,569	4,258,056	7,539,934	6,221,610	6,650,035
905,000	895,000	1,071,085	1,116,444	1,289,064
421,334	600,133	581,230	544,479	854,075
-	-	-	69,662	-
<u>5,769,282</u>	<u>6,400,349</u>	<u>8,189,363</u>	<u>10,425,090</u>	<u>11,029,567</u>
<u>65,959,015</u>	<u>67,952,557</u>	<u>81,048,246</u>	<u>84,924,196</u>	<u>87,678,999</u>
<u>(8,309,968)</u>	<u>(11,438,799)</u>	<u>(10,250,980)</u>	<u>(4,072,344)</u>	<u>(5,540,893)</u>
-	-	-	5,010,000	8,935,000
-	-	-	(4,920,000)	-
-	-	-	-	147,286
-	-	-	(20,338)	-
12,695,160	11,001,852	8,150,845	11,469,347	12,238,395
(11,696,532)	(10,168,939)	(6,396,191)	(9,360,030)	(10,027,276)
-	-	5,635	30,268	18,967
<u>998,628</u>	<u>832,913</u>	<u>1,760,289</u>	<u>2,209,247</u>	<u>11,312,372</u>
<u>\$ (7,311,340)</u>	<u>\$ (10,605,886)</u>	<u>\$ (8,490,691)</u>	<u>\$ (1,863,097)</u>	<u>\$ 5,771,479</u>
<u>2.20%</u>	<u>2.43%</u>	<u>2.30%</u>	<u>2.28%</u>	<u>2.78%</u>

COUNTY OF JACKSON, MICHIGAN

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

	2006	2007	2008	2009	2010
<b>Revenues</b>					
Property taxes	\$ 21,074,348	\$ 23,036,819	\$ 22,536,049	\$ 22,553,464	\$ 21,700,151
Licenses, fees, taxes and permits	126,079	119,539	135,192	156,335	175,006
Intergovernmental	6,161,126	6,153,948	5,961,239	6,141,528	7,862,620
Charges for services	6,303,080	6,218,903	5,338,369	5,079,399	5,491,690
Fines and forfeitures	845,866	941,868	749,644	732,132	728,241
Investment earnings (loss)	1,981,369	2,255,763	1,897,465	1,205,421	869,110
Rental	-	-	-	-	-
Other	1,283,861	1,329,233	1,474,543	580,749	525,441
<b>Total revenues</b>	<b>37,775,729</b>	<b>40,056,073</b>	<b>38,092,501</b>	<b>36,449,028</b>	<b>37,352,259</b>
<b>Expenditures</b>					
Legislative	180,727	127,981	277,010	-	-
Judicial	204,724	222,134	223,025	-	-
Elections	5,880,955	6,051,352	5,934,204	-	-
General government	9,984,893	10,062,268	9,858,185	15,908,581	15,835,320
Public safety	12,065,712	12,745,940	12,681,662	12,531,637	12,925,272
Health and welfare	3,103,073	3,232,085	3,032,634	2,602,846	2,601,208
Other functions	5,831,316	5,674,330	5,493,801	5,051,238	5,497,645
<b>Total expenditures</b>	<b>37,251,400</b>	<b>38,116,090</b>	<b>37,500,521</b>	<b>36,094,302</b>	<b>36,859,445</b>
<b>Excess of revenues over (under) expenditures</b>	<b>524,329</b>	<b>1,939,983</b>	<b>591,980</b>	<b>354,726</b>	<b>492,814</b>
<b>Other financing sources (uses)</b>					
Transfers in	6,214,717	6,599,333	6,671,943	7,780,600	5,646,699
Transfers (out)	(6,111,037)	(6,309,822)	(5,389,924)	(5,510,959)	(5,591,401)
<b>Total other financing sources (uses)</b>	<b>103,680</b>	<b>289,511</b>	<b>1,282,019</b>	<b>2,269,641</b>	<b>55,298</b>
<b>Net change in fund balances</b>	<b>\$ 628,009</b>	<b>\$ 2,229,494</b>	<b>\$ 1,873,999</b>	<b>\$ 2,624,367</b>	<b>\$ 548,112</b>

Source: Jackson County Finance Department

2011	2012	2013	2014	2015
\$ 21,109,245	\$ 21,043,608	\$ 20,482,195	\$ 21,411,937	\$ 21,882,537
171,086	156,443	207,230	177,025	176,633
8,968,474	8,287,347	8,539,239	9,119,267	9,845,236
5,208,296	5,564,361	5,542,454	5,479,044	5,634,251
700,521	728,655	751,820	724,427	680,240
1,374,972	617,042	(2,137,379)	2,586,554	804,259
-	-	183,840	191,734	203,379
631,080	710,319	2,240,661	2,124,084	1,897,529
<u>38,163,674</u>	<u>37,107,775</u>	<u>35,810,060</u>	<u>41,814,072</u>	<u>41,124,064</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,626,331	16,241,246	16,058,391	17,169,311	17,099,912
13,105,635	13,386,637	13,533,400	14,485,381	14,563,759
2,611,342	2,653,476	3,017,394	3,216,354	3,302,188
5,007,331	5,663,549	7,526,066	6,203,489	6,618,646
<u>36,350,639</u>	<u>37,944,908</u>	<u>40,135,251</u>	<u>41,074,535</u>	<u>41,584,505</u>
<u>1,813,035</u>	<u>(837,133)</u>	<u>(4,325,191)</u>	<u>739,537</u>	<u>(460,441)</u>
4,515,983	4,576,289	3,737,376	4,108,649	4,254,545
(5,550,456)	(4,392,109)	(2,213,052)	(4,427,339)	(5,007,195)
<u>(1,034,473)</u>	<u>184,180</u>	<u>1,524,324</u>	<u>(318,690)</u>	<u>(752,650)</u>
<u>\$ 778,562</u>	<u>\$ (652,953)</u>	<u>\$ (2,800,867)</u>	<u>\$ 420,847</u>	<u>\$ (1,213,091)</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		
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
2015	2,915,486	524,771	149,366	193,463	3,129	530,649

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
\$ 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
4,316,864	4,985,868	193,803	5.9936

COUNTY OF JACKSON, MICHIGAN

**Property Tax Rates - Direct and Overlapping**  
 Last Ten Years  
 (rate per \$1,000 of taxable value)

	2006	2007	2008	2009	2010
<b>County direct rates</b>					
Operating	5.1259	5.1187	5.1187	5.1187	5.1187
Medical Care Facility	0.1400	0.1398	0.1398	0.1398	0.1398
Jail	0.4858	0.4851	0.4851	0.4851	0.4851
Senior services	0.2477	0.2473	0.2473	0.2473	0.2473
<b>Total direct rate</b>	<b>5.9994</b>	<b>5.9909</b>	<b>5.9909</b>	<b>5.9909</b>	<b>5.9909</b>
<b>Overlapping rates</b>					
Cities -					
Jackson	15.3289	14.6889	14.5889	15.8089	15.3589
Townships (average)	1.7185	1.6796	1.7737	1.7709	1.8980
Villages (average)	10.6623	10.0423	9.4123	10.9535	10.7720
School districts (average)	22.3375	22.3495	22.4486	22.3737	22.3737
Intermediate school district (average)	5.9006	5.8883	5.8986	5.9528	5.9528
Community College:	1.1463	1.1446	1.1446	1.1446	1.1446
District library	0.8606	0.8593	1.2593	1.2593	1.2593

Operating Tax Rate Limitations

	2010 - 2012		2013 - 2015	
	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

2011	2012	2013	2014	2015
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	0.2500	0.2500	0.2500	0.2500
<u>5.9909</u>	<u>5.9936</u>	<u>5.9936</u>	<u>5.9936</u>	<u>5.9936</u>

15.8389	16.1389	16.0889	16.9789	16.0329
1.9418	1.9367	1.9445	2.0500	2.0468
10.7496	11.0929	10.8634	13.0162	12.9995
22.8728	21.8281	23.0342	23.4993	23.4993
5.9692	6.0600	6.0612	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	2015			2006		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 184,293,903	1	4.27%	\$ 106,341,818	2	2.67%
MACI	143,873,943	2	3.33%	35,618,521	4	0.89%
DPC Juniper LLC	79,388,024	3	1.84%	125,302,200	1	3.14%
Enbride	50,892,417	4	1.18%	-		
Gerdau MAC Steel	29,961,532	5	0.69%	60,794,571	3	1.52%
TAC Manufacturing Inc.	21,402,620	6	0.50%	-		
Ramco Jackson LTD	15,447,723	7	0.36%	6,480,298	10	0.16%
West Bay Exploration	14,630,489	8	0.34%	-		
Tenneco/Walker	13,570,324	9	0.31%	-		
Michigan Electric Transmission	13,004,390	10	0.30%	-		
Lloyd Ganton	12,781,152	11	0.30%	-		
John Ganton	11,988,341	12	0.28%	9,386,749	7	0.24%
Meijer Inc.	11,745,897	13	0.27%	6,598,581	9	0.17%
Vista Grande Villa	11,311,705	14	0.26%	-		
Wal-mart Stores Inc.	11,103,269	15	0.26%	-		
Melling	10,391,502	16	0.24%	-		
Wolverine Tech/Certainteed	10,053,166	17	0.23%	10,606,900	6	0.27%
Chemetall	9,653,300	18	0.22%	-		
Adco	8,299,637	19	0.19%	-		
Comcast	7,399,071	20	0.17%	-		
Vector Pipeline LP	-		0.00%	11,229,325	5	0.28%
Worthington Specialty Processing	-			7,476,482	8	0.19%
	<u>\$ 671,192,405</u>		<u>15.55%</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
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%
2015	25,036,427	23,738,308	94.82%	1,298,120	25,036,427	100.00%

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**State Revenue Sharing Payments**  
Last Ten Years

Fiscal Year Ended	Revenue Sharing Payments
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
2015	3,366,891

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	Capital Leases	General Obligation Bonds	Revenue Bonds			
2006	\$ 19,495,000	\$ 253,054	\$ 14,424,109	\$ 10,825,000	\$ 44,997,163	10.05%	\$ 274.62
2007	18,895,000	233,746	14,055,505	9,245,000	42,429,251	9.13%	260.29
2008	18,913,195	250,968	13,680,900	7,675,000	40,520,063	8.50%	252.97
2009	17,495,000	224,805	13,254,295	5,775,000	36,749,100	7.80%	229.93
2010	17,195,000	196,692	12,822,645	4,445,000	34,659,337	7.35%	216.29
2011	16,290,000	167,823	12,341,085	2,695,000	31,493,908	8.96%	196.53
2012	15,395,000	137,072	11,864,481	905,000	28,301,553	7.94%	176.54
2013	14,355,000	105,987	11,309,481	-	25,770,468	7.18%	160.69
2014	13,339,662	74,543	11,425,000	-	24,839,205	4.74%	167.00
2015	21,163,643	45,479	10,225,000	-	31,434,122	5.71%	197.09

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
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
2015	32,342,677	-	32,342,677	5.87%	0.75%	195.99

Source: Jackson County Finance Department

**Computation of Net Direct and Overlapping Debt**  
December 31, 2015

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
<b>Direct debt</b>			
General obligation bonds	\$ 21,035,000	\$ 6,485,000	\$ 14,550,000
Medical care facility bonds	10,225,000	10,225,000	-
Road fund debt	45,479	45,479	-
Board of public works - Component Unit	17,811,461	17,811,461	-
<b>Net direct debt</b>	<b>\$ 49,116,940</b>	<b>\$ 34,566,940</b>	<b>\$ 14,550,000</b>

	Gross	County Share	Net Amount Outstanding
<b>Overlapping debt</b>			
City of Jackson	\$ 38,340,000	100.00%	\$ 38,340,000
Blackman Township	2,675,000	100.00%	2,675,000
Columbia Township	4,773,047	100.00%	4,773,047
Grass Lake Township	495,844	100.00%	495,844
Hanover Township	1,248,030	100.00%	1,248,030
Henrietta Township	2,095,000	100.00%	2,095,000
Leoni Township	3,325,000	100.00%	3,325,000
Liberty Township	326,970	100.00%	326,970
Napoleon Township	2,337,156	100.00%	2,337,156
Norvell Township	1,205,674	100.00%	1,205,674
Rives Township	965,000	100.00%	965,000
Spring Arbor Township	255,000	100.00%	255,000
Brooklyn Village	1,870,000	100.00%	1,870,000
Concord Village	520,000	100.00%	520,000
Grass Lake Village	1,605,000	100.00%	1,605,000
Parma Village	4,340,000	100.00%	4,340,000
Springport Village	220,000	100.00%	220,000
Addison School District	15,990,000	0.05%	7,995
Albion School District	3,875,000	6.43%	249,163
Chelsea School District	41,530,632	4.69%	1,947,787
Columbia School District	30,180,000	77.74%	23,461,932
Concord School District	2,520,000	100.00%	2,520,000
East Jackson School District	22,829,026	100.00%	22,829,026
Grass Lake School District	27,700,249	99.26%	27,495,267
Hanover-Horton School District	2,670,000	86.20%	2,301,540

continued...

**Computation of Net Direct and Overlapping Debt**  
December 31, 2015

	Gross	County Share	Net Amount Outstanding
<b>Overlapping debt (Continued)</b>			
Homer School District	\$ 20,267,815	1.26%	\$ 255,374
Jackson School District	44,245,000	100.00%	44,245,000
Jonesville School District	22,494,276	0.66%	148,462
Leslie School District	12,337,087	12.38%	1,527,331
Litchfield School District	330,000	3.15%	10,395
Manchester School District	27,949,193	0.71%	198,439
Napoleon School District	17,880,000	99.95%	17,871,060
North Adams-Jerome School District	495,000	0.87%	4,307
Northwest School District	41,770,000	99.77%	41,673,929
Springport School District	12,674,068	65.39%	8,287,573
Stockbridge School District	9,250,000	22.45%	2,076,625
Vandercook Lake School district	6,610,000	100.00%	6,610,000
Western School District	33,773,113	100.00%	33,773,113
Ingham Intermediate School district	1,836,000	1.17%	21,481
Jackson Intermediate School District	790,000	94.50%	747,261
Jackson College	41,380,000	100.00%	41,380,000
	<u>\$ 507,973,180</u>		<u>\$ 346,239,781</u>
<b>Total overlapping debt</b>			<b>\$ 346,239,781</b>
<b>Net direct and overlapping debt</b>			<b>\$ 360,789,781</b>

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 2015

Assessed value	<u>\$ 4,985,867,850</u>
Debt limit (10% of state equalized value)	498,586,785
Debt applicable to limit - gross direct bonds	<u>(49,116,940)</u>

Legal debt margin \$ 449,469,845

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit As % of Debt Limit Ratio
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%
2015	498,586,785	49,116,940	449,469,845	9.85%

Source: Jackson County Finance Department



Demographic and Economic Statistics  
Last Ten Years

Fiscal Year	(1) Population	(2) Labor Force	(2) Employment	(2) Unemployment	(2) Unemployment Rate	(3) Total Personal Income (000's)	(3) Per Capita Income
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
2015	159,494	73,020	69,836	3,184	4.4%	5,509,407	34,543

Source: Jackson County Finance Department

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

Employer	2015 (1)			2006 (2)		
	(1) Total Employees	Rank	% of Total County Labor Force	Employees	Rank	% of Total County Labor Force
Henry Ford Allegiance Health System	3,620	1	4.96%	2,589	1	3.29%
Consumers Energy	2,400	2	3.29%	2,025	3	2.58%
Michigan Department of Corrections	2,040	3	2.79%	2,301	2	2.93%
Great Lakes Home Health/Hospice	1,118	4	1.53%			
Michigan Automotive Compressor (MACI)	1,100	5	1.51%	500	8	0.64%
Local Government	870	6	1.19%	995	5	1.27%
Jackson Public Schools	782	7	1.07%			
Meijer Inc.	755	8	1.03%	1,287	4	1.64%
Jackson College	650	9	0.89%	833	6	1.06%
Eaton Corporation	636	10	0.87%	600	7	0.76%
TAC Manufacturing	580	11	0.79%	300	12	0.38%
Wal-Mart Inc.	568	12	0.78%			
JCISD	500	13	0.68%			0.00%
McDonalds Restaurants	450	14	0.62%			
Dawn Food Products	400	15	0.55%	350	10	0.45%
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	0.51%
Wolverine Vinyl Siding				350	11	0.45%
	<u>18,063</u>		<u>24.74%</u>	<u>12,530</u>		<u>15.94%</u>

Source (1): The Enterprise Group, Jackson County.  
 Source (2): Jackson County Building Authority Bonds Series 2006  
 Official bond Statement 2006

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legislative:										
Board of Commissioners	12.0	12.0	12.0	12.0	12.0	12.0	12.0	9.0	9.0	9.0
Judicial:										
Circuit court	31.5	30.0	29.0	29.0	28.0	28.0	28.0	28.0	28.0	28.0
District court	55.0	55.0	55.0	54.5	51.0	49.0	49.0	49.5	49.5	49.5
Friend of the court	47.5	47.5	46.5	44.5	43.5	44.0	44.0	44.0	44.0	44.0
County guardian	3.0	-	-	-	-	-	-	-	-	-
General government and elections:										
County Administration	3.0	2.0	2.0	3.0	3.5	2.5	2.5	2.5	2.5	2.5
*Finance	4.5	4.5	4.3	7.5	6.5	3.5	3.6	3.5	3.5	3.5
Information & Tech Systems	7.0	7.0	7.0	7.0	9.0	9.0	9.0	9.0	9.0	11.0
*Human Resources	3.0	3.0	3.0	-	-	4.8	4.5	5.8	5.8	5.8
Equalization	8.0	8.0	8.0	8.0	7.0	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	2.0
Facilities Management	18.0	17.8	21.5	20.5	17.0	14.8	14.8	14.8	14.8	15.8
Fleet Operations	3.0	2.0	-	-	-	-	-	-	-	-
Clerk	20.3	20.4	20.7	21.0	20.0	19.3	18.8	18.8	18.8	18.8
Register of Deeds	6.0	6.0	6.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0
Treasurer	2.0	1.5	1.5	1.5	1.0	1.0	1.0	0.5	0.5	0.5
MSU Extension	3.5	3.0	3.0	2.5	2.5	2.5	2.0	2.0	1.0	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	-	-	-	-	-	-	-
***Retirement Board	1.0	1.3	1.3	1.3	1.3	-	-	-	-	-
Public safety:										
Prosecuting attorney	27.5	27.5	27.5	27.5	25.6	25.6	25.6	25.6	25.6	25.6
Sheriff	65.0	62.0	60.0	59.0	54.0	55.0	58.0	58.0	57.0	58.0
Emergency management	20.0	20.0	20.0	20.0	19.0	19.0	19.0	19.0	19.0	19.0
Jail	58.0	56.0	56.0	55.0	54.0	54.0	54.0	54.0	54.0	54.0
Animal control	7.3	7.3	7.0	4.0	3.0	3.0	3.0	3.0	-	-
Youth center	39.5	38.0	36.6	35.8	32.4	32.4	32.3	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	8.2
Public Health	43.7	40.7	39.0	41.8	40.2	41.5	43.5	44.0	44.0	45.5
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	26.3	30.4	29.9	28.8	28.6	27.7	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	3.5
Cultural and recreation:										
Parks & Recreation	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0	5.7	5.7
Golf Course	1.0	4.6	4.0	4.0	2.6	2.8	2.8	2.8	2.8	2.8
***Fair	-	-	-	-	2.5	1.0	1.0	1.0	1.3	1.3
Other:										
Airport	4.0	4.0	4.0	3.5	3.5	3.5	3.7	3.5	3.5	3.5
Transportation	-	-	-	-	-	-	-	75.0	75.0	75.0
Enterprise funds	8.5	7.5	7.5	8.5	6.0	6.0	6.0	6.5	6.5	6.5
<b>Total</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>	<b>578.0</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	2006	2007	2008	2009	2010
<b>Public safety</b>					
Sheriff:					
Complaints	24,669	26,641	26,792	33,034	30,069
Dispatches	134,028	129,691	127,895	146,669	138,673
Arrests	1,871	1,856	1,875	1,551	1,506
Bookings	8,991	9,576	8,996	9,543	11,104
<b>Health</b>					
Public health:					
Immunizations administered	7,859	7,645	7,575	7,133	14,921
WIC participants	5,082	5,272	5,534	5,687	5,725
Vision/hearing screenings	9,518	14,964	16,433	10,472	16,392
<b>Cultural and recreation</b>					
Parks and recreation:					
Special events participation	215,000	200,000	220,000	220,000	220,000
Cascades Falls participation	27,500	40,000	29,750	29,750	29,750
Rounds of golf	40,700	30,000	38,550	33,700	33,400
Camper participation	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	2015
39,448	35,654	36,076	36,076	36,480	29,563
149,663	152,808	141,157	141,157	132,512	129,036
1,335	2,328	2,305	2,305	2,010	2,175
10,779	8,182	8,309	8,309	7,190	7,047
10,052	9,247	7,576	7,576	5,965	5,609
5,485	5,401	5,361	5,361	5,445	5,442
17,597	18,671	18,330	18,330	17,741	22,321
220,000	225,000	225,000	225,000	230,000	240,000
29,750	31,425	23,964	23,964	26,895	27,307
33,400	32,248	25,000	25,000	22,500	28,000
33,700	14,740	2,400	2,400	1,635	10,742

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Corrections facility capacities	426	426	426	426	426	426	426	426	426	426
Vehicle:										
Sheriff	43	38	39	47	41	49	35	31	34	35
Animal control	4	4	4	5	4	5	3	-	-	-
Culture and recreation										
Parks:										
County	15	16	16	16	16	16	16	16	16	16
Acreage	591	1,000	900	900	900	900	900	900	1,086	1,086
Picnic areas	15	17	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	15	15	15	15	15	15	15	15
Concession	2	2	4	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	4	4	4	4	4	4	4	4	4
Playgrounds	15	15	9	9	10	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	546	544	544	544	544	544	544	544
Paved local	1,010	1,010	788	790	796	1,042	786	811	811	811
Gravel	283	283	249	248	253	250	253	229	229	229

Source: Jackson County Finance Department