

County of Jackson,  
Michigan



For the Year Ended  
December 31, 2017

Comprehensive  
Annual Financial  
Report

Prepared by:

Administrator/Controller  
*Michael R. Overton*

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 29, 2018

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

Transmitted herein is the County of Jackson, Michigan's Comprehensive Annual Financial Report for the 2017 fiscal year. The County of Jackson, Michigan's financial reporting requirements are mandated by the Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County of Jackson, Michigan 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 the County of Jackson, Michigan. 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 the County of Jackson, Michigan'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.

The County of Jackson, Michigan'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 the County of Jackson, Michigan for the fiscal year ended December 31, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Jackson, Michigan's financial statements for the fiscal year ended December 31, 2017, 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. The County of Jackson, Michigan's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE COUNTY OF JACKSON, MICHIGAN GOVERNMENT

The County of Jackson, Michigan occupies 707 square miles, has a current population approaching 160,000, and is located in the south-central portion of Michigan's Lower Peninsula. The County was incorporated on August 1, 1832.

The County of Jackson, Michigan 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 Court, 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 626 Full Time Equivalent employees located at several different locations throughout the County, providing a diverse array of services in the areas of human services, road maintenance, 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 the County of Jackson, Michigan operates.

### Local Economy

The County of Jackson, Michigan, located at the hub of Interstate 94 and U.S. 127 in Central Michigan's Lower Peninsula, enjoys a rich human and technical resource database. 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 now complete and in operation. The total estimated construction budget was \$40 million. This project will enhance the viability of an "Aviation Business Park" located on surplus airport property.

The 2017 taxable value for the County of Jackson, Michigan, including reimbursement of personal property losses by the State, increased by 2.00%. Total assessed property values for the County are \$5.33 billion based on the 2017 Equalization Report. The total change in the Equalized Value (which is approximately 50.00% of actual property value) was an increase of \$183 million or 3.56% for 2017.

For the period of 2016 - 2018, the economic impact for the County of Jackson, Michigan included 1,043 new jobs created, and \$156 million in new investments. The Blackman Township LDFA just acquired 180 acres to create an additional industrial park, and infrastructure improvements are in the planning stage. The February 2018 labor force numbers reflect positive changes with the unemployed rate at 5.30% and on the decline.

### Long-Term Financial Planning

The total fund balance in the general fund is 19.67% of prior year's total general fund expenditures and transfers out. In 2007, the Board established the guideline at 18.00%-24.00%, due to uncertain financial conditions with the State of Michigan. The unassigned fund balance fell within policy guidelines in 2017.

The County continues to adhere to its reduced FTE plan recognizing that property tax revenues are not keeping pace with inflation. 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 2018 budget does not call for additional decreases in staff.

The Board of Commissioners continues to adopt a five-year budget strategy to allow it to adjust for major uncertainties in the local, regional, and State economic markets. This financial plan is based on sound management and budget policies for the stewardship of public funds. Projecting revenues and expenses for a five-year period allows the County to accommodate inevitable changes as well as prepare for any expected reductions using a proactive process. Reserves are anticipated to be reduced to below 24.00% but within the budget policy of 18.00%-24.00% of the fund balance to support County services by the end of 2018. The expectation is that revenues and expenditures will be structurally balanced by the end of 2018 and beyond. 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 year end. 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 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 5.00% 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 0.30%. 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 or the State changes the method of funding local government.

The County of Jackson, Michigan 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. 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 townships in the future. In 2013, the County entered into an agreement to share Jackson County Department of Transportation ("JCDOT") management personnel and equipment with the Calhoun County Road Department. This endeavor resulted in over \$275,000 of additional revenue in 2017. The County continues 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. In 2018 the County is renewing its commitment to transparent government by encouraging more use of social media. We've developed policy and training in the use of social media and hope to reach much broader segment of the County of Jackson, Michigan's residents.

#### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Jackson, Michigan for its comprehensive annual financial report (CAFR) for the year ended December 31, 2016. This is the 23rd 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.

The County of Jackson, Michigan'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 AA community. The County's Moody's rating remains at AA2. 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,



Michael R. Overton

Administrator/Controller

# COUNTY OF JACKSON, MICHIGAN

## PRINCIPAL OFFICIALS

YEAR ENDED DECEMBER 31, 2017

### BOARD OF COMMISSIONERS

James E. Shotwell, Jr., Chair

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

Dr. Allan Tompkins  
Daniel J. Mahoney  
Jon Williams  
David K. Elwell

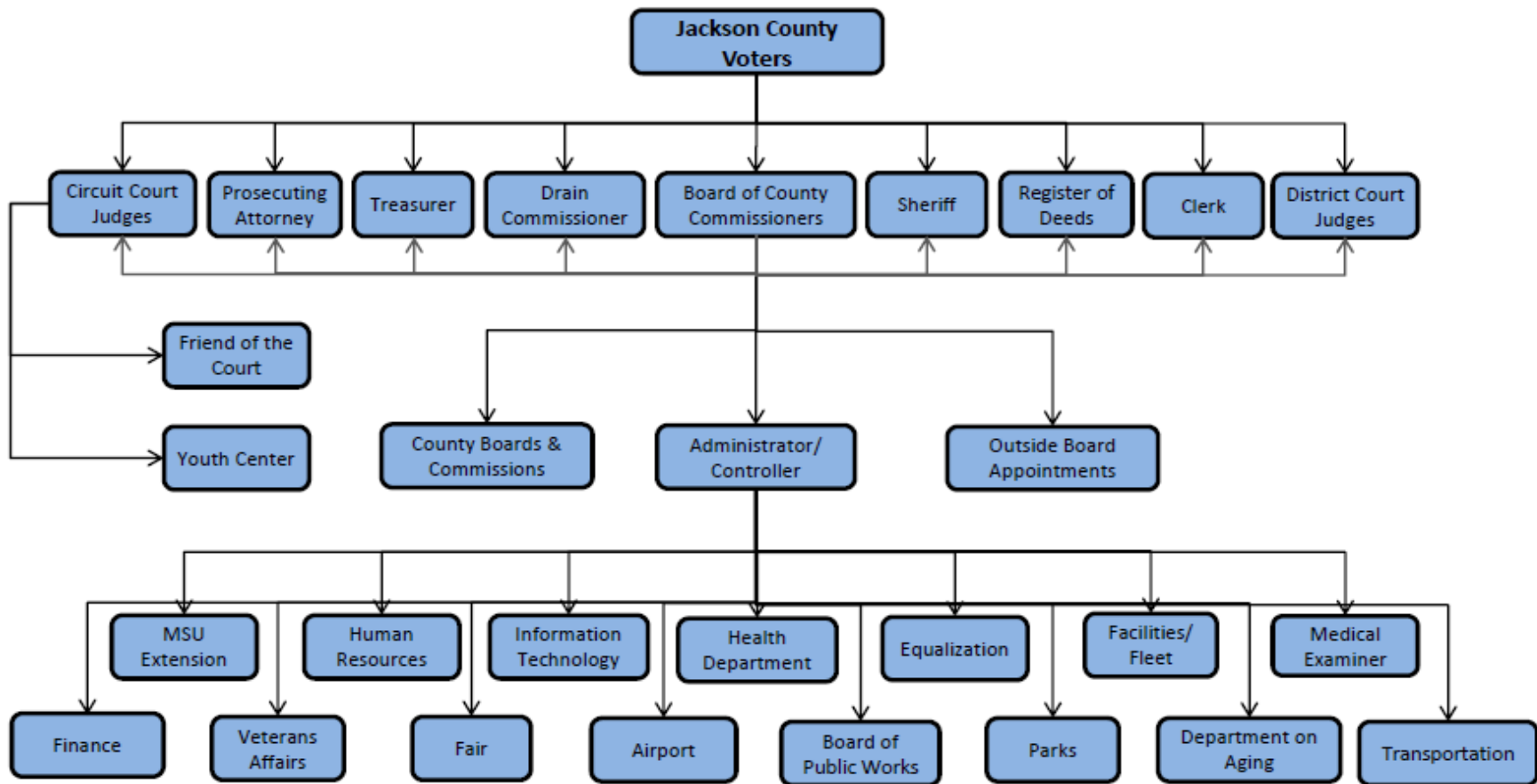
### ADMINISTRATOR/CONTROLLER

Michael R. Overton

### FINANCE DIRECTOR

James E. Latham, CPA

Organization 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, 2016**

*Christopher P. Morill*

Executive Director/CEO



## FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 29, 2018

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, 2017, 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 Economic Development Corporation component unit, which represents the below indicated percentage of the total assets and deferred outflows of resources, net position, and program revenues of the aggregate discretely presented component units:

|                                  | Percent of<br>Total Assets<br>and Deferred<br>Outflows | Percent of<br>Total Net<br>Position | Percent of Total<br>Program<br>Revenues |
|----------------------------------|--|-------------------------------------|---|
| Economic Development Corporation | 4.8%   | 11.8%                               | 1.5%                                    |

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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 report of the other auditor, 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, 2017, 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.

### *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 employee retirement system and other postemployment benefit 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 29, 2018 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.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

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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, 2017. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements.

### Financial Highlights

|   |              |
|---|--------------|
| · Total net position                          | \$92,559,593 |
| · Change in total net position                | 13,921,620   |
| · Fund balances, governmental funds           | 52,482,839   |
| · Change in fund balances, governmental funds | 20,631,900   |
| · Unassigned fund balance, general fund       | 8,000,271    |
| · Change in fund balance, general fund        | (67,155)     |
| · Installment debt outstanding                | 152,916,568  |
| · Change in installment debt                  | 106,934,553  |

### 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, foreclosure tax 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.

**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.



## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

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 numerous 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, road fund and building authority debt service fund, all of which are considered to be major funds. Data from the other 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 these budgets.

*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 and medical care facility, 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 \$92,559,593 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                |                      |
|                                  | 2017                    | 2016                 | 2017                     | 2016                 | 2017                 | 2016                 |
| <b>Assets</b>                    |                         |                      |                          |                      |                      |                      |
| Current and other assets         | \$ 67,811,571           | \$ 49,056,607        | \$ 34,613,613            | \$ 36,701,346        | \$ 102,425,184       | \$ 85,757,953        |
| Capital assets, net              | 158,286,435             | 110,379,368          | 14,576,435               | 14,820,222           | 172,862,870          | 125,199,590          |
| Total assets                     | <u>226,098,006</u>      | <u>159,435,975</u>   | <u>49,190,048</u>        | <u>51,521,568</u>    | <u>275,288,054</u>   | <u>210,957,543</u>   |
| Deferred outflows of resources   | 79,785,480              | 18,240,629           | 1,566,638                | 2,051,470            | 81,352,118           | 20,292,099           |
| <b>Liabilities</b>               |                         |                      |                          |                      |                      |                      |
| Long-term debt                   | 145,023,597             | 37,547,717           | 10,515,350               | 11,093,182           | 155,538,947          | 48,640,899           |
| Other liabilities                | 97,081,161              | 94,176,951           | 6,307,394                | 5,272,261            | 103,388,555          | 99,449,212           |
| Total liabilities                | <u>242,104,758</u>      | <u>131,724,668</u>   | <u>16,822,744</u>        | <u>16,365,443</u>    | <u>258,927,502</u>   | <u>148,090,111</u>   |
| Deferred inflows of resources    | 4,776,097               | 4,288,280            | 376,980                  | 233,278              | 5,153,077            | 4,521,558            |
| <b>Net position</b>              |                         |                      |                          |                      |                      |                      |
| Net investment in capital assets | 102,545,547             | 75,849,154           | 4,746,956                | 4,428,475            | 107,292,503          | 80,277,629           |
| Restricted                       | 19,893,219              | 18,778,078           | 9,834,247                | -                    | 29,727,466           | 18,778,078           |
| Unrestricted (deficit)           | (63,436,135)            | (52,963,576)         | 18,975,759               | 32,545,842           | (44,460,376)         | (20,417,734)         |
| Total net position               | <u>\$ 59,002,631</u>    | <u>\$ 41,663,656</u> | <u>\$ 33,556,962</u>     | <u>\$ 36,974,317</u> | <u>\$ 92,559,593</u> | <u>\$ 78,637,973</u> |

A substantial portion of the County's net position, \$107,292,503 reflects its investment in capital assets (e.g., land, land improvements, construction in progress, avigation easements, buildings and improvements, equipment and furniture, vehicles, infrastructure, and depletable assets), 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 \$29,727,466 represents resources that are subject to external restrictions on how they may be used. The County reports an *unrestricted net position (deficit)* of \$44,460,376.

COUNTY OF JACKSON, MICHIGAN

Management's Discussion and Analysis

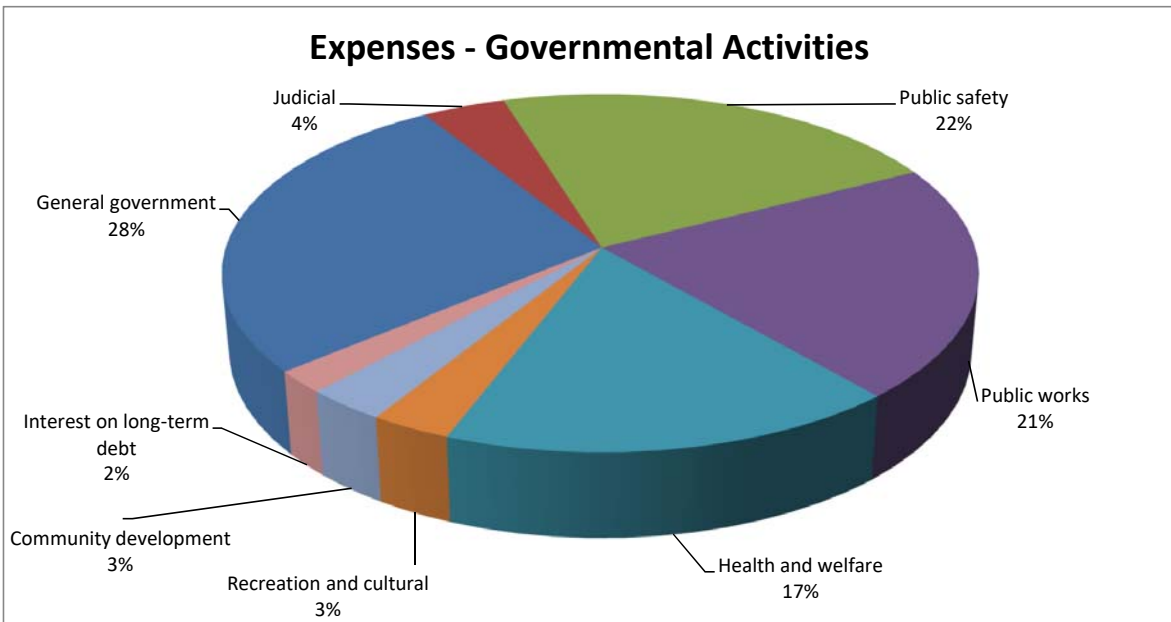
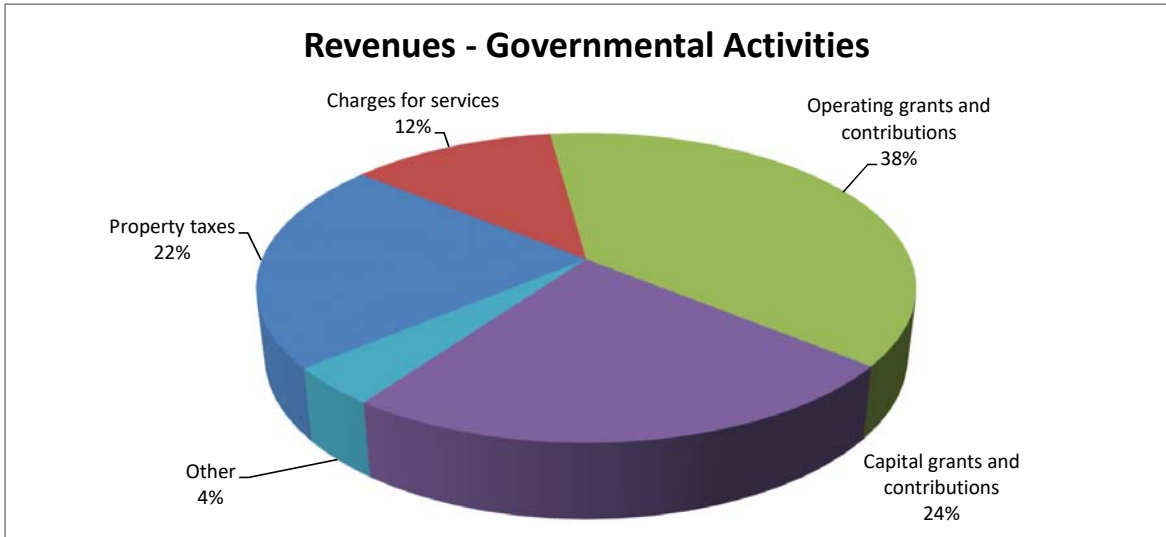
|   | Changes in Net Position |                      |                          |                      |                      |                      |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|   | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|   | 2017                    | 2016                 | 2017                     | 2016                 | 2017                 | 2016                 |
| <b>Revenues</b>                         |                         |                      |                          |                      |                      |                      |
| Program revenues:                       |                         |                      |                          |                      |                      |                      |
| Charges for services                    | \$ 13,834,598           | \$ 12,464,814        | \$ 18,263,271            | \$ 19,962,409        | \$ 32,097,869        | \$ 32,427,223        |
| Operating grants and contributions      | 46,133,784              | 37,337,694           | 3,813,233                | 5,649,772            | 49,947,017           | 42,987,466           |
| Capital grants and contributions        | 29,253,340              | 2,013,993            | -                        | -                    | 29,253,340           | 2,013,993            |
| General revenues:                       |                         |                      |                          |                      |                      |                      |
| Property taxes                          | 26,277,253              | 25,634,598           | -                        | -                    | 26,277,253           | 25,634,598           |
| Unrestricted state shared revenues      | 4,049,764               | 4,030,817            | -                        | -                    | 4,049,764            | 4,030,817            |
| Unrestricted investment earnings        | 366,463                 | 78,115               | -                        | -                    | 366,463              | 78,115               |
| Gain on sale of capital assets          | -                       | 27,869               | -                        | -                    | -                    | 27,869               |
| <b>Total revenues</b>                   | <b>119,915,202</b>      | <b>81,587,900</b>    | <b>22,076,504</b>        | <b>25,612,181</b>    | <b>141,991,706</b>   | <b>107,200,081</b>   |
| <b>Expenses</b>                         |                         |                      |                          |                      |                      |                      |
| Judicial                                | 4,683,821               | 3,974,952            | -                        | -                    | 4,683,821            | 3,974,952            |
| General government                      | 28,793,948              | 27,468,022           | -                        | -                    | 28,793,948           | 27,468,022           |
| Public safety                           | 22,968,477              | 20,053,033           | -                        | -                    | 22,968,477           | 20,053,033           |
| Public works                            | 22,754,594              | 24,231,602           | -                        | -                    | 22,754,594           | 24,231,602           |
| Health and welfare                      | 18,191,270              | 16,541,687           | -                        | -                    | 18,191,270           | 16,541,687           |
| Recreation and cultural                 | 3,511,322               | 2,363,668            | -                        | -                    | 3,511,322            | 2,363,668            |
| Community development                   | 2,855,259               | 2,894,354            | -                        | -                    | 2,855,259            | 2,894,354            |
| Interest on long-term debt              | 2,098,842               | 637,296              | -                        | -                    | 2,098,842            | 637,296              |
| Delinquent tax revolving                | -                       | -                    | 1,383,260                | 1,020,128            | 1,383,260            | 1,020,128            |
| Medical care facility                   | -                       | -                    | 20,197,137               | 19,706,896           | 20,197,137           | 19,706,896           |
| Foreclosure tax administration          | -                       | -                    | 604,246                  | 919,789              | 604,246              | 919,789              |
| Resource recovery                       | -                       | -                    | 117,391                  | 147,612              | 117,391              | 147,612              |
| Personal property tax                   | -                       | -                    | 3,150                    | 2,392                | 3,150                | 2,392                |
| <b>Total expenses</b>                   | <b>105,857,533</b>      | <b>98,164,614</b>    | <b>22,305,184</b>        | <b>21,796,817</b>    | <b>128,162,717</b>   | <b>119,961,431</b>   |
| Change in net position before transfers | 14,057,669              | (16,576,714)         | (228,680)                | 3,815,364            | 13,828,989           | (12,761,350)         |
| Transfers                               | 3,281,306               | 3,714,080            | (3,188,675)              | (3,936,177)          | 92,631               | (222,097)            |
| Change in net position                  | 17,338,975              | (12,862,634)         | (3,417,355)              | (120,813)            | 13,921,620           | (12,983,447)         |
| Net position, beginning of year         | 41,663,656              | 54,526,290           | 36,974,317               | 37,095,130           | 78,637,973           | 91,621,420           |
| <b>Net position, end of year</b>        | <b>\$ 59,002,631</b>    | <b>\$ 41,663,656</b> | <b>\$ 33,556,962</b>     | <b>\$ 36,974,317</b> | <b>\$ 92,559,593</b> | <b>\$ 78,637,973</b> |

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

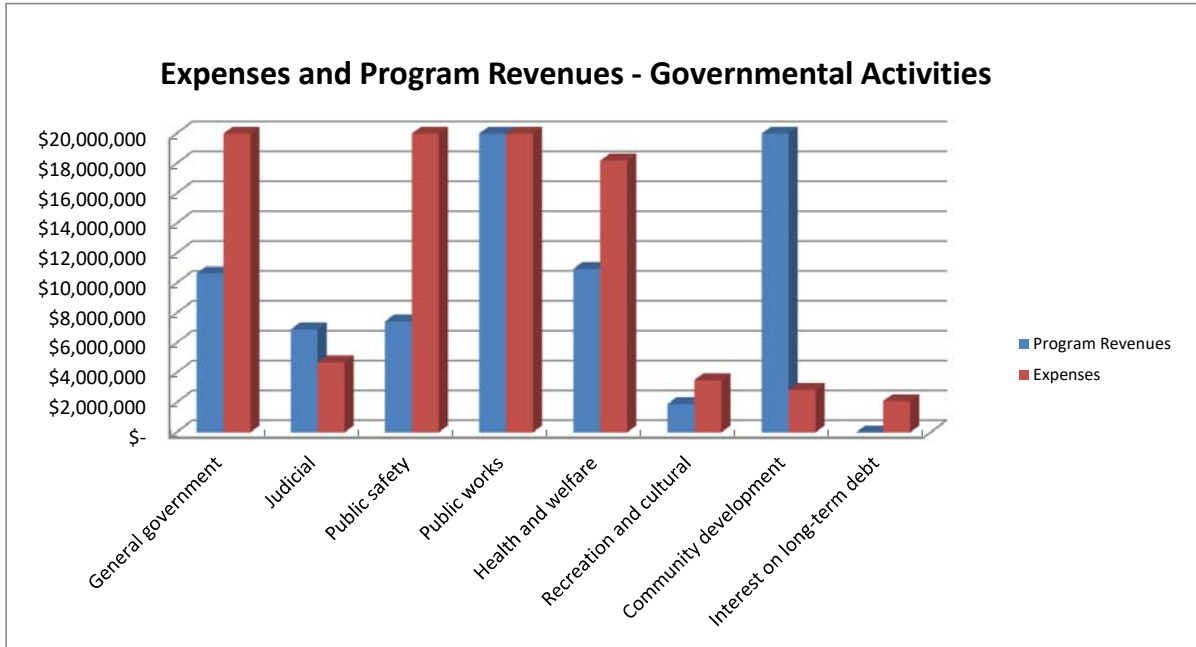
Governmental Activities. Governmental activities net position increased by \$17,338,975. Key elements of this increase are as follows:

- There was a significant increase in capital grants and contributions of approximately \$27 million as a result of federal and state contributions towards the airport runway project.
- For expenses, general wage increases of \$746,000 were off set by reductions to defined benefit costs of \$1.2 million. Debt service costs increased by \$1.5 million.



# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis



**Business-type Activities.** Business-type activities decreased the County’s net position by \$3,417,355. Key elements of this decrease are as follows:

- While expenses have been reduced in the foreclosure tax administration, the number of foreclosed properties has decreased relative to the year before resulting in less revenues. The Medical Care Facility fund operating grants and contributions are approximately \$1.6 million less than the prior year while expenses have increased by approximately \$490,000.

### 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 \$52,482,839, an increase of \$20,631,900 in comparison with the prior year. A portion of this total, \$8,000,271, 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 \$8,000,721, while total fund balance reached \$9,571,878. 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 16.91 percent of total general fund expenditures and transfers out, while total fund balance represents 20.24 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 exceeded transfers out by \$5,881. The transfers out were comprised of \$905,500 for operations to the general fund and \$1,141,198 to the building authority debt service fund.

The road fund balance increased by \$18,229,675 as a result of unspent bond proceeds included in the fund in 2017 with planned use in 2018.

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 \$3,925,000 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 decreased by \$3,609 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 and medical care facility funds were \$11,440,724 and \$3,280,884, respectively. Net position for the delinquent tax revolving fund decreased \$2,149,959 and the medical care facility net position decreased \$1,097,003. The County had a significant tax reduction due to three properties that were written off due to bankruptcy.

#### General Fund Budgetary Highlights

The general fund revenue increased by \$1,440,338 from the original to the final amended budget. This was primarily due to an increase to police services contracts, transfers taxes, other clerk revenues and decreased by prisoner boarding and court costs

Overall, actual general fund revenue and other financing sources for the year ended were under the final budget by \$745,613. Actual expenditures and other financing uses for the year ended were under the final budget by \$1,318,207.

The general fund amended budget had appropriations to other funds (transfers out) of \$5,509,639. Actual appropriations were \$5,572,470, over budget by \$62,381.

#### Capital Asset and Debt Administration

*Capital Assets.* The County's capital assets for its governmental and business-type activities as of December 31, 2017 amounted to \$172,862,870 (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                 |                       |
|                            | 2017                                 | 2016                 | 2017                     | 2016                | 2017                  | 2016                  |
| Land                       | \$ 4,001,758                         | \$ 2,846,846         | \$ -                     | \$ -                | \$ 4,001,758          | \$ 2,846,846          |
| Land improvements          | 16,116,380                           | 16,116,380           | -                        | -                   | 16,116,380            | 16,116,380            |
| Construction in progress   | 32,762,561                           | 7,726,056            | 358,435                  | -                   | 33,120,996            | 7,726,056             |
| Avigation easements        | 375,547                              | 375,547              | -                        | -                   | 375,547               | 375,547               |
| Buildings and improvements | 21,726,874                           | 21,923,315           | 13,544,761               | 14,076,090          | 35,271,635            | 35,999,405            |
| Equipment and furniture    | 12,047,696                           | 6,526,632            | 567,773                  | 645,075             | 12,615,469            | 7,171,707             |
| Vehicles                   | 231,988                              | 368,951              | 105,466                  | 99,057              | 337,454               | 468,008               |
| Infrastructure             | 70,622,576                           | 54,094,586           | -                        | -                   | 70,622,576            | 54,094,586            |
| Depletable assets          | 401,055                              | 401,055              | -                        | -                   | 401,055               | 401,055               |
| Total capital assets, net  | <u>\$158,286,435</u>                 | <u>\$110,379,368</u> | <u>\$ 14,576,435</u>     | <u>\$14,820,222</u> | <u>\$ 172,862,870</u> | <u>\$ 125,199,590</u> |

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$152,916,568 excluding compensated absences. This entire amount is backed by the full faith and credit of the County and payable from the primary government's net position. The long-term debt included in the footnotes includes conduit debt issued by the County of Jackson for the benefit of LifeWays, Inc. a local mental health agency. The LifeWays outstanding bond debt of \$5,470,000 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                 |                      |
|                          | 2017                    | 2016                 | 2017                     | 2016                | 2017                  | 2016                 |
| General obligation bonds | \$136,520,000           | \$ 34,350,000        | \$ 9,215,000             | \$ 9,730,000        | \$ 145,735,000        | \$ 44,080,000        |
| Leases                   | 3,225,000               | -                    | -                        | -                   | 3,225,000             | -                    |
| LifeWays settlement      | 1,701,369               | 831,369              | -                        | -                   | 1,701,369             | 831,369              |
| Compensated absences     | 2,148,859               | 2,186,134            | 473,520                  | 472,750             | 2,622,379             | 2,658,884            |
| Issuance discount        | (15,253)                | (16,948)             | -                        | -                   | (15,253)              | (16,948)             |
| Issuance premium         | 1,443,622               | 197,162              | 826,830                  | 890,432             | 2,270,452             | 1,087,594            |
| Total                    | <u>\$145,023,597</u>    | <u>\$ 37,547,717</u> | <u>\$ 10,515,350</u>     | <u>\$11,093,182</u> | <u>\$ 155,538,947</u> | <u>\$ 48,640,899</u> |

The County's total installment debt increased by \$106,934,553 during the current fiscal year. This is mainly attributable to the issuance of the 2017 Capital Improvement Bonds (\$30,000,000), 2017B Capital Improvement Bonds (\$7,500,000), 2017 Limited Tax Pension Obligation Bonds (\$67,445,000), and two capital leases (\$3,225,000) offset by the scheduled principal repayments.

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 \$546,648,071 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 2018 fiscal year:

- Unemployment in the County of Jackson at the end of 2017 stood at 4.1% which is up from 4.3% in 2016. This rate is still below the State's average rate of 4.7% and consistent with the national unemployment rate of 4.1%.
- 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 over the last decade 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 2017 the applicable inflation rate was 2.1%. However, the 2018 budget assumes taxable values will increase by only 1.5%. Total general fund expenditures are expected to increase by 1.5%.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

- Interest rates have declined over the past few years. The 2018 budget assumes only modest increases to interest rates.
- The State of Michigan has returned to fiscal stability and had a budget surplus for their most recent year end. The County long ago depleted its revenue sharing reserve fund. The 2018 budget assumes that the State will continue the revenue sharing/county incentive program at previous levels with slight increases.
- 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. 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, 2017

|   | Primary Government      |                          |                    | Total                | Component Units     |
|---|-------------------------|--------------------------|--------------------|----------------------|---------------------|
|   | Governmental Activities | Business-type Activities | Elimination        |                      |                     |
| <b>Assets</b>                               |                         |                          |                    |                      |                     |
| Cash and pooled investments                 | \$ 43,021,670           | \$ 10,327,768            | \$ -               | \$ 53,349,438        | \$ 2,453,108        |
| Restricted cash and investments             | -                       | 2,947,348                | -                  | 2,947,348            | 83,218              |
| Receivables, net                            | 19,480,246              | 11,453,381               | -                  | 30,933,627           | 14,563,558          |
| Advance to component unit                   | 327,500                 | 100,000                  | -                  | 427,500              | -                   |
| Internal balances                           | 1,392,330               | (1,392,330)              | -                  | -                    | -                   |
| Prepaid items and other assets              | 3,589,825               | 2,320,506                | -                  | 5,910,331            | 67,299              |
| Net pension asset                           | -                       | 8,856,940                | (8,856,940)        | -                    | -                   |
| Capital assets not being depreciated        | 53,256,246              | 358,435                  | -                  | 53,614,681           | -                   |
| Capital assets being depreciated, net       | 105,030,189             | 14,218,000               | -                  | 119,248,189          | 2,840,968           |
| <b>Total assets</b>                         | <b>226,098,006</b>      | <b>49,190,048</b>        | <b>(8,856,940)</b> | <b>266,431,114</b>   | <b>20,008,151</b>   |
| <b>Deferred outflows of resources</b>       |                         |                          |                    |                      |                     |
| Deferred pension amounts                    | 79,785,480              | 1,354,287                | -                  | 81,139,767           | -                   |
| Deferred charges on refunding               | -                       | 212,351                  | -                  | 212,351              | 103,423             |
| <b>Total deferred outflows of resources</b> | <b>79,785,480</b>       | <b>1,566,638</b>         | <b>-</b>           | <b>81,352,118</b>    | <b>103,423</b>      |
| <b>Liabilities</b>                          |                         |                          |                    |                      |                     |
| Accounts payable and accrued liabilities    | 5,028,733               | 2,476,661                | -                  | 7,505,394            | 494,941             |
| Unearned revenue                            | 216,337                 | -                        | -                  | 216,337              | -                   |
| Advance from primary government             | -                       | -                        | -                  | -                    | 427,500             |
| Long-term debt:                             |                         |                          |                    |                      |                     |
| Due within one year                         | 8,130,109               | 1,072,122                | -                  | 9,202,231            | 1,980,000           |
| Due in more than one year                   | 136,893,488             | 9,443,228                | -                  | 146,336,716          | 11,670,848          |
| Net pension liability                       | 68,334,658              | -                        | (8,856,940)        | 59,477,718           | -                   |
| Net other postemployment benefit obligation | 23,501,433              | 3,830,733                | -                  | 27,332,166           | -                   |
| <b>Total liabilities</b>                    | <b>242,104,758</b>      | <b>16,822,744</b>        | <b>(8,856,940)</b> | <b>250,070,562</b>   | <b>14,573,289</b>   |
| <b>Deferred inflows of resources</b>        |                         |                          |                    |                      |                     |
| Deferred pension amounts                    | 588,626                 | 376,980                  | -                  | 965,606              | -                   |
| Taxes levied for a subsequent period        | 4,187,471               | -                        | -                  | 4,187,471            | -                   |
| <b>Total deferred inflows of resources</b>  | <b>4,776,097</b>        | <b>376,980</b>           | <b>-</b>           | <b>5,153,077</b>     | <b>-</b>            |
| <b>Net position</b>                         |                         |                          |                    |                      |                     |
| Net investment in capital assets            | 102,545,547             | 4,746,956                | -                  | 107,292,503          | 2,840,968           |
| Restricted for:                             |                         |                          |                    |                      |                     |
| Public safety                               | 343,652                 | -                        | -                  | 343,652              | -                   |
| Public works                                | 12,284,380              | -                        | -                  | 12,284,380           | -                   |
| Health and welfare                          | 6,527,143               | -                        | -                  | 6,527,143            | -                   |
| Community development                       | 65,243                  | -                        | -                  | 65,243               | -                   |
| State mandated and other purposes           | 395,167                 | -                        | -                  | 395,167              | -                   |
| Debt service                                | 95,089                  | -                        | -                  | 95,089               | -                   |
| Capital projects                            | -                       | -                        | -                  | -                    | 1,149,529           |
| Brownfield loans                            | -                       | -                        | -                  | -                    | 569,186             |
| Permanent funds:                            |                         |                          |                    |                      |                     |
| Expendable                                  | 1,068                   | -                        | -                  | 1,068                | -                   |
| Nonexpendable                               | 181,477                 | -                        | -                  | 181,477              | -                   |
| Pension                                     | -                       | 9,834,247                | -                  | 9,834,247            | -                   |
| Unrestricted (deficit)                      | (63,436,135)            | 18,975,759               | -                  | (44,460,376)         | 978,602             |
| <b>Total net position</b>                   | <b>\$ 59,002,631</b>    | <b>\$ 33,556,962</b>     | <b>\$ -</b>        | <b>\$ 92,559,593</b> | <b>\$ 5,538,285</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, 2017

| Functions/Programs                    | Expenses              | Program Revenues     |                                    |                                  | Net (Expenses) Revenue |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|------------------------|
|                                       |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                        |
| Primary government                    |                       |                      |                                    |                                  |                        |
| Governmental activities:              |                       |                      |                                    |                                  |                        |
| Judicial                              | \$ 4,683,821          | \$ 2,151,012         | \$ 4,756,475                       | \$ -                             | \$ 2,223,666           |
| General government                    | 28,793,948            | 3,993,388            | 6,662,231                          | -                                | (18,138,329)           |
| Public safety                         | 22,968,477            | 1,976,922            | 5,468,646                          | -                                | (15,522,909)           |
| Public works                          | 22,754,594            | 3,498,209            | 18,233,846                         | 1,052,823                        | 30,284                 |
| Health and welfare                    | 18,191,270            | 921,435              | 10,040,307                         | -                                | (7,229,528)            |
| Recreation and cultural               | 3,511,322             | 995,067              | 910,446                            | -                                | (1,605,809)            |
| Community development                 | 2,855,259             | 298,565              | 61,833                             | 28,200,517                       | 25,705,656             |
| Interest on long-term debt            | 2,098,842             | -                    | -                                  | -                                | (2,098,842)            |
| <b>Total governmental activities</b>  | <b>105,857,533</b>    | <b>13,834,598</b>    | <b>46,133,784</b>                  | <b>29,253,340</b>                | <b>(16,635,811)</b>    |
| Business-type activities:             |                       |                      |                                    |                                  |                        |
| Delinquent tax revolving              | 1,383,260             | 1,186,097            | 1,373,638                          | -                                | 1,176,475              |
| Medical care facility                 | 20,197,137            | 16,562,840           | 2,397,035                          | -                                | (1,237,262)            |
| Foreclosure tax administration        | 604,246               | 506,156              | 1,000                              | -                                | (97,090)               |
| Resource recovery                     | 117,391               | 100                  | 11,292                             | -                                | (105,999)              |
| Personal property tax                 | 3,150                 | 8,078                | 30,268                             | -                                | 35,196                 |
| <b>Total business-type activities</b> | <b>22,305,184</b>     | <b>18,263,271</b>    | <b>3,813,233</b>                   | <b>-</b>                         | <b>(228,680)</b>       |
| <b>Total primary government</b>       | <b>\$ 128,162,717</b> | <b>\$ 32,097,869</b> | <b>\$ 49,947,017</b>               | <b>\$ 29,253,340</b>             | <b>\$ (16,864,491)</b> |
| Component units                       |                       |                      |                                    |                                  |                        |
| Economic development                  | \$ 325,702            | \$ -                 | \$ 14,530                          | \$ -                             | \$ (311,172)           |
| Land bank                             | 218,344               | 354,332              | -                                  | -                                | 135,988                |
| County drains                         | 335,055               | -                    | -                                  | 160,763                          | (174,292)              |
| Brownfield redevelopment              | 101,686               | -                    | 96,340                             | -                                | (5,346)                |
| County board of public works          | 619,566               | -                    | 341,477                            | -                                | (278,089)              |
| <b>Total component units</b>          | <b>\$ 1,600,353</b>   | <b>\$ 354,332</b>    | <b>\$ 452,347</b>                  | <b>\$ 160,763</b>                | <b>\$ (632,911)</b>    |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities For the Year Ended December 31, 2017

|                                      | Primary Government      |                          |                 | Component Units |
|--------------------------------------|-------------------------|--------------------------|-----------------|-----------------|
|                                      | Governmental Activities | Business-type Activities | Total           |                 |
| Changes in net position              |                         |                          |                 |                 |
| Net (expenses) revenue               | \$ (16,635,811)         | \$ (228,680)             | \$ (16,864,491) | \$ (632,911)    |
| General revenues:                    |                         |                          |                 |                 |
| Property taxes                       | 26,277,253              | -                        | 26,277,253      | 2,098           |
| Unrestricted state shared revenue    | 4,049,764               | -                        | 4,049,764       | -               |
| Unrestricted investment earnings     | 366,463                 | -                        | 366,463         | 288,325         |
| Transfers - internal activities      | 3,281,306               | (3,188,675)              | 92,631          | -               |
| Total general revenues and transfers | 33,974,786              | (3,188,675)              | 30,786,111      | 290,423         |
| Change in net position               | 17,338,975              | (3,417,355)              | 13,921,620      | (342,488)       |
| Net position, beginning of year      | 41,663,656              | 36,974,317               | 78,637,973      | 5,880,773       |
| Net position, end of year            | \$ 59,002,631           | \$ 33,556,962            | \$ 92,559,593   | \$ 5,538,285    |

concluded

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

COUNTY OF JACKSON, MICHIGAN

**Balance Sheet**

Governmental Funds  
December 31, 2017

|   | General              | Jail<br>Millage     | Road                 | Building<br>Authority<br>Debt Service |
|---|----------------------|---------------------|----------------------|---------------------------------------|
| <b>Assets</b>   |                      |                     |                      |                                       |
| Cash and pooled investments   | \$ 6,911,392         | \$ 105,198          | \$ 24,962,450        | \$ -                                  |
| Receivables:  |                      |                     |                      |                                       |
| Accounts, net   | 139,457              | -                   | 277,964              | 21,325                                |
| Taxes   | -                    | 2,039,339           | -                    | -                                     |
| Accrued interest  | 275,800              | -                   | -                    | -                                     |
| Due from other governments  | 928,549              | -                   | 5,125,664            | 5,470,000                             |
| Due from other funds  | 1,367,520            | -                   | -                    | -                                     |
| Advances to component units   | 327,500              | -                   | -                    | -                                     |
| Advances to other funds   | 500,000              | -                   | -                    | -                                     |
| Inventories   | 1,264                | -                   | 1,938,455            | -                                     |
| Prepaid items   | 118,829              | -                   | -                    | -                                     |
| <b>Total assets</b>   | <b>\$ 10,570,311</b> | <b>\$ 2,144,537</b> | <b>\$ 32,304,533</b> | <b>\$ 5,491,325</b>                   |
| <b>Liabilities</b>  |                      |                     |                      |                                       |
| Negative equity in cash and pooled investments                                | \$ -                 | \$ -                | \$ -                 | \$ 19,324                             |
| Accounts payable  | 605,099              | -                   | 542,977              | -                                     |
| Accrued payroll   | 356,980              | -                   | 159,000              | -                                     |
| Accrued liabilities   | 8,657                | -                   | -                    | -                                     |
| Due to other governments  | -                    | -                   | 120,072              | -                                     |
| Due to other funds  | -                    | -                   | -                    | -                                     |
| Advances from other governments   | -                    | -                   | 1,063,680            | -                                     |
| Advances from other funds   | -                    | -                   | -                    | -                                     |
| Unearned revenue  | 27,697               | -                   | -                    | -                                     |
| <b>Total liabilities</b>  | <b>998,433</b>       | <b>-</b>            | <b>1,885,729</b>     | <b>19,324</b>                         |
| <b>Deferred inflows of resources</b>  |                      |                     |                      |                                       |
| Unavailable revenue - LifeWays  | -                    | -                   | -                    | 5,470,000                             |
| Unavailable revenue - local contracts   | -                    | -                   | 146,943              | -                                     |
| Taxes levied for a subsequent period  | -                    | 2,062,067           | -                    | -                                     |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>             | <b>2,062,067</b>    | <b>146,943</b>       | <b>5,470,000</b>                      |
| <b>Fund balances</b>  |                      |                     |                      |                                       |
| Nonspendable  | 947,593              | -                   | 1,938,455            | -                                     |
| Restricted  | -                    | 82,470              | 28,333,406           | 2,001                                 |
| Committed   | -                    | -                   | -                    | -                                     |
| Assigned  | 624,014              | -                   | -                    | -                                     |
| Unassigned  | 8,000,271            | -                   | -                    | -                                     |
| <b>Total fund balances</b>  | <b>9,571,878</b>     | <b>82,470</b>       | <b>30,271,861</b>    | <b>2,001</b>                          |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 10,570,311</b> | <b>\$ 2,144,537</b> | <b>\$ 32,304,533</b> | <b>\$ 5,491,325</b>                   |

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

| Nonmajor<br>Governmental<br>Funds | Total                |
|-----------------------------------|----------------------|
| \$ 12,151,117                     | \$ 44,130,157        |
| 1,015,158                         | 1,453,904            |
| 2,101,982                         | 4,141,321            |
| -                                 | 275,800              |
| 1,482,779                         | 13,006,992           |
| 131,000                           | 1,498,520            |
| -                                 | 327,500              |
| -                                 | 500,000              |
| 183,601                           | 2,123,320            |
| 109,239                           | 228,068              |
| <u>\$ 17,174,876</u>              | <u>\$ 67,685,582</u> |

|                  |                  |
|------------------|------------------|
| \$ 571,721       | \$ 591,045       |
| 790,751          | 1,938,827        |
| 254,811          | 770,791          |
| 82,730           | 91,387           |
| -                | 120,072          |
| 106,190          | 106,190          |
| -                | 1,063,680        |
| 500,000          | 500,000          |
| 188,640          | 216,337          |
| <u>2,494,843</u> | <u>5,398,329</u> |

|                  |                  |
|------------------|------------------|
| -                | 5,470,000        |
| -                | 146,943          |
| <u>2,125,404</u> | <u>4,187,471</u> |
| <u>2,125,404</u> | <u>9,804,414</u> |

|                   |                   |
|-------------------|-------------------|
| 293,908           | 3,179,956         |
| 7,513,317         | 35,931,194        |
| 4,747,404         | 4,747,404         |
| -                 | 624,014           |
| -                 | 8,000,271         |
| <u>12,554,629</u> | <u>52,482,839</u> |

|                      |                      |
|----------------------|----------------------|
| <u>\$ 17,174,876</u> | <u>\$ 67,685,582</u> |
|----------------------|----------------------|

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2017

|   |                      |
|---|----------------------|
| Fund balances - total governmental funds  | \$ 52,482,839        |
| 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  | 53,256,246           |
| Capital assets being depreciated, net   | 105,030,189          |
| The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance. |                      |
| Long-term receivable included in deferred inflows of resources - LifeWays   | 5,470,000            |
| Unavailable state grant funding for state and local road and bridge programs  | 146,943              |
| 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   | 871,669              |
| 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  | (139,745,000)        |
| Unamortized bond premium  | (1,443,622)          |
| Unamortized bond discount   | 15,253               |
| Due to LifeWays - long-term agreement   | (1,701,369)          |
| Compensated absences  | (2,148,859)          |
| Accrued interest on long-term liabilities   | (592,421)            |
| Net other postemployment benefit obligation   | (23,501,433)         |
| 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   | (68,334,658)         |
| Deferred outflows related to the net pension liability  | 79,785,480           |
| Deferred inflows related to the net pension liability   | (588,626)            |
| Net position of governmental activities   | <u>\$ 59,002,631</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, 2017

|   | General             | Jail<br>Millage    | Road                 | Building<br>Authority<br>Debt Service |
|---|---------------------|--------------------|----------------------|---------------------------------------|
| <b>Revenues</b>                             |                     |                    |                      |                                       |
| Property taxes                              | \$ 22,115,685       | \$ 2,049,472       | \$ -                 | \$ -                                  |
| Licenses, fees, taxes and permits           | 95,219              | -                  | 72,100               | -                                     |
| Intergovernmental                           | 10,736,570          | -                  | 19,020,252           | 591,259                               |
| Charges for services                        | 5,726,892           | -                  | 3,204,783            | -                                     |
| Fines and forfeitures                       | 582,324             | -                  | -                    | -                                     |
| Investment earnings                         | 305,663             | 3,107              | 221,326              | 1,009                                 |
| Rental                                      | 192,207             | -                  | 63,213               | -                                     |
| Donations                                   | -                   | -                  | -                    | -                                     |
| Telephone surcharge                         | -                   | -                  | -                    | -                                     |
| Reimbursements                              | -                   | -                  | -                    | -                                     |
| Other                                       | 2,228,910           | -                  | 56,261               | 300,059                               |
| <b>Total revenues</b>                       | <b>41,983,470</b>   | <b>2,052,579</b>   | <b>22,637,935</b>    | <b>892,327</b>                        |
| <b>Expenditures</b>                         |                     |                    |                      |                                       |
| Current:                                    |                     |                    |                      |                                       |
| Judicial                                    | -                   | -                  | -                    | -                                     |
| General government                          | 17,634,708          | -                  | -                    | -                                     |
| Public safety                               | 14,633,635          | -                  | -                    | -                                     |
| Public works                                | -                   | -                  | 31,375,125           | -                                     |
| Health and welfare                          | 3,499,499           | -                  | -                    | -                                     |
| Recreation and cultural                     | -                   | -                  | -                    | -                                     |
| Community development                       | -                   | -                  | -                    | -                                     |
| Fair  | -                   | -                  | -                    | -                                     |
| Other functions                             | 5,960,345           | -                  | -                    | -                                     |
| Debt service:                               |                     |                    |                      |                                       |
| Principal                                   | -                   | -                  | 805,000              | 1,430,000                             |
| Interest                                    | -                   | -                  | 760,844              | 607,134                               |
| Issuance costs                              | -                   | -                  | -                    | -                                     |
| Capital outlay                              | -                   | -                  | 5,724,594            | -                                     |
| <b>Total expenditures</b>                   | <b>41,728,187</b>   | <b>-</b>           | <b>38,665,563</b>    | <b>2,037,134</b>                      |
| <b>Revenue over (under) expenditures</b>    | <b>255,283</b>      | <b>2,052,579</b>   | <b>(16,027,628)</b>  | <b>(1,144,807)</b>                    |
| <b>Other financing sources (uses)</b>       |                     |                    |                      |                                       |
| Issuance of long-term debt                  | -                   | -                  | 33,225,000           | -                                     |
| Premium on bonds                            | -                   | -                  | 1,032,303            | -                                     |
| Transfers in                                | 5,250,032           | -                  | -                    | 1,141,198                             |
| Transfers out                               | (5,572,470)         | (2,046,698)        | -                    | -                                     |
| Proceeds from sale of capital assets        | -                   | -                  | -                    | -                                     |
| <b>Total other financing sources (uses)</b> | <b>(322,438)</b>    | <b>(2,046,698)</b> | <b>34,257,303</b>    | <b>1,141,198</b>                      |
| <b>Net change in fund balances</b>          | <b>(67,155)</b>     | <b>5,881</b>       | <b>18,229,675</b>    | <b>(3,609)</b>                        |
| <b>Fund balances, beginning of year</b>     | <b>9,639,033</b>    | <b>76,589</b>      | <b>12,042,186</b>    | <b>5,610</b>                          |
| <b>Fund balances, end of year</b>           | <b>\$ 9,571,878</b> | <b>\$ 82,470</b>   | <b>\$ 30,271,861</b> | <b>\$ 2,001</b>                       |

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

| Nonmajor<br>Governmental<br>Funds | Total                |
|-----------------------------------|----------------------|
| \$ 2,112,096                      | \$ 26,277,253        |
| 440,577                           | 607,896              |
| 10,621,767                        | 40,969,848           |
| 3,108,958                         | 12,040,633           |
| 355,723                           | 938,047              |
| 56,704                            | 587,809              |
| 375,944                           | 631,364              |
| 36,154                            | 36,154               |
| 2,700,087                         | 2,700,087            |
| 3,762,790                         | 3,762,790            |
| 1,053,238                         | 3,638,468            |
| <u>24,624,038</u>                 | <u>92,190,349</u>    |
| 4,191,727                         | 4,191,727            |
| 192,967                           | 17,827,675           |
| 3,158,549                         | 17,792,184           |
| -                                 | 31,375,125           |
| 10,299,481                        | 13,798,980           |
| 2,621,599                         | 2,621,599            |
| 685,379                           | 685,379              |
| 1,456,247                         | 1,456,247            |
| -                                 | 5,960,345            |
| 540,000                           | 2,775,000            |
| 346,400                           | 1,714,378            |
| 63,506                            | 63,506               |
| 10,907,849                        | 16,632,443           |
| <u>34,463,704</u>                 | <u>116,894,588</u>   |
| <u>(9,839,666)</u>                | <u>(24,704,239)</u>  |
| 7,500,000                         | 40,725,000           |
| 229,533                           | 1,261,836            |
| 9,148,927                         | 15,540,157           |
| (4,603,783)                       | (12,222,951)         |
| 32,097                            | 32,097               |
| <u>12,306,774</u>                 | <u>45,336,139</u>    |
| 2,467,108                         | 20,631,900           |
| <u>10,087,521</u>                 | <u>31,850,939</u>    |
| <u>\$ 12,554,629</u>              | <u>\$ 52,482,839</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, 2017

Net change in fund balances - total governmental funds \$ 20,631,900

Amounts reported for *governmental activities* 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 | 57,853,464  |
| Depreciation expense                       | (9,773,929) |
| Proceeds from sale of capital assets       | (32,097)    |
| Loss on disposal of capital assets         | (140,371)   |

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       | (515,000) |
| Change in unavailable State grant funding for state and local road and bridge programs | 146,943   |

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 | 2,775,000    |
| Reduction in Lifeways settlement liability  | (870,000)    |
| Proceeds from issuance of long-term debt    | (40,725,000) |
| Bond premium                                | (1,261,836)  |
| Amortization of bond discount               | (1,695)      |
| Amortization of bond premium                | 15,376       |

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                           | (434,961)    |
| Change in the accrual for compensated absences                                 | 37,275       |
| Change in net other postemployment benefit obligation                          | (4,228,877)  |
| Contributions to pension funds financed through the issuance of long-term debt | (67,445,000) |
| Change in net pension liability and related deferred amounts                   | 61,307,217   |

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        | 4,283    |
| Net operating income of the internal service funds | 32,183   |
| Transfers accounted for in internal service funds  | (35,900) |

Change in net position of governmental activities \$ 17,338,975

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund

For the Year Ended December 31, 2017

|   | Original<br>Budget  | Amended<br>Budget   | Actual              | Over (Under)<br>Budget |
|---|---------------------|---------------------|---------------------|------------------------|
| <b>Revenues</b>                             |                     |                     |                     |                        |
| Property taxes                              | \$ 22,505,500       | \$ 22,505,500       | \$ 22,115,685       | \$ (389,815)           |
| Licenses, fees, taxes, and permits          | 135,500             | 121,500             | 95,219              | (26,281)               |
| Intergovernmental                           | 9,426,286           | 10,049,971          | 10,736,570          | 686,599                |
| Charges for services                        | 6,142,582           | 6,364,082           | 5,726,892           | (637,190)              |
| Fines and forfeitures                       | 723,500             | 723,500             | 582,324             | (141,176)              |
| Investment earnings                         | 600,000             | 600,000             | 305,663             | (294,337)              |
| Rental                                      | 190,402             | 190,402             | 192,207             | 1,805                  |
| Other                                       | 1,564,397           | 2,173,550           | 2,228,910           | 55,360                 |
| <b>Total revenues</b>                       | <b>41,288,167</b>   | <b>42,728,505</b>   | <b>41,983,470</b>   | <b>(745,035)</b>       |
| <b>Expenditures</b>                         |                     |                     |                     |                        |
| Current:                                    |                     |                     |                     |                        |
| General government                          | 18,168,629          | 18,096,414          | 17,634,708          | (461,706)              |
| Public safety                               | 14,746,240          | 15,215,878          | 14,633,635          | (582,243)              |
| Health and welfare                          | 3,394,080           | 3,561,427           | 3,499,499           | (61,928)               |
| Other functions                             | 6,018,531           | 6,235,506           | 5,960,345           | (275,161)              |
| <b>Total expenditures</b>                   | <b>42,327,480</b>   | <b>43,109,225</b>   | <b>41,728,187</b>   | <b>(1,381,038)</b>     |
| <b>Revenues over (under) expenditures</b>   | <b>(1,039,313)</b>  | <b>(380,720)</b>    | <b>255,283</b>      | <b>636,003</b>         |
| <b>Other financing sources (uses)</b>       |                     |                     |                     |                        |
| Transfers in                                | 5,234,445           | 5,250,610           | 5,250,032           | (578)                  |
| Transfers out                               | (5,509,639)         | (5,509,639)         | (5,572,470)         | 62,831                 |
| <b>Total other financing sources (uses)</b> | <b>(275,194)</b>    | <b>(259,029)</b>    | <b>(322,438)</b>    | <b>(63,409)</b>        |
| <b>Net change in fund balance</b>           | <b>(1,314,507)</b>  | <b>(639,749)</b>    | <b>(67,155)</b>     | <b>572,594</b>         |
| <b>Fund balance, beginning of year</b>      | <b>9,639,033</b>    | <b>9,639,033</b>    | <b>9,639,033</b>    | <b>-</b>               |
| <b>Fund balance, end of year</b>            | <b>\$ 8,324,526</b> | <b>\$ 8,999,284</b> | <b>\$ 9,571,878</b> | <b>\$ 572,594</b>      |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Jail Millage Fund For the Year Ended December 31, 2017

|                                 | Original Budget | Amended Budget | Actual       | Over (Under) Budget |
|---------------------------------|-----------------|----------------|--------------|---------------------|
| Revenues                        |                 |                |              |                     |
| Property taxes                  | \$ 2,100,000    | \$ 2,100,000   | \$ 2,049,472 | \$ (50,528)         |
| Investment earnings             | -               | -              | 3,107        | 3,107               |
| Total revenues                  | 2,100,000       | 2,100,000      | 2,052,579    | (47,421)            |
| Other financing uses            |                 |                |              |                     |
| Transfers out                   | (2,100,000)     | (2,100,000)    | (2,046,698)  | (53,302)            |
| Net change in fund balance      | -               | -              | 5,881        | 5,881               |
| Fund balance, beginning of year | 76,589          | 76,589         | 76,589       | -                   |
| Fund balance, end of year       | \$ 76,589       | \$ 76,589      | \$ 82,470    | \$ 5,881            |

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Road Fund

For the Year Ended December 31, 2017

|                                      | Original<br>Budget   | Amended<br>Budget    | Actual               | Over (Under)<br>Budget |
|--------------------------------------|----------------------|----------------------|----------------------|------------------------|
| <b>Revenues</b>                      |                      |                      |                      |                        |
| Licenses, fees, taxes and permits    | \$ 71,818            | \$ 136,092           | \$ 72,100            | \$ (63,992)            |
| Intergovernmental                    | 21,828,348           | 22,238,709           | 19,020,252           | (3,218,457)            |
| Charges for services                 | 2,327,869            | 2,816,513            | 3,204,783            | 388,270                |
| Investment earnings                  | 10,241               | 10,255               | 221,326              | 211,071                |
| Rental                               | 56,997               | 66,607               | 63,213               | (3,394)                |
| Other                                | 8,479                | 29,156               | 56,261               | 27,105                 |
| <b>Total revenues</b>                | <b>24,303,752</b>    | <b>25,297,332</b>    | <b>22,637,935</b>    | <b>(2,659,397)</b>     |
| <b>Expenditures</b>                  |                      |                      |                      |                        |
| Current -                            |                      |                      |                      |                        |
| Public works                         | 37,648,936           | 38,779,705           | 31,375,125           | (7,404,580)            |
| Debt service:                        |                      |                      |                      |                        |
| Principal                            | 2,480,000            | 805,000              | 805,000              | -                      |
| Interest                             | 1,043,208            | 760,844              | 760,844              | -                      |
| Capital outlay                       | 2,535,000            | 452,291              | 5,724,594            | 5,272,303              |
| <b>Total expenditures</b>            | <b>43,707,144</b>    | <b>40,797,840</b>    | <b>38,665,563</b>    | <b>(2,132,277)</b>     |
| Revenues under expenditures          | (19,403,392)         | (15,500,508)         | (16,027,628)         | (527,120)              |
| <b>Other financing sources</b>       |                      |                      |                      |                        |
| Issuance of long-term debt           | 30,000,000           | 33,225,000           | 33,225,000           | -                      |
| Premium on bonds                     | -                    | 1,033,210            | 1,032,303            | (907)                  |
| <b>Total other financing sources</b> | <b>30,000,000</b>    | <b>34,258,210</b>    | <b>34,257,303</b>    | <b>(907)</b>           |
| <b>Net change in fund balance</b>    | <b>10,596,608</b>    | <b>18,757,702</b>    | <b>18,229,675</b>    | <b>(528,027)</b>       |
| Fund balance, beginning of year      | 12,042,186           | 12,042,186           | 12,042,186           | -                      |
| <b>Fund balance, end of year</b>     | <b>\$ 22,638,794</b> | <b>\$ 30,799,888</b> | <b>\$ 30,271,861</b> | <b>\$ (528,027)</b>    |

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



COUNTY OF JACKSON, MICHIGAN

**Statement of Net Position**  
 Proprietary Funds  
 December 31, 2017

|  | Business-type Activities - Enterprise Funds |                       |                     |                      | Governmental Activities |
|--|---|-----------------------|---------------------|----------------------|-------------------------|
|  | Delinquent Tax Revolving                    | Medical Care Facility | Nonmajor Funds      | Total                | Internal Service Funds  |
| <b>Assets</b>  |   |                       |                     |                      |                         |
| Current assets:  |   |                       |                     |                      |                         |
| Cash and pooled investments  | \$ 5,734,863                                | \$ 6,318,856          | \$ 515,430          | \$ 12,569,149        | \$ 230,057              |
| Receivables:   |   |                       |                     |                      |                         |
| Accounts, net  | 242,571                                     | 2,676,547             | -                   | 2,919,118            | 602,229                 |
| Taxes  | 7,431,704                                   | -                     | -                   | 7,431,704            | -                       |
| Accrued interest   | 1,102,559                                   | -                     | -                   | 1,102,559            | -                       |
| Due from other funds   | 106,190                                     | -                     | 1,624,488           | 1,730,678            | -                       |
| Inventories  | -   | 63,699                | -                   | 63,699               | -                       |
| Prepaid items  | -   | 161,599               | -                   | 161,599              | 1,238,437               |
| <b>Total current assets</b>  | <b>14,617,887</b>                           | <b>9,220,701</b>      | <b>2,139,918</b>    | <b>25,978,506</b>    | <b>2,070,723</b>        |
| Noncurrent assets:   |   |                       |                     |                      |                         |
| Restricted cash and investments  | -   | -                     | 783,191             | 783,191              | -                       |
| Advance to component unit  | -   | -                     | 100,000             | 100,000              | -                       |
| Land held for resale   | -   | -                     | 2,095,208           | 2,095,208            | -                       |
| Net pension asset  | -   | 8,856,940             | -                   | 8,856,940            | -                       |
| Capital assets not being depreciated                                       | -   | 358,435               | -                   | 358,435              | -                       |
| Capital assets being depreciated, net                                      | 5,334                                       | 14,212,666            | -                   | 14,218,000           | -                       |
| <b>Total noncurrent assets</b>   | <b>5,334</b>                                | <b>23,428,041</b>     | <b>2,978,399</b>    | <b>26,411,774</b>    | <b>-</b>                |
| <b>Total assets</b>  | <b>14,623,221</b>                           | <b>32,648,742</b>     | <b>5,118,317</b>    | <b>52,390,280</b>    | <b>2,070,723</b>        |
| Deferred outflows of resources   |   |                       |                     |                      |                         |
| Deferred pension amounts   | -   | 1,354,287             | -                   | 1,354,287            | -                       |
| Deferred charges on refunding  | -   | 212,351               | -                   | 212,351              | -                       |
| <b>Total deferred outflows of resources</b>                                | <b>-</b>                                    | <b>1,566,638</b>      | <b>-</b>            | <b>1,566,638</b>     | <b>-</b>                |
| <b>Liabilities</b>   |   |                       |                     |                      |                         |
| Current liabilities:   |   |                       |                     |                      |                         |
| Negative equity in cash and pooled investments                             | -   | -                     | 77,224              | 77,224               | 747,499                 |
| Accounts payable   | 44,310                                      | 911,012               | 31,172              | 986,494              | 37,426                  |
| Estimated claims payable   | -   | -                     | -                   | -                    | 414,129                 |
| Accrued payroll  | 4,350                                       | 469,099               | 770                 | 474,219              | -                       |
| Accrued interest payable   | -   | 67,086                | -                   | 67,086               | -                       |
| Medicaid cost settlement payable   | -   | 182,698               | -                   | 182,698              | -                       |
| Residents' trust payable   | -   | 11,164                | -                   | 11,164               | -                       |
| Due to other funds   | 3,123,008                                   | -                     | -                   | 3,123,008            | -                       |
| Current portion of accrued compensated absences                            | 5,495                                       | 468,025               | -                   | 473,520              | -                       |
| Current portion of general obligation bonds payable                        | -   | 598,602               | -                   | 598,602              | -                       |
| Current portion of estimated closure and postclosure monitoring costs      | -   | -                     | 90,000              | 90,000               | -                       |
| <b>Total current liabilities</b>   | <b>3,177,163</b>                            | <b>2,707,686</b>      | <b>199,166</b>      | <b>6,084,015</b>     | <b>1,199,054</b>        |
| Noncurrent liabilities:  |   |                       |                     |                      |                         |
| General obligation bonds payable, net of current portion                   | -   | 9,443,228             | -                   | 9,443,228            | -                       |
| Estimated closure and postclosure monitoring costs, net of current portion | -   | -                     | 665,000             | 665,000              | -                       |
| Net other postemployment benefit obligation                                | -   | 3,830,733             | -                   | 3,830,733            | -                       |
| <b>Total noncurrent liabilities</b>  | <b>-</b>                                    | <b>13,273,961</b>     | <b>665,000</b>      | <b>13,938,961</b>    | <b>-</b>                |
| <b>Total liabilities</b>   | <b>3,177,163</b>                            | <b>15,981,647</b>     | <b>864,166</b>      | <b>20,022,976</b>    | <b>1,199,054</b>        |
| Deferred inflows of resources  |   |                       |                     |                      |                         |
| Deferred pension amounts   | -   | 376,980               | -                   | 376,980              | -                       |
| <b>Net position</b>  |   |                       |                     |                      |                         |
| Net investment in capital assets   | 5,334                                       | 4,741,622             | -                   | 4,746,956            | -                       |
| Restricted for pension   | -   | 9,834,247             | -                   | 9,834,247            | -                       |
| Unrestricted   | 11,440,724                                  | 3,280,884             | 4,254,151           | 18,975,759           | 871,669                 |
| <b>Total net position</b>  | <b>\$ 11,446,058</b>                        | <b>\$ 17,856,753</b>  | <b>\$ 4,254,151</b> | <b>\$ 33,556,962</b> | <b>\$ 871,669</b>       |

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

COUNTY OF JACKSON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds  
For the Year Ended December 31, 2017

|  | Business-type Activities - Enterprise Funds |                       |                |                   | Governmental Activities |
|--|---|-----------------------|----------------|-------------------|-------------------------|
|  | Delinquent Tax Revolving                    | Medical Care Facility | Nonmajor Funds | Total             | Internal Service Funds  |
| Operating revenues                           |   |                       |                |                   |                         |
| Interest on taxes                            | \$ 1,312,359                                | \$ -                  | \$ 28,510      | \$ 1,340,869      | \$ -                    |
| Charges for services                         | 1,186,097                                   | 16,562,840            | 514,334        | 18,263,271        | 10,656,752              |
| Quality assurance supplement                 | -   | 2,368,571             | -              | 2,368,571         | -                       |
| Other  | 2,884                                       | 28,464                | 6,492          | 37,840            | -                       |
| <b>Total operating revenues</b>              | <b>2,501,340</b>                            | <b>18,959,875</b>     | <b>549,336</b> | <b>22,010,551</b> | <b>10,656,752</b>       |
| Operating expenses                           |   |                       |                |                   |                         |
| Personnel services                           | 423,075                                     | 13,437,083            | 49,702         | 13,909,860        | -                       |
| Cost of services                             | 359,140                                     | 5,670,933             | 12,724         | 6,042,797         | 9,768,927               |
| Depreciation                                 | 3,870                                       | 726,454               | -              | 730,324           | -                       |
| Administration                               | 89,975                                      | -                     | 662,361        | 752,336           | 855,642                 |
| Other  | 507,200                                     | -                     | -              | 507,200           | -                       |
| <b>Total operating expenses</b>              | <b>1,383,260</b>                            | <b>19,834,470</b>     | <b>724,787</b> | <b>21,942,517</b> | <b>10,624,569</b>       |
| Operating income (loss)                      | 1,118,080                                   | (874,595)             | (175,451)      | 68,034            | 32,183                  |
| Nonoperating revenue (expenses)              |   |                       |                |                   |                         |
| Interest income                              | 58,395                                      | -                     | 7,558          | 65,953            | 4,283                   |
| Loss on disposal of capital assets           | -   | (50)                  | -              | (50)              | -                       |
| Interest expense                             | -   | (362,617)             | -              | (362,617)         | -                       |
| <b>Total nonoperating revenue (expenses)</b> | <b>58,395</b>                               | <b>(362,667)</b>      | <b>7,558</b>   | <b>(296,714)</b>  | <b>4,283</b>            |
| Net Income (loss) before transfers           | 1,176,475                                   | (1,237,262)           | (167,893)      | (228,680)         | 36,466                  |
| Transfers in                                 | 70,066                                      | 140,259               | -              | 210,325           | -                       |
| Transfers out                                | (3,396,500)                                 | -                     | (2,500)        | (3,399,000)       | (35,900)                |
| Change in net position                       | (2,149,959)                                 | (1,097,003)           | (170,393)      | (3,417,355)       | 566                     |
| Net position, beginning of year              | 13,596,017                                  | 18,953,756            | 4,424,544      | 36,974,317        | 871,103                 |
| Net position, end of year                    | \$ 11,446,058                               | \$ 17,856,753         | \$ 4,254,151   | \$ 33,556,962     | \$ 871,669              |

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

COUNTY OF JACKSON, MICHIGAN

**Statement of Cash Flows**  
 Proprietary Funds  
 For the Year Ended December 31, 2017

|   | Business-type Activities - Enterprise Funds |                             |                     | Business-type<br>Activities -<br>Enterprise<br>Funds | Governmental<br>Activities   |
|---|---|-----------------------------|---------------------|--|------------------------------|
|   | Delinquent<br>Tax<br>Revolving              | Medical<br>Care<br>Facility | Nonmajor<br>Funds   | Total  | Internal<br>Service<br>Funds |
| <b>Cash flows from operating activities</b>                               |   |                             |                     |  |                              |
| Cash received from customers, residents<br>and users                      | \$ 2,693,512                                | \$ 16,205,399               | \$ 642,879          | \$ 19,541,790  | \$ 9,929,384                 |
| Other operating receipts  | 2,884                                       | -                           | -                   | 2,884  | -                            |
| Cash received from quality assurance supplement program                   | -   | 2,368,571                   | -                   | 2,368,571  | -                            |
| Cash paid to employees  | (433,507)                                   | (10,064,875)                | (52,792)            | (10,551,174)   | -                            |
| Cash paid to suppliers and claimants                                      | 214,865                                     | (3,975,077)                 | (103,035)           | (3,863,247)  | (10,672,563)                 |
| Cash paid for employee benefits   | -   | (2,536,078)                 | -                   | (2,536,078)  | -                            |
| Cash paid to third-parties  | -   | (1,321,085)                 | -                   | (1,321,085)  | -                            |
| Payments for interfund services used                                      | -   | -                           | (1,340,320)         | (1,340,320)  | -                            |
| <b>Net cash provided by (used in) operating activities</b>                | <b>2,477,754</b>                            | <b>676,855</b>              | <b>(853,268)</b>    | <b>2,301,341</b>                                     | <b>(743,179)</b>             |
| <b>Cash flows from capital and related<br/>financing activities</b>       |   |                             |                     |  |                              |
| Principal payments on long-term debt                                      | -   | (515,000)                   | -                   | (515,000)  | -                            |
| Interest payments on long-term debt                                       | -   | (413,319)                   | -                   | (413,319)  | -                            |
| Proceeds from sale of capital assets                                      | -   | 1,600                       | -                   | 1,600  | -                            |
| Purchase of capital assets  | -   | (488,187)                   | -                   | (488,187)  | -                            |
| <b>Net cash used in capital and<br/>related financing activities</b>      | <b>-</b>                                    | <b>(1,414,906)</b>          | <b>-</b>            | <b>(1,414,906)</b>                                   | <b>-</b>                     |
| <b>Cash flows from noncapital financing<br/>activities</b>                |   |                             |                     |  |                              |
| Transfers from other funds  | 70,066                                      | 140,259                     | -                   | 210,325  | -                            |
| Transfers to other funds  | (3,396,500)                                 | -                           | (2,500)             | (3,399,000)  | (35,900)                     |
| <b>Net cash provided by (used in) noncapital<br/>financing activities</b> | <b>(3,326,434)</b>                          | <b>140,259</b>              | <b>(2,500)</b>      | <b>(3,188,675)</b>                                   | <b>(35,900)</b>              |
| <b>Cash flows from investing activities</b>                               |   |                             |                     |  |                              |
| Interest income received  | 55,924                                      | -                           | 7,558               | 63,482   | 4,283                        |
| <b>Net change in cash and pooled investments</b>                          | <b>(792,756)</b>                            | <b>(597,792)</b>            | <b>(848,210)</b>    | <b>(2,238,758)</b>                                   | <b>(774,796)</b>             |
| Cash and pooled investments, beginning of year                            | 6,527,619                                   | 6,916,648                   | 2,069,607           | 15,513,874   | 257,354                      |
| <b>Cash and pooled investments, end of year</b>                           | <b>\$ 5,734,863</b>                         | <b>\$ 6,318,856</b>         | <b>\$ 1,221,397</b> | <b>\$ 13,275,116</b>                                 | <b>\$ (517,442)</b>          |
| <b>Statement of Net Position Classification</b>                           |   |                             |                     |  |                              |
| Cash and pooled investments   | \$ 5,734,863                                | \$ 6,318,856                | \$ 515,430          | \$ 12,569,149  | \$ 230,057                   |
| Restricted cash and investments   | -   | -                           | 783,191             | 783,191  | -                            |
| Negative equity in cash and pooled investments                            | -   | -                           | (77,224)            | (77,224)   | (747,499)                    |
| <b>Total</b>  | <b>\$ 5,734,863</b>                         | <b>\$ 6,318,856</b>         | <b>\$ 1,221,397</b> | <b>\$ 13,275,116</b>                                 | <b>\$ (517,442)</b>          |

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

|  | Business-type Activities - Enterprise Funds |                             |                     | Business-type<br>Activities -<br>Enterprise<br>Funds | Governmental<br>Activities   |
|--|---|-----------------------------|---------------------|--|------------------------------|
|  | Delinquent<br>Tax<br>Revolving              | Medical<br>Care<br>Facility | Nonmajor<br>Funds   | Total  | Internal<br>Service<br>Funds |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities         |   |                             |                     |  |                              |
| Operating income (loss)  | \$ 1,118,080                                | \$ (874,595)                | \$ (175,451)        | \$ 68,034  | \$ 32,183                    |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |   |                             |                     |  |                              |
| Depreciation   | 3,870                                       | 726,454                     | -                   | 730,324  | -                            |
| Change in:   |   |                             |                     |  |                              |
| Accounts receivable, net   | 9,073                                       | (357,441)                   | -                   | (348,368)  | 125,575                      |
| Taxes receivable   | 185,983                                     | -                           | -                   | 185,983  | -                            |
| Due from other funds   | 18,394                                      | -                           | (681,109)           | (662,715)  | -                            |
| Advances to component unit   | 298,550                                     | -                           | -                   | 298,550  | -                            |
| Inventories  | -   | 11,822                      | -                   | 11,822   | -                            |
| Prepaid items  | -   | (123,268)                   | -                   | (123,268)  | (852,943)                    |
| Land held for resale   | -   | -                           | 78,628              | 78,628   | -                            |
| Net pension asset and related deferred amounts   | -   | 166,204                     | -                   | 166,204  | -                            |
| Accounts payable   | (2,574)                                     | 275,150                     | 14,604              | 287,180  | 30,954                       |
| Estimated claims payable   | -   | -                           | -                   | -  | (41,471)                     |
| Accrued payroll  | (1,000)                                     | 64,199                      | 60                  | 63,259   | -                            |
| Medicaid cost settlement payable   | -   | 182,698                     | -                   | 182,698  | -                            |
| Residents' trust payable   | -   | (95)                        | -                   | (95)   | -                            |
| Due to other funds   | 856,810                                     | -                           | -                   | 856,810  | -                            |
| Interfund payable  | -   | -                           | -                   | -  | (37,477)                     |
| Accrued compensated absences   | (9,432)                                     | 10,202                      | -                   | 770  | -                            |
| Estimated closure and postclosure monitoring costs   | -   | -                           | (90,000)            | (90,000)   | -                            |
| Net other postemployment benefit obligation  | -   | 595,525                     | -                   | 595,525  | -                            |
| Net cash provided by (used in) operating activities  | <u>\$ 2,477,754</u>                         | <u>\$ 676,855</u>           | <u>\$ (853,268)</u> | <u>\$ 2,301,341</u>                                  | <u>\$ (743,179)</u>          |

concluded

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds  
December 31, 2017

|                                     | Pension<br>Trust Fund | Agency<br>Funds     |
|-------------------------------------|-----------------------|---------------------|
| <b>Assets</b>                       |                       |                     |
| Cash and pooled investments         | \$ 313,988            | \$ 2,316,156        |
| Investments, at fair value:         |                       |                     |
| Domestic equities                   | 52,248,737            | -                   |
| Equity mutual funds                 | 33,097,106            | -                   |
| International equities              | 34,837,695            | -                   |
| U.S. treasuries                     | 5,048,985             | -                   |
| U.S. agencies                       | 5,262,046             | -                   |
| Corporate domestic securities       | 30,846,040            | -                   |
| Collateralized mortgage obligations | 499,789               | -                   |
| International securities            | 531,235               | -                   |
| Money market funds                  | 71,294,183            | -                   |
| Receivables:                        |                       |                     |
| Accounts                            | 176,091               | -                   |
| Interest                            | 274,689               | -                   |
| <b>Total assets</b>                 | <u>234,430,584</u>    | <u>\$ 2,316,156</u> |
| <b>Liabilities</b>                  |                       |                     |
| Accounts payable                    | 266,720               | \$ -                |
| Undistributed receipts              | -                     | 1,737,736           |
| Due to other governments            | -                     | 368,351             |
| Bonds payable                       | -                     | 192,582             |
| Escrow payable                      | -                     | 17,487              |
| <b>Total liabilities</b>            | <u>266,720</u>        | <u>\$ 2,316,156</u> |
| <b>Net position</b>                 |                       |                     |
| Restricted for pension benefits     | <u>\$ 234,163,864</u> |                     |

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Changes in Fiduciary Net Position

Pension Trust Fund

For the Year Ended December 31, 2017

|   | Pension<br>Trust Fund        |
|---|------------------------------|
| <b>Additions</b>                              |                              |
| Contributions:                                |                              |
| Employees                                     | \$ 1,672,802                 |
| Employer                                      | 71,127,032                   |
| Total contributions                           | <u>72,799,834</u>            |
| Investment earnings:                          |                              |
| Interest and dividends                        | 2,647,253                    |
| Net appreciation in fair value of investments | 25,566,394                   |
| Less investment expenses                      | (909,194)                    |
| Net investment earnings                       | <u>27,304,453</u>            |
| <b>Total additions</b>                        | <u>100,104,287</u>           |
| <b>Deductions</b>                             |                              |
| Pension benefit payments                      | 13,853,053                   |
| Administrative expenses                       | 200,930                      |
| <b>Total deductions</b>                       | <u>14,053,983</u>            |
| <b>Change in net position</b>                 | 86,050,304                   |
| Net position, beginning of year               | <u>148,113,560</u>           |
| <b>Net position, end of year</b>              | <u><u>\$ 234,163,864</u></u> |

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

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# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position Discretely Presented Component Units December 31, 2017

|  | Economic<br>Development<br>Corporation | Land<br>Bank<br>Authority | Drain<br>Commission | Brownfield<br>Redevelopment<br>Authority |
|--|--|---------------------------|---------------------|--|
| <b>Assets</b>                            |  |                           |                     |  |
| Cash and pooled investments              | \$ 680,590                             | \$ 344,087                | \$ 1,278,916        | \$ 123,716                               |
| Restricted cash and pooled investments   | 83,218                                 | -                         | -                   | -  |
| Receivables                              | 206,064                                | 17,527                    | 85,821              | 578,267                                  |
| Land held for resale                     | -                                      | 67,299                    | -                   | -  |
| Capital assets being depreciated, net    | -                                      | -                         | 2,840,968           | -  |
| <b>Total assets</b>                      | <b>969,872</b>                         | <b>428,913</b>            | <b>4,205,705</b>    | <b>701,983</b>                           |
| <b>Deferred outflows of resources</b>    |  |                           |                     |  |
| Deferred charges on refunding            | -                                      | -                         | -                   | -  |
| <b>Liabilities</b>                       |  |                           |                     |  |
| Accounts payable and accrued liabilities | 314,998                                | 5,185                     | 5,208               | 15,297                                   |
| Advance from primary government          | -                                      | 100,000                   | 210,000             | 117,500                                  |
| Long-term debt:                          |  |                           |                     |  |
| Due within one year                      | -                                      | -                         | -                   | -  |
| Due in more than one year                | -                                      | -                         | -                   | -  |
| <b>Total liabilities</b>                 | <b>314,998</b>                         | <b>105,185</b>            | <b>215,208</b>      | <b>132,797</b>                           |
| <b>Net position</b>                      |  |                           |                     |  |
| Investment in capital assets             | -                                      | -                         | 2,840,968           | -  |
| Restricted for capital projects          | -                                      | -                         | 1,149,529           | -  |
| Restricted for brownfield loans          | -                                      | -                         | -                   | 569,186                                  |
| Unrestricted                             | 654,874                                | 323,728                   | -                   | -  |
| <b>Total net position</b>                | <b>\$ 654,874</b>                      | <b>\$ 323,728</b>         | <b>\$ 3,990,497</b> | <b>\$ 569,186</b>                        |

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





| Board<br>of<br>Public Works | Totals              |
|-----------------------------|---------------------|
| \$ 25,799                   | \$ 2,453,108        |
| -                           | 83,218              |
| 13,675,879                  | 14,563,558          |
| -                           | 67,299              |
| -                           | 2,840,968           |
| <u>13,701,678</u>           | <u>20,008,151</u>   |
| <br>                        |                     |
| <u>103,423</u>              | <u>103,423</u>      |
| <br>                        |                     |
| 154,253                     | 494,941             |
| -                           | 427,500             |
| 1,980,000                   | 1,980,000           |
| 11,670,848                  | 11,670,848          |
| <u>13,805,101</u>           | <u>14,573,289</u>   |
| <br>                        |                     |
| -                           | 2,840,968           |
| -                           | 1,149,529           |
| -                           | 569,186             |
| -                           | 978,602             |
| <u>\$ -</u>                 | <u>\$ 5,538,285</u> |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2017

| Functions/Programs                        | Expenses            | Program Revenues        |  |  | Net (Expenses)<br>Revenue |
|---|---------------------|-------------------------|--|--|---------------------------|
|   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions |                           |
| <b>Economic Development Corporation</b>   |                     |                         |  |  |                           |
| Governmental activities -                 |                     |                         |  |  |                           |
| Other                                     | \$ 325,702          | \$ -                    | \$ 14,530                                | \$ -                                   | \$ (311,172)              |
| <b>Land Bank Authority</b>                |                     |                         |  |  |                           |
| Governmental activities -                 |                     |                         |  |  |                           |
| Other                                     | 218,344             | 354,332                 | -  | -                                      | 135,988                   |
| <b>Drain Commission</b>                   |                     |                         |  |  |                           |
| Governmental activities -                 |                     |                         |  |  |                           |
| Public works                              | 335,055             | -                       | -  | 160,763                                | (174,292)                 |
| <b>Brownfield Redevelopment Authority</b> |                     |                         |  |  |                           |
| Governmental activities -                 |                     |                         |  |  |                           |
| Public works                              | 101,686             | -                       | 96,340                                   | -                                      | (5,346)                   |
| <b>Board of Public Works</b>              |                     |                         |  |  |                           |
| Governmental activities:                  |                     |                         |  |  |                           |
| Interest on long-term debt                | 619,566             | -                       | 341,477                                  | -                                      | (278,089)                 |
| <b>Total component units</b>              | <u>\$ 1,600,353</u> | <u>\$ 354,332</u>       | <u>\$ 452,347</u>                        | <u>\$ 160,763</u>                      | <u>\$ (632,911)</u>       |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2017

|                                 | Economic<br>Development<br>Corporation | Land<br>Bank<br>Authority | Drain<br>Commission | Brownfield<br>Redevelopment<br>Authority | Board<br>of<br>Public Works | Totals              |
|---------------------------------|--|---------------------------|---------------------|--|-----------------------------|---------------------|
| Change in net position          |  |                           |                     |  |                             |                     |
| Net revenue (expense)           | \$ (311,172)                           | \$ 135,988                | \$ (174,292)        | \$ (5,346)                               | \$ (278,089)                | \$ (632,911)        |
| General revenues                |  |                           |                     |  |                             |                     |
| Property taxes                  | -                                      | 2,098                     | -                   | -  | -                           | 2,098               |
| Interest income                 | 198                                    | -                         | 10,038              | -  | 278,089                     | 288,325             |
| Total general revenues          | 198                                    | 2,098                     | 10,038              | -  | 278,089                     | 290,423             |
| Change in net position          | (310,974)                              | 138,086                   | (164,254)           | (5,346)                                  | -                           | (342,488)           |
| Net position, beginning of year | 965,848                                | 185,642                   | 4,154,751           | 574,532                                  | -                           | 5,880,773           |
| Net position, end of year       | <u>\$ 654,874</u>                      | <u>\$ 323,728</u>         | <u>\$ 3,990,497</u> | <u>\$ 569,186</u>                        | <u>\$ -</u>                 | <u>\$ 5,538,285</u> |

concluded

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

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## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Jackson, Michigan (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

#### Reporting Entity

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

#### *Blended Component Unit*

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

#### *Discretely Presented Component Units*

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

Jackson County Land Bank Authority (the "Authority") - The Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Jackson County Treasurer. The Authority is governed by an 11 member board including the Jackson County Treasurer, who is, by law, its Chairperson, and 10 other members, 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 impose its will on the Authority and significantly influence the operations of the Authority. Additionally, the Authority has the potential to be either a financial benefit or burden to the County. 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's 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 Economic Development Corporation may be obtained at the entity's administrative office. The Land Bank Authority, Drain Commission, Brownfield Redevelopment Authority, and Board of Public Works do not issue separate financial statements.

### *Funds with a Different Year End*

The friend of the court and health department funds (special revenue funds of the County) are reported on a September 30 year end in order to enhance the value of this document to certain readers and users.

### *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 and to fund operations.

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.

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* 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.

The *pension trust fund* is accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the County's defined benefit pension plan.

*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.



## COUNTY OF JACKSON, MICHIGAN

### Notes to Financial Statements

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 County'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; and c) investments that do not have established market values are reported at estimated 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."

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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### *Inventories and Prepaid Items*

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.

### *Land Held for Resale*

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 acquisition cost as of 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                 |

### *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, proprietary funds, and component unit 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 pension contributions subsequent to the measurement date, differences between expected and actual experience, changes in assumptions, and differences between projected and actual earnings in its pension plan.

### *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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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. In the governmental fund financial statements, the County reports unavailable revenues, which arises only under a modified accrual basis of accounting. In the government-wide financial statements, a deferred inflow of resources is reported for differences between expected and actual experience, changes in assumptions, and differences between projected and actual earnings in the pension plan. In addition, deferred inflows of resources are reported in the government-wide 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. The general fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds, other than the general fund, it is not appropriate to report a positive unassigned fund balance amount. When expenditures incurred for specific purposes in the other governmental funds exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

## 2. BUDGETARY INFORMATION

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

During the year ended December 31, 2017, the County incurred expenditures in excess of the amounts appropriated as follows:

|                                       | Amended<br>Budget | Actual     | Variance  |
|---------------------------------------|-------------------|------------|-----------|
| General fund                          |                   |            |           |
| General government -                  |                   |            |           |
| Northlawn building                    | \$ 300,838        | \$ 301,959 | \$ 1,121  |
| Other:                                |                   |            |           |
| Professional services                 | 336,050           | 340,321    | 4,271     |
| Insurance and bonds                   | 764,500           | 773,258    | 8,758     |
| Appropriations - general government - |                   |            |           |
| Soil conservation                     | 10,000            | 15,000     | 5,000     |
| Appropriations - health and welfare - |                   |            |           |
| Substance abuse - liquor tax          | 310,122           | 311,333    | 1,211     |
| Transfers out                         | 5,509,639         | 5,572,470  | 62,831    |
| Special revenue funds                 |                   |            |           |
| Road -                                |                   |            |           |
| Capital outlay                        | 452,291           | 5,724,594  | 5,272,303 |
| Cascades Preservation -               |                   |            |           |
| Recreation and culture                | 605,902           | 717,570    | 111,668   |
| Michigan justice training:            |                   |            |           |
| Public safety                         | 44,600            | 53,859     | 9,259     |
| Transfers out                         | 21,400            | 42,800     | 21,400    |
| Joint narcotics:                      |                   |            |           |
| Judicial                              | 64,010            | 575,484    | 511,474   |
| Transfers out                         | 55,990            | 73,940     | 17,950    |
| Community development block grant:    |                   |            |           |
| Community development                 | 90,000            | 137,024    | 47,024    |
| Transfers out                         | -                 | 5,569      | 5,569     |
| Concealed pistol licenses -           |                   |            |           |
| Judicial                              | 7,600             | 8,484      | 884       |

The County budgeted for an ending fund balance deficit in the Cascades Preservation and the Falling Waters Trail nonmajor special revenue funds at year end.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2017:

|   | Primary<br>Government | Component<br>Units  | Totals                |
|---|-----------------------|---------------------|-----------------------|
| <b>Statement of Net Position</b>                    |                       |                     |                       |
| Cash and pooled investments                         | \$ 53,349,438         | \$ 2,453,108        | \$ 55,802,546         |
| Restricted cash and pooled investments              | 2,947,348             | 83,218              | 3,030,566             |
| <b>Statement of Fiduciary Net Position</b>          |                       |                     |                       |
| Cash and pooled investments                         | 2,630,144             | -                   | 2,630,144             |
| Investments   | 233,665,816           | -                   | 233,665,816           |
| <b>Total</b>  | <b>\$ 292,592,746</b> | <b>\$ 2,536,326</b> | <b>\$ 295,129,072</b> |
| <b>Deposits and investments</b>                     |                       |                     |                       |
| Bank deposits :                                     |                       |                     |                       |
| Checking/savings accounts                           |                       |                     | \$ 7,976,217          |
| Certificates of deposit - due within one year       |                       |                     | 3,250,000             |
| Certificates of deposit - due in more than one year |                       |                     | 1,750,000             |
| Investments in securities and mutual funds:         |                       |                     |                       |
| Treasurer's investment pool                         |                       |                     | 48,261,920            |
| Pension investments                                 |                       |                     | 233,665,816           |
| Cash on hand  |                       |                     | 119,115               |
| Net effect of funds with different year ends        |                       |                     | 106,004               |
| <b>Total</b>  |                       |                     | <b>\$ 295,129,072</b> |

Restricted cash of the primary government consists of \$783,191 restricted in the resource recovery fund for closure and postclosure landfill monitoring and \$2,164,157 in the medical care facility fund for capital acquisitions and improvements.

*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 \$12,976,217. The combined bank balance of these deposits was \$10,614,818 of which \$8,142,337 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, 2017:

|  |                      |
|--|----------------------|
| U.S. government agencies               | \$ 24,878,393        |
| Municipal bonds                        | 2,807,696            |
| Money market and cash management funds | 20,575,831           |
| <b>Total</b>                           | <b>\$ 48,261,920</b> |

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

As of December 31, 2017, all of the County's investments in securities of U.S. agencies and municipal bonds 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, 2017, the County had greater than 5% of its total investment portfolio concentrated as follows:

| Investment Type                        | Issuer  | % of Portfolio |
|--|---------|----------------|
| Federal Farm Credit Bank               | Various | 63.3%          |
| Federal Home Loan Bank                 | Various | 14.3%          |
| Federal Home Loan Mortgage Corporation | Various | 12.3%          |
| Municipal bonds                        | Various | 10.1%          |

*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.

|                          | Fair value           | Investment Maturities (fair value by years) |                      |                     |
|--------------------------|----------------------|---|----------------------|---------------------|
|                          |                      | < 1 year                                    | 1 - 5 years          | 6 - 10 years        |
| U.S. government agencies | \$ 24,878,393        | \$ -  | \$ 16,178,785        | \$ 8,699,608        |
| Municipal bonds          | 2,807,696            | 764,505                                     | 2,043,191            | -                   |
| <b>Total</b>             | <b>\$ 27,686,089</b> | <b>\$ 764,505</b>                           | <b>\$ 18,221,976</b> | <b>\$ 8,699,608</b> |

*Fair Value.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. These levels are determined by the County's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary.

The County's recurring fair value measurements as of December 31, 2017 were related to its investments in U.S. government agency funds and municipal bonds. These investments are valued using significant other observable inputs of the underlying securities and bonds (Level 2 inputs).

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

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, 2017:

|  | Total                 |
|--|-----------------------|
| Investments at fair value, as determined by quoted market price: |                       |
| Domestic equities  | \$ 52,248,737         |
| Equity mutual funds  | 33,097,106            |
| International equities   | 34,837,695            |
| U.S. treasuries  | 5,048,985             |
| U.S. agencies  | 5,262,046             |
| Corporate domestic securities                                    | 30,846,040            |
| Collateralized mortgage obligations                              | 499,789               |
| International securities   | 531,235               |
| Money market funds   | 71,294,183            |
|  | <hr/>                 |
| Total investments  | <u>\$ 233,665,816</u> |

*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.

As of December 31, 2017, the System's investments in securities of U.S. treasuries, U.S. agencies, corporate securities, collateralized mortgage obligations and international securities were rated by Standard & Poor's as follows:

| Rating                     | Employees Retirement System |
|----------------------------|-----------------------------|
| AAA                        | \$ 961,786                  |
| AA+                        | 2,909,687                   |
| AA                         | 273,245                     |
| AA-                        | 503,077                     |
| A+                         | 1,015,223                   |
| A                          | 4,188,035                   |
| A-                         | 1,665,376                   |
| BBB+                       | 3,952,102                   |
| BBB                        | 3,174,579                   |
| BBB-                       | 817,111                     |
| BB+                        | 438,104                     |
| BB                         | 464,926                     |
| BB-                        | 785,118                     |
| B+                         | 682,165                     |
| B-                         | 634,875                     |
| CCC+                       | 424,371                     |
| Not subject to credit risk | 19,298,315                  |
|                            | <hr/>                       |
| Total                      | <u>\$ 42,188,095</u>        |

## COUNTY OF JACKSON, MICHIGAN

### Notes to Financial Statements

*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, 2017 was as follows:

| Investment Type          | Fair Value    |
|--------------------------|---------------|
| International equities   | \$ 34,837,695 |
| International securities | 531,235       |

*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, 2017, the System had greater than 5% of its total investment portfolio concentrated as follows:

| Investment Type     | Issuer                        | % of Portfolio |
|---------------------|-------------------------------|----------------|
| Equity mutual funds | State Street S&P Midcap Index | 7.6%           |
| Money market funds  | Comerica                      | 6.4%           |

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's 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                     | \$ 5,048,985         | \$ 104,729                                  | \$ 1,256,861         | \$ 3,073,328        | \$ 614,067          |
| U.S. agencies                       | 5,262,046            | 480,144                                     | 2,231,679            | 243,436             | 2,306,787           |
| Corporate domestic securities       | 30,846,040           | 4,754,784                                   | 15,707,280           | 5,191,438           | 5,192,538           |
| Collateralized mortgage obligations | 499,789              | -   | -                    | -                   | 499,789             |
| International securities            | 531,235              | 103,193                                     | 165,480              | 262,562             | -                   |
| <b>Total</b>                        | <b>\$ 42,188,095</b> | <b>\$ 5,442,850</b>                         | <b>\$ 19,361,300</b> | <b>\$ 8,770,764</b> | <b>\$ 8,613,181</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.



COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

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.

*Fair Value Measurements.* The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The System had the following recurring fair value measurements as of December 31, 2017:

|  | Level 1               | Level 2              | Level 3     | Total                 |
|--|-----------------------|----------------------|-------------|-----------------------|
| <b>Investments at fair value</b>       |                       |                      |             |                       |
| Domestic equities                      | \$ 52,248,737         | \$ -                 | \$ -        | \$ 52,248,737         |
| Equity mutual funds                    | 33,097,106            | -                    | -           | 33,097,106            |
| International equities                 | 34,837,695            | -                    | -           | 34,837,695            |
| U.S. treasuries                        | -                     | 5,048,985            | -           | 5,048,985             |
| U.S. agencies                          | -                     | 5,262,046            | -           | 5,262,046             |
| Corporate domestic securities          | -                     | 30,846,040           | -           | 30,846,040            |
| Collateralized mortgage obligations    | -                     | 499,789              | -           | 499,789               |
| International securities               | -                     | 531,235              | -           | 531,235               |
| Money market funds                     | 71,294,183            | -                    | -           | 71,294,183            |
| <b>Total investments at fair value</b> | <b>\$ 191,477,721</b> | <b>\$ 42,188,095</b> | <b>\$ -</b> | <b>\$ 233,665,816</b> |

5. RECEIVABLES

Receivables are comprised of the following at December 31, 2017:

|                                     | Governmental Activities | Business-type Activities | Component Units      |
|-------------------------------------|-------------------------|--------------------------|----------------------|
| Accounts                            | \$ 2,126,458            | \$ 3,560,908             | \$ 257,690           |
| Less: allowance for uncollectibles  | (70,325)                | (641,790)                | -                    |
| Property taxes                      | 4,141,321               | 7,431,704                | -                    |
| Interest                            | 275,800                 | 1,102,559                | -                    |
| Due from other governments          | 13,006,992              | -                        | 13,675,729           |
| Loans receivable                    | -                       | -                        | 550,578              |
| Special assessments receivable, net | -                       | -                        | 79,561               |
|                                     | <b>\$ 19,480,246</b>    | <b>\$ 11,453,381</b>     | <b>\$ 14,563,558</b> |

Of the amounts reported for receivables above, the following are not expected to be collected within one year:

|                                     | Governmental Activities | Business-type Activities | Component Units      |
|-------------------------------------|-------------------------|--------------------------|----------------------|
| Property taxes                      | \$ -                    | \$ 1,400,000             | \$ -                 |
| Due from other governments          | 4,930,000               | -                        | 11,670,848           |
| Loans receivable                    | -                       | -                        | 533,051              |
| Special assessments receivable, net | -                       | -                        | 74,361               |
|                                     | <b>\$ 4,930,000</b>     | <b>\$ 1,400,000</b>      | <b>\$ 12,278,260</b> |

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 was as follows:

Primary government

|   | Beginning Balance     | Additions            | Deletions         | Transfers        | Ending Balance        |
|---|-----------------------|----------------------|-------------------|------------------|-----------------------|
| <b>Governmental activities</b>              |                       |                      |                   |                  |                       |
| Capital assets not being depreciated:       |                       |                      |                   |                  |                       |
| Land  | \$ 2,846,846          | \$ 1,154,912         | \$ -              | \$ -             | \$ 4,001,758          |
| Land improvements                           | 16,116,380            | -                    | -                 | -                | 16,116,380            |
| Construction in progress                    | 7,726,056             | 33,809,837           | -                 | 8,773,332        | 32,762,561            |
| Avigation easements                         | 375,547               | -                    | -                 | -                | 375,547               |
|   | <u>27,064,829</u>     | <u>34,964,749</u>    | <u>-</u>          | <u>8,773,332</u> | <u>53,256,246</u>     |
| Capital assets being depreciated:           |                       |                      |                   |                  |                       |
| Buildings and improvements                  | 56,620,456            | 239,143              | -                 | 1,180,206        | 58,039,805            |
| Equipment and furniture                     | 32,978,001            | 8,468,652            | 2,063,615         | -                | 39,383,038            |
| Vehicles                                    | 2,921,121             | 181,678              | 379,358           | -                | 2,723,441             |
| Infrastructure                              | 98,464,326            | 13,999,242           | -                 | 7,593,126        | 120,056,694           |
| Depletable assets                           | 548,074               | -                    | -                 | -                | 548,074               |
|   | <u>191,531,978</u>    | <u>22,888,715</u>    | <u>2,442,973</u>  | <u>8,773,332</u> | <u>220,751,052</u>    |
| Less accumulated depreciation for:          |                       |                      |                   |                  |                       |
| Buildings improvements                      | 34,697,141            | 1,615,790            | -                 | -                | 36,312,931            |
| Equipment and furniture                     | 26,451,369            | 2,775,120            | 1,891,147         | -                | 27,335,342            |
| Vehicles                                    | 2,552,170             | 318,641              | 379,358           | -                | 2,491,453             |
| Infrastructure                              | 44,369,740            | 5,064,378            | -                 | -                | 49,434,118            |
| Depletable assets                           | 147,019               | -                    | -                 | -                | 147,019               |
|   | <u>108,217,439</u>    | <u>9,773,929</u>     | <u>2,270,505</u>  | <u>-</u>         | <u>115,720,863</u>    |
| Total capital assets being depreciated, net | <u>83,314,539</u>     | <u>13,114,786</u>    | <u>172,468</u>    | <u>8,773,332</u> | <u>105,030,189</u>    |
| Governmental activities capital assets, net | <u>\$ 110,379,368</u> | <u>\$ 48,079,535</u> | <u>\$ 172,468</u> | <u>\$ -</u>      | <u>\$ 158,286,435</u> |

At December 31, 2017, the County's governmental activities had outstanding commitments through construction contracts of \$594,316.

Depreciation of governmental activities by function

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 540,063          |
| Public safety          | 713,648             |
| Public works           | 7,255,756           |
| Judicial               | 286,162             |
| Health and welfare     | 287,283             |
| Recreation and culture | 691,017             |
|                        | <u>\$ 9,773,929</u> |

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

|  | Beginning Balance    | Additions           | Disposals       | Transfers   | Ending Balance       |
|--|----------------------|---------------------|-----------------|-------------|----------------------|
| <b>Business-type activities</b>              |                      |                     |                 |             |                      |
| Capital assets not being depreciated -       |                      |                     |                 |             |                      |
| Construction in progress                     | \$ -                 | \$ 358,435          | \$ -            | \$ -        | \$ 358,435           |
| Capital assets being depreciated:            |                      |                     |                 |             |                      |
| Buildings and improvements                   | 20,956,090           | 45,969              | -               | -           | 21,002,059           |
| Equipment and furniture                      | 1,922,380            | 53,783              | -               | -           | 1,976,163            |
| Vehicles                                     | 281,685              | 30,000              | 6,000           | -           | 305,685              |
|  | <u>23,160,155</u>    | <u>129,752</u>      | <u>6,000</u>    | <u>-</u>    | <u>23,283,907</u>    |
| Less accumulated depreciation for:           |                      |                     |                 |             |                      |
| Buildings and improvements                   | 6,880,000            | 577,298             | -               | -           | 7,457,298            |
| Equipment and furniture                      | 1,277,305            | 131,085             | -               | -           | 1,408,390            |
| Vehicles                                     | 182,628              | 21,941              | 4,350           | -           | 200,219              |
|  | <u>8,339,933</u>     | <u>730,324</u>      | <u>4,350</u>    | <u>-</u>    | <u>9,065,907</u>     |
| Total capital assets being depreciated, net  | <u>14,820,222</u>    | <u>(600,572)</u>    | <u>1,650</u>    | <u>-</u>    | <u>14,218,000</u>    |
| Business-type activities capital assets, net | <u>\$ 14,820,222</u> | <u>\$ (242,137)</u> | <u>\$ 1,650</u> | <u>\$ -</u> | <u>\$ 14,576,435</u> |

Depreciation of business-type activities by function

|                               |                   |
|-------------------------------|-------------------|
| Medical Care Facility         | \$ 726,454        |
| Delinquent tax revolving fund | <u>3,870</u>      |
|                               | <u>\$ 730,324</u> |

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2017, was as follows:

|  | Beginning Balance   | Additions           | Disposals   | Transfers   | Ending Balance      |
|--|---------------------|---------------------|-------------|-------------|---------------------|
| <b>Component Unit - Drain Commission</b> |                     |                     |             |             |                     |
| Capital assets being depreciated -       |                     |                     |             |             |                     |
| Infrastructure                           | \$ 12,242,656       | \$ -                | \$ -        | \$ -        | \$ 12,242,656       |
| Less accumulated depreciation for -      |                     |                     |             |             |                     |
| Infrastructure                           | 9,245,631           | 156,057             | -           | -           | 9,401,688           |
|  | <u>9,245,631</u>    | <u>156,057</u>      | <u>-</u>    | <u>-</u>    | <u>9,401,688</u>    |
| Drain Commission capital assets, net     | <u>\$ 2,997,025</u> | <u>\$ (156,057)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,840,968</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, 2017:

|  | Governmental Activities | Business-type Activities | Component Units   |
|--|-------------------------|--------------------------|-------------------|
| Accounts payable                                   | \$ 1,976,253            | \$ 986,494               | \$ 335,798        |
| Accrued and other liabilities                      | 862,178                 | 474,219                  | 159,143           |
| Medicaid cost settlement payable                   | -                       | 182,698                  | -                 |
| Residents' trust payable                           | -                       | 11,164                   | -                 |
| Estimated claims payable                           | 414,129                 | -                        | -                 |
| Due to other governments                           | 120,072                 | -                        | -                 |
| Advances from other governments                    | 1,063,680               | -                        | -                 |
| Estimated closure and postclosure monitoring costs | -                       | 755,000                  | -                 |
| Accrued interest on long-term debt                 | 592,421                 | 67,086                   | -                 |
|  | <u>\$ 5,028,733</u>     | <u>\$ 2,476,661</u>      | <u>\$ 494,941</u> |

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, was as follows:

|                               | Due from other funds | Due to other funds  |
|-------------------------------|----------------------|---------------------|
| General fund                  | \$ 1,367,520         | \$ -                |
| Nonmajor governmental funds   | 131,000              | 106,190             |
| Delinquent tax revolving fund | 106,190              | 3,123,008           |
| Nonmajor enterprise funds     | 1,624,488            | -                   |
|                               | <u>\$ 3,229,198</u>  | <u>\$ 3,229,198</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 has made long-term advances to the Land Bank Authority component unit in the amount of \$100,000.

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

For the year ended December 31, 2017, 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 | Medical Care Facility Fund |                      |
| General fund                  | \$ -                | \$ -                                 | \$ 5,572,470                | \$ -                          | \$ -                       | \$ 5,572,470         |
| Jail millage fund             | 905,500             | 1,141,198                            | -                           | -                             | -                          | 2,046,698            |
| Nonmajor governmental funds   | 3,699,882           | -                                    | 693,576                     | 70,066                        | 140,259                    | 4,603,783            |
| Delinquent tax revolving fund | 550,000             | -                                    | 2,846,500                   | -                             | -                          | 3,396,500            |
| Nonmajor enterprise funds     | 2,500               | -                                    | -                           | -                             | -                          | 2,500                |
| Internal service funds        | 35,900              | -                                    | -                           | -                             | -                          | 35,900               |
| Timing differences            | 56,250              | -                                    | 36,381                      | -                             | -                          | 92,631               |
|                               | <u>\$ 5,250,032</u> | <u>\$ 1,141,198</u>                  | <u>\$ 9,148,927</u>         | <u>\$ 70,066</u>              | <u>\$ 140,259</u>          | <u>\$ 15,750,482</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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 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   | Final Maturity | Annual Installments     | Interest Rate | Amount                |
|---|----------------|-------------------------|---------------|-----------------------|
| 1999A Jackson County Building Authority                 | 2019           | \$50,000-\$75,000       | 5.30%-6.00%   | \$ 150,000            |
| 2010 Refunding bonds - county jail                      | 2022           | \$735,000-\$1,145,000   | 2.85%         | 5,225,000             |
| 2014 LifeWays Refunding bonds                           | 2026           | \$325,000-\$475,000     | 2.00%-3.125%  | 3,925,000             |
| Capital Improvement bond, Series 2015A - Energy         | 2035           | \$85,000-\$160,000      | 2.00%-3.625%  | 2,250,000             |
| Capital Improvement bond, Series 2015B - LifeWays       | 2035           | \$55,000-\$105,000      | 3.00%-3.50%   | 1,395,000             |
| Capital Improvement bond, Series 2015C - Airport runway | 2026           | \$365,000-\$545,000     | 2.00%-2.50%   | 4,245,000             |
| 2016 Brownfield Redevelopment Loan                      | 2030           | \$84,294-\$97,826       | 1.50%         | 1,000,000             |
| 2016 Michigan Transportation Fund Bonds                 | 2031           | \$805,000-\$1,105,000   | 2.00%-2.625%  | 13,385,000            |
| 2017 Capital Improvement Bonds                          | 2031           | \$1,825,000-\$2,570,000 | 3.00%         | 30,000,000            |
| 2017B Capital Improvement Bonds                         | 2032           | \$420,000-\$600,000     | 3.00%         | 7,500,000             |
| 2017 Limited Tax Pension Obligation Bonds               | 2042           | \$1,750,000-\$4,080,000 | 1.965%-4.076% | 67,445,000            |
| Total general obligation bonds                          |                |                         |               | <u>\$ 136,520,000</u> |

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

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

| Year Ended<br>December 31, | Principal             | Interest             | Total                 |
|----------------------------|-----------------------|----------------------|-----------------------|
| 2018                       | \$ 6,840,000          | \$ 4,212,025         | \$ 11,052,025         |
| 2019                       | 7,025,000             | 4,127,073            | 11,152,073            |
| 2020                       | 7,232,826             | 3,943,319            | 11,176,145            |
| 2021                       | 7,394,294             | 3,722,126            | 11,116,420            |
| 2022                       | 7,620,558             | 3,571,350            | 11,191,908            |
| 2023-2027                  | 34,142,431            | 14,896,201           | 49,038,632            |
| 2028-2032                  | 31,124,891            | 9,854,441            | 40,979,332            |
| 2033-2037                  | 16,265,000            | 5,798,858            | 22,063,858            |
| 2038-2042                  | 18,875,000            | 2,369,380            | 21,244,380            |
|                            | <u>\$ 136,520,000</u> | <u>\$ 52,494,773</u> | <u>\$ 189,014,773</u> |

*Business-type Activities*

| Bonds                | Final<br>Maturity | Annual<br>Installments  | Interest Rate   | Amount              |
|----------------------|-------------------|-------------------------|-----------------|---------------------|
| 2015 Refunding bonds | 2030              | \$495,000-<br>\$855,000 | 3.150% - 5.125% | <u>\$ 9,215,000</u> |

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

| Year Ended<br>December 31, | Principal           | Interest            | Total                |
|----------------------------|---------------------|---------------------|----------------------|
| 2018                       | \$ 535,000          | \$ 391,819          | \$ 926,819           |
| 2019                       | 560,000             | 367,119             | 927,119              |
| 2020                       | 585,000             | 338,494             | 923,494              |
| 2021                       | 615,000             | 308,494             | 923,494              |
| 2022                       | 650,000             | 276,868             | 926,868              |
| 2023-2027                  | 3,765,000           | 858,965             | 4,623,965            |
| 2028-2030                  | 2,505,000           | 141,016             | 2,646,016            |
|                            | <u>\$ 9,215,000</u> | <u>\$ 2,682,775</u> | <u>\$ 11,897,775</u> |

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

*Board of Public Works Component Unit*

| Bonds   | Final Maturity | Annual Installments     | Interest Rate   | Amount               |
|---|----------------|-------------------------|-----------------|----------------------|
| 2006 Wolf Lake Waste Water Refunding Bonds                                      | 2019           | \$255,000-<br>\$270,000 | 3.75% - 4.00%   | \$ 505,000           |
| 2004 Lake Columbia Waste Water Disposal System Limited Tax GO Bonds             | 2024           | \$375,000-<br>\$550,000 | 3.00% - 4.00%   | 2,855,000            |
| 2012 Jackson County Water Supply Facility Refunding Bonds - Village of Parma    | 2021           | \$140,000-<br>\$150,000 | 1.2%-2.50%      | 570,000              |
| State Drinking Water Revolving Loan Funds - Village of Parma                    | 2022           | \$55,000-<br>\$70,000   | 2.50%           | 330,000              |
| 2002B Jackson County Water Supply Facility Grass Lake Area Section              | 2022           | \$25,000-<br>\$50,000   | 4.35% - 6.00%   | 205,000              |
| 2005 Jackson County Waste Water Disposal Facility Round/Farwell Lakes Area      | 2022           | \$225,000               | 3.50% - 4.00%   | 1,125,000            |
| 2004 Jackson County Wastewater Disposal Facility Vineyard Section               | 2023           | \$350,000-<br>\$375,000 | 3.625% - 4.50%  | 1,810,000            |
| State Drinking Water Revolving Loan Funds Village of Grass Lake                 | 2023           | \$110,000-<br>\$140,000 | 2.50%           | 800,000              |
| 2005 Jackson County Waste Water Disposal Facility Southern Regional Interceptor | 2025           | \$225,000-<br>\$425,000 | 4.125% - 4.500% | 2,800,000            |
| 2008 Jackson County Waste Water Disposal  | 2030           | \$115,000-<br>\$175,000 | 2.50%           | 1,911,598            |
| 2008 Jackson County Waste Water Disposal Facility Rives Township Sewer          | 2047           | \$15,000-<br>\$40,000   | 4.125%          | 739,250              |
|   |                |                         |                 | <u>\$ 13,650,848</u> |

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

| Year Ended December 31, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2018                    | \$ 1,980,000         | \$ 499,074          | \$ 2,479,074         |
| 2019                    | 1,990,000            | 422,449             | 2,412,449            |
| 2020                    | 1,810,000            | 344,371             | 2,154,371            |
| 2021                    | 1,825,000            | 273,193             | 2,098,193            |
| 2022                    | 1,700,000            | 192,869             | 1,892,869            |
| 2023-2027               | 3,350,000            | 369,376             | 3,719,376            |
| 2028-2032               | 641,598              | 109,767             | 751,365              |
| 2033-2037               | 138,250              | 60,044              | 198,294              |
| 2038-2042               | 125,000              | 33,516              | 158,516              |
| 2043-2047               | 91,000               | 10,315              | 101,315              |
|                         | <u>\$ 13,650,848</u> | <u>\$ 2,314,974</u> | <u>\$ 15,965,822</u> |



COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

*Leases.* The government has entered into two lease agreements for financing the purchase of plow trucks for \$1,506,000 and \$1,719,000, respectively. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the net present value of the future minimum lease payments as of the inception date. Total accumulated depreciation on these leased assets at year end was \$177,828.

*Governmental Activities*

| Bonds                                | Final Maturity | Annual Installments     | Interest Rate | Amount              |
|--------------------------------------|----------------|-------------------------|---------------|---------------------|
| 2017A Installment Purchase Agreement | 2027           | \$136,699-<br>\$166,151 | 2.269%        | \$ 1,506,000        |
| 2017B Installment Purchase Agreement | 2027           | \$156,033-<br>\$189,651 | 2.269%        | <u>1,719,000</u>    |
| Total leases                         |                |                         |               | <u>\$ 3,225,000</u> |

The future minimum lease obligation and the net present value of the minimum lease payments are as follows:

| Year Ended December 31,           | Amount              |
|-----------------------------------|---------------------|
| 2018                              | \$ 363,875          |
| 2019                              | 363,875             |
| 2020                              | 363,875             |
| 2021                              | 363,875             |
| 2022                              | 363,875             |
| 2023-2027                         | <u>1,819,378</u>    |
|                                   | 3,638,753           |
| Less amount representing interest | <u>(413,753)</u>    |
|                                   | <u>\$ 3,225,000</u> |

# 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        | \$ 34,350,000        | \$ 104,945,000        | \$ (2,775,000)        | \$ 136,520,000        | \$ 6,840,000        |
| Leases                          | -                    | 3,225,000             | -                     | 3,225,000             | 292,732             |
| LifeWays settlement             | 831,369              | 1,120,000             | (250,000)             | 1,701,369             | 250,000             |
| Compensated absences            | 2,186,134            | 2,838,236             | (2,875,511)           | 2,148,859             | 644,658             |
| Issuance discount               | (16,948)             | -                     | 1,695                 | (15,253)              | (1,695)             |
| Issuance premium                | 197,162              | 1,261,836             | (15,376)              | 1,443,622             | 104,414             |
|                                 | <u>\$ 37,547,717</u> | <u>\$ 113,390,072</u> | <u>\$ (5,914,192)</u> | <u>\$ 145,023,597</u> | <u>\$ 8,130,109</u> |
| <b>Business-type Activities</b> |                      |                       |                       |                       |                     |
| Refunding bonds                 | \$ 9,730,000         | \$ -                  | \$ (515,000)          | \$ 9,215,000          | \$ 535,000          |
| Issuance premium                | 890,432              | -                     | (63,602)              | 826,830               | 63,602              |
| Compensated absences            | 472,750              | 521,955               | (521,185)             | 473,520               | 473,520             |
|                                 | <u>\$ 11,093,182</u> | <u>\$ 521,955</u>     | <u>\$ (1,099,787)</u> | <u>\$ 10,515,350</u>  | <u>\$ 1,072,122</u> |
| <b>Board of Public Works</b>    |                      |                       |                       |                       |                     |
| <b>Component Unit</b>           |                      |                       |                       |                       |                     |
| Bonds                           | \$ 15,614,848        | \$ -                  | \$ (1,964,000)        | \$ 13,650,848         | \$ 1,980,000        |

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 \$9,475,000 at December 31, 2017.

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 \$5,225,000 at December 31, 2017.

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 \$3,920,000 at December 31, 2017.

#### *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. The balance of the defeased debt outstanding was \$9,215,000 at December 31, 2017.

# 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 \$225,000 at December 31, 2017. 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 \$600,000 at December 31, 2017.

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 \$575,000 at December 31, 2017.

## 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 began making payments in excess of the normal appropriation by \$250,000 annually beginning in 2015 until the balance is paid in full. During the year ended December 31, 2017, the County repaid \$250,000, resulting in a remaining balance of \$1,701,369.

## 11. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2017, the net investment in capital assets was comprised of the following:

|                                       | Governmental activities | Business-type activities | Component Units |
|---------------------------------------|-------------------------|--------------------------|-----------------|
| Capital assets:                       |                         |                          |                 |
| Capital assets not being depreciated  | \$ 53,256,246           | \$ 358,435               | \$ -            |
| Capital assets being depreciated, net | 105,030,189             | 14,218,000               | 2,840,968       |
|                                       | 158,286,435             | 14,576,435               | 2,840,968       |
| Related debt:                         |                         |                          |                 |
| Bonds payable                         | 136,520,000             | 9,215,000                | -               |
| Capital leases payable                | 3,225,000               | -                        | -               |
| Less: pension bonds                   | (67,445,000)            | -                        | -               |
| Issuance discount                     | (15,253)                | -                        | -               |
| Issuance premium                      | 1,443,622               | 826,830                  | -               |
| Deferred charge on refunding          | -                       | (212,351)                | -               |
| Less: unspent proceeds                | (17,987,481)            | -                        | -               |
|                                       | 55,740,888              | 9,829,479                | -               |
| Net investment in capital assets      | \$ 102,545,547          | \$ 4,746,956             | \$ 2,840,968    |

## 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<br>\$30,000 per occurrence |
| Property damage and crime        | \$0   |

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

The participating members make monthly cash contributions to the managed care insurance internal service fund. The contribution amounts for 2017 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, 2017. The change in the claims liability for 2017 and 2016 is as follows:

|   | 2017              | 2016              |
|---|-------------------|-------------------|
| Unpaid claims, beginning of year                      | \$ 385,261        | \$ 524,830        |
| Incurred claims (including change in IBNR provisions) | 6,190,036         | 5,541,587         |
| Claims payments                                       | (6,241,141)       | (5,681,156)       |
| Unpaid claims, end of year                            | <u>\$ 334,156</u> | <u>\$ 385,261</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 2017 and 2016 is as follows:

|  | 2017             | 2016             |
|--|------------------|------------------|
| Unpaid claims, beginning of year                       | \$ 70,339        | \$ -             |
| Incurred claims (including changes in IBNR provisions) | 9,634            | 79,795           |
| Claims payments  | -                | (9,456)          |
|  | <u>\$ 79,973</u> | <u>\$ 70,339</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, 2017 levy was \$4,361,830,321. The general operating tax rate for this levy was 5.1187 mills with an additional 0.2500 mills, 0.4851 mills, 0.2500 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. TAX ABATEMENTS

The County received reduced property tax revenues during 2017 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$78,000 in reduced County tax revenues for 2017.

### 15. 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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

*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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Concentrations.* At December 31, 2016, 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. Employees may enter the Deferred Retirement Option Plan ("DROP") at age 57 with 10 years of credited service. The balances of DROP accounts, which are included in the Plan Fiduciary Net Position, amounted to \$1,678,841 as of December 31, 2017.

*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 2.50% to 12.00% 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)                                 | 2.00%-2.50%         | 2.50%-7.85%             |
| Assistant Prosecutors Association (APA)          | 2.00%-2.50%         | 2.50%-7.85%             |
| Michigan Nurses Association (MNA)                | 2.00%-2.50%         | 2.50%-7.85%             |
| Police Officers Labor Council (POLC)             | 2.00%-2.50%         | 2.50%-7.85%             |
| Police Officers Association of Michigan (POAM)   | 2.50%               | 10.05%                  |
| Federal Order of Police (FOP)                    | 2.25%               | 6.45%                   |
| Command Officers Association of Michigan (COAM): |                     |                         |
| Road sergeants                                   | 2.50%               | 11.05%                  |
| Corrections supervisors                          | 2.25%               | 7.50%                   |
| Jackson County Road Workers Association (JDOT):  |                     |                         |
| Hired after January 1, 2001                      | 2.50%               | 12.00%                  |
| All others                                       | 2.50%               | 12.00%                  |

*Employees Covered by Benefit Terms.* At December 31, 2016, the date of the latest actuarial valuation:

|   |              |
|---|--------------|
| Retirees and beneficiaries receiving benefits | 738          |
| Inactive, DROP and non-retired plan members   | 108          |
| Active plan members                           | 550          |
| <b>Total</b>                                  | <b>1,396</b> |

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

*Actuarial Assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions.

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%-2.75%  |
| Salary increases          | 4.00%-8.00% including inflation  |
| Investment rate of return | 7.50%, net of investment and administrative expenses including inflation |

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

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, 2016, 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%            | 6.60%                                  | 1.98%                                  |
| S & P 400 Mid cap                    | 18.00%            | 6.90%                                  | 1.24%                                  |
| International equities               | 17.00%            | 3.98%                                  | 0.68%                                  |
| Fixed income                         | 9.00%             | 2.00%                                  | 0.18%                                  |
| 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>    |  | 4.62%                                  |
| Inflation                            |                   |  | 2.50%                                  |
| Risk adjustments                     |                   |  | <u>0.38%</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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

|   | Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
|---|--------------------------------|------------------------------------|------------------------------------|
| Balances at December 31, 2015                                 | \$ 204,070,399                 | \$ 143,978,975                     | \$ 60,091,424                      |
| Changes for the year:   |                                |                                    |                                    |
| Service cost  | 3,000,424                      | -                                  | 3,000,424                          |
| Interest  | 14,885,546                     | -                                  | 14,885,546                         |
| Differences between expected and actual experience            | (171,792)                      | -                                  | (171,792)                          |
| Employer contributions  | -                              | 6,250,395                          | (6,250,395)                        |
| Employee contributions  | -                              | 1,651,784                          | (1,651,784)                        |
| Net investment income   | -                              | 10,612,888                         | (10,612,888)                       |
| Benefit payments, including refunds of employee contributions | (14,193,299)                   | (14,193,299)                       | -                                  |
| Administrative expense  | -                              | (187,183)                          | 187,183                            |
| Net changes   | 3,520,879                      | 4,134,585                          | (613,706)                          |
| Balances at December 31, 2016                                 | \$ 207,591,278                 | \$ 148,113,560                     | \$ 59,477,718                      |

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

|  | 1% Decrease<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| Plan net pension liability - County              | \$ 88,440,835          | \$ 68,334,658                       | \$ 51,243,609          |
| Plan net pension (asset) - Medical Care Facility | (6,271,674)            | (8,856,940)                         | (11,006,087)           |
| Net pension liability                            | \$ 82,169,161          | \$ 59,477,718                       | \$ 40,237,522          |

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is provided in Note 17.

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended December 31, 2017, the County recognized pension expense of \$9,986,016. At December 31, 2017, 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 |
|--|--------------------------------|-------------------------------|--|
| Difference between expected and actual experience                                | \$ 3,110,703                   | \$ 965,606                    | \$ 2,145,097                                 |
| Net difference between projected and actual earnings on pension plan investments | 6,902,032                      | -                             | 6,902,032                                    |
|  | 10,012,735                     | 965,606                       | 9,047,129                                    |
| Employer contributions to the plan subsequent to the measurement date            | 71,127,032                     | -                             | 71,127,032                                   |
| Total  | \$ 81,139,767                  | \$ 965,606                    | \$ 80,174,161                                |



COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

\$71,127,032 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ended<br>December 31, | Amount              |
|----------------------------|---------------------|
| 2018                       | \$ 4,135,508        |
| 2019                       | 2,905,309           |
| 2020                       | 2,088,359           |
| 2021                       | (67,036)            |
| 2022                       | <u>(15,011)</u>     |
| Total                      | <u>\$ 9,047,129</u> |

*Payable to the pension plan.* At December 31, 2017, the County did not have any outstanding contributions payable to the pension plan for the year then ended.

*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, 2017, the County and employees contributed \$552,835 and \$653,597 respectively, to this plan.

16. 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 plan does not issue a separate stand alone report.

*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.

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>1,104</u> |

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

*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            | 578,177              |
| Adjustment to annual required contribution | <u>(596,507)</u>     |
| Annual OPEB cost                           | 8,774,563            |
| Contributions made                         | <u>(4,545,686)</u>   |
| Change in net OPEB obligation              | 4,228,877            |
| Net OPEB obligation, beginning of year     | <u>19,272,556</u>    |
| Net OPEB obligation, end of year           | <u>\$ 23,501,433</u> |

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

| Three-Year Trend Information |                     |   |                        |
|------------------------------|---------------------|---|------------------------|
| Years Ended<br>December 31,  | Annual OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
| 2015                         | \$ 8,586,063        | 37%   | \$ 15,655,683          |
| 2016                         | 8,797,069           | 59%   | 19,272,556             |
| 2017                         | 8,774,563           | 52%   | 23,501,433             |

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 not funded. The actuarial accrued liability (AAL) for benefits was \$117,277,316, and the Plan had no assets, 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 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.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

Medical Care Facility

*Plan Description.* The Facility provides certain retiree health care benefits as other postemployment benefits (OPEB) to 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 employees and past practice for nonunion employees. The Facility’s policy is to finance these benefits on a pay as you go basis. The plan does not issue a separate stand-alone financial statement.

*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.

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            | 161,760                    |
| Adjustment to annual required contribution | <u>(104,681)</u>           |
| Annual OPEB cost                           | 1,021,658                  |
| Contributions made                         | <u>(426,133)</u>           |
| Change in net OPEB obligation              | 595,525                    |
| Net OPEB obligation, beginning of year     | <u>3,235,208</u>           |
| Net OPEB obligation, end of year           | <u><u>\$ 3,830,733</u></u> |

The Facility’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

| Three-Year Trend Information |                     |   |                        |
|------------------------------|---------------------|---|------------------------|
| Years Ended<br>December 31,  | Annual OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net OPEB<br>Obligation |
| 2015                         | \$ 1,018,928        | 77%   | \$ 2,613,753           |
| 2016                         | 1,022,663           | 39%   | 3,235,208              |
| 2017                         | 1,021,658           | 42%   | 3,830,733              |

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.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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.

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.

## 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 \$755,000 reported within the resource recovery enterprise fund as estimated closure and postclosure monitoring costs at December 31, 2017 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, 2017:

| Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|-------------------|-----------|------------|----------------|---------------------|
| \$ 845,000        | \$ -      | \$ 90,000  | \$ 755,000     | \$ 90,000           |

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

19. FUND BALANCES - GOVERNMENTAL FUNDS

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     | Road                 | Building Authority Debt Service | Nonmajor Governmental | Total                |
|--|---------------------|------------------|----------------------|---------------------------------|-----------------------|----------------------|
| <b>Nonspendable</b>                            |                     |                  |                      |                                 |                       |                      |
| Inventories and prepaid items                  | \$ 120,093          | \$ -             | \$ 1,938,455         | \$ -                            | \$ 292,840            | \$ 2,351,388         |
| Endowments                                     | -                   | -                | -                    | -                               | 1,068                 | 1,068                |
| Long-term advances                             | 827,500             | -                | -                    | -                               | -                     | 827,500              |
| <b>Total nonspendable</b>                      | <b>947,593</b>      | <b>-</b>         | <b>1,938,455</b>     | <b>-</b>                        | <b>293,908</b>        | <b>3,179,956</b>     |
| <b>Restricted</b>                              |                     |                  |                      |                                 |                       |                      |
| Jail millage                                   | -                   | 82,470           | -                    | -                               | -                     | 82,470               |
| Road   | -                   | -                | 28,333,406           | -                               | -                     | 28,333,406           |
| Building authority debt service                | -                   | -                | -                    | 2,001                           | -                     | 2,001                |
| Sheriff drug enforcement                       | -                   | -                | -                    | -                               | 70                    | 70                   |
| Social services                                | -                   | -                | -                    | -                               | 117,709               | 117,709              |
| Veteran's trust                                | -                   | -                | -                    | -                               | 7,480                 | 7,480                |
| Joint narcotics                                | -                   | -                | -                    | -                               | 261,112               | 261,112              |
| Register of deeds automation fund              | -                   | -                | -                    | -                               | 393,166               | 393,166              |
| Child care                                     | -                   | -                | -                    | -                               | 1,963,110             | 1,963,110            |
| Health department                              | -                   | -                | -                    | -                               | 1,924,341             | 1,924,341            |
| Department on aging millage                    | -                   | -                | -                    | -                               | 215,277               | 215,277              |
| Falling waters trail                           | -                   | -                | -                    | -                               | 65,243                | 65,243               |
| Maintenance of effort                          | -                   | -                | -                    | -                               | 2,200,242             | 2,200,242            |
| Concealed pistol licenses                      | -                   | -                | -                    | -                               | 70,340                | 70,340               |
| Debt service - LifeWays                        | -                   | -                | -                    | -                               | 18,661                | 18,661               |
| Debt service - radios                          | -                   | -                | -                    | -                               | 95,089                | 95,089               |
| Department on aging endowment                  | -                   | -                | -                    | -                               | 74,191                | 74,191               |
| Preston endowment                              | -                   | -                | -                    | -                               | 101,908               | 101,908              |
| Cemetery trust                                 | -                   | -                | -                    | -                               | 5,378                 | 5,378                |
| <b>Total restricted</b>                        | <b>-</b>            | <b>82,470</b>    | <b>28,333,406</b>    | <b>2,001</b>                    | <b>7,513,317</b>      | <b>35,931,194</b>    |
| <b>Committed</b>                               |                     |                  |                      |                                 |                       |                      |
| Parks commission                               | -                   | -                | -                    | -                               | 262                   | 262                  |
| Friend of the court                            | -                   | -                | -                    | -                               | 1,102,978             | 1,102,978            |
| Omnibus forfeitures                            | -                   | -                | -                    | -                               | 981                   | 981                  |
| Prosecuting attorney drug enforcement          | -                   | -                | -                    | -                               | 75,969                | 75,969               |
| County law library                             | -                   | -                | -                    | -                               | 6,884                 | 6,884                |
| Michigan justice training                      | -                   | -                | -                    | -                               | 43                    | 43                   |
| Airport  | -                   | -                | -                    | -                               | 17                    | 17                   |
| Golf courses                                   | -                   | -                | -                    | -                               | 4,477                 | 4,477                |
| Fair   | -                   | -                | -                    | -                               | 380                   | 380                  |
| Debt service - airport                         | -                   | -                | -                    | -                               | 62,556                | 62,556               |
| Equipment/replacement                          | -                   | -                | -                    | -                               | 993,982               | 993,982              |
| Sheriff department equipment                   | -                   | -                | -                    | -                               | 385,642               | 385,642              |
| Public improvement and building                | -                   | -                | -                    | -                               | 2,113,233             | 2,113,233            |
| <b>Total committed</b>                         | <b>-</b>            | <b>-</b>         | <b>-</b>             | <b>-</b>                        | <b>4,747,404</b>      | <b>4,747,404</b>     |
| <b>Assigned</b>                                |                     |                  |                      |                                 |                       |                      |
| Subsequent year's expenditures                 | 624,014             | -                | -                    | -                               | -                     | 624,014              |
| <b>Unassigned</b>                              | <b>8,000,271</b>    | <b>-</b>         | <b>-</b>             | <b>-</b>                        | <b>-</b>              | <b>8,000,271</b>     |
| <b>Total fund balances, governmental funds</b> | <b>\$ 9,571,878</b> | <b>\$ 82,470</b> | <b>\$ 30,271,861</b> | <b>\$ 2,001</b>                 | <b>\$ 12,554,629</b>  | <b>\$ 52,482,839</b> |

## COUNTY OF JACKSON, MICHIGAN

### Notes to Financial Statements

#### 20. SUBSEQUENT EVENTS

In June 2018, the County issued \$7,120,000 of State of Michigan Capital Improvement Bonds, Series 2018A, for the purpose of defraying the cost of constructing, restoring and improving primary and local roads, bridges and culverts in the County and making related improvements.

■ ■ ■ ■ ■

## 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                           | 2016          | 2017          |
| Total pension liability  |                                |               |               |
| Service cost   | \$ 2,988,028                   | 2,877,944     | \$ 3,000,424  |
| Interest on total pension liability                                    | 13,855,007                     | 14,274,789    | 14,885,546    |
| Benefit changes  | (33,794)                       | -             | -             |
| Difference between expected and actual experience                      | 1,646,055                      | 4,610,816     | (171,792)     |
| Benefit payments and refunds   | (12,436,958)                   | (13,169,386)  | (14,193,299)  |
| Net change in total pension liability                                  | 6,018,338                      | 8,594,163     | 3,520,879     |
| Total pension liability, beginning of year                             | 189,457,898                    | 195,476,236   | 204,070,399   |
| Total pension liability, end of year                                   | 195,476,236                    | 204,070,399   | 207,591,278   |
| Plan fiduciary net position  |                                |               |               |
| Employer contributions   | 5,855,877                      | 6,049,033     | 6,250,395     |
| Employee contributions   | 2,110,414                      | 2,003,526     | 1,651,784     |
| Net investment income  | 9,552,482                      | 135,621       | 10,612,888    |
| Benefit payments and refunds   | (12,436,958)                   | (13,169,386)  | (14,193,299)  |
| Pension plan administrative expense                                    | (157,982)                      | (201,583)     | (187,183)     |
| Net change in plan fiduciary net position                              | 4,923,833                      | (5,182,789)   | 4,134,585     |
| Plan fiduciary net position, beginning of year                         | 144,237,931                    | 149,161,764   | 143,978,975   |
| Plan fiduciary net position, end of year                               | 149,161,764                    | 143,978,975   | 148,113,560   |
| Net pension liability  | \$ 46,314,472                  | \$ 60,091,424 | \$ 59,477,718 |
| Plan fiduciary net position as a percentage of total pension liability | 76.31%                         | 70.55%        | 71.35%        |
| Covered payroll  | \$ 25,361,437                  | \$ 26,353,056 | \$ 25,475,387 |
| Net pension liability as a percentage of covered payroll               | 182.62%                        | 228.02%       | 233.47%       |

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 Payroll | Net Position Liability as Percentage of Covered |
|-------------------|-------------------------|-------------------|-----------------------|--|-----------------|---|
| 12/31/2015        | \$195,476,236           | \$ 149,161,764    | \$46,314,472          | 76.31%   | \$ 25,361,437   | 182.62%   |
| 12/31/2016        | 204,070,399             | 143,978,975       | 60,091,424            | 70.55%   | 26,353,056      | 228.02%   |
| 12/31/2017        | 207,591,278             | 148,113,560       | 59,477,718            | 71.35%   | 25,475,387      | 233.47%   |

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 Payroll | Contributions as a Percentage of Covered Payroll |
|-------------------|-------------------------------------|--|----------------------------------|-----------------|--|
| 12/31/2014        | \$ 5,855,877                        | \$ 5,855,877   | \$ -                             | \$ 25,361,437   | 23.09%   |
| 12/31/2015        | 6,049,033                           | 6,049,033  | -                                | 26,353,056      | 22.95%   |
| 12/31/2016        | 6,250,395                           | 6,250,395  | -                                | 25,475,387      | 24.54%   |
| 12/31/2017        | 6,636,508                           | 71,127,032   | (64,490,524)                     | 24,107,474      | 295.04%  |

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

- Notes Actuarially determined contribution rates are calculated as of December 31 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.
- Other information There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

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

- Actuarial cost method Entry-age normal
- Amortization method General county: level dollar  
Medical Care Facility: level percent of payroll  
Road fund: level percent of payroll
- Remaining amortization period General county: closed, 25 year period  
Medical Care Facility: open, 10 year period  
Road fund: closed, 25 year period
- Asset valuation method Market value with 4 year smoothing of gains and losses.
- Inflation 2.5%-2.75%
- Salary increases 4.0%-8.0% including inflation
- Investment rate of return 7.5% net of pension plan investment expense, including inflation
- Mortality rates RP-2000 Mortality Table projected to 2020 using projection scale AA (adjusted by 120% for males)

COUNTY OF JACKSON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

County

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (B) | Underfunded AAL (UAAL) (A-B) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a % of Covered Payroll ((A-B)/C) |
|--------------------------|-------------------------------|---------------------------------|------------------------------|--------------------|---------------------|--|
| 12/31/2010               | \$ 2,480,920                  | \$ 67,732,142                   | \$ (65,251,222)              | 3.66%              | \$ 19,916,698       | -327.62%                                 |
| 12/31/2013               | 1,563,642                     | 142,468,370                     | (140,904,728)                | 1.10%              | 19,247,146          | -732.08%                                 |
| 12/31/2015               | -                             | 117,277,316                     | (117,277,316)                | 0.00%              | 24,450,728          | -479.65%                                 |

Schedule of Employer Contributions

| Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
|------------------------|-------------------------------|------------------------|
| 2015                   | \$ 8,792,893                  | 35.70%                 |
| 2016                   | 8,792,893                     | 58.90%                 |
| 2017                   | 8,792,893                     | 51.70%                 |

COUNTY OF JACKSON, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan  
 Medical Care Facility

Schedule of Funding Progress

| 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) |
|--------------------------|-------------------------------|---------------------------------|------------------------------|--------------------|---------------------|--|
| 12/31/2008               | \$ -                          | \$ 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           | -103.80%                                 |
| 12/31/2015               | -                             | 10,191,510                      | (10,191,510)                 | 0.00%              | 9,083,584           | -112.20%                                 |

Schedule of Employer Contributions

| Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
|------------------------|-------------------------------|------------------------|
| 2015                   | \$ 964,579                    | 81.50%                 |
| 2016                   | 964,579                       | 41.60%                 |
| 2017                   | 964,579                       | 44.18%                 |

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2017

|   | Original Budget   | Amended Budget    | Actual            | Over (Under) Budget |
|---|-------------------|-------------------|-------------------|---------------------|
| <b>Revenues</b>                                   |                   |                   |                   |                     |
| Property taxes                                    |                   |                   |                   |                     |
| Current real property taxes                       | \$ 22,071,500     | \$ 22,071,500     | \$ 21,870,594     | \$ (200,906)        |
| Delinquent personal property taxes                | 156,000           | 156,000           | 104,804           | (51,196)            |
| Industrial/commercial facilities tax              | 190,000           | 190,000           | 51,968            | (138,032)           |
| Trailer tax                                       | 23,000            | 23,000            | 24,523            | 1,523               |
| Payment in lieu of taxes                          | 65,000            | 65,000            | 63,796            | (1,204)             |
| Total property taxes                              | <u>22,505,500</u> | <u>22,505,500</u> | <u>22,115,685</u> | <u>(389,815)</u>    |
| Licenses, fees, taxes, and permits                |                   |                   |                   |                     |
| Dog licenses                                      | 102,000           | 88,000            | 71,239            | (16,761)            |
| Marriage licenses                                 | 5,500             | 5,500             | 5,500             | -                   |
| Gun permits                                       | 28,000            | 28,000            | 18,480            | (9,520)             |
| Total licenses, fees, taxes, and permits          | <u>135,500</u>    | <u>121,500</u>    | <u>95,219</u>     | <u>(26,281)</u>     |
| <b>Intergovernmental</b>                          |                   |                   |                   |                     |
| Revenue sharing                                   | 3,500,000         | 3,500,000         | 3,415,941         | (84,059)            |
| Liquor tax  | 620,245           | 620,245           | 622,666           | 2,421               |
| Liquor license                                    | 9,000             | 9,000             | 11,157            | 2,157               |
| State court funding distribution                  | 960,000           | 960,000           | 892,100           | (67,900)            |
| Child abuse and neglect                           | 50,729            | 50,729            | 49,470            | (1,259)             |
| Crime victim's rights                             | 121,000           | 121,000           | 123,865           | 2,865               |
| Remonumentation                                   | 68,043            | 68,043            | 67,397            | (646)               |
| Judges supplement                                 | 594,650           | 594,650           | 588,250           | (6,400)             |
| Road patrol                                       | 179,000           | 179,000           | 180,459           | 1,459               |
| Marine safety                                     | 42,000            | 42,000            | 35,930            | (6,070)             |
| Community corrections board                       | 213,089           | 223,339           | 151,762           | (71,577)            |
| Senior citizens programs                          | 384,945           | 388,267           | 395,358           | 7,091               |
| Senior citizens - home delivered meals            | 298,330           | 321,190           | 323,898           | 2,708               |
| Senior citizens - congregate meals                | 174,020           | 171,190           | 175,706           | 4,516               |
| Medicaid waiver                                   | 207,900           | 221,880           | 213,941           | (7,939)             |
| Circuit court reimbursement                       | 50,000            | 50,000            | 43,144            | (6,856)             |
| District court reimbursement                      | 150,000           | 150,000           | 149,757           | (243)               |
| Parole violators - county jail                    | 125,200           | 125,200           | 113,346           | (11,854)            |
| Diverted felons - county jail                     | 181,000           | 181,000           | 191,355           | 10,355              |
| Cooperative reimbursement -                       |                   |                   |                   |                     |
| Prosecuting attorney                              | 200,000           | 200,000           | 206,516           | 6,516               |
| LAWNET narcotics                                  | 41,000            | 41,000            | 39,309            | (1,691)             |
| Emergency management                              | 29,640            | 29,640            | 38,144            | 8,504               |
| Highway training and education - safe communities | -                 | -                 | 6,878             | 6,878               |
| Police service contracts                          | 1,040,855         | 1,040,855         | 1,172,890         | 132,035             |
| Non profit organizations - sheriff                | 140,640           | 152,340           | 152,360           | 20                  |
| Emergency dispatch                                | -                 | -                 | 20,187            | 20,187              |
| Local community stabilization tax                 | -                 | 564,403           | 1,308,986         | 744,583             |
| Other grants                                      | 45,000            | 45,000            | 45,798            | 798                 |
| Total intergovernmental                           | <u>9,426,286</u>  | <u>10,049,971</u> | <u>10,736,570</u> | <u>686,599</u>      |

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2017

|  | Original Budget  | Amended Budget   | Actual           | Over (Under) Budget |
|--|------------------|------------------|------------------|---------------------|
| <b>Revenues (continued)</b>                  |                  |                  |                  |                     |
| <b>Charges for services</b>                  |                  |                  |                  |                     |
| 12th district court costs                    | \$ 1,600,000     | \$ 1,600,000     | \$ 1,227,827     | \$ (372,173)        |
| 12th district court - other                  | 1,304,575        | 1,304,575        | 1,258,923        | (45,652)            |
| Prosecuting attorney                         | 185,000          | 29,500           | 15,868           | (13,632)            |
| Probate court                                | 130,000          | 130,000          | 91,835           | (38,165)            |
| County Clerk - court costs                   | 120,000          | 120,000          | 119,671          | (329)               |
| County Clerk - other                         | 394,437          | 394,437          | 378,189          | (16,248)            |
| Printing                                     | 18,250           | 18,250           | 22,508           | 4,258               |
| Map project                                  | 220,700          | 228,700          | 216,163          | (12,537)            |
| Geographic information systems               | 90,000           | 90,000           | 88,919           | (1,081)             |
| Transfer tax                                 | 425,000          | 565,000          | 554,810          | (10,190)            |
| Register of Deeds - recording charges        | 631,030          | 836,030          | 808,474          | (27,556)            |
| Treasurer                                    | 20,000           | 20,000           | 33,923           | 13,923              |
| Sheriff's department                         | 41,600           | 44,600           | 20,140           | (24,460)            |
| County jail                                  | 403,800          | 403,800          | 406,404          | 2,604               |
| Community corrections fees                   | 7,500            | 7,500            | 5,666            | (1,834)             |
| Animal shelter                               | 113,340          | 113,340          | 78,636           | (34,704)            |
| Medical examiner                             | 75,500           | 75,500           | 61,692           | (13,808)            |
| Information technology fees                  | 126,350          | 96,350           | 103,593          | 7,243               |
| LifeWays building                            | 235,500          | 286,500          | 233,651          | (52,849)            |
| <b>Total charges for services</b>            | <b>6,142,582</b> | <b>6,364,082</b> | <b>5,726,892</b> | <b>(637,190)</b>    |
| <b>Fines and forfeitures</b>                 |                  |                  |                  |                     |
| Fines  | 701,500          | 701,500          | 566,984          | (134,516)           |
| Bonds forfeited                              | 22,000           | 22,000           | 15,340           | (6,660)             |
| <b>Total fines and forfeitures</b>           | <b>723,500</b>   | <b>723,500</b>   | <b>582,324</b>   | <b>(141,176)</b>    |
| <b>Investment earnings and rentals</b>       |                  |                  |                  |                     |
| Investment earnings                          | 600,000          | 600,000          | 305,663          | (294,337)           |
| Rentals - general                            | 190,402          | 190,402          | 192,207          | 1,805               |
| <b>Total investment earnings and rentals</b> | <b>790,402</b>   | <b>790,402</b>   | <b>497,870</b>   | <b>(292,532)</b>    |
| <b>Other</b>                                 |                  |                  |                  |                     |
| Administrative reimbursements                | 483,725          | 659,845          | 663,298          | 3,453               |
| Reimbursements - insurance                   | -                | -                | 243              | 243                 |
| Reimbursements - election                    | 23,400           | 23,400           | 950              | (22,450)            |
| Reimbursements - prosecuting attorney        | 96,181           | 96,181           | 20,174           | (76,007)            |
| Donations - senior programs                  | 2,950            | 6,800            | 6,870            | 70                  |
| Donations - senior home delivered meals      | 100,000          | 105,000          | 99,792           | (5,208)             |
| Donations - seniors congregate meals         | 53,000           | 51,000           | 47,651           | (3,349)             |
| Other - animal shelter                       | 6,000            | -                | 3,325            | 3,325               |
| Other - clerk                                | 19,000           | 19,000           | 8,784            | (10,216)            |
| Other - treasurer                            | 20,000           | 20,000           | 15,795           | (4,205)             |
| Other - sheriff                              | 3,000            | 3,000            | 561              | (2,439)             |

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2017

|  | Original Budget   | Amended Budget    | Actual            | Over (Under) Budget |
|--|-------------------|-------------------|-------------------|---------------------|
| Revenues (concluded)                   |                   |                   |                   |                     |
| Other (concluded)                      |                   |                   |                   |                     |
| Other - senior programs                | \$ 72,200         | \$ 64,770         | \$ 66,156         | \$ 1,386            |
| Other - senior home delivered meals    | 168,500           | 203,280           | 217,617           | 14,337              |
| Other - senior congregate meals        | 57,807            | 48,207            | 50,137            | 1,930               |
| Other - other                          | 458,634           | 873,067           | 1,027,557         | 154,490             |
| Total other                            | <u>1,564,397</u>  | <u>2,173,550</u>  | <u>2,228,910</u>  | <u>55,360</u>       |
| Total revenues                         | <u>41,288,167</u> | <u>42,728,505</u> | <u>41,983,470</u> | <u>(745,035)</u>    |
| Expenditures                           |                   |                   |                   |                     |
| General government                     |                   |                   |                   |                     |
| Board of Commissioners                 | 182,185           | 206,405           | 193,439           | (12,966)            |
| Circuit court                          | 2,545,270         | 2,409,580         | 2,368,352         | (41,228)            |
| Jury commission                        | 247,309           | 243,639           | 234,614           | (9,025)             |
| 12th district court                    | 3,646,650         | 3,547,930         | 3,488,376         | (59,554)            |
| Adult probation - circuit court        | 15,316            | 15,316            | 15,089            | (227)               |
| Public elections                       | 86,390            | 196,500           | 194,776           | (1,724)             |
| County administrator/controller        | 370,784           | 436,809           | 434,704           | (2,105)             |
| County clerk                           | 1,065,926         | 1,069,936         | 971,201           | (98,735)            |
| Finance                                | 305,665           | 311,865           | 298,992           | (12,873)            |
| Equalization                           | 679,705           | 652,585           | 624,699           | (27,886)            |
| Geographic information systems         | 199,830           | 174,900           | 157,171           | (17,729)            |
| Human resources                        | 606,550           | 651,810           | 625,392           | (26,418)            |
| Prosecuting Attorney                   | 1,933,765         | 1,955,455         | 1,934,849         | (20,606)            |
| Prosecuting attorney - social services | 303,660           | 278,750           | 261,515           | (17,235)            |
| Prosecuting attorney                   |                   |                   |                   |                     |
| victim/witness program                 | 243,182           | 238,682           | 229,629           | (9,053)             |
| Public defender                        | 1,217,230         | 1,298,430         | 1,297,594         | (836)               |
| Register of deeds                      | 372,580           | 249,170           | 231,980           | (17,190)            |
| Remonumentation                        | 68,043            | 73,543            | 71,594            | (1,949)             |
| County treasurer                       | 113,121           | 122,971           | 118,212           | (4,759)             |
| MSU co-operative extension             | 254,030           | 248,995           | 244,522           | (4,473)             |
| Information technology                 | 1,304,489         | 1,265,409         | 1,255,419         | (9,990)             |
| Courthouse and grounds                 | 621,626           | 601,826           | 585,648           | (16,178)            |
| Northlawn building                     | 303,918           | 300,838           | 301,959           | 1,121               |
| Tower building                         | 797,113           | 815,493           | 787,483           | (28,010)            |
| Woolworth building                     | -                 | 1,860             | 1,835             | (25)                |
| Human services building                | 367,384           | 342,564           | 336,581           | (5,983)             |
| Drain commissioner                     | 197,148           | 213,863           | 202,313           | (11,550)            |
| Airport maintenance                    | 11,280            | 12,280            | 11,886            | (394)               |
| LifeWays maintenance                   | 108,480           | 159,010           | 154,884           | (4,126)             |
| Total general government               | <u>18,168,629</u> | <u>18,096,414</u> | <u>17,634,708</u> | <u>(461,706)</u>    |

continued...



# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2017

|  | Original<br>Budget | Amended<br>Budget | Actual            | Over (Under)<br>Budget |
|--|--------------------|-------------------|-------------------|------------------------|
| <b>Expenditures (concluded)</b>          |                    |                   |                   |                        |
| <b>Public safety</b>                     |                    |                   |                   |                        |
| District court intense probation         | \$ 156,630         | \$ 148,340        | \$ 141,375        | \$ (6,965)             |
| County Sheriff                           | 4,926,585          | 4,910,930         | 4,800,817         | (110,113)              |
| Road patrol                              | 204,880            | 205,050           | 179,104           | (25,946)               |
| LAWNET narcotics grant                   | 265,782            | 251,352           | 233,585           | (17,767)               |
| Marine law enforcement                   | 14,690             | 45,200            | 44,810            | (390)                  |
| Truancy grant                            | 126,900            | 252,160           | 237,643           | (14,517)               |
| 911 communications center                | 1,879,380          | 1,900,510         | 1,833,984         | (66,526)               |
| County jail                              | 6,474,740          | 6,715,625         | 6,463,158         | (252,467)              |
| Community corrections board              | 213,089            | 230,937           | 153,821           | (77,116)               |
| Animal shelter                           | 349,500            | 415,780           | 414,652           | (1,128)                |
| Emergency measures                       | 134,064            | 139,994           | 130,686           | (9,308)                |
| <b>Total public safety</b>               | <b>14,746,240</b>  | <b>15,215,878</b> | <b>14,633,635</b> | <b>(582,243)</b>       |
| <b>Health and welfare</b>                |                    |                   |                   |                        |
| Medical examiner                         | 322,047            | 472,407           | 471,074           | (1,333)                |
| Senior citizens program                  | 1,285,843          | 1,254,268         | 1,220,259         | (34,009)               |
| Home delivery meals - seniors            | 1,233,378          | 1,311,230         | 1,301,972         | (9,258)                |
| Congregate meals - seniors               | 373,925            | 345,225           | 337,312           | (7,913)                |
| Veteran's burial claims                  | 31,500             | 26,500            | 25,057            | (1,443)                |
| Veteran's affairs office                 | 147,387            | 151,797           | 143,825           | (7,972)                |
| <b>Total health and welfare</b>          | <b>3,394,080</b>   | <b>3,561,427</b>  | <b>3,499,499</b>  | <b>(61,928)</b>        |
| <b>Other</b>                             |                    |                   |                   |                        |
| Other postemployment benefits expense    | 2,400,000          | 2,400,000         | 2,400,000         | -                      |
| Unallocated retiree benefits             | 993,200            | 989,180           | 770,215           | (218,965)              |
| Accrued sick and vacation payoff         | 75,000             | 75,000            | 59,784            | (15,216)               |
| Professional services                    | 230,350            | 336,050           | 340,321           | 4,271                  |
| Insurance and bonds                      | 685,000            | 764,500           | 773,258           | 8,758                  |
| Miscellaneous                            | 280,205            | 316,000           | 305,994           | (10,006)               |
| <b>Appropriations:</b>                   |                    |                   |                   |                        |
| <b>General government:</b>               |                    |                   |                   |                        |
| Regional planning                        | 55,340             | 55,340            | 43,267            | (12,073)               |
| Soil conservation                        | 10,000             | 10,000            | 15,000            | 5,000                  |
| Jackson traffic safety program           | 50,000             | 50,000            | 19,359            | (30,641)               |
| <b>Health and welfare:</b>               |                    |                   |                   |                        |
| Retired senior citizen volunteer program | 7,500              | 7,500             | -                 | (7,500)                |
| Region II Aging Commission               | 11,814             | 11,814            | 11,814            | -                      |
| Substance abuse - liquor tax             | 310,122            | 310,122           | 311,333           | 1,211                  |
| Enterprise Group                         | 100,000            | 100,000           | 100,000           | -                      |
| LifeWays                                 | 810,000            | 810,000           | 810,000           | -                      |
| <b>Total other</b>                       | <b>6,018,531</b>   | <b>6,235,506</b>  | <b>5,960,345</b>  | <b>(275,161)</b>       |
| <b>Total expenditures</b>                | <b>42,327,480</b>  | <b>43,109,225</b> | <b>41,728,187</b> | <b>(1,381,038)</b>     |

continued...

COUNTY OF JACKSON, MICHIGAN

**Detail Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Budget and Actual - General Fund - By Activity  
 For the Year Ended December 31, 2017

|                                      | Original Budget | Amended Budget | Actual       | Over (Under) Budget |
|--------------------------------------|-----------------|----------------|--------------|---------------------|
| Revenues over (under) expenditures   | \$ (1,039,313)  | \$ (380,720)   | \$ 255,283   | \$ 636,003          |
| Other financing sources (uses)       |                 |                |              |                     |
| Transfers in                         | 5,234,445       | 5,250,610      | 5,250,032    | (578)               |
| Transfers out                        | (5,509,639)     | (5,509,639)    | (5,572,470)  | 62,831              |
| Total other financing sources (uses) | (275,194)       | (259,029)      | (322,438)    | 62,253              |
| Net change in fund balance           | (1,314,507)     | (639,749)      | (67,155)     | 698,256             |
| Fund balance, beginning of year      | 9,639,033       | 9,639,033      | 9,639,033    | -                   |
| Fund balance, end of year            | \$ 8,324,526    | \$ 8,999,284   | \$ 9,571,878 | \$ 698,256          |

concluded

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues - General Operating Fund

### Road Fund

For the Year Ended December 31, 2017

#### Revenues

|                                       |                      |
|---------------------------------------|----------------------|
| Licenses and permits                  | \$ 72,100            |
| Federal sources:                      |                      |
| D funds                               | 996,658              |
| Other                                 | 56,165               |
| Total federal sources                 | <u>1,052,823</u>     |
| State sources:                        |                      |
| Motor Vehicle Highway Funds - Act 51: |                      |
| Engineering                           | 10,000               |
| Primary roads                         | 8,744,505            |
| Local roads                           | 4,334,550            |
| Primary urban roads                   | 1,347,415            |
| Local urban roads                     | 545,380              |
| Rural primary roads                   | 418,767              |
| Total state sources                   | <u>15,400,617</u>    |
| Local sources:                        |                      |
| City and village contributions        | 42,388               |
| Township contributions                | 2,426,771            |
| Other contributions                   | 97,653               |
| Total local sources                   | <u>2,566,812</u>     |
| Charges for services:                 |                      |
| State maintenance contract            | 2,404,390            |
| Other services                        | 785,814              |
| Salvage sales                         | 14,579               |
| Total charges for services            | <u>3,204,783</u>     |
| Investment earnings and rental        | <u>284,539</u>       |
| Other revenues:                       |                      |
| Net proceeds on equipment disposal    | 30,361               |
| Contributions from private sources    | 25,900               |
| Issuance of long-term debt            | 33,225,000           |
| Premium on bonds                      | 1,032,303            |
| Total other revenues                  | <u>34,313,564</u>    |
| Total revenues                        | <u>\$ 56,895,238</u> |

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Expenditures - General Operating Fund

Road Fund

For the Year Ended December 31, 2017

### Expenditures

#### Preservation - structural improvements:

|  |                   |
|--|-------------------|
| Primary roads and structures                 | \$ 7,163,340      |
| Local roads and structures                   | 5,079,479         |
| Total preservation - structural improvements | <u>12,242,819</u> |

#### Maintenance - winter and traffic control

|  |                   |
|--|-------------------|
| Primary roads and structures                   | 6,547,371         |
| Local roads and structures                     | 6,609,573         |
| Total maintenance - winter and traffic control | <u>13,156,944</u> |

#### Equipment:

|                         |                  |
|-------------------------|------------------|
| Direct                  | 3,991,280        |
| Indirect                | 1,913,029        |
| Operating               | 344,098          |
| Less - equipment rental | (4,926,521)      |
| Total equipment         | <u>1,321,886</u> |

|                |                  |
|----------------|------------------|
| Administrative | <u>1,553,284</u> |
|----------------|------------------|

|  |                  |
|--|------------------|
| Other - trunkline maintenance, non-maintenance and other | <u>3,100,192</u> |
|--|------------------|

|                      |                  |
|----------------------|------------------|
| Capital outlay - net | <u>5,724,594</u> |
|----------------------|------------------|

#### Debt service:

|                             |                  |
|-----------------------------|------------------|
| Principal                   | 805,000          |
| Interest and fiscal charges | 760,844          |
| Total debt service          | <u>1,565,844</u> |

|                    |                      |
|--------------------|----------------------|
| Total expenditures | <u>\$ 38,665,563</u> |
|--------------------|----------------------|

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, 2017

|                                       | Primary<br>Roads  | Local<br>Roads    | County<br>Roads   | Total             |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues</b>                       |                   |                   |                   |                   |
| Licenses, fees, taxes and permits     | \$ 72,100         | \$ -              | \$ -              | \$ 72,100         |
| Intergovernmental:                    |                   |                   |                   |                   |
| Federal sources                       | 1,052,823         | -                 | -                 | 1,052,823         |
| State sources                         | 10,517,374        | 4,883,243         | -                 | 15,400,617        |
| Local sources                         | -                 | 2,426,772         | 140,040           | 2,566,812         |
| Charges for services                  | 9,450             | -                 | 3,195,333         | 3,204,783         |
| Investment earnings and rental        | -                 | -                 | 284,539           | 284,539           |
| Other                                 | -                 | -                 | 56,261            | 56,261            |
| <b>Total revenues</b>                 | <b>11,651,747</b> | <b>7,310,015</b>  | <b>3,676,173</b>  | <b>22,637,935</b> |
| <b>Expenditures</b>                   |                   |                   |                   |                   |
| Current:                              |                   |                   |                   |                   |
| Preservation -                        |                   |                   |                   |                   |
| Structural improvements               | 7,163,340         | 5,079,479         | -                 | 12,242,819        |
| Maintenance:                          |                   |                   |                   |                   |
| Road and structures                   | 5,005,978         | 5,379,099         | -                 | 10,385,077        |
| Winter                                | 1,391,056         | 1,128,787         | -                 | 2,519,843         |
| Traffic control                       | 150,338           | 101,686           | -                 | 252,024           |
| Equipment - net                       | 393,556           | 653,299           | 275,031           | 1,321,886         |
| Administrative                        | 838,458           | 714,826           | -                 | 1,553,284         |
| Trunkline maintenance                 | -                 | -                 | 2,147,058         | 2,147,058         |
| Trunkline non-maintenance             | -                 | -                 | 5,892             | 5,892             |
| Other                                 | 369,271           | 314,564           | 263,407           | 947,242           |
| Capital outlay-net                    | -                 | -                 | 5,724,594         | 5,724,594         |
| Debt service:                         |                   |                   |                   |                   |
| Principal                             | -                 | -                 | 805,000           | 805,000           |
| Interest and fiscal charges           | -                 | -                 | 760,844           | 760,844           |
| <b>Total expenditures</b>             | <b>15,311,997</b> | <b>13,371,740</b> | <b>9,981,826</b>  | <b>38,665,563</b> |
| Revenue under expenditures            | (3,660,250)       | (6,061,725)       | (6,305,653)       | (16,027,628)      |
| <b>Other financing sources (uses)</b> |                   |                   |                   |                   |
| Transfers in (out)                    | 3,660,250         | 6,061,725         | (9,721,975)       | -                 |
| Issuance of long-term debt            | -                 | -                 | 33,225,000        | 33,225,000        |
| Premium on bonds                      | -                 | -                 | 1,032,303         | 1,032,303         |
| <b>Total other financing sources</b>  | <b>3,660,250</b>  | <b>6,061,725</b>  | <b>24,535,328</b> | <b>34,257,303</b> |
| Net change in fund balance            | -                 | -                 | 18,229,675        | 18,229,675        |
| Fund balance, beginning of year       | -                 | -                 | 12,042,186        | 12,042,186        |
| Fund balance, end of year             | \$ -              | \$ -              | \$ 30,271,861     | \$ 30,271,861     |

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 December 31, 2017

|   | Special<br>Revenue<br>Funds | Debt<br>Service   | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|-------------------|------------------------------|--------------------|--|
| <b>Assets</b>   |                             |                   |                              |                    |  |
| Cash and pooled investments   | \$ 8,310,257                | \$ 176,306        | \$ 3,482,001                 | \$ 182,553         | \$ 12,151,117                              |
| Accounts receivable, net  | 255,982                     | -                 | 759,176                      | -                  | 1,015,158                                  |
| Taxes receivable  | 2,101,982                   | -                 | -                            | -                  | 2,101,982                                  |
| Due from other governments  | 1,482,779                   | -                 | -                            | -                  | 1,482,779                                  |
| Due from other funds  | 131,000                     | -                 | -                            | -                  | 131,000                                    |
| Inventories   | 183,601                     | -                 | -                            | -                  | 183,601                                    |
| Prepaid items   | 25,352                      | -                 | 83,887                       | -                  | 109,239                                    |
| <b>Total assets</b>   | <b>\$ 12,490,953</b>        | <b>\$ 176,306</b> | <b>\$ 4,325,064</b>          | <b>\$ 182,553</b>  | <b>\$ 17,174,876</b>                       |
| <b>Liabilities</b>  |                             |                   |                              |                    |  |
| Negative equity in cash<br>and pooled investments                             | \$ 203,349                  | \$ -              | \$ 368,372                   | \$ -               | \$ 571,721                                 |
| Accounts payable  | 410,795                     | -                 | 379,948                      | 8                  | 790,751                                    |
| Accrued payroll   | 254,811                     | -                 | -                            | -                  | 254,811                                    |
| Accrued liabilities   | 82,730                      | -                 | -                            | -                  | 82,730                                     |
| Due to other funds  | 106,190                     | -                 | -                            | -                  | 106,190                                    |
| Advances from other funds   | 500,000                     | -                 | -                            | -                  | 500,000                                    |
| Unearned revenue  | 188,640                     | -                 | -                            | -                  | 188,640                                    |
| <b>Total liabilities</b>  | <b>1,746,515</b>            | <b>-</b>          | <b>748,320</b>               | <b>8</b>           | <b>2,494,843</b>                           |
| <b>Deferred inflows of resources</b>  |                             |                   |                              |                    |  |
| Taxes levied for a subsequent period  | 2,125,404                   | -                 | -                            | -                  | 2,125,404                                  |
| <b>Fund balances</b>  |                             |                   |                              |                    |  |
| Nonspendable  | 208,953                     | -                 | 83,887                       | 1,068              | 293,908                                    |
| Restricted  | 7,218,090                   | 113,750           | -                            | 181,477            | 7,513,317                                  |
| Committed   | 1,191,991                   | 62,556            | 3,492,857                    | -                  | 4,747,404                                  |
| <b>Total fund balances</b>  | <b>8,619,034</b>            | <b>176,306</b>    | <b>3,576,744</b>             | <b>182,545</b>     | <b>12,554,629</b>                          |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 12,490,953</b>        | <b>\$ 176,306</b> | <b>\$ 4,325,064</b>          | <b>\$ 182,553</b>  | <b>\$ 17,174,876</b>                       |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2017

|   | Special<br>Revenue<br>Funds | Debt<br>Service   | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|-------------------|------------------------------|--------------------|--|
| <b>Revenues</b>                           |                             |                   |                              |                    |  |
| Property taxes                            | \$ 2,112,096                | \$ -              | \$ -                         | \$ -               | \$ 2,112,096                               |
| Licenses, fees, taxes and permits         | 440,577                     | -                 | -                            | -                  | 440,577                                    |
| Intergovernmental                         | 9,286,600                   | -                 | 1,335,167                    | -                  | 10,621,767                                 |
| Charges for services                      | 3,014,133                   | 94,825            | -                            | -                  | 3,108,958                                  |
| Fines and forfeitures                     | 355,723                     | -                 | -                            | -                  | 355,723                                    |
| Investment earnings                       | 43,695                      | 1,787             | 11,222                       | -                  | 56,704                                     |
| Rental                                    | 365,197                     | -                 | 10,747                       | -                  | 375,944                                    |
| Donations                                 | -                           | -                 | -                            | 36,154             | 36,154                                     |
| Telephone surcharge                       | -                           | -                 | 2,700,087                    | -                  | 2,700,087                                  |
| Reimbursements                            | 3,762,790                   | -                 | -                            | -                  | 3,762,790                                  |
| Other                                     | 959,095                     | -                 | 90,347                       | 3,796              | 1,053,238                                  |
| <b>Total revenues</b>                     | <b>20,339,906</b>           | <b>96,612</b>     | <b>4,147,570</b>             | <b>39,950</b>      | <b>24,624,038</b>                          |
| <b>Expenditures</b>                       |                             |                   |                              |                    |  |
| <b>Current:</b>                           |                             |                   |                              |                    |  |
| Judicial                                  | 4,191,727                   | -                 | -                            | -                  | 4,191,727                                  |
| General government                        | 192,967                     | -                 | -                            | -                  | 192,967                                    |
| Public safety                             | 3,158,549                   | -                 | -                            | -                  | 3,158,549                                  |
| Health and welfare                        | 10,270,187                  | -                 | -                            | 29,294             | 10,299,481                                 |
| Recreation and culture                    | 2,621,599                   | -                 | -                            | -                  | 2,621,599                                  |
| Community development                     | 685,379                     | -                 | -                            | -                  | 685,379                                    |
| Fair                                      | 1,456,247                   | -                 | -                            | -                  | 1,456,247                                  |
| <b>Debt service:</b>                      |                             |                   |                              |                    |  |
| Principal                                 | -                           | 540,000           | -                            | -                  | 540,000                                    |
| Interest                                  | -                           | 309,584           | 36,816                       | -                  | 346,400                                    |
| Issuance costs                            | -                           | -                 | 63,506                       | -                  | 63,506                                     |
| Capital outlay                            | -                           | -                 | 10,907,849                   | -                  | 10,907,849                                 |
| <b>Total expenditures</b>                 | <b>22,576,655</b>           | <b>849,584</b>    | <b>11,008,171</b>            | <b>29,294</b>      | <b>34,463,704</b>                          |
| <b>Revenues over (under) expenditures</b> | <b>(2,236,749)</b>          | <b>(752,972)</b>  | <b>(6,860,601)</b>           | <b>10,656</b>      | <b>(9,839,666)</b>                         |
| <b>Other financing sources (uses)</b>     |                             |                   |                              |                    |  |
| Issuance of long-term debt                | -                           | -                 | 7,500,000                    | -                  | 7,500,000                                  |
| Premium on bonds                          | -                           | -                 | 229,533                      | -                  | 229,533                                    |
| Transfers in                              | 5,244,152                   | 852,098           | 3,052,677                    | -                  | 9,148,927                                  |
| Transfers out                             | (1,863,734)                 | -                 | (2,740,049)                  | -                  | (4,603,783)                                |
| Proceeds from sale of capital assets      | 19,314                      | -                 | 12,783                       | -                  | 32,097                                     |
| <b>Total other financing sources</b>      | <b>3,399,732</b>            | <b>852,098</b>    | <b>8,054,944</b>             | <b>-</b>           | <b>12,306,774</b>                          |
| <b>Net change in fund balances</b>        | <b>1,162,983</b>            | <b>99,126</b>     | <b>1,194,343</b>             | <b>10,656</b>      | <b>2,467,108</b>                           |
| <b>Fund balances, beginning of year</b>   | <b>7,456,051</b>            | <b>77,180</b>     | <b>2,382,401</b>             | <b>171,889</b>     | <b>10,087,521</b>                          |
| <b>Fund balances, end of year</b>         | <b>\$ 8,619,034</b>         | <b>\$ 176,306</b> | <b>\$ 3,576,744</b>          | <b>\$ 182,545</b>  | <b>\$ 12,554,629</b>                       |

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds  
December 31, 2017

|   | Parks<br>Commission | Cascades<br>Preservation | Friend of<br>the Court | Omnibus<br>Forfeitures |
|---|---------------------|--------------------------|------------------------|------------------------|
| <b>Assets</b>   |                     |                          |                        |                        |
| Cash and pooled investments   | \$ 21,587           | \$ -                     | \$ 1,074,184           | \$ 981                 |
| Accounts receivable, net  | -                   | 180,000                  | -                      | -                      |
| Taxes receivable  | -                   | -                        | -                      | -                      |
| Due from other governments  | -                   | -                        | 616,004                | -                      |
| Due from other funds  | -                   | -                        | -                      | -                      |
| Inventories   | 143,880             | -                        | -                      | -                      |
| Prepaid items   | -                   | -                        | -                      | -                      |
| <b>Total assets</b>   | <b>\$ 165,467</b>   | <b>\$ 180,000</b>        | <b>\$ 1,690,188</b>    | <b>\$ 981</b>          |
| <b>Liabilities</b>  |                     |                          |                        |                        |
| Negative equity in cash<br>and pooled investments                             | \$ -                | \$ 179,426               | \$ -                   | \$ -                   |
| Accounts payable  | 12,306              | 574                      | 4,375                  | -                      |
| Accrued payroll   | 9,019               | -                        | 82,835                 | -                      |
| Accrued liabilities   | -                   | -                        | -                      | -                      |
| Due to other funds  | -                   | -                        | -                      | -                      |
| Advance from other funds  | -                   | -                        | 500,000                | -                      |
| Unearned revenue  | -                   | -                        | -                      | -                      |
| <b>Total liabilities</b>  | <b>21,325</b>       | <b>180,000</b>           | <b>587,210</b>         | <b>-</b>               |
| <b>Deferred inflows of resources</b>  |                     |                          |                        |                        |
| Taxes levied for a subsequent period  | -                   | -                        | -                      | -                      |
| <b>Fund balances</b>  |                     |                          |                        |                        |
| Nonspendable  | 143,880             | -                        | -                      | -                      |
| Restricted  | -                   | -                        | -                      | -                      |
| Committed   | 262                 | -                        | 1,102,978              | 981                    |
| <b>Total fund balances</b>  | <b>144,142</b>      | <b>-</b>                 | <b>1,102,978</b>       | <b>981</b>             |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 165,467</b>   | <b>\$ 180,000</b>        | <b>\$ 1,690,188</b>    | <b>\$ 981</b>          |





| Prosecuting Attorney Drug Enforcement | Sheriff Drug Enforcement | County Law Library | Michigan Justice Training | Social Services   | Veteran's Trust |
|---------------------------------------|--------------------------|--------------------|---------------------------|-------------------|-----------------|
| \$ 75,969                             | \$ 70                    | \$ 6,884           | \$ 943                    | \$ 117,709        | \$ 7,480        |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | 10,531                    | -                 | -               |
| <u>\$ 75,969</u>                      | <u>\$ 70</u>             | <u>\$ 6,884</u>    | <u>\$ 11,474</u>          | <u>\$ 117,709</u> | <u>\$ 7,480</u> |
| \$ -                                  | \$ -                     | \$ -               | \$ -                      | \$ -              | \$ -            |
| -                                     | -                        | -                  | 900                       | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | 900                       | -                 | -               |
| -                                     | -                        | -                  | -                         | -                 | -               |
| -                                     | -                        | -                  | 10,531                    | -                 | -               |
| -                                     | 70                       | -                  | -                         | 117,709           | 7,480           |
| 75,969                                | -                        | 6,884              | 43                        | -                 | -               |
| <u>75,969</u>                         | <u>70</u>                | <u>6,884</u>       | <u>10,574</u>             | <u>117,709</u>    | <u>7,480</u>    |
| <u>\$ 75,969</u>                      | <u>\$ 70</u>             | <u>\$ 6,884</u>    | <u>\$ 11,474</u>          | <u>\$ 117,709</u> | <u>\$ 7,480</u> |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds  
December 31, 2017

|   | Airport          | Joint<br>Narcotics | Community<br>Development<br>Block<br>Grant | Register<br>of Deeds<br>Automation<br>Fund |
|---|------------------|--------------------|--|--|
| <b>Assets</b>   |                  |                    |  |  |
| Cash and pooled investments   | \$ -             | \$ 262,649         | \$ 127,659                                 | \$ 393,166                                 |
| Accounts receivable, net  | 41,159           | -                  | -  | -  |
| Taxes receivable  | -                | -                  | -  | -  |
| Due from other governments  | -                | -                  | 27,062                                     | -  |
| Due from other funds  | -                | -                  | -  | -  |
| Inventories   | -                | -                  | -  | -  |
| Prepaid items   | 4,838            | -                  | -  | -  |
|   | <hr/>            | <hr/>              | <hr/>                                      | <hr/>                                      |
| <b>Total assets</b>   | <b>\$ 45,997</b> | <b>\$ 262,649</b>  | <b>\$ 154,721</b>                          | <b>\$ 393,166</b>                          |
| <b>Liabilities</b>  |                  |                    |  |  |
| Negative equity in cash<br>and pooled investments                             | \$ 23,923        | \$ -               | \$ -                                       | \$ -                                       |
| Accounts payable  | 11,789           | 1,537              | 36,185                                     | -  |
| Accrued payroll   | 3,860            | -                  | -  | -  |
| Accrued liabilities   | -                | -                  | -  | -  |
| Due to other funds  | -                | -                  | -  | -  |
| Advance from other funds  | -                | -                  | -  | -  |
| Unearned revenue  | 1,570            | -                  | 118,536                                    | -  |
|   | <hr/>            | <hr/>              | <hr/>                                      | <hr/>                                      |
| <b>Total liabilities</b>  | <b>41,142</b>    | <b>1,537</b>       | <b>154,721</b>                             | <b>-</b>                                   |
| <b>Deferred inflows of resources</b>  |                  |                    |  |  |
| Taxes levied for a subsequent period  | -                | -                  | -  | -  |
|   | <hr/>            | <hr/>              | <hr/>                                      | <hr/>                                      |
| <b>Fund balances</b>  |                  |                    |  |  |
| Nonspendable  | 4,838            | -                  | -  | -  |
| Restricted  | -                | 261,112            | -  | 393,166                                    |
| Committed   | 17               | -                  | -  | -  |
|   | <hr/>            | <hr/>              | <hr/>                                      | <hr/>                                      |
| <b>Total fund balances</b>  | <b>4,855</b>     | <b>261,112</b>     | <b>-</b>                                   | <b>393,166</b>                             |
|   | <hr/>            | <hr/>              | <hr/>                                      | <hr/>                                      |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 45,997</b> | <b>\$ 262,649</b>  | <b>\$ 154,721</b>                          | <b>\$ 393,166</b>                          |

| Child Care          | Golf Courses     | Fair              | Health Department   | Department on Aging Millage | Falling Waters Trail |
|---------------------|------------------|-------------------|---------------------|-----------------------------|----------------------|
| \$ 1,353,021        | \$ 5,396         | \$ 24,152         | \$ 2,035,622        | \$ 226,988                  | \$ 65,438            |
| 4,151               | -                | 8,500             | 22,172              | -                           | -                    |
| -                   | -                | -                 | -                   | 1,050,991                   | -                    |
| 702,209             | -                | -                 | 137,504             | -                           | -                    |
| -                   | -                | 131,000           | -                   | -                           | -                    |
| -                   | 39,721           | -                 | -                   | -                           | -                    |
| -                   | -                | -                 | 9,983               | -                           | -                    |
| <u>\$ 2,059,381</u> | <u>\$ 45,117</u> | <u>\$ 163,652</u> | <u>\$ 2,205,281</u> | <u>\$ 1,277,979</u>         | <u>\$ 65,438</u>     |
| \$ -                | \$ -             | \$ -              | \$ -                | \$ -                        | \$ -                 |
| 47,501              | 919              | 15,811            | 50,637              | -                           | 195                  |
| 33,020              | -                | 1,370             | 124,707             | -                           | -                    |
| -                   | -                | -                 | 82,730              | -                           | -                    |
| -                   | -                | 106,190           | -                   | -                           | -                    |
| -                   | -                | -                 | -                   | -                           | -                    |
| 15,750              | -                | 39,901            | 12,883              | -                           | -                    |
| <u>96,271</u>       | <u>919</u>       | <u>163,272</u>    | <u>270,957</u>      | <u>-</u>                    | <u>195</u>           |
| -                   | -                | -                 | -                   | 1,062,702                   | -                    |
| -                   | 39,721           | -                 | 9,983               | -                           | -                    |
| 1,963,110           | -                | -                 | 1,924,341           | 215,277                     | 65,243               |
| -                   | 4,477            | 380               | -                   | -                           | -                    |
| <u>1,963,110</u>    | <u>44,198</u>    | <u>380</u>        | <u>1,934,324</u>    | <u>215,277</u>              | <u>65,243</u>        |
| <u>\$ 2,059,381</u> | <u>\$ 45,117</u> | <u>\$ 163,652</u> | <u>\$ 2,205,281</u> | <u>\$ 1,277,979</u>         | <u>\$ 65,438</u>     |

continued...

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

|   | Maintenance<br>of Effort | Concealed<br>Pistol<br>Licenses | Total                |
|---|--------------------------|---------------------------------|----------------------|
| <b>Assets</b>   |                          |                                 |                      |
| Cash and pooled investments   | \$ 2,439,721             | \$ 70,638                       | \$ 8,310,257         |
| Accounts receivable, net  | -                        | -                               | 255,982              |
| Taxes receivable  | 1,050,991                | -                               | 2,101,982            |
| Due from other governments  | -                        | -                               | 1,482,779            |
| Due from other funds  | -                        | -                               | 131,000              |
| Inventories   | -                        | -                               | 183,601              |
| Prepaid items   | -                        | -                               | 25,352               |
|   | <hr/>                    | <hr/>                           | <hr/>                |
| <b>Total assets</b>   | <b>\$ 3,490,712</b>      | <b>\$ 70,638</b>                | <b>\$ 12,490,953</b> |
| <b>Liabilities</b>  |                          |                                 |                      |
| Negative equity in cash<br>and pooled investments                             | \$ -                     | \$ -                            | \$ 203,349           |
| Accounts payable  | 227,768                  | 298                             | 410,795              |
| Accrued payroll   | -                        | -                               | 254,811              |
| Accrued liabilities   | -                        | -                               | 82,730               |
| Due to other funds  | -                        | -                               | 106,190              |
| Advance from other funds  | -                        | -                               | 500,000              |
| Unearned revenue  | -                        | -                               | 188,640              |
|   | <hr/>                    | <hr/>                           | <hr/>                |
| <b>Total liabilities</b>  | <b>227,768</b>           | <b>298</b>                      | <b>1,746,515</b>     |
| <b>Deferred inflows of resources</b>  |                          |                                 |                      |
| Taxes levied for a subsequent period  | 1,062,702                | -                               | 2,125,404            |
|   | <hr/>                    | <hr/>                           | <hr/>                |
| <b>Fund balances</b>  |                          |                                 |                      |
| Nonspendable  | -                        | -                               | 208,953              |
| Restricted  | 2,200,242                | 70,340                          | 7,218,090            |
| Committed   | -                        | -                               | 1,191,991            |
|   | <hr/>                    | <hr/>                           | <hr/>                |
| <b>Total fund balances</b>  | <b>2,200,242</b>         | <b>70,340</b>                   | <b>8,619,034</b>     |
|   | <hr/>                    | <hr/>                           | <hr/>                |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 3,490,712</b>      | <b>\$ 70,638</b>                | <b>\$ 12,490,953</b> |

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# COUNTY OF JACKSON, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

|   | Parks<br>Commission | Cascades<br>Preservation | Friend of<br>the Court | Omnibus<br>Forfeitures |
|---|---------------------|--------------------------|------------------------|------------------------|
| <b>Revenues</b>                             |                     |                          |                        |                        |
| Property taxes                              | \$ -                | \$ -                     | \$ -                   | \$ -                   |
| Licenses, fees, taxes and permits           | -                   | -                        | -                      | -                      |
| Intergovernmental                           | -                   | -                        | 2,861,364              | -                      |
| Charges for services                        | 352,266             | -                        | 278,194                | -                      |
| Fines and forfeitures                       | -                   | -                        | -                      | -                      |
| Investment earnings                         | -                   | -                        | -                      | -                      |
| Rental                                      | -                   | -                        | -                      | -                      |
| Reimbursements                              | -                   | -                        | -                      | -                      |
| Other                                       | -                   | 716,550                  | -                      | -                      |
| <b>Total revenues</b>                       | <b>352,266</b>      | <b>716,550</b>           | <b>3,139,558</b>       | <b>-</b>               |
| <b>Expenditures</b>                         |                     |                          |                        |                        |
| Current:                                    |                     |                          |                        |                        |
| Judicial                                    | -                   | -                        | 3,438,525              | -                      |
| General government                          | -                   | -                        | -                      | -                      |
| Public safety                               | -                   | -                        | -                      | -                      |
| Health and welfare                          | -                   | -                        | -                      | -                      |
| Recreation and cultural                     | 1,137,807           | 717,570                  | -                      | -                      |
| Community development                       | -                   | -                        | -                      | -                      |
| Fair  | -                   | -                        | -                      | -                      |
| <b>Total expenditures</b>                   | <b>1,137,807</b>    | <b>717,570</b>           | <b>3,438,525</b>       | <b>-</b>               |
| <b>Revenues over (under) expenditures</b>   | <b>(785,541)</b>    | <b>(1,020)</b>           | <b>(298,967)</b>       | <b>-</b>               |
| <b>Other financing sources (uses)</b>       |                     |                          |                        |                        |
| Transfers in                                | 833,217             | -                        | 537,329                | -                      |
| Transfers out                               | (42,176)            | -                        | -                      | -                      |
| Proceeds from sale of capital assets        | -                   | -                        | -                      | -                      |
| <b>Total other financing sources (uses)</b> | <b>791,041</b>      | <b>-</b>                 | <b>537,329</b>         | <b>-</b>               |
| <b>Net change in fund balances</b>          | <b>5,500</b>        | <b>(1,020)</b>           | <b>238,362</b>         | <b>-</b>               |
| <b>Fund balances, beginning of year</b>     | <b>138,642</b>      | <b>1,020</b>             | <b>864,616</b>         | <b>981</b>             |
| <b>Fund balances, end of year</b>           | <b>\$ 144,142</b>   | <b>\$ -</b>              | <b>\$ 1,102,978</b>    | <b>\$ 981</b>          |

| Prosecuting Attorney Drug Enforcement | Sheriff Drug Enforcement | County Law Library | Michigan Justice Training | Social Services | Veteran's Trust |
|---------------------------------------|--------------------------|--------------------|---------------------------|-----------------|-----------------|
| \$ -                                  | \$ -                     | \$ -               | \$ -                      | \$ -            | \$ -            |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | 29,127                    | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| 212                                   | 5,594                    | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | 6,500              | 46,726                    | -               | -               |
| 212                                   | 5,594                    | 6,500              | 75,853                    | -               | -               |
| 31,773                                | -                        | 5,744              | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | 6,412                    | -                  | 53,859                    | -               | -               |
| -                                     | -                        | -                  | -                         | 21,750          | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| 31,773                                | 6,412                    | 5,744              | 53,859                    | 21,750          | -               |
| (31,561)                              | (818)                    | 756                | 21,994                    | (21,750)        | -               |
| -                                     | -                        | -                  | 17,950                    | 29,000          | -               |
| -                                     | -                        | -                  | (42,800)                  | -               | -               |
| -                                     | -                        | -                  | -                         | -               | -               |
| -                                     | -                        | -                  | (24,850)                  | 29,000          | -               |
| (31,561)                              | (818)                    | 756                | (2,856)                   | 7,250           | -               |
| 107,530                               | 888                      | 6,128              | 13,430                    | 110,459         | 7,480           |
| \$ 75,969                             | \$ 70                    | \$ 6,884           | \$ 10,574                 | \$ 117,709      | \$ 7,480        |

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, 2017

|   | Airport          | Joint<br>Narcotics | Community<br>Development<br>Block<br>Grant | Register<br>of Deeds<br>Automation<br>Fund |
|---|------------------|--------------------|--|--|
| <b>Revenues</b>                             |                  |                    |  |  |
| Property taxes                              | \$ -             | \$ -               | \$ -                                       | \$ -                                       |
| Licenses, fees, taxes and permits           | 13,902           | -                  | -  | -  |
| Intergovernmental                           | -                | -                  | 118,880                                    | -  |
| Charges for services                        | 21,215           | -                  | -  | 141,635                                    |
| Fines and forfeitures                       | -                | 349,917            | -  | -  |
| Investment earnings                         | -                | 4,567              | -  | 4,146                                      |
| Rental                                      | 275,707          | -                  | -  | -  |
| Reimbursements                              | -                | -                  | -  | -  |
| Other                                       | 24,502           | -                  | 23,713                                     | -  |
| <b>Total revenues</b>                       | <b>335,326</b>   | <b>354,484</b>     | <b>142,593</b>                             | <b>145,781</b>                             |
| <b>Expenditures</b>                         |                  |                    |  |  |
| Current:                                    |                  |                    |  |  |
| Judicial                                    | -                | 575,484            | -  | -  |
| General government                          | -                | -                  | -  | 192,967                                    |
| Public safety                               | -                | -                  | -  | -  |
| Health and welfare                          | -                | -                  | -  | -  |
| Recreation and cultural                     | -                | -                  | -  | -  |
| Community development                       | 548,355          | -                  | 137,024                                    | -  |
| Fair  | -                | -                  | -  | -  |
| <b>Total expenditures</b>                   | <b>548,355</b>   | <b>575,484</b>     | <b>137,024</b>                             | <b>192,967</b>                             |
| <b>Revenues over (under) expenditures</b>   | <b>(213,029)</b> | <b>(221,000)</b>   | <b>5,569</b>                               | <b>(47,186)</b>                            |
| <b>Other financing sources (uses)</b>       |                  |                    |  |  |
| Transfers in                                | 245,705          | -                  | -  | -  |
| Transfers out                               | (27,890)         | (73,940)           | (5,569)                                    | -  |
| Proceeds from sale of capital assets        | -                | -                  | -  | -  |
| <b>Total other financing sources (uses)</b> | <b>217,815</b>   | <b>(73,940)</b>    | <b>(5,569)</b>                             | <b>-</b>                                   |
| <b>Net change in fund balances</b>          | <b>4,786</b>     | <b>(294,940)</b>   | <b>-</b>                                   | <b>(47,186)</b>                            |
| <b>Fund balances, beginning of year</b>     | <b>69</b>        | <b>556,052</b>     | <b>-</b>                                   | <b>440,352</b>                             |
| <b>Fund balances, end of year</b>           | <b>\$ 4,855</b>  | <b>\$ 261,112</b>  | <b>\$ -</b>                                | <b>\$ 393,166</b>                          |



| Child Care          | Golf Courses     | Fair             | Health Department   | Department on Aging Millage | Falling Waters Trail |
|---------------------|------------------|------------------|---------------------|-----------------------------|----------------------|
| \$ -                | \$ -             | \$ -             | \$ -                | \$ 1,056,694                | \$ -                 |
| -                   | -                | -                | 348,881             | -                           | -                    |
| 3,078,674           | -                | -                | 3,099,165           | -                           | 99,390               |
| 94,381              | 592,801          | 1,161,885        | 321,756             | -                           | 50,000               |
| -                   | -                | -                | -                   | -                           | -                    |
| -                   | -                | 1,672            | -                   | 6,771                       | -                    |
| 89,490              | -                | -                | -                   | -                           | -                    |
| -                   | -                | -                | 3,762,790           | -                           | -                    |
| 34,465              | -                | 53,403           | 4,330               | -                           | 48,906               |
| <u>3,297,010</u>    | <u>592,801</u>   | <u>1,216,960</u> | <u>7,536,922</u>    | <u>1,063,465</u>            | <u>198,296</u>       |
| 131,717             | -                | -                | -                   | -                           | -                    |
| -                   | -                | -                | -                   | -                           | -                    |
| 3,098,278           | -                | -                | -                   | -                           | -                    |
| 2,927,820           | -                | -                | 6,989,818           | -                           | -                    |
| -                   | 492,565          | -                | -                   | -                           | 273,657              |
| -                   | -                | -                | -                   | -                           | -                    |
| -                   | -                | 1,456,247        | -                   | -                           | -                    |
| <u>6,157,815</u>    | <u>492,565</u>   | <u>1,456,247</u> | <u>6,989,818</u>    | <u>-</u>                    | <u>273,657</u>       |
| <u>(2,860,805)</u>  | <u>100,236</u>   | <u>(239,287)</u> | <u>547,104</u>      | <u>1,063,465</u>            | <u>(75,361)</u>      |
| 3,230,250           | -                | 131,000          | 219,701             | -                           | -                    |
| -                   | (92,500)         | -                | -                   | (1,363,600)                 | -                    |
| -                   | -                | 307              | -                   | 19,007                      | -                    |
| <u>3,230,250</u>    | <u>(92,500)</u>  | <u>131,307</u>   | <u>219,701</u>      | <u>(1,344,593)</u>          | <u>-</u>             |
| 369,445             | 7,736            | (107,980)        | 766,805             | (281,128)                   | (75,361)             |
| 1,593,665           | 36,462           | 108,360          | 1,167,519           | 496,405                     | 140,604              |
| <u>\$ 1,963,110</u> | <u>\$ 44,198</u> | <u>\$ 380</u>    | <u>\$ 1,934,324</u> | <u>\$ 215,277</u>           | <u>\$ 65,243</u>     |

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# COUNTY OF JACKSON, MICHIGAN

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

|   | Maintenance<br>of Effort | Concealed<br>Pistol<br>Licenses | Total               |
|---|--------------------------|---------------------------------|---------------------|
| <b>Revenues</b>                             |                          |                                 |                     |
| Property taxes                              | \$ 1,055,402             | \$ -                            | \$ 2,112,096        |
| Licenses, fees, taxes and permits           | -                        | 77,794                          | 440,577             |
| Intergovernmental                           | -                        | -                               | 9,286,600           |
| Charges for services                        | -                        | -                               | 3,014,133           |
| Fines and forfeitures                       | -                        | -                               | 355,723             |
| Investment earnings                         | 26,539                   | -                               | 43,695              |
| Rental                                      | -                        | -                               | 365,197             |
| Reimbursements                              | -                        | -                               | 3,762,790           |
| Other                                       | -                        | -                               | 959,095             |
| <b>Total revenues</b>                       | <b>1,081,941</b>         | <b>77,794</b>                   | <b>20,339,906</b>   |
| <b>Expenditures</b>                         |                          |                                 |                     |
| Current:                                    |                          |                                 |                     |
| Judicial                                    | -                        | 8,484                           | 4,191,727           |
| General government                          | -                        | -                               | 192,967             |
| Public safety                               | -                        | -                               | 3,158,549           |
| Health and welfare                          | 330,799                  | -                               | 10,270,187          |
| Recreation and cultural                     | -                        | -                               | 2,621,599           |
| Community development                       | -                        | -                               | 685,379             |
| Fair  | -                        | -                               | 1,456,247           |
| <b>Total expenditures</b>                   | <b>330,799</b>           | <b>8,484</b>                    | <b>22,576,655</b>   |
| <b>Revenues over (under) expenditures</b>   | <b>751,142</b>           | <b>69,310</b>                   | <b>(2,236,749)</b>  |
| <b>Other financing sources (uses)</b>       |                          |                                 |                     |
| Transfers in                                | -                        | -                               | 5,244,152           |
| Transfers out                               | (140,259)                | (75,000)                        | (1,863,734)         |
| Proceeds from sale of capital assets        | -                        | -                               | 19,314              |
| <b>Total other financing sources (uses)</b> | <b>(140,259)</b>         | <b>(75,000)</b>                 | <b>3,399,732</b>    |
| <b>Net change in fund balances</b>          | <b>610,883</b>           | <b>(5,690)</b>                  | <b>1,162,983</b>    |
| <b>Fund balances, beginning of year</b>     | <b>1,589,359</b>         | <b>76,030</b>                   | <b>7,456,051</b>    |
| <b>Fund balances, end of year</b>           | <b>\$ 2,200,242</b>      | <b>\$ 70,340</b>                | <b>\$ 8,619,034</b> |

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# 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, 2017

|   | Parks Commission  |                   |                     |
|---|-------------------|-------------------|---------------------|
|   | Amended Budget    | Actual            | Over (Under) Budget |
| <b>Revenues</b>                             |                   |                   |                     |
| Property taxes                              | \$ -              | \$ -              | \$ -                |
| Licenses, fees, taxes and permits           | -                 | -                 | -                   |
| Intergovernmental                           | -                 | -                 | -                   |
| Charges for services                        | 430,010           | 352,266           | (77,744)            |
| Fines and forfeitures                       | -                 | -                 | -                   |
| Investment earnings                         | -                 | -                 | -                   |
| Rental                                      | -                 | -                 | -                   |
| Reimbursements                              | -                 | -                 | -                   |
| Other                                       | 1,500             | -                 | (1,500)             |
| <b>Total revenues</b>                       | <b>431,510</b>    | <b>352,266</b>    | <b>(79,244)</b>     |
| <b>Expenditures</b>                         |                   |                   |                     |
| Current:                                    |                   |                   |                     |
| Judicial                                    | -                 | -                 | -                   |
| General government                          | -                 | -                 | -                   |
| Public safety                               | -                 | -                 | -                   |
| Health and welfare                          | -                 | -                 | -                   |
| Recreation and culture                      | 1,194,051         | 1,137,807         | (56,244)            |
| Community development                       | -                 | -                 | -                   |
| Fair  | -                 | -                 | -                   |
| <b>Total expenditures</b>                   | <b>1,194,051</b>  | <b>1,137,807</b>  | <b>(56,244)</b>     |
| <b>Revenues over (under) expenditures</b>   | <b>(762,541)</b>  | <b>(785,541)</b>  | <b>(23,000)</b>     |
| <b>Other financing sources (uses)</b>       |                   |                   |                     |
| Transfers in                                | 784,717           | 833,217           | 48,500              |
| Transfers out                               | (42,176)          | (42,176)          | -                   |
| Proceeds from sale of capital assets        | -                 | -                 | -                   |
| <b>Total other financing sources (uses)</b> | <b>742,541</b>    | <b>791,041</b>    | <b>48,500</b>       |
| <b>Net change in fund balances</b>          | <b>(20,000)</b>   | <b>5,500</b>      | <b>25,500</b>       |
| <b>Fund balances, beginning of year</b>     | <b>138,642</b>    | <b>138,642</b>    | <b>-</b>            |
| <b>Fund balances, end of year</b>           | <b>\$ 118,642</b> | <b>\$ 144,142</b> | <b>\$ 25,500</b>    |

| Cascades Preservation |         |                     | Friend of the Court |              |                     |
|-----------------------|---------|---------------------|---------------------|--------------|---------------------|
| Amended Budget        | Actual  | Over (Under) Budget | Amended Budget      | Actual       | Over (Under) Budget |
| \$ -                  | \$ -    | \$ -                | \$ -                | \$ -         | \$ -                |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | 2,830,737           | 2,861,364    | 30,627              |
| -                     | -       | -                   | 270,852             | 278,194      | 7,342               |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| 550,000               | 716,550 | 166,550             | -                   | -            | -                   |
| 550,000               | 716,550 | 166,550             | 3,101,589           | 3,139,558    | 37,969              |
| -                     | -       | -                   | 3,604,171           | 3,438,525    | (165,646)           |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| 605,902               | 717,570 | 111,668             | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| 605,902               | 717,570 | 111,668             | 3,604,171           | 3,438,525    | (165,646)           |
| (55,902)              | (1,020) | 54,882              | (502,582)           | (298,967)    | 203,615             |
| -                     | -       | -                   | 502,582             | 537,329      | 34,747              |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | -                   | -            | -                   |
| -                     | -       | -                   | 502,582             | 537,329      | 34,747              |
| (55,902)              | (1,020) | 54,882              | -                   | 238,362      | 238,362             |
| 1,020                 | 1,020   | -                   | 864,616             | 864,616      | -                   |
| \$ (54,882)           | \$ -    | \$ 54,882           | \$ 864,616          | \$ 1,102,978 | \$ 238,362          |

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, 2017

|   | 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                                      | -                   | -             | -                   |
| Reimbursements                              | -                   | -             | -                   |
| 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>\$ 981</u>       | <u>\$ 981</u> | <u>\$ -</u>         |

| Prosecuting Attorney Drug Enforcement |                  |                     | Sheriff Drug Enforcement |              |                     |
|---------------------------------------|------------------|---------------------|--------------------------|--------------|---------------------|
| Amended Budget                        | Actual           | Over (Under) Budget | Amended Budget           | Actual       | Over (Under) Budget |
| \$ -                                  | \$ -             | \$ -                | \$ -                     | \$ -         | \$ -                |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| 40,000                                | 212              | (39,788)            | 16,000                   | 5,594        | (10,406)            |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| <u>40,000</u>                         | <u>212</u>       | <u>(39,788)</u>     | <u>16,000</u>            | <u>5,594</u> | <u>(10,406)</u>     |
| 40,000                                | 31,773           | (8,227)             | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | 16,000                   | 6,412        | (9,588)             |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| <u>40,000</u>                         | <u>31,773</u>    | <u>(8,227)</u>      | <u>16,000</u>            | <u>6,412</u> | <u>(9,588)</u>      |
| -                                     | (31,561)         | (31,561)            | -                        | (818)        | (818)               |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | -                | -                   | -                        | -            | -                   |
| -                                     | (31,561)         | (31,561)            | -                        | (818)        | (818)               |
| 107,530                               | 107,530          | -                   | 888                      | 888          | -                   |
| <u>\$ 107,530</u>                     | <u>\$ 75,969</u> | <u>\$ (31,561)</u>  | <u>\$ 888</u>            | <u>\$ 70</u> | <u>\$ (818)</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, 2017

|   | 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                                      | -                  | -               | -                   |
| Reimbursements                              | -                  | -               | -                   |
| Other                                       | 6,500              | 6,500           | -                   |
| <b>Total revenues</b>                       | <u>6,500</u>       | <u>6,500</u>    | <u>-</u>            |
| <b>Expenditures</b>                         |                    |                 |                     |
| Current:                                    |                    |                 |                     |
| Judicial                                    | 6,500              | 5,744           | (756)               |
| General government                          | -                  | -               | -                   |
| Public safety                               | -                  | -               | -                   |
| Health and welfare                          | -                  | -               | -                   |
| Recreation and culture                      | -                  | -               | -                   |
| Community development                       | -                  | -               | -                   |
| Fair  | -                  | -               | -                   |
| <b>Total expenditures</b>                   | <u>6,500</u>       | <u>5,744</u>    | <u>(756)</u>        |
| <b>Revenues over (under) expenditures</b>   | <u>-</u>           | <u>756</u>      | <u>756</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>          | -                  | 756             | 756                 |
| <b>Fund balances, beginning of year</b>     | <u>6,128</u>       | <u>6,128</u>    | <u>-</u>            |
| <b>Fund balances, end of year</b>           | <u>\$ 6,128</u>    | <u>\$ 6,884</u> | <u>\$ 756</u>       |



| Michigan Justice Training |                  |                     | Social Services   |                   |                     |
|---------------------------|------------------|---------------------|-------------------|-------------------|---------------------|
| Amended Budget            | Actual           | Over (Under) Budget | Amended Budget    | Actual            | Over (Under) Budget |
| \$ -                      | \$ -             | \$ -                | \$ -              | \$ -              | \$ -                |
| -                         | -                | -                   | -                 | -                 | -                   |
| 18,000                    | 29,127           | 11,127              | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| 48,000                    | 46,726           | (1,274)             | -                 | -                 | -                   |
| <u>66,000</u>             | <u>75,853</u>    | <u>9,853</u>        | <u>-</u>          | <u>-</u>          | <u>-</u>            |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| 44,600                    | 53,859           | 9,259               | -                 | -                 | -                   |
| -                         | -                | -                   | 29,000            | 21,750            | (7,250)             |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| <u>44,600</u>             | <u>53,859</u>    | <u>9,259</u>        | <u>29,000</u>     | <u>21,750</u>     | <u>(7,250)</u>      |
| <u>21,400</u>             | <u>21,994</u>    | <u>(594)</u>        | <u>(29,000)</u>   | <u>(21,750)</u>   | <u>7,250</u>        |
| -                         | 17,950           | 17,950              | 29,000            | 29,000            | -                   |
| (21,400)                  | (42,800)         | 21,400              | -                 | -                 | -                   |
| -                         | -                | -                   | -                 | -                 | -                   |
| <u>(21,400)</u>           | <u>(24,850)</u>  | <u>39,350</u>       | <u>29,000</u>     | <u>29,000</u>     | <u>-</u>            |
| -                         | (2,856)          | 39,944              | -                 | 7,250             | 7,250               |
| 13,430                    | 13,430           | -                   | 110,459           | 110,459           | -                   |
| <u>\$ 13,430</u>          | <u>\$ 10,574</u> | <u>\$ 39,944</u>    | <u>\$ 110,459</u> | <u>\$ 117,709</u> | <u>\$ 7,250</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, 2017

|   | Veterans Trust |          |                     |
|---|----------------|----------|---------------------|
|   | Amended Budget | Actual   | Over (Under) Budget |
| <b>Revenues</b>                             |                |          |                     |
| Property taxes                              | \$ -           | \$ -     | \$ -                |
| Licenses, fees, taxes and permits           | -              | -        | -                   |
| Intergovernmental                           | 75,000         | -        | (75,000)            |
| Charges for services                        | -              | -        | -                   |
| Fines and forfeitures                       | -              | -        | -                   |
| Investment earnings                         | -              | -        | -                   |
| Rental                                      | -              | -        | -                   |
| Reimbursements                              | -              | -        | -                   |
| Other                                       | -              | -        | -                   |
| <b>Total revenues</b>                       | <b>75,000</b>  | <b>-</b> | <b>(75,000)</b>     |
| <b>Expenditures</b>                         |                |          |                     |
| Current:                                    |                |          |                     |
| Judicial                                    | -              | -        | -                   |
| General government                          | -              | -        | -                   |
| Public safety                               | -              | -        | -                   |
| Health and welfare                          | 75,000         | -        | (75,000)            |
| Recreation and culture                      | -              | -        | -                   |
| Community development                       | -              | -        | -                   |
| Fair  | -              | -        | -                   |
| <b>Total expenditures</b>                   | <b>75,000</b>  | <b>-</b> | <b>(75,000)</b>     |
| Revenues over (under) expenditures          | -              | -        | -                   |
| <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                 | -              | -        | -                   |
| Fund balances, beginning of year            | 7,480          | 7,480    | -                   |
| Fund balances, end of year                  | \$ 7,480       | \$ 7,480 | \$ -                |

| Airport          |                  |                     | Joint Narcotics   |                   |                     |
|------------------|------------------|---------------------|-------------------|-------------------|---------------------|
| Amended Budget   | Actual           | Over (Under) Budget | Amended Budget    | Actual            | Over (Under) Budget |
| \$ -             | \$ -             | \$ -                | \$ -              | \$ -              | \$ -                |
| 17,250           | 13,902           | (3,348)             | -                 | -                 | -                   |
| 4,850            | -                | (4,850)             | -                 | -                 | -                   |
| 19,950           | 21,215           | 1,265               | -                 | -                 | -                   |
| -                | -                | -                   | 120,000           | 349,917           | 229,917             |
| -                | -                | -                   | -                 | 4,567             | 4,567               |
| 271,835          | 275,707          | 3,872               | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 25,900           | 24,502           | (1,398)             | -                 | -                 | -                   |
| <u>339,785</u>   | <u>335,326</u>   | <u>(4,459)</u>      | <u>120,000</u>    | <u>354,484</u>    | <u>234,484</u>      |
| -                | -                | -                   | 64,010            | 575,484           | 511,474             |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| 556,150          | 548,355          | (7,795)             | -                 | -                 | -                   |
| -                | -                | -                   | -                 | -                 | -                   |
| <u>556,150</u>   | <u>548,355</u>   | <u>(7,795)</u>      | <u>64,010</u>     | <u>575,484</u>    | <u>511,474</u>      |
| <u>(216,365)</u> | <u>(213,029)</u> | <u>3,336</u>        | <u>55,990</u>     | <u>(221,000)</u>  | <u>(276,990)</u>    |
| 244,255          | 245,705          | 1,450               | -                 | -                 | -                   |
| (27,890)         | (27,890)         | -                   | (55,990)          | (73,940)          | 17,950              |
| -                | -                | -                   | -                 | -                 | -                   |
| <u>216,365</u>   | <u>217,815</u>   | <u>1,450</u>        | <u>(55,990)</u>   | <u>(73,940)</u>   | <u>(17,950)</u>     |
| -                | 4,786            | 4,786               | -                 | (294,940)         | (294,940)           |
| 69               | 69               | -                   | 556,052           | 556,052           | -                   |
| <u>\$ 69</u>     | <u>\$ 4,855</u>  | <u>\$ 4,786</u>     | <u>\$ 556,052</u> | <u>\$ 261,112</u> | <u>\$ (294,940)</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, 2017

|   | Community Development Block Grant |                |                     |
|---|-----------------------------------|----------------|---------------------|
|   | Amended Budget                    | Actual         | Over (Under) Budget |
| <b>Revenues</b>                             |                                   |                |                     |
| Property taxes                              | \$ -                              | \$ -           | \$ -                |
| Licenses, fees, taxes and permits           | -                                 | -              | -                   |
| Intergovernmental                           | 90,000                            | 118,880        | 28,880              |
| Charges for services                        | -                                 | -              | -                   |
| Fines and forfeitures                       | -                                 | -              | -                   |
| Investment earnings                         | -                                 | -              | -                   |
| Rental                                      | -                                 | -              | -                   |
| Reimbursements                              | -                                 | -              | -                   |
| Other                                       | -                                 | 23,713         | 23,713              |
| <b>Total revenues</b>                       | <b>90,000</b>                     | <b>142,593</b> | <b>52,593</b>       |
| <b>Expenditures</b>                         |                                   |                |                     |
| Current:                                    |                                   |                |                     |
| Judicial                                    | -                                 | -              | -                   |
| General government                          | -                                 | -              | -                   |
| Public safety                               | -                                 | -              | -                   |
| Health and welfare                          | -                                 | -              | -                   |
| Recreation and culture                      | -                                 | -              | -                   |
| Community development                       | 90,000                            | 137,024        | 47,024              |
| Fair  | -                                 | -              | -                   |
| <b>Total expenditures</b>                   | <b>90,000</b>                     | <b>137,024</b> | <b>47,024</b>       |
| Revenues over (under) expenditures          | -                                 | 5,569          | 5,569               |
| <b>Other financing sources (uses)</b>       |                                   |                |                     |
| Transfers in                                | -                                 | -              | -                   |
| Transfers out                               | -                                 | (5,569)        | 5,569               |
| Proceeds from sale of capital assets        | -                                 | -              | -                   |
| <b>Total other financing sources (uses)</b> | <b>-</b>                          | <b>(5,569)</b> | <b>(5,569)</b>      |
| Net change in fund balances                 | -                                 | -              | -                   |
| Fund balances, beginning of year            | -                                 | -              | -                   |
| <b>Fund balances, end of year</b>           | <b>\$ -</b>                       | <b>\$ -</b>    | <b>\$ -</b>         |

| Register of Deeds Automation |                   |                     | Child Care          |                     |                     |
|------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Amended Budget               | Actual            | Over (Under) Budget | Amended Budget      | Actual              | Over (Under) Budget |
| \$ -                         | \$ -              | \$ -                | \$ -                | \$ -                | \$ -                |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | 3,523,506           | 3,078,674           | (444,832)           |
| 148,500                      | 141,635           | (6,865)             | 30,000              | 94,381              | 64,381              |
| -                            | -                 | -                   | -                   | -                   | -                   |
| 500                          | 4,146             | 3,646               | -                   | -                   | -                   |
| -                            | -                 | -                   | 17,000              | 89,490              | 72,490              |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | 22,000              | 34,465              | 12,465              |
| <u>149,000</u>               | <u>145,781</u>    | <u>(3,219)</u>      | <u>3,592,506</u>    | <u>3,297,010</u>    | <u>(295,496)</u>    |
| -                            | -                 | -                   | 877,000             | 131,717             | (745,283)           |
| 208,000                      | 192,967           | (15,033)            | -                   | -                   | -                   |
| -                            | -                 | -                   | 3,349,194           | 3,098,278           | (250,916)           |
| -                            | -                 | -                   | 2,934,622           | 2,927,820           | (6,802)             |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | -                   | -                   | -                   |
| <u>208,000</u>               | <u>192,967</u>    | <u>(15,033)</u>     | <u>7,160,816</u>    | <u>6,157,815</u>    | <u>(1,003,001)</u>  |
| <u>(59,000)</u>              | <u>(47,186)</u>   | <u>11,814</u>       | <u>(3,568,310)</u>  | <u>(2,860,805)</u>  | <u>707,505</u>      |
| -                            | -                 | -                   | 3,230,250           | 3,230,250           | -                   |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | -                   | -                   | -                   |
| -                            | -                 | -                   | 3,230,250           | 3,230,250           | -                   |
| (59,000)                     | (47,186)          | 11,814              | (338,060)           | 369,445             | 707,505             |
| 440,352                      | 440,352           | -                   | 1,593,665           | 1,593,665           | -                   |
| <u>\$ 381,352</u>            | <u>\$ 393,166</u> | <u>\$ 11,814</u>    | <u>\$ 1,255,605</u> | <u>\$ 1,963,110</u> | <u>\$ 707,505</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, 2017

|   | Golf Courses     |                  |                     |
|---|------------------|------------------|---------------------|
|   | Amended Budget   | Actual           | Over (Under) Budget |
| <b>Revenues</b>                             |                  |                  |                     |
| Property taxes                              | \$ -             | \$ -             | \$ -                |
| Licenses, fees, taxes and permits           | -                | -                | -                   |
| Intergovernmental                           | -                | -                | -                   |
| Charges for services                        | 607,950          | 592,801          | (15,149)            |
| Fines and forfeitures                       | -                | -                | -                   |
| Investment earnings                         | -                | -                | -                   |
| Rental                                      | -                | -                | -                   |
| Reimbursements                              | -                | -                | -                   |
| Other                                       | -                | -                | -                   |
| <b>Total revenues</b>                       | <b>607,950</b>   | <b>592,801</b>   | <b>(15,149)</b>     |
| <b>Expenditures</b>                         |                  |                  |                     |
| Current:                                    |                  |                  |                     |
| Judicial                                    | -                | -                | -                   |
| General government                          | -                | -                | -                   |
| Public safety                               | -                | -                | -                   |
| Health and welfare                          | -                | -                | -                   |
| Recreation and culture                      | 509,642          | 492,565          | (17,077)            |
| Community development                       | -                | -                | -                   |
| Fair  | -                | -                | -                   |
| <b>Total expenditures</b>                   | <b>509,642</b>   | <b>492,565</b>   | <b>(17,077)</b>     |
| <b>Revenues over (under) expenditures</b>   | <b>98,308</b>    | <b>100,236</b>   | <b>1,928</b>        |
| <b>Other financing sources (uses)</b>       |                  |                  |                     |
| Transfers in                                | -                | -                | -                   |
| Transfers out                               | (92,500)         | (92,500)         | -                   |
| Proceeds from sale of capital assets        | -                | -                | -                   |
| <b>Total other financing sources (uses)</b> | <b>(92,500)</b>  | <b>(92,500)</b>  | <b>-</b>            |
| <b>Net change in fund balances</b>          | <b>5,808</b>     | <b>7,736</b>     | <b>1,928</b>        |
| <b>Fund balances, beginning of year</b>     | <b>36,462</b>    | <b>36,462</b>    | <b>-</b>            |
| <b>Fund balances, end of year</b>           | <b>\$ 42,270</b> | <b>\$ 44,198</b> | <b>\$ 1,928</b>     |

| Fair             |                  |                     | Health Department   |                     |                     |
|------------------|------------------|---------------------|---------------------|---------------------|---------------------|
| Amended Budget   | Actual           | Over (Under) Budget | Amended Budget      | Actual              | Over (Under) Budget |
| \$ -             | \$ -             | \$ -                | \$ -                | \$ -                | \$ -                |
| -                | -                | -                   | 341,237             | 348,881             | 7,644               |
| -                | -                | -                   | 3,195,867           | 3,099,165           | (96,702)            |
| 1,296,275        | 1,161,885        | (134,390)           | 463,750             | 321,756             | (141,994)           |
| -                | -                | -                   | -                   | -                   | -                   |
| 500              | 1,672            | 1,172               | 315                 | -                   | (315)               |
| -                | -                | -                   | -                   | -                   | -                   |
| -                | -                | -                   | 3,438,126           | 3,762,790           | 324,664             |
| 68,700           | 53,403           | (15,297)            | 5,025               | 4,330               | (695)               |
| <u>1,365,475</u> | <u>1,216,960</u> | <u>(148,515)</u>    | <u>7,444,320</u>    | <u>7,536,922</u>    | <u>92,602</u>       |
| -                | -                | -                   | -                   | -                   | -                   |
| -                | -                | -                   | -                   | -                   | -                   |
| -                | -                | -                   | -                   | -                   | -                   |
| -                | -                | -                   | 7,664,021           | 6,989,818           | (674,203)           |
| -                | -                | -                   | -                   | -                   | -                   |
| -                | -                | -                   | -                   | -                   | -                   |
| 1,474,275        | 1,456,247        | (18,028)            | -                   | -                   | -                   |
| <u>1,474,275</u> | <u>1,456,247</u> | <u>(18,028)</u>     | <u>7,664,021</u>    | <u>6,989,818</u>    | <u>(674,203)</u>    |
| <u>(108,800)</u> | <u>(239,287)</u> | <u>(130,487)</u>    | <u>(219,701)</u>    | <u>547,104</u>      | <u>766,805</u>      |
| -                | 131,000          | 131,000             | 219,701             | 219,701             | -                   |
| -                | -                | -                   | -                   | -                   | -                   |
| 500              | 307              | (193)               | -                   | -                   | -                   |
| <u>500</u>       | <u>131,307</u>   | <u>130,807</u>      | <u>219,701</u>      | <u>219,701</u>      | <u>-</u>            |
| (108,300)        | (107,980)        | 320                 | -                   | 766,805             | 766,805             |
| 108,360          | 108,360          | -                   | 1,167,519           | 1,167,519           | -                   |
| <u>\$ 60</u>     | <u>\$ 380</u>    | <u>\$ 320</u>       | <u>\$ 1,167,519</u> | <u>\$ 1,934,324</u> | <u>\$ 766,805</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, 2017

|   | Department on Aging Millage |                    |                     |
|---|-----------------------------|--------------------|---------------------|
|   | Amended Budget              | Actual             | Over (Under) Budget |
| <b>Revenues</b>                             |                             |                    |                     |
| Property taxes                              | \$ 1,100,000                | \$ 1,056,694       | \$ (43,306)         |
| Licenses, fees, taxes and permits           | -                           | -                  | -                   |
| Intergovernmental                           | -                           | -                  | -                   |
| Charges for services                        | -                           | -                  | -                   |
| Fines and forfeitures                       | -                           | -                  | -                   |
| Investment earnings                         | -                           | 6,771              | 6,771               |
| Rental                                      | -                           | -                  | -                   |
| Reimbursements                              | -                           | -                  | -                   |
| Other                                       | -                           | -                  | -                   |
| <b>Total revenues</b>                       | <u>1,100,000</u>            | <u>1,063,465</u>   | <u>(36,535)</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>1,100,000</u>            | <u>1,063,465</u>   | <u>(36,535)</u>     |
| <b>Other financing sources (uses)</b>       |                             |                    |                     |
| Transfers in                                | -                           | -                  | -                   |
| Transfers out                               | (1,363,600)                 | (1,363,600)        | -                   |
| Proceeds from sale of capital assets        | -                           | 19,007             | 19,007              |
| <b>Total other financing sources (uses)</b> | <u>(1,363,600)</u>          | <u>(1,344,593)</u> | <u>19,007</u>       |
| <b>Net change in fund balances</b>          | <u>(263,600)</u>            | <u>(281,128)</u>   | <u>(17,528)</u>     |
| <b>Fund balances, beginning of year</b>     | <u>496,405</u>              | <u>496,405</u>     | <u>-</u>            |
| <b>Fund balances, end of year</b>           | <u>\$ 232,805</u>           | <u>\$ 215,277</u>  | <u>\$ (17,528)</u>  |



| Falling Waters Trail |                  |                     | Maintenance of Effort |                     |                     |
|----------------------|------------------|---------------------|-----------------------|---------------------|---------------------|
| Amended Budget       | Actual           | Over (Under) Budget | Amended Budget        | Actual              | Over (Under) Budget |
| \$ -                 | \$ -             | \$ -                | \$ 900,000            | \$ 1,055,402        | \$ 155,402          |
| -                    | -                | -                   | -                     | -                   | -                   |
| 173,500              | 99,390           | (74,110)            | -                     | -                   | -                   |
| 11,000               | 50,000           | 39,000              | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | 26,539              | 26,539              |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| 119,002              | 48,906           | (70,096)            | -                     | -                   | -                   |
| <u>303,502</u>       | <u>198,296</u>   | <u>(105,206)</u>    | <u>900,000</u>        | <u>1,081,941</u>    | <u>181,941</u>      |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | 782,772               | 330,799             | (451,973)           |
| 502,345              | 273,657          | (228,688)           | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| <u>502,345</u>       | <u>273,657</u>   | <u>(228,688)</u>    | <u>782,772</u>        | <u>330,799</u>      | <u>(451,973)</u>    |
| <u>(198,843)</u>     | <u>(75,361)</u>  | <u>123,482</u>      | <u>117,228</u>        | <u>751,142</u>      | <u>633,914</u>      |
| -                    | -                | -                   | 23,031                | -                   | (23,031)            |
| -                    | -                | -                   | (140,259)             | (140,259)           | -                   |
| -                    | -                | -                   | -                     | -                   | -                   |
| <u>-</u>             | <u>-</u>         | <u>-</u>            | <u>(117,228)</u>      | <u>(140,259)</u>    | <u>(23,031)</u>     |
| <u>(198,843)</u>     | <u>(75,361)</u>  | <u>123,482</u>      | <u>-</u>              | <u>610,883</u>      | <u>610,883</u>      |
| <u>140,604</u>       | <u>140,604</u>   | <u>-</u>            | <u>1,589,359</u>      | <u>1,589,359</u>    | <u>-</u>            |
| <u>\$ (58,239)</u>   | <u>\$ 65,243</u> | <u>\$ 123,482</u>   | <u>\$ 1,589,359</u>   | <u>\$ 2,200,242</u> | <u>\$ 610,883</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, 2017

|   | Concealed Pistol Licenses |                  |                     |
|---|---------------------------|------------------|---------------------|
|   | Amended Budget            | Actual           | Over (Under) Budget |
| <b>Revenues</b>                             |                           |                  |                     |
| Property taxes                              | \$ -                      | \$ -             | \$ -                |
| Licenses, fees, taxes and permits           | 75,000                    | 77,794           | 2,794               |
| Intergovernmental                           | -                         | -                | -                   |
| Charges for services                        | -                         | -                | -                   |
| Fines and forfeitures                       | -                         | -                | -                   |
| Investment earnings                         | -                         | -                | -                   |
| Rental                                      | -                         | -                | -                   |
| Reimbursements                              | -                         | -                | -                   |
| Other                                       | -                         | -                | -                   |
| <b>Total revenues</b>                       | <b>75,000</b>             | <b>77,794</b>    | <b>2,794</b>        |
| <b>Expenditures</b>                         |                           |                  |                     |
| Current:                                    |                           |                  |                     |
| Judicial                                    | 7,600                     | 8,484            | 884                 |
| General government                          | -                         | -                | -                   |
| Public safety                               | -                         | -                | -                   |
| Health and welfare                          | -                         | -                | -                   |
| Recreation and culture                      | -                         | -                | -                   |
| Community development                       | -                         | -                | -                   |
| Fair  | -                         | -                | -                   |
| <b>Total expenditures</b>                   | <b>7,600</b>              | <b>8,484</b>     | <b>884</b>          |
| <b>Revenues over (under) expenditures</b>   | <b>67,400</b>             | <b>69,310</b>    | <b>1,910</b>        |
| <b>Other financing sources (uses)</b>       |                           |                  |                     |
| Transfers in                                | -                         | -                | -                   |
| Transfers out                               | (76,000)                  | (75,000)         | (1,000)             |
| Proceeds from sale of capital assets        | -                         | -                | -                   |
| <b>Total other financing sources (uses)</b> | <b>(76,000)</b>           | <b>(75,000)</b>  | <b>1,000</b>        |
| <b>Net change in fund balances</b>          | <b>(8,600)</b>            | <b>(5,690)</b>   | <b>2,910</b>        |
| <b>Fund balances, beginning of year</b>     | <b>76,030</b>             | <b>76,030</b>    | <b>-</b>            |
| <b>Fund balances, end of year</b>           | <b>\$ 67,430</b>          | <b>\$ 70,340</b> | <b>\$ 2,910</b>     |

concluded

COUNTY OF JACKSON, MICHIGAN

Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2017

|                             | Series 2015C<br>Airport | Series 2015A<br>Energy | Series 2015B<br>LifeWays | Series 2017B<br>Radios | Total             |
|-----------------------------|-------------------------|------------------------|--------------------------|------------------------|-------------------|
| <b>Assets</b>               |                         |                        |                          |                        |                   |
| Cash and pooled investments | \$ 62,556               | \$ -                   | \$ 18,661                | \$ 95,089              | \$ 176,306        |
| <b>Fund balances</b>        |                         |                        |                          |                        |                   |
| Restricted                  | \$ -                    | \$ -                   | \$ 18,661                | \$ 95,089              | \$ 113,750        |
| Committed                   | 62,556                  | -                      | -                        | -                      | 62,556            |
| <b>Total fund balances</b>  | <b>\$ 62,556</b>        | <b>\$ -</b>            | <b>\$ 18,661</b>         | <b>\$ 95,089</b>       | <b>\$ 176,306</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, 2017

|                                    | Series 2015C<br>Airport | Series 2015A<br>Energy | Series 2015B<br>LifeWays | Series 2017B<br>Radios | Total             |
|------------------------------------|-------------------------|------------------------|--------------------------|------------------------|-------------------|
| <b>Revenues</b>                    |                         |                        |                          |                        |                   |
| Charges for services               | \$ -                    | \$ -                   | \$ 94,825                | \$ -                   | \$ 94,825         |
| Investment earnings                | -                       | -                      | 164                      | 1,623                  | 1,787             |
| <b>Total revenues</b>              | <b>-</b>                | <b>-</b>               | <b>94,989</b>            | <b>1,623</b>           | <b>96,612</b>     |
| <b>Expenditures</b>                |                         |                        |                          |                        |                   |
| Debt service:                      |                         |                        |                          |                        |                   |
| Principal                          | 390,000                 | 100,000                | 50,000                   | -                      | 540,000           |
| Interest                           | 93,628                  | 71,381                 | 45,324                   | 99,251                 | 309,584           |
| <b>Total expenditures</b>          | <b>483,628</b>          | <b>171,381</b>         | <b>95,324</b>            | <b>99,251</b>          | <b>849,584</b>    |
| Revenues under expenditures        | (483,628)               | (171,381)              | (335)                    | (97,628)               | (752,972)         |
| <b>Other financing sources</b>     |                         |                        |                          |                        |                   |
| Transfers in                       | 488,000                 | 171,381                | -                        | 192,717                | 852,098           |
| <b>Net change in fund balances</b> | <b>4,372</b>            | <b>-</b>               | <b>(335)</b>             | <b>95,089</b>          | <b>99,126</b>     |
| Fund balances, beginning of year   | 58,184                  | -                      | 18,996                   | -                      | 77,180            |
| <b>Fund balances, end of year</b>  | <b>\$ 62,556</b>        | <b>\$ -</b>            | <b>\$ 18,661</b>         | <b>\$ 95,089</b>       | <b>\$ 176,306</b> |

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**

Nonmajor Capital Projects Funds  
December 31, 2017

|   | Equipment/<br>Replacement | Sheriff<br>Department<br>Equipment | Public<br>Improvement<br>and Building | Airport<br>Runway<br>Project | Total               |
|---|---------------------------|------------------------------------|---------------------------------------|------------------------------|---------------------|
| <b>Assets</b>                                     |                           |                                    |                                       |                              |                     |
| Cash and pooled investments                       | \$ 1,346,325              | \$ -                               | \$ 2,135,676                          | \$ -                         | \$ 3,482,001        |
| Accounts receivable, net                          | -                         | 648,856                            | 2,207                                 | 108,113                      | 759,176             |
| Prepaid items                                     | 83,887                    | -                                  | -                                     | -                            | 83,887              |
| <b>Total assets</b>                               | <b>\$ 1,430,212</b>       | <b>\$ 648,856</b>                  | <b>\$ 2,137,883</b>                   | <b>\$ 108,113</b>            | <b>\$ 4,325,064</b> |
| <b>Liabilities</b>                                |                           |                                    |                                       |                              |                     |
| Negative equity in cash<br>and pooled investments | \$ -                      | \$ 260,259                         | \$ -                                  | \$ 108,113                   | \$ 368,372          |
| Accounts payable                                  | 352,343                   | 2,955                              | 24,650                                | -                            | 379,948             |
| <b>Total liabilities</b>                          | <b>352,343</b>            | <b>263,214</b>                     | <b>24,650</b>                         | <b>108,113</b>               | <b>748,320</b>      |
| <b>Fund balances</b>                              |                           |                                    |                                       |                              |                     |
| Nonspendable                                      | 83,887                    | -                                  | -                                     | -                            | 83,887              |
| Committed   | 993,982                   | 385,642                            | 2,113,233                             | -                            | 3,492,857           |
| <b>Total fund balances</b>                        | <b>1,077,869</b>          | <b>385,642</b>                     | <b>2,113,233</b>                      | <b>-</b>                     | <b>3,576,744</b>    |
| <b>Total liabilities and fund balances</b>        | <b>\$ 1,430,212</b>       | <b>\$ 648,856</b>                  | <b>\$ 2,137,883</b>                   | <b>\$ 108,113</b>            | <b>\$ 4,325,064</b> |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2017

|   | Equipment/<br>Replacement | Sheriff<br>Department<br>Equipment | Public<br>Improvement<br>and Building | Airport<br>Runway<br>Project | Total               |
|---|---------------------------|------------------------------------|---------------------------------------|------------------------------|---------------------|
| <b>Revenues</b>                             |                           |                                    |                                       |                              |                     |
| Intergovernmental                           | \$ 46,631                 | \$ -                               | \$ 1,176,646                          | \$ 111,890                   | \$ 1,335,167        |
| Investment earnings                         | -                         | -                                  | 11,222                                | -                            | 11,222              |
| Rental                                      | 10,747                    | -                                  | -                                     | -                            | 10,747              |
| Telephone surcharge                         | -                         | 2,700,087                          | -                                     | -                            | 2,700,087           |
| Other                                       | -                         | 89,577                             | 770                                   | -                            | 90,347              |
| <b>Total revenues</b>                       | <b>57,378</b>             | <b>2,789,664</b>                   | <b>1,188,638</b>                      | <b>111,890</b>               | <b>4,147,570</b>    |
| <b>Expenditures</b>                         |                           |                                    |                                       |                              |                     |
| Debt service:                               |                           |                                    |                                       |                              |                     |
| Interest                                    | -                         | -                                  | 36,816                                | -                            | 36,816              |
| Issuance costs                              | -                         | -                                  | 63,506                                | -                            | 63,506              |
| Capital outlay                              | 967,316                   | 240,973                            | 9,265,593                             | 433,967                      | 10,907,849          |
| <b>Total expenditures</b>                   | <b>967,316</b>            | <b>240,973</b>                     | <b>9,365,915</b>                      | <b>433,967</b>               | <b>11,008,171</b>   |
| Revenues over (under) expenditures          | (909,938)                 | 2,548,691                          | (8,177,277)                           | (322,077)                    | (6,860,601)         |
| <b>Other financing sources (uses)</b>       |                           |                                    |                                       |                              |                     |
| Proceeds from issuance of long-term debt    | -                         | -                                  | 7,500,000                             | -                            | 7,500,000           |
| Premium on bonds                            | -                         | -                                  | 229,533                               | -                            | 229,533             |
| Transfers in                                | 1,056,100                 | -                                  | 1,674,500                             | 322,077                      | 3,052,677           |
| Transfers out                               | -                         | (2,225,255)                        | (514,794)                             | -                            | (2,740,049)         |
| Proceeds from sale of capital assets        | 12,783                    | -                                  | -                                     | -                            | 12,783              |
| <b>Total other financing sources (uses)</b> | <b>1,068,883</b>          | <b>(2,225,255)</b>                 | <b>8,889,239</b>                      | <b>322,077</b>               | <b>8,054,944</b>    |
| Net change in fund balances                 | 158,945                   | 323,436                            | 711,962                               | -                            | 1,194,343           |
| Fund balances, beginning of year            | 918,924                   | 62,206                             | 1,401,271                             | -                            | 2,382,401           |
| <b>Fund balances, end of year</b>           | <b>\$ 1,077,869</b>       | <b>\$ 385,642</b>                  | <b>\$ 2,113,233</b>                   | <b>\$ -</b>                  | <b>\$ 3,576,744</b> |

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Permanent Funds  
 December 31, 2017

|  | Department<br>on Aging<br>Endowment | Preston<br>Endowment | Cemetery<br>Trust | Total             |
|--|-------------------------------------|----------------------|-------------------|-------------------|
| <b>Assets</b>                              |                                     |                      |                   |                   |
| Cash and pooled investments                | \$ 74,199                           | \$ 102,255           | \$ 6,099          | \$ 182,553        |
| <b>Liabilities</b>                         |                                     |                      |                   |                   |
| Accounts payable                           | \$ 8                                | \$ -                 | \$ -              | \$ 8              |
| <b>Fund balances</b>                       |                                     |                      |                   |                   |
| Nonspendable                               | -                                   | 347                  | 721               | 1,068             |
| Restricted                                 | 74,191                              | 101,908              | 5,378             | 181,477           |
| <b>Total fund balances</b>                 | <u>74,191</u>                       | <u>102,255</u>       | <u>6,099</u>      | <u>182,545</u>    |
| <b>Total liabilities and fund balances</b> | <u>\$ 74,199</u>                    | <u>\$ 102,255</u>    | <u>\$ 6,099</u>   | <u>\$ 182,553</u> |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Permanent Funds  
 For the Year Ended December 31, 2017

|                                    | Department<br>on Aging<br>Endowment | Preston<br>Endowment | Cemetery<br>Trust | Total             |
|------------------------------------|-------------------------------------|----------------------|-------------------|-------------------|
| Revenues                           |                                     |                      |                   |                   |
| Donations                          | \$ 36,154                           | \$ -                 | \$ -              | \$ 36,154         |
| Other                              | -                                   | 769                  | 3,027             | 3,796             |
| <b>Total revenues</b>              | <b>36,154</b>                       | <b>769</b>           | <b>3,027</b>      | <b>39,950</b>     |
| Expenditures                       |                                     |                      |                   |                   |
| Health and welfare                 | 29,294                              | -                    | -                 | 29,294            |
| <b>Net change in fund balances</b> | <b>6,860</b>                        | <b>769</b>           | <b>3,027</b>      | <b>10,656</b>     |
| Fund balances, beginning of year   | 67,331                              | 101,486              | 3,072             | 171,889           |
| <b>Fund balances, end of year</b>  | <b>\$ 74,191</b>                    | <b>\$ 102,255</b>    | <b>\$ 6,099</b>   | <b>\$ 182,545</b> |



# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2017

|  | Resource<br>Recovery | Personal<br>Property<br>Tax | Foreclosure<br>Tax<br>Administration | Total               |
|--|----------------------|-----------------------------|--------------------------------------|---------------------|
| <b>Assets</b>  |                      |                             |                                      |                     |
| Current assets:  |                      |                             |                                      |                     |
| Cash and pooled investments  | \$ 279,116           | \$ 236,314                  | \$ -                                 | \$ 515,430          |
| Due from other funds   | -                    | -                           | 1,624,488                            | 1,624,488           |
| Total current assets   | <u>279,116</u>       | <u>236,314</u>              | <u>1,624,488</u>                     | <u>2,139,918</u>    |
| Noncurrent assets:   |                      |                             |                                      |                     |
| Restricted cash and investments  | 783,191              | -                           | -                                    | 783,191             |
| Advances to component units  | -                    | -                           | 100,000                              | 100,000             |
| Land held for resale   | -                    | -                           | 2,095,208                            | 2,095,208           |
| Total noncurrent assets  | <u>783,191</u>       | <u>-</u>                    | <u>2,195,208</u>                     | <u>2,978,399</u>    |
| Total assets   | <u>1,062,307</u>     | <u>236,314</u>              | <u>3,819,696</u>                     | <u>5,118,317</u>    |
| <b>Liabilities</b>   |                      |                             |                                      |                     |
| Current liabilities:   |                      |                             |                                      |                     |
| Negative equity in cash<br>and pooled investments                        | -                    | -                           | 77,224                               | 77,224              |
| Accounts payable   | 7,629                | 23,543                      | -                                    | 31,172              |
| Accrued payroll  | 770                  | -                           | -                                    | 770                 |
| Current portion of estimated closure and<br>postclosure monitoring costs | 90,000               | -                           | -                                    | 90,000              |
| Total current liabilities  | <u>98,399</u>        | <u>23,543</u>               | <u>77,224</u>                        | <u>199,166</u>      |
| Noncurrent liabilities -   |                      |                             |                                      |                     |
| Estimated closure and postclosure<br>monitoring costs                    | <u>665,000</u>       | <u>-</u>                    | <u>-</u>                             | <u>665,000</u>      |
| Total liabilities  | <u>763,399</u>       | <u>23,543</u>               | <u>77,224</u>                        | <u>864,166</u>      |
| <b>Net position</b>  |                      |                             |                                      |                     |
| Unrestricted   | <u>\$ 298,908</u>    | <u>\$ 212,771</u>           | <u>\$ 3,742,472</u>                  | <u>\$ 4,254,151</u> |

# COUNTY OF JACKSON, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended December 31, 2017

|                                    | Resource<br>Recovery | Personal<br>Property<br>Tax | Foreclosure<br>Tax<br>Administration | Total          |
|------------------------------------|----------------------|-----------------------------|--------------------------------------|----------------|
| Operating revenues                 |                      |                             |                                      |                |
| Interest on taxes                  | \$ -                 | \$ 28,510                   | \$ -                                 | \$ 28,510      |
| Charges for services               | 100                  | 8,078                       | 506,156                              | 514,334        |
| Other                              | 5,492                | -                           | 1,000                                | 6,492          |
| <b>Total operating revenues</b>    | <b>5,592</b>         | <b>36,588</b>               | <b>507,156</b>                       | <b>549,336</b> |
| Operating expenses                 |                      |                             |                                      |                |
| Personnel services                 | 49,702               | -                           | -                                    | 49,702         |
| Cost of services                   | 12,724               | -                           | -                                    | 12,724         |
| Administration                     | 54,965               | 3,150                       | 604,246                              | 662,361        |
| <b>Total operating expenses</b>    | <b>117,391</b>       | <b>3,150</b>                | <b>604,246</b>                       | <b>724,787</b> |
| Operating income (loss)            | (111,799)            | 33,438                      | (97,090)                             | (175,451)      |
| Nonoperating revenues              |                      |                             |                                      |                |
| Interest income                    | 5,800                | 1,758                       | -                                    | 7,558          |
| Net income (loss) before transfers | (105,999)            | 35,196                      | (97,090)                             | (167,893)      |
| Transfers out                      | -                    | (2,500)                     | -                                    | (2,500)        |
| Change in net position             | (105,999)            | 32,696                      | (97,090)                             | (170,393)      |
| Net position, beginning of year    | 404,907              | 180,075                     | 3,839,562                            | 4,424,544      |
| Net position, end of year          | \$ 298,908           | \$ 212,771                  | \$ 3,742,472                         | \$ 4,254,151   |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2017

|  | Resource<br>Recovery | Personal<br>Property<br>Tax | Foreclosure<br>Tax<br>Administration | Total               |
|--|----------------------|-----------------------------|--------------------------------------|---------------------|
| <b>Cash flows from operating activities</b>                |                      |                             |                                      |                     |
| Cash received from customers, residents<br>and users       | \$ 5,592             | \$ 51,503                   | \$ 585,784                           | \$ 642,879          |
| Cash paid to employees                                     | (49,642)             | (3,150)                     | -                                    | (52,792)            |
| Cash paid to suppliers                                     | (103,035)            | -                           | -                                    | (103,035)           |
| Payments for interfund services used                       | (54,965)             | -                           | (1,285,355)                          | (1,340,320)         |
| <b>Net cash provided by (used in) operating activities</b> | <b>(202,050)</b>     | <b>48,353</b>               | <b>(699,571)</b>                     | <b>(853,268)</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                                   | 5,800                | 1,758                       | -                                    | 7,558               |
| <b>Net change in cash and pooled investments</b>           | <b>(196,250)</b>     | <b>47,611</b>               | <b>(699,571)</b>                     | <b>(848,210)</b>    |
| Cash and pooled investments, beginning of year             | 1,258,557            | 188,703                     | 622,347                              | 2,069,607           |
| <b>Cash and pooled investments, end of year</b>            | <b>\$ 1,062,307</b>  | <b>\$ 236,314</b>           | <b>\$ (77,224)</b>                   | <b>\$ 1,221,397</b> |
| <b>Statement of Net Position Classification</b>            |                      |                             |                                      |                     |
| Cash and pooled investments                                | \$ 279,116           | \$ 236,314                  | \$ -                                 | \$ 515,430          |
| Restricted cash  | 783,191              | -                           | -                                    | 783,191             |
| Negative equity in cash and pooled investments             | -                    | -                           | (77,224)                             | (77,224)            |
| <b>Total</b>   | <b>\$ 1,062,307</b>  | <b>\$ 236,314</b>           | <b>\$ (77,224)</b>                   | <b>\$ 1,221,397</b> |

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2017

|  | Resource<br>Recovery | Personal<br>Property<br>Tax | Foreclosure<br>Tax<br>Administration | Total               |
|--|----------------------|-----------------------------|--------------------------------------|---------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities         |                      |                             |                                      |                     |
| Operating income (loss)  | \$ (111,799)         | \$ 33,438                   | \$ (97,090)                          | \$ (175,451)        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                      |                             |                                      |                     |
| Change in:   |                      |                             |                                      |                     |
| Due from other funds   | -                    | -                           | (681,109)                            | (681,109)           |
| Land held for resale   | -                    | -                           | 78,628                               | 78,628              |
| Accounts payable   | (311)                | 14,915                      | -                                    | 14,604              |
| Accrued payroll  | 60                   | -                           | -                                    | 60                  |
| Estimated closure and postclosure monitoring costs   | (90,000)             | -                           | -                                    | (90,000)            |
| Net cash provided by (used in) operating activities  | <u>\$ (202,050)</u>  | <u>\$ 48,353</u>            | <u>\$ (699,571)</u>                  | <u>\$ (853,268)</u> |

concluded

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

|   | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total            |
|---|---|--|----------------------|-----------------------------------|------------------|
| <b>Current assets</b>                             |   |  |                      |                                   |                  |
| Cash and pooled investments                       | \$ 202,624                              | \$ -                                     | \$ 23,662            | \$ 3,771                          | \$ 230,057       |
| Accounts receivable, net                          | -                                       | 602,229                                  | -                    | -                                 | 602,229          |
| Prepaid items                                     | 9,652                                   | 1,228,785                                | -                    | -                                 | 1,238,437        |
| <b>Total assets</b>                               | <b>212,276</b>                          | <b>1,831,014</b>                         | <b>23,662</b>        | <b>3,771</b>                      | <b>2,070,723</b> |
| <b>Liabilities</b>                                |   |  |                      |                                   |                  |
| Negative equity in cash<br>and pooled investments | -                                       | 747,499                                  | -                    | -                                 | 747,499          |
| Accounts payable                                  | -                                       | 37,426                                   | -                    | -                                 | 37,426           |
| Estimated claims payable                          | 79,973                                  | 334,156                                  | -                    | -                                 | 414,129          |
| <b>Total liabilities</b>                          | <b>79,973</b>                           | <b>1,119,081</b>                         | <b>-</b>             | <b>-</b>                          | <b>1,199,054</b> |
| <b>Net position</b>                               |   |  |                      |                                   |                  |
| Unrestricted                                      | \$ 132,303                              | \$ 711,933                               | \$ 23,662            | \$ 3,771                          | \$ 871,669       |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Internal Service Funds  
 For the Year Ended December 31, 2017

|                                    | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total         |
|------------------------------------|---|--|----------------------|-----------------------------------|---------------|
| Operating revenues                 |   |  |                      |                                   |               |
| Charges for services               | \$ 69,879                               | \$ 10,586,873                            | \$ -                 | \$ -                              | \$ 10,656,752 |
| Operating expenses                 |   |  |                      |                                   |               |
| Cost of services                   | -                                       | 9,768,927                                | -                    | -                                 | 9,768,927     |
| Administration                     | 160,888                                 | 694,754                                  | -                    | -                                 | 855,642       |
| Total operating expenses           | 160,888                                 | 10,463,681                               | -                    | -                                 | 10,624,569    |
| Operating income (loss)            | (91,009)                                | 123,192                                  | -                    | -                                 | 32,183        |
| Nonoperating revenues              |   |  |                      |                                   |               |
| Interest income                    | 1,701                                   | 2,582                                    | -                    | -                                 | 4,283         |
| Net income (loss) before transfers | (89,308)                                | 125,774                                  | -                    | -                                 | 36,466        |
| Transfers out                      | -                                       | (35,900)                                 | -                    | -                                 | (35,900)      |
| Change in net position             | (89,308)                                | 89,874                                   | -                    | -                                 | 566           |
| Net position, beginning of year    | 221,611                                 | 622,059                                  | 23,662               | 3,771                             | 871,103       |
| Net position, end of year          | \$ 132,303                              | \$ 711,933                               | \$ 23,662            | \$ 3,771                          | \$ 871,669    |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Internal Service Funds  
 For the Year Ended December 31, 2017

|  | Self-Insured<br>Workers<br>Compensation | Self-Funded<br>Managed Care<br>Insurance | Land Use<br>Planning | Graphic<br>Information<br>Systems | Total               |
|--|---|--|----------------------|-----------------------------------|---------------------|
| <b>Cash flows from operating activities</b>  |   |  |                      |                                   |                     |
| Cash received from customers, residents and users  | \$ 122,256                              | \$ 9,807,128                             | \$ -                 | \$ -                              | \$ 9,929,384        |
| Cash paid to suppliers and claimants   | (151,254)                               | (10,521,309)                             | -                    | -                                 | (10,672,563)        |
| <b>Net cash used in operating activities</b>   | <b>(28,998)</b>                         | <b>(714,181)</b>                         | <b>-</b>             | <b>-</b>                          | <b>(743,179)</b>    |
| <b>Cash flows from noncapital financing activities</b>                                     |   |  |                      |                                   |                     |
| Transfers to other funds   | -                                       | (35,900)                                 | -                    | -                                 | (35,900)            |
| <b>Cash flows from investing activities</b>  |   |  |                      |                                   |                     |
| Interest income received   | 1,701                                   | 2,582                                    | -                    | -                                 | 4,283               |
| <b>Change in cash and pooled investments</b>   | <b>(27,297)</b>                         | <b>(747,499)</b>                         | <b>-</b>             | <b>-</b>                          | <b>(774,796)</b>    |
| Cash and cash pooled investments, beginning of year  | 229,921                                 | -  | 23,662               | 3,771                             | 257,354             |
| <b>Cash and pooled investments, end of year</b>  | <b>\$ 202,624</b>                       | <b>\$ (747,499)</b>                      | <b>\$ 23,662</b>     | <b>\$ 3,771</b>                   | <b>\$ (517,442)</b> |
| <b>Statement of Net Position Classification</b>  |   |  |                      |                                   |                     |
| Cash and pooled investments  | \$ 202,624                              | \$ -                                     | \$ 23,662            | \$ 3,771                          | \$ 230,057          |
| Negative equity in cash and pooled investments   | -                                       | (747,499)                                | -                    | -                                 | (747,499)           |
| <b>Total</b>   | <b>\$ 202,624</b>                       | <b>\$ (747,499)</b>                      | <b>\$ 23,662</b>     | <b>\$ 3,771</b>                   | <b>\$ (517,442)</b> |
| <b>Reconciliation of operating income (loss) to net cash used in operating activities</b>  |   |  |                      |                                   |                     |
| Operating income (loss)  | \$ (91,009)                             | \$ 123,192                               | \$ -                 | \$ -                              | \$ 32,183           |
| Adjustments to reconcile operating income (loss) to net cash used in operating activities: |   |  |                      |                                   |                     |
| Change in:   |   |  |                      |                                   |                     |
| Accounts receivable, net   | -                                       | 125,575                                  | -                    | -                                 | 125,575             |
| Prepaid items  | 52,377                                  | (905,320)                                | -                    | -                                 | (852,943)           |
| Accounts payable   | -                                       | 30,954                                   | -                    | -                                 | 30,954              |
| Estimated claims payable   | 9,634                                   | (51,105)                                 | -                    | -                                 | (41,471)            |
| Interfund payable  | -                                       | (37,477)                                 | -                    | -                                 | (37,477)            |
| <b>Net cash used in operating activities</b>   | <b>\$ (28,998)</b>                      | <b>\$ (714,181)</b>                      | <b>\$ -</b>          | <b>\$ -</b>                       | <b>\$ (743,179)</b> |

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**  
 All Agency Funds  
 December 31, 2017

|                             | Trust and Agency    | Library           | District Court Bonds | Circuit Court Trust |
|-----------------------------|---------------------|-------------------|----------------------|---------------------|
| <b>Assets</b>               |                     |                   |                      |                     |
| Cash and pooled investments | \$ 1,700,059        | \$ 109,677        | \$ 103,667           | \$ 320,616          |
| <b>Liabilities</b>          |                     |                   |                      |                     |
| Undistributed receipts      | \$ 1,429,926        | \$ -              | \$ -                 | \$ 243,368          |
| Due to other governments    | 240,979             | 109,677           | -                    | -                   |
| Bonds payable               | 29,154              | -                 | 91,449               | 71,979              |
| Escrow payable              | -                   | -                 | 12,218               | 5,269               |
| <b>Total liabilities</b>    | <b>\$ 1,700,059</b> | <b>\$ 109,677</b> | <b>\$ 103,667</b>    | <b>\$ 320,616</b>   |





| LifeWays  | Sheriff<br>Canteen | Total        |
|-----------|--------------------|--------------|
| \$ 17,695 | \$ 64,442          | \$ 2,316,156 |

|                  |                  |                     |
|------------------|------------------|---------------------|
| \$ -             | \$ 64,442        | \$ 1,737,736        |
| 17,695           | -                | 368,351             |
| -                | -                | 192,582             |
| -                | -                | 17,487              |
| <u>\$ 17,695</u> | <u>\$ 64,442</u> | <u>\$ 2,316,156</u> |

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2017

|                                 | Balance<br>January 1,<br>2017 | Additions            | Deductions           | Balance<br>December 31,<br>2017 |
|---------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| <b>Trust and agency fund</b>    |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 1,738,191                  | \$ 59,673,873        | \$ 59,712,005        | \$ 1,700,059                    |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Undistributed receipts          | \$ 1,709,024                  | \$ 26,156,427        | \$ 26,435,525        | \$ 1,429,926                    |
| Due to other governments        | 13                            | 33,517,446           | 33,276,480           | 240,979                         |
| Bonds payable                   | 29,154                        | -                    | -                    | 29,154                          |
| <b>Total liabilities</b>        | <b>\$ 1,738,191</b>           | <b>\$ 59,673,873</b> | <b>\$ 59,712,005</b> | <b>\$ 1,700,059</b>             |
| <b>Library fund</b>             |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 64,064                     | \$ 706,529           | \$ 660,916           | \$ 109,677                      |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Due to other governments        | \$ 64,064                     | \$ 706,529           | \$ 660,916           | \$ 109,677                      |
| <b>District court bonds</b>     |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 98,053                     | \$ 490,071           | \$ 484,457           | \$ 103,667                      |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Bonds payable                   | \$ 75,608                     | \$ 404,471           | \$ 388,630           | \$ 91,449                       |
| Escrow payable                  | 22,445                        | 85,600               | 95,827               | 12,218                          |
| <b>Total liabilities</b>        | <b>\$ 98,053</b>              | <b>\$ 490,071</b>    | <b>\$ 484,457</b>    | <b>\$ 103,667</b>               |
| <b>Circuit court trust fund</b> |                               |                      |                      |                                 |
| <b>Assets</b>                   |                               |                      |                      |                                 |
| Cash and pooled investments     | \$ 219,853                    | \$ 1,543,952         | \$ 1,443,189         | \$ 320,616                      |
| <b>Liabilities</b>              |                               |                      |                      |                                 |
| Undistributed receipts          | \$ 204,984                    | \$ 1,407,644         | \$ 1,369,260         | \$ 243,368                      |
| Bonds payable                   | 9,600                         | 136,308              | 73,929               | 71,979                          |
| Escrow payable                  | 5,269                         | -                    | -                    | 5,269                           |
| <b>Total liabilities</b>        | <b>\$ 219,853</b>             | <b>\$ 1,543,952</b>  | <b>\$ 1,443,189</b>  | <b>\$ 320,616</b>               |

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2017

|                                | Balance<br>January 1,<br>2017 | Additions            | Deductions           | Balance<br>December 31,<br>2017 |
|--------------------------------|-------------------------------|----------------------|----------------------|---------------------------------|
| <b>LifeWays</b>                |                               |                      |                      |                                 |
| <b>Assets</b>                  |                               |                      |                      |                                 |
| Cash and pooled investments    | \$ -                          | \$ 1,030,195         | \$ 1,012,500         | \$ 17,695                       |
| <b>Liabilities</b>             |                               |                      |                      |                                 |
| Due to other governments       | \$ -                          | \$ 1,030,195         | \$ 1,012,500         | \$ 17,695                       |
| <b>Sheriff Canteen</b>         |                               |                      |                      |                                 |
| <b>Assets</b>                  |                               |                      |                      |                                 |
| Cash and pooled investments    | \$ 171,869                    | \$ 1,454,274         | \$ 1,561,701         | \$ 64,442                       |
| <b>Liabilities</b>             |                               |                      |                      |                                 |
| Undistributed receipts         | \$ 171,869                    | \$ 1,454,274         | \$ 1,561,701         | \$ 64,442                       |
| <b>Totals-all agency funds</b> |                               |                      |                      |                                 |
| <b>Assets</b>                  |                               |                      |                      |                                 |
| Cash and pooled investments    | \$ 2,292,030                  | \$ 64,898,894        | \$ 64,874,768        | \$ 2,316,156                    |
| <b>Liabilities</b>             |                               |                      |                      |                                 |
| Undistributed receipts         | \$ 2,085,877                  | \$ 29,018,345        | \$ 29,366,486        | \$ 1,737,736                    |
| Due to other governments       | 64,077                        | 35,254,170           | 34,949,896           | 368,351                         |
| Bonds payable                  | 114,362                       | 540,779              | 462,559              | 192,582                         |
| Escrow payable                 | 27,714                        | 85,600               | 95,827               | 17,487                          |
| <b>Total liabilities</b>       | <b>\$ 2,292,030</b>           | <b>\$ 64,898,894</b> | <b>\$ 64,874,768</b> | <b>\$ 2,316,156</b>             |

concluded

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position

Land Bank Authority Component Unit

December 31, 2017

### Assets

|                             |               |
|-----------------------------|---------------|
| Cash and pooled investments | \$ 344,087    |
| Loans receivables           | 17,527        |
| Land held for resale        | <u>67,299</u> |

### Total assets

428,913

### Liabilities

|                                 |                |
|---------------------------------|----------------|
| Accounts payable                | 295            |
| Accrued liabilities             | 4,890          |
| Advance from primary government | <u>100,000</u> |

### Total liabilities

105,185

### Net position

|              |                          |
|--------------|--------------------------|
| Unrestricted | <u><u>\$ 323,728</u></u> |
|--------------|--------------------------|

# COUNTY OF JACKSON, MICHIGAN

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

Land Bank Authority Component Unit  
For the Year Ended December 31, 2017

|                                 |                          |
|---------------------------------|--------------------------|
| Operating revenues              |                          |
| Property taxes                  | \$ 2,098                 |
| Sales                           | <u>354,332</u>           |
| Total operating revenues        | 356,430                  |
| Operating expenses              |                          |
| Community development           | <u>218,344</u>           |
| Change in net position          | 138,086                  |
| Net position, beginning of year | <u>185,642</u>           |
| Net position, end of year       | <u><u>\$ 323,728</u></u> |

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# COUNTY OF JACKSON, MICHIGAN

## Statement of Cash Flows

Land Bank Authority Component Unit  
For the Year Ended December 31, 2017

|   |                          |
|---|--------------------------|
| Cash flows from operating activities  |                          |
| Cash received from customers, residents and users                                       | \$ 378,074               |
| Cash paid to employees, suppliers and claimants   | <u>(218,887)</u>         |
| Net cash provided by operating activities   | 159,187                  |
| Cash and pooled investments, beginning of year  | <u>184,900</u>           |
| Cash and pooled investments, end of year  | <u><u>\$ 344,087</u></u> |
| Reconciliation of operating income to net cash provided by operating activities         |                          |
| Operating income  | \$ 138,086               |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                          |
| Change in -   |                          |
| Loans receivable  | 94                       |
| Inventories   | 21,550                   |
| Accounts payable  | (355)                    |
| Accrued liabilities   | <u>(188)</u>             |
| Net cash provided by operating activities   | <u><u>\$ 159,187</u></u> |

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2017

|   | Capital Project Funds            |                     |                    |
|---|----------------------------------|---------------------|--------------------|
|   | Spring Arbor<br>Water<br>Project | Drain<br>Districts  | Drain<br>Revolving |
| <b>Assets</b>   |                                  |                     |                    |
| Cash and pooled investments   | \$ 3,359                         | \$ 1,116,022        | \$ 105,176         |
| Accounts receivable, net  | -                                | 6,260               | -                  |
| Special assessments receivable, net   | -                                | 76,399              | -                  |
| Due from other funds  | -                                | -                   | 97,068             |
| Capital assets being depreciated, net   | -                                | -                   | -                  |
| <b>Total assets</b>   | <u>\$ 3,359</u>                  | <u>\$ 1,198,681</u> | <u>\$ 202,244</u>  |
| <b>Liabilities</b>  |                                  |                     |                    |
| Accounts payable  | \$ -                             | \$ 1,333            | \$ 2,221           |
| Due to other funds  | -                                | 97,465              | -                  |
| Advance from primary government   | -                                | -                   | 200,000            |
| <b>Total liabilities</b>  | -                                | 98,798              | 202,221            |
| <b>Deferred inflows of resources</b>  |                                  |                     |                    |
| Unavailable revenue   | -                                | 76,399              | -                  |
| <b>Fund balances</b>  |                                  |                     |                    |
| Restricted for construction   | <u>3,359</u>                     | <u>1,023,484</u>    | <u>23</u>          |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <u>\$ 3,359</u>                  | <u>\$ 1,198,681</u> | <u>\$ 202,244</u>  |
| <b>Net position</b>   |                                  |                     |                    |
| Net investment in capital assets<br>Restricted for capital projects           |                                  |                     |                    |
| <b>Total net position</b>   |                                  |                     |                    |



| Capital Project Funds |                      |                          |                     |                           |
|-----------------------|----------------------|--------------------------|---------------------|---------------------------|
| Lake Level Districts  | Lake Level Revolving | Total Governmental Funds | Adjustments         | Statement of Net Position |
| \$ 46,270             | \$ 8,089             | \$ 1,278,916             | \$ -                | \$ 1,278,916              |
| -                     | -                    | 6,260                    | -                   | 6,260                     |
| 3,162                 | -                    | 79,561                   | -                   | 79,561                    |
| -                     | 6,320                | 103,388                  | (103,388)           | -                         |
| -                     | -                    | -                        | 2,840,968           | 2,840,968                 |
| <u>\$ 49,432</u>      | <u>\$ 14,409</u>     | <u>\$ 1,468,125</u>      | <u>\$ 2,737,580</u> | <u>4,205,705</u>          |
| \$ 1,125              | \$ 529               | \$ 5,208                 | \$ -                | 5,208                     |
| 5,923                 | -                    | 103,388                  | (103,388)           | -                         |
| -                     | 10,000               | 210,000                  | -                   | 210,000                   |
| 7,048                 | 10,529               | 318,596                  | (103,388)           | 215,208                   |
| 3,162                 | -                    | 79,561                   | (79,561)            | -                         |
| 39,222                | 3,880                | 1,069,968                | (1,069,968)         | -                         |
| <u>\$ 49,432</u>      | <u>\$ 14,409</u>     | <u>\$ 1,468,125</u>      |                     |                           |
|                       |                      |                          | 2,840,968           | 2,840,968                 |
|                       |                      |                          | 1,149,529           | 1,149,529                 |
|                       |                      |                          | <u>\$ 3,990,497</u> | <u>\$ 3,990,497</u>       |

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Drain  
Commission Component Unit  
December 31, 2017

|                                    |              |
|------------------------------------|--------------|
| Fund balances - governmental funds | \$ 1,069,968 |
|------------------------------------|--------------|

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. | 2,840,968 |
|---|-----------|

|  |               |
|--|---------------|
| Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds | <u>79,561</u> |
|--|---------------|

|   |                            |
|---|----------------------------|
| Net position of governmental activities | <u><u>\$ 3,990,497</u></u> |
|---|----------------------------|

# 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, 2017

|                                     | Capital Project Funds            |                     |                    |
|-------------------------------------|----------------------------------|---------------------|--------------------|
|                                     | Spring Arbor<br>Water<br>Project | Drain<br>Districts  | Drain<br>Revolving |
| Revenues                            |                                  |                     |                    |
| Intergovernmental revenue           | \$ -                             | \$ 57,716           | \$ 98,486          |
| Investment earnings                 | 25                               | 9,139               | 449                |
| Total revenues                      | <u>25</u>                        | <u>66,855</u>       | <u>98,935</u>      |
| Expenditures/expenses               |                                  |                     |                    |
| Current operations -                |                                  |                     |                    |
| Public works                        | -                                | 83,924              | 90,410             |
| Depreciation expense                | -                                | -                   | -                  |
| Total expenditures/expenses         | <u>-</u>                         | <u>83,924</u>       | <u>90,410</u>      |
| Change in fund balance/net position | 25                               | (17,069)            | 8,525              |
| Fund balances/net position          |                                  |                     |                    |
| Beginning of year                   | <u>3,334</u>                     | <u>1,040,553</u>    | <u>(8,502)</u>     |
| End of year                         | <u>\$ 3,359</u>                  | <u>\$ 1,023,484</u> | <u>\$ 23</u>       |

| Capital Project Funds |                      |                          |                     |                         |
|-----------------------|----------------------|--------------------------|---------------------|-------------------------|
| Lake Level Districts  | Lake Level Revolving | Total Governmental Funds | Adjustments         | Statement of Activities |
| \$ -                  | \$ -                 | \$ 156,202               | \$ 4,561            | \$ 160,763              |
| 363                   | 62                   | 10,038                   | -                   | 10,038                  |
| 363                   | 62                   | 166,240                  | 4,561               | 170,801                 |
| 3,535                 | 1,129                | 178,998                  | -                   | 178,998                 |
| -                     | -                    | -                        | 156,057             | 156,057                 |
| 3,535                 | 1,129                | 178,998                  | 156,057             | 335,055                 |
| (3,172)               | (1,067)              | (12,758)                 | (151,496)           | (164,254)               |
| 42,394                | 4,947                | 1,082,726                | 3,072,025           | 4,154,751               |
| <u>\$ 39,222</u>      | <u>\$ 3,880</u>      | <u>\$ 1,069,968</u>      | <u>\$ 2,920,529</u> | <u>\$ 3,990,497</u>     |

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## COUNTY OF JACKSON, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Drain  
Commission Component Unit  
For the Year Ended December 31, 2017

|   |                            |
|---|----------------------------|
| Net change in fund balances - governmental funds  | \$ (12,758)                |
| Amounts reported for <i>governmental activities</i> in the statement of activities<br>are different because:  |                            |
| Governmental funds report capital outlays as expenditures. However,<br>in the statement of activities, the cost of those assets is allocated<br>over their estimated useful lives and reported as depreciation expense. |                            |
| Depreciation expense  | (156,057)                  |
| Governmental funds report payments received by other municipalities<br>for principal debt service as revenue, but the statement of activities does not.   |                            |
| Change in special assessments receivable  | <u>4,561</u>               |
| Change in net position of governmental activities   | <u><u>\$ (164,254)</u></u> |

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Fund Balance Sheet Brownfield Redevelopment Authority Component Unit December 31, 2017

|  | Brownfield<br>Redevelopment<br>Authority | Adjustments       | Statement<br>of Net Position |
|--|--|-------------------|------------------------------|
| <b>Current assets</b>                          |  |                   |                              |
| Cash and pooled investments                    | \$ 123,716                               | \$ -              | \$ 123,716                   |
| Accounts receivable                            | 45,216                                   | -                 | 45,216                       |
| Loans receivable                               | 533,051                                  | -                 | 533,051                      |
| <b>Total assets</b>                            | <u>\$ 701,983</u>                        | <u>-</u>          | <u>701,983</u>               |
| <b>Liabilities</b>                             |  |                   |                              |
| Accounts payable                               | \$ 15,297                                | -                 | 15,297                       |
| Advance from primary government                | 117,500                                  | -                 | 117,500                      |
| <b>Total liabilities</b>                       | 132,797                                  | -                 | 132,797                      |
| <b>Fund balances</b>                           |  |                   |                              |
| Restricted                                     | 569,186                                  | (569,186)         | -                            |
| <b>Total liabilities and<br/>fund balances</b> | <u>\$ 701,983</u>                        |                   |                              |
| <b>Net position</b>                            |  |                   |                              |
| Restricted for loans                           |  | <u>\$ 569,186</u> | <u>\$ 569,186</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, 2017**

|                             | Brownfield<br>Redevelopment<br>Authority | Adjustments | Statement<br>of<br>Activities |
|-----------------------------|--|-------------|-------------------------------|
| Revenues                    |  |             |                               |
| Contributions               | \$ 96,340                                | \$ -        | \$ 96,340                     |
| Expenditures/expenses       |  |             |                               |
| Current operations -        |  |             |                               |
| Public works                | 101,686                                  | -           | 101,686                       |
| Net change in fund balances | (5,346)                                  | (5,346)     | -                             |
| Change in net position      |  | 5,346       | (5,346)                       |
| Fund balances/net position  |  |             |                               |
| Beginning of year           | 574,532                                  | -           | 574,532                       |
| End of year                 | \$ 569,186                               | \$ -        | \$ 569,186                    |

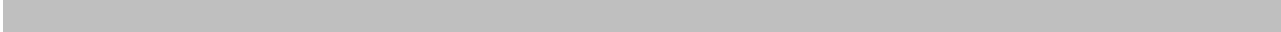
COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2017

|   | 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   | \$ 673                           | \$ 245                | \$ 592                     | \$ 163              | \$ 107        |
| Accounts receivable, net  | -                                | -                     | -                          | -                   | -             |
| Due from other governments  | -                                | -                     | -                          | -                   | -             |
| <b>Total assets</b>   | <u>\$ 673</u>                    | <u>\$ 245</u>         | <u>\$ 592</u>              | <u>\$ 163</u>       | <u>\$ 107</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   | -                                | -                     | -                          | -                   | -             |
| <b>Fund balances</b>  |                                  |                       |                            |                     |               |
| Restricted for debt service   | 673                              | 245                   | 592                        | 163                 | 107           |
| Restricted for construction   | -                                | -                     | -                          | -                   | -             |
| <b>Total fund balances</b>  | <u>673</u>                       | <u>245</u>            | <u>592</u>                 | <u>163</u>          | <u>107</u>    |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <u>\$ 673</u>                    | <u>\$ 245</u>         | <u>\$ 592</u>              | <u>\$ 163</u>       | <u>\$ 107</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 |
| \$ 1,577           | \$ 551                   | \$ 2,984              | \$ -                         | \$ 2,708                | \$ -                 | \$ 3,351                     |
| -                  | -                        | -                     | -                            | -                       | -                    | 150                          |
| <u>505,000</u>     | <u>-</u>                 | <u>2,855,000</u>      | <u>330,000</u>               | <u>570,000</u>          | <u>800,000</u>       | <u>205,000</u>               |
| <u>\$ 506,577</u>  | <u>\$ 551</u>            | <u>\$ 2,857,984</u>   | <u>\$ 330,000</u>            | <u>\$ 572,708</u>       | <u>\$ 800,000</u>    | <u>\$ 208,501</u>            |

|                   |               |                     |                   |                   |                   |                   |
|-------------------|---------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| \$ -              | \$ -          | \$ -                | \$ -              | \$ -              | \$ -              | \$ -              |
| -                 | -             | -                   | -                 | -                 | -                 | -                 |
| <u>-</u>          | <u>-</u>      | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <u>-</u>          | <u>-</u>      | <u>-</u>            | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <u>505,000</u>    | <u>-</u>      | <u>2,855,000</u>    | <u>330,000</u>    | <u>570,000</u>    | <u>800,000</u>    | <u>205,000</u>    |
| 1,577             | 551           | 2,984               | -                 | 2,708             | -                 | 3,501             |
| -                 | -             | -                   | -                 | -                 | -                 | -                 |
| <u>1,577</u>      | <u>551</u>    | <u>2,984</u>        | <u>-</u>          | <u>2,708</u>      | <u>-</u>          | <u>3,501</u>      |
| <u>\$ 506,577</u> | <u>\$ 551</u> | <u>\$ 2,857,984</u> | <u>\$ 330,000</u> | <u>\$ 572,708</u> | <u>\$ 800,000</u> | <u>\$ 208,501</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, 2017

|   | 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   | \$ 969                     | \$ 9,616                    | \$ 48                         | \$ 244               | \$ -                        |
| Accounts receivable, net  | -                          | -                           | -                             | -                    | -                           |
| Due from other governments  | 1,810,000                  | 1,125,000                   | 2,800,000                     | 739,250              | 1,911,598                   |
| <b>Total assets</b>   | <b>\$ 1,810,969</b>        | <b>\$ 1,134,616</b>         | <b>\$ 2,800,048</b>           | <b>\$ 739,494</b>    | <b>\$ 1,911,598</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   | 1,810,000                  | 1,125,000                   | 2,800,000                     | 739,250              | 1,911,598                   |
| <b>Fund balances</b>  |                            |                             |                               |                      |                             |
| Restricted for debt service   | 969                        | 9,616                       | 48                            | 244                  | -                           |
| Restricted for construction   | -                          | -                           | -                             | -                    | -                           |
| <b>Total fund balances</b>  | <b>969</b>                 | <b>9,616</b>                | <b>48</b>                     | <b>244</b>           | <b>-</b>                    |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 1,810,969</b>        | <b>\$ 1,134,616</b>         | <b>\$ 2,800,048</b>           | <b>\$ 739,494</b>    | <b>\$ 1,911,598</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 |
| \$ 409                     | \$ 136                      | \$ 1,363                      | \$ 63                | \$ 25,799            | \$ -          | \$ 25,799                 |
| -                          | -                           | -                             | -                    | 150                  | -             | 150                       |
| -                          | -                           | -                             | -                    | 13,650,848           | 24,881        | 13,675,729                |
| <u>\$ 409</u>              | <u>\$ 136</u>               | <u>\$ 1,363</u>               | <u>\$ 63</u>         | <u>\$ 13,676,797</u> | <u>24,881</u> | <u>13,701,678</u>         |
|                            |                             |                               |                      |                      | 103,423       | 103,423                   |
| \$ -                       | \$ -                        | \$ -                          | \$ -                 | \$ -                 | \$ 154,253    | \$ 154,253                |
| -                          | -                           | -                             | -                    | -                    | 1,980,000     | 1,980,000                 |
| -                          | -                           | -                             | -                    | -                    | 11,670,848    | 11,670,848                |
| -                          | -                           | -                             | -                    | -                    | 13,805,101    | 13,805,101                |
| -                          | -                           | -                             | -                    | 13,650,848           | (13,650,848)  | -                         |
| -                          | -                           | -                             | -                    | 23,978               | (23,978)      | -                         |
| 409                        | 136                         | 1,363                         | 63                   | 1,971                | (1,971)       | -                         |
| 409                        | 136                         | 1,363                         | 63                   | 25,949               | (25,949)      | -                         |
| <u>\$ 409</u>              | <u>\$ 136</u>               | <u>\$ 1,363</u>               | <u>\$ 63</u>         | <u>\$ 13,676,797</u> |               |                           |
|                            |                             |                               |                      |                      | <u>\$ -</u>   | <u>\$ -</u>               |

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Board of  
Public Works Component Unit  
December 31, 2017

|  |    |               |
|--|----|---------------|
| Fund balances - governmental Funds   | \$ | 25,949        |
| 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  |    |               |
|  |    | 24,881        |
| 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 |    |               |
|  |    | 13,650,848    |
| Long-term liabilities are not due and payable in the current period and are not reported in the funds:   |    |               |
| Bonds payable  |    | (13,650,848)  |
| Interest payable   |    | (154,253)     |
| Deferred charges on refunding  |    | 103,423       |
|  |    | <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, 2017

|                                    | Debt Service Funds               |                       |                            |                     |               |
|------------------------------------|----------------------------------|-----------------------|----------------------------|---------------------|---------------|
|                                    | Village of Springport Wastewater | Village of Springport | Spring Arbor Water Project | Village of Brooklyn | Clark Lake    |
| Revenues                           |                                  |                       |                            |                     |               |
| Intergovernmental                  | \$ -                             | \$ -                  | \$ -                       | \$ -                | \$ -          |
| Investment earnings                | 5                                | 2                     | 5                          | 2                   | 1             |
| <b>Total revenues</b>              | <b>5</b>                         | <b>2</b>              | <b>5</b>                   | <b>2</b>            | <b>1</b>      |
| Expenditures/expenses              |                                  |                       |                            |                     |               |
| Debt service:                      |                                  |                       |                            |                     |               |
| Principal                          | -                                | -                     | -                          | -                   | -             |
| Interest and fiscal charges        | -                                | -                     | -                          | -                   | -             |
| <b>Total expenditures/expenses</b> | <b>-</b>                         | <b>-</b>              | <b>-</b>                   | <b>-</b>            | <b>-</b>      |
| <b>Net change in fund balances</b> | <b>5</b>                         | <b>2</b>              | <b>5</b>                   | <b>2</b>            | <b>1</b>      |
| Change in net position             |                                  |                       |                            |                     |               |
| Fund balances/net position         |                                  |                       |                            |                     |               |
| Beginning of year                  | 668                              | 243                   | 587                        | 161                 | 106           |
| <b>End of year</b>                 | <b>\$ 673</b>                    | <b>\$ 245</b>         | <b>\$ 592</b>              | <b>\$ 163</b>       | <b>\$ 107</b> |





| 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 |
| \$ 290,300         | \$ -                     | \$ 520,450            | \$ 69,000                    | \$ 146,580              | \$ 141,500           | \$ 35,949                    |
| 478                | 4                        | 787                   | -                            | 258                     | -                    | 79                           |
| <u>290,778</u>     | <u>4</u>                 | <u>521,237</u>        | <u>69,000</u>                | <u>146,838</u>          | <u>141,500</u>       | <u>36,028</u>                |
| 260,000            | -                        | 405,000               | 60,000                       | 130,000                 | 120,000              | 25,000                       |
| 30,250             | -                        | 115,450               | 9,000                        | 16,580                  | 21,500               | 10,949                       |
| <u>290,250</u>     | <u>-</u>                 | <u>520,450</u>        | <u>69,000</u>                | <u>146,580</u>          | <u>141,500</u>       | <u>35,949</u>                |
| 528                | 4                        | 787                   | -                            | 258                     | -                    | 79                           |
| <u>1,049</u>       | <u>547</u>               | <u>2,197</u>          | <u>-</u>                     | <u>2,450</u>            | <u>-</u>             | <u>3,422</u>                 |
| <u>\$ 1,577</u>    | <u>\$ 551</u>            | <u>\$ 2,984</u>       | <u>\$ -</u>                  | <u>\$ 2,708</u>         | <u>\$ -</u>          | <u>\$ 3,501</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, 2017

|                             | Debt Service Funds               |                                    |                                     |                            |                                   |
|-----------------------------|----------------------------------|------------------------------------|-------------------------------------|----------------------------|-----------------------------------|
|                             | Vineyard<br>Lake Area<br>Section | Round/<br>Farewell<br>Lake Section | Southern<br>Regional<br>Interceptor | Rives<br>Sanitary<br>Sewer | Village of<br>Parma<br>Wastewater |
| Revenues                    |                                  |                                    |                                     |                            |                                   |
| Intergovernmental           | \$ 395,564                       | \$ -                               | \$ 507,200                          | \$ 53,102                  | \$ 174,352                        |
| Investment earnings         | 587                              | 275,274                            | 542                                 | 50                         | -                                 |
| Total revenues              | <u>396,151</u>                   | <u>275,274</u>                     | <u>507,742</u>                      | <u>53,152</u>              | <u>174,352</u>                    |
| Expenditures/expenses       |                                  |                                    |                                     |                            |                                   |
| Debt service:               |                                  |                                    |                                     |                            |                                   |
| Principal                   | 310,000                          | 225,000                            | 275,000                             | 29,000                     | 125,000                           |
| Interest and fiscal charges | 85,564                           | 49,800                             | 134,688                             | 24,091                     | 49,352                            |
| Total expenditures/expenses | <u>395,564</u>                   | <u>274,800</u>                     | <u>409,688</u>                      | <u>53,091</u>              | <u>174,352</u>                    |
| Net change in fund balances | 587                              | 474                                | 98,054                              | 61                         | -                                 |
| Change in net position      |                                  |                                    |                                     |                            |                                   |
| Fund balances/net position  |                                  |                                    |                                     |                            |                                   |
| Beginning of year           | <u>382</u>                       | <u>9,142</u>                       | <u>(98,006)</u>                     | <u>183</u>                 | <u>-</u>                          |
| End of year                 | <u>\$ 969</u>                    | <u>\$ 9,616</u>                    | <u>\$ 48</u>                        | <u>\$ 244</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 |
| \$ -                       | \$ -                        | \$ -                          | \$ -                 | \$ 2,333,997 | \$ (1,992,520) | \$ 341,477              |
| 3                          | 1                           | 11                            | -                    | 278,089      | -              | 278,089                 |
| 3                          | 1                           | 11                            | -                    | 2,612,086    | (1,992,520)    | 619,566                 |
| -                          | -                           | -                             | -                    | 1,964,000    | (1,964,000)    | -                       |
| -                          | -                           | -                             | -                    | 547,224      | 72,342         | 619,566                 |
| -                          | -                           | -                             | -                    | 2,511,224    | (1,891,658)    | 619,566                 |
| 3                          | 1                           | 11                            | -                    | 100,862      | (100,862)      | -                       |
| 406                        | 135                         | 1,352                         | 63                   | (74,913)     | 74,913         | -                       |
| \$ 409                     | \$ 136                      | \$ 1,363                      | \$ 63                | \$ 25,949    | \$ (25,949)    | \$ -                    |

concluded

## COUNTY OF JACKSON, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Board of  
Public Works Component Unit  
For the Year Ended December 31, 2017

|  |                    |
|--|--------------------|
| Net change in fund balances - governmental funds   | \$ 100,862         |
| Amounts reported for <i>governmental activities</i> in the statement of activities<br>are different because:   |                    |
| Governmental funds report payments received by other municipalities<br>for principal debt service as revenue, but the<br>statement of activities does not.<br>Debt assessments received in the current year                            | (1,992,520)        |
| Some expenses reported in the statement of activities do not require the use<br>of current financial resources and therefore are not reported as expenditures<br>in governmental funds.<br>Change in accrued interest on bonds payable | (72,342)           |
| Repayment of debt principal is an expenditure in the funds<br>but not in the statement of activities.<br>Bond principal payments   | <u>1,964,000</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.  | 176         |
| <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.                                      | 186         |
| <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.                    | 193         |
| <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.   | 198         |
| <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. | 200         |

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)

|  | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 16,820,741        | \$ 16,533,573        | \$ 15,130,221        | \$ 15,172,343        | \$ 14,381,796        |
| Restricted   | 1,851,694            | 2,398,320            | 2,970,238            | 17,220,863           | 15,477,619           |
| Unrestricted (deficit)                             | 28,243,259           | 27,949,778           | 28,418,753           | 14,863,873           | 13,990,332           |
| <b>Total governmental activities net position</b>  | <b>\$ 46,915,694</b> | <b>\$ 46,881,671</b> | <b>\$ 46,519,212</b> | <b>\$ 47,257,079</b> | <b>\$ 43,849,747</b> |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 11,920,478        | \$ 12,124,522        | \$ 13,178,355        | \$ 13,901,502        | \$ 15,663,869        |
| Restricted   | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                       | 21,158,429           | 23,646,148           | 24,406,603           | 25,585,370           | 25,095,420           |
| <b>Total business-type activities net position</b> | <b>\$ 33,078,907</b> | <b>\$ 35,770,670</b> | <b>\$ 37,584,958</b> | <b>\$ 39,486,872</b> | <b>\$ 40,759,289</b> |
| <b>Primary government</b>                          |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 28,741,219        | \$ 28,658,095        | \$ 28,308,576        | \$ 29,073,845        | \$ 30,045,665        |
| Restricted   | 1,851,694            | 2,398,320            | 2,970,238            | 17,220,863           | 15,477,619           |
| Unrestricted (deficit)                             | 49,401,688           | 51,595,926           | 52,825,356           | 40,449,243           | 39,085,752           |
| <b>Total primary government net position</b>       | <b>\$ 79,994,601</b> | <b>\$ 82,652,341</b> | <b>\$ 84,104,170</b> | <b>\$ 86,743,951</b> | <b>\$ 84,609,036</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

| 2013                  | 2014                  | 2015                 | 2016                 | 2017                 |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| \$ 82,006,055         | \$ 85,235,379         | \$ 80,763,955        | \$ 75,849,154        | \$ 102,545,547       |
| 12,690,046            | 11,852,828            | 16,954,611           | 18,778,078           | 19,893,219           |
| 13,284,484            | 7,656,588             | (43,192,276)         | (52,963,576)         | (63,436,135)         |
| <u>\$ 107,980,585</u> | <u>\$ 104,744,795</u> | <u>\$ 54,526,290</u> | <u>\$ 41,663,656</u> | <u>\$ 59,002,631</u> |
| \$ 3,419,014          | \$ 4,078,658          | \$ 3,412,622         | \$ 4,428,475         | \$ 4,746,956         |
| -                     | -                     | -                    | -                    | 9,834,247            |
| 23,997,521            | 22,567,600            | 33,682,508           | 32,545,842           | 18,975,759           |
| <u>\$ 27,416,535</u>  | <u>\$ 26,646,258</u>  | <u>\$ 37,095,130</u> | <u>\$ 36,974,317</u> | <u>\$ 33,556,962</u> |
| \$ 85,425,069         | \$ 89,314,037         | \$ 84,176,577        | \$ 80,277,629        | \$ 107,292,503       |
| 12,690,046            | 11,852,828            | 16,954,611           | 18,778,078           | 29,727,466           |
| 37,282,005            | 30,224,188            | (9,509,768)          | (20,417,734)         | (44,460,376)         |
| <u>\$ 135,397,120</u> | <u>\$ 131,391,053</u> | <u>\$ 91,621,420</u> | <u>\$ 78,637,973</u> | <u>\$ 92,559,593</u> |

COUNTY OF JACKSON, MICHIGAN

**Changes in Net Position**

Last Ten Years

(accrual basis of accounting)

|  | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenue</b>                               |                      |                      |                      |                      |                      |
| Governmental activities:                     |                      |                      |                      |                      |                      |
| Program revenues:                            |                      |                      |                      |                      |                      |
| Charges for services                         | \$ 8,139,339         | \$ 9,855,124         | \$ 9,597,688         | \$ 9,515,532         | \$ 10,060,336        |
| Operating grants and contributions           | 19,534,191           | 16,131,328           | 16,857,973           | 17,845,207           | 18,373,243           |
| Capital grants and contributions             | -                    | -                    | -                    | 382,293              | 4,025                |
| General revenues:                            |                      |                      |                      |                      |                      |
| Property taxes                               | 26,301,985           | 26,383,232           | 25,542,916           | 24,779,304           | 24,605,780           |
| Unrestricted state shared revenue            | 736,391              | 1,236,701            | 2,361,911            | 3,297,426            | 2,577,616            |
| Other  | 1,829,418            | 1,177,816            | 741,905              | 1,504,285            | 567,758              |
| Transfers                                    | 2,679,194            | 1,122,574            | 1,233,954            | 960,559              | 792,659              |
| Total governmental activities revenues       | <u>59,220,518</u>    | <u>55,906,775</u>    | <u>56,336,347</u>    | <u>58,284,606</u>    | <u>56,981,417</u>    |
| Business-type activities:                    |                      |                      |                      |                      |                      |
| Program revenues:                            |                      |                      |                      |                      |                      |
| Charges for services                         | 30,586,126           | 30,569,896           | 29,535,470           | 29,741,712           | 31,129,191           |
| Operating grants and contributions           | 338,959              | -                    | -                    | -                    | -                    |
| General revenues:                            |                      |                      |                      |                      |                      |
| Other  | -                    | 234,205              | 54,945               | 157,095              | 143,494              |
| Transfers                                    | (2,626,150)          | (1,123,027)          | (1,225,023)          | (948,952)            | (873,240)            |
| Special items                                |                      |                      |                      |                      |                      |
| Impairment loss on capital assets            | -                    | -                    | -                    | -                    | -                    |
| Loss on write-down of inventory              | -                    | -                    | -                    | -                    | -                    |
| Total business-type activities revenues      | <u>28,298,935</u>    | <u>29,681,074</u>    | <u>28,365,392</u>    | <u>28,949,855</u>    | <u>30,399,445</u>    |
| Total primary government revenues            | <u>87,519,453</u>    | <u>85,587,849</u>    | <u>84,701,739</u>    | <u>87,234,461</u>    | <u>87,380,862</u>    |
| <b>Expenses</b>                              |                      |                      |                      |                      |                      |
| Governmental activities:                     |                      |                      |                      |                      |                      |
| Judicial                                     | -                    | -                    | -                    | -                    | -                    |
| General government                           | 22,601,423           | 23,650,817           | 22,366,906           | 22,951,626           | 25,607,190           |
| Public safety                                | 18,171,168           | 18,196,223           | 18,336,839           | 18,882,372           | 18,745,790           |
| Public works                                 | -                    | -                    | -                    | -                    | -                    |
| Health and welfare                           | 9,254,566            | 9,521,311            | 10,487,852           | 10,664,522           | 10,734,927           |
| Recreation and culture                       | 1,766,639            | 3,188,894            | 2,843,700            | 2,844,926            | 2,910,341            |
| Community development                        | 7,494,081            | 1,463,740            | 1,033,799            | 2,006,522            | 1,795,363            |
| Interest on long-term debt                   | 831,753              | 803,914              | 1,156,503            | 443,479              | 595,138              |
| Total governmental activities expenses       | <u>60,119,630</u>    | <u>56,824,899</u>    | <u>56,225,599</u>    | <u>57,793,447</u>    | <u>60,388,749</u>    |
| Business-type activities:                    |                      |                      |                      |                      |                      |
| Delinquent tax revolving                     | 523,433              | 560,542              | 345,126              | 490,959              | 325,312              |
| Medical care facility                        | 15,758,850           | 16,060,347           | 16,681,276           | 17,816,002           | 18,151,367           |
| Foreclosure tax administration               | 301,988              | 426,210              | 494,072              | 462,740              | 1,626,864            |
| Resource recovery                            | 8,640,601            | 8,991,113            | 8,893,948            | 8,242,890            | 8,960,431            |
| Personal property tax                        | 66,944               | 66,998               | 66,631               | 35,350               | 63,054               |
| Soil erosion                                 | 65,186               | -                    | -                    | -                    | -                    |
| Total business-type activities expenses      | <u>25,357,002</u>    | <u>26,105,210</u>    | <u>26,481,053</u>    | <u>27,047,941</u>    | <u>29,127,028</u>    |
| Total primary government expenses            | <u>85,476,632</u>    | <u>82,930,109</u>    | <u>82,706,652</u>    | <u>84,841,388</u>    | <u>89,515,777</u>    |
| Change in net position                       | 2,042,821            | 2,657,740            | 1,995,087            | 2,393,073            | (2,134,915)          |
| Net position, beginning of year, as restated | <u>79,120,477</u>    | <u>79,994,601</u>    | <u>82,109,083</u>    | <u>84,350,878</u>    | <u>86,743,951</u>    |
| Net position, end of year                    | <u>\$ 81,163,298</u> | <u>\$ 82,652,341</u> | <u>\$ 84,104,170</u> | <u>\$ 86,743,951</u> | <u>\$ 84,609,036</u> |

Source: Jackson County Finance Department



Schedule 2  
Unaudited

| 2013                  | 2014                  | 2015                 | 2016                 | 2017                 |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| \$ 11,874,779         | \$ 12,297,064         | \$ 14,265,623        | \$ 12,464,814        | \$ 13,834,598        |
| 30,792,988            | 35,206,928            | 37,314,600           | 37,337,694           | 46,133,784           |
| 2,583,837             | 2,212,368             | 1,143,175            | 2,013,993            | 29,253,340           |
| 24,038,899            | 24,982,710            | 25,555,482           | 25,634,598           | 26,277,253           |
| 3,629,709             | 4,034,788             | 4,549,491            | 4,030,817            | 4,049,764            |
| (2,143,041)           | 2,644,025             | 823,063              | 105,984              | 366,463              |
| 1,718,754             | 2,073,417             | 2,175,219            | 3,714,080            | 3,281,306            |
| <u>72,495,925</u>     | <u>83,451,300</u>     | <u>85,826,653</u>    | <u>85,301,980</u>    | <u>123,196,508</u>   |
| 26,247,095            | 19,431,181            | 20,899,090           | 19,962,409           | 18,263,271           |
| 4,748,424             | 4,631,877             | 4,295,869            | 5,649,772            | 3,813,233            |
| -                     | -                     | -                    | -                    | -                    |
| (1,656,210)           | (1,909,080)           | (2,225,180)          | (3,936,177)          | (3,188,675)          |
| (11,573,914)          | -                     | -                    | -                    | -                    |
| (1,604,251)           | -                     | -                    | -                    | -                    |
| <u>16,161,144</u>     | <u>22,153,978</u>     | <u>22,969,779</u>    | <u>21,676,004</u>    | <u>18,887,829</u>    |
| <u>88,657,069</u>     | <u>105,605,278</u>    | <u>108,796,432</u>   | <u>106,977,984</u>   | <u>142,084,337</u>   |
| -                     | 3,845,425             | 3,704,190            | 3,974,952            | 4,683,821            |
| 27,844,444            | 26,660,739            | 24,853,910           | 27,468,022           | 28,793,948           |
| 18,748,028            | 20,578,254            | 19,761,116           | 20,053,033           | 22,968,477           |
| 12,432,981            | 17,643,349            | 18,498,264           | 24,231,602           | 22,754,594           |
| 15,170,502            | 12,362,735            | 13,801,527           | 16,541,687           | 18,191,270           |
| 1,733,043             | 2,242,769             | 2,162,591            | 2,363,668            | 3,511,322            |
| 5,418,245             | 2,818,220             | 3,377,913            | 2,894,354            | 2,855,259            |
| 604,922               | 535,599               | 769,992              | 637,296              | 2,098,842            |
| <u>81,952,165</u>     | <u>86,687,090</u>     | <u>86,929,503</u>    | <u>98,164,614</u>    | <u>105,857,533</u>   |
| 1,035,957             | 939,727               | 2,191,806            | 1,020,128            | 1,383,260            |
| 18,391,888            | 18,865,612            | 19,075,813           | 19,706,896           | 20,197,137           |
| 1,338,751             | 1,205,868             | 876,550              | 919,789              | 604,246              |
| 8,377,360             | 1,911,434             | 126,738              | 147,612              | 117,391              |
| 9,493                 | 1,614                 | 1,565                | 2,392                | 3,150                |
| -                     | -                     | -                    | -                    | -                    |
| <u>29,153,449</u>     | <u>22,924,255</u>     | <u>22,272,472</u>    | <u>21,796,817</u>    | <u>22,305,184</u>    |
| <u>111,105,614</u>    | <u>109,611,345</u>    | <u>109,201,975</u>   | <u>119,961,431</u>   | <u>128,162,717</u>   |
| (22,448,545)          | (4,006,067)           | (405,543)            | (12,983,447)         | 13,921,620           |
| <u>157,845,665</u>    | <u>135,397,120</u>    | <u>92,026,963</u>    | <u>91,621,420</u>    | <u>78,637,973</u>    |
| <u>\$ 135,397,120</u> | <u>\$ 131,391,053</u> | <u>\$ 91,621,420</u> | <u>\$ 78,637,973</u> | <u>\$ 92,559,593</u> |

COUNTY OF JACKSON, MICHIGAN

**Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

|   | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General fund</b>                       |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ 876,332           | \$ 888,149           |
| Committed                                 | -                    | -                    | -                    | 1,447,924            | 958,703              |
| Assigned                                  | -                    | -                    | -                    | 830,299              | 830,299              |
| Unassigned                                | -                    | -                    | -                    | 12,965,088           | 12,789,539           |
| Reserved                                  | 878,826              | 879,589              | 880,467              | -                    | -                    |
| Unreserved                                | 10,211,100           | 12,834,704           | 13,012,690           | -                    | -                    |
| <b>Total general fund</b>                 | <b>\$ 11,089,926</b> | <b>\$ 13,714,293</b> | <b>\$ 13,893,157</b> | <b>\$ 16,119,643</b> | <b>\$ 15,466,690</b> |
| <b>All other governmental funds</b>       |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ 431,540           | \$ 387,139           |
| Restricted                                | -                    | -                    | -                    | 17,150,425           | 15,397,727           |
| Committed                                 | -                    | -                    | -                    | 1,504,087            | 1,539,808            |
| Unassigned (deficit)                      | -                    | -                    | -                    | (2,753)              | -                    |
| Reserved                                  | 1,815,135            | 1,886,987            | 3,038,560            | -                    | -                    |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |
| Special revenue funds                     | 19,461,048           | 17,334,858           | 16,882,432           | -                    | -                    |
| Permanent funds                           | 176,986              | 181,134              | 180,616              | -                    | -                    |
| <b>Total all other governmental funds</b> | <b>21,453,169</b>    | <b>19,402,979</b>    | <b>20,101,608</b>    | <b>19,083,299</b>    | <b>17,324,674</b>    |
| <b>Total governmental funds</b>           | <b>\$ 32,543,095</b> | <b>\$ 33,117,272</b> | <b>\$ 33,994,765</b> | <b>\$ 35,202,942</b> | <b>\$ 32,791,364</b> |

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

Schedule 3  
Unaudited

| 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 874,160           | \$ 931,458           | \$ 889,529           | \$ 1,034,492         | \$ 947,593           |
| 469,482              | 469,482              | -                    | -                    | -                    |
| 263,369              | 1,320,167            | 705,443              | 1,275,869            | 624,014              |
| 11,058,812           | 10,365,563           | 10,278,607           | 7,328,672            | 8,000,271            |
| -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| <u>\$ 12,665,823</u> | <u>\$ 13,086,670</u> | <u>\$ 11,873,579</u> | <u>\$ 9,639,033</u>  | <u>\$ 9,571,878</u>  |
| \$ 1,479,623         | \$ 1,957,267         | \$ 2,052,590         | \$ 2,260,062         | \$ 2,232,363         |
| 11,347,738           | 10,037,650           | 15,015,207           | 16,561,231           | 35,931,194           |
| 3,785,981            | 2,331,517            | 4,103,415            | 3,390,613            | 4,747,404            |
| (2,964)              | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    |
| <u>16,610,378</u>    | <u>14,326,434</u>    | <u>21,171,212</u>    | <u>22,211,906</u>    | <u>42,910,961</u>    |
| <u>\$ 29,276,201</u> | <u>\$ 27,413,104</u> | <u>\$ 33,044,791</u> | <u>\$ 31,850,939</u> | <u>\$ 52,482,839</u> |

COUNTY OF JACKSON, MICHIGAN

**Changes in Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

|   | 2008                  | 2009                  | 2010                  | 2011                  | 2012                   |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Revenues</b>   |                       |                       |                       |                       |                        |
| Property taxes  | \$ 26,301,985         | \$ 26,383,232         | \$ 25,541,044         | \$ 24,779,305         | \$ 24,606,997          |
| Licenses, fees, taxes and permits                       | 474,069               | 437,296               | 471,432               | 459,766               | 464,860                |
| Intergovernmental                                       | 14,098,155            | 13,904,984            | 15,498,755            | 17,817,486            | 17,413,440             |
| Charges for services                                    | 8,873,750             | 7,589,130             | 7,920,575             | 7,603,096             | 7,802,940              |
| Fines and forfeitures                                   | 999,836               | 1,021,582             | 987,318               | 929,517               | 884,085                |
| Investment earnings (loss)                              | 2,389,750             | 1,548,242             | 1,136,906             | 1,759,834             | 975,110                |
| Rental, donations, and other                            | 3,385,049             | 4,181,788             | 3,871,363             | 4,300,043             | 4,366,326              |
| <b>Total revenues</b>                                   | <b>56,522,594</b>     | <b>55,066,254</b>     | <b>55,427,393</b>     | <b>57,649,047</b>     | <b>56,513,758</b>      |
| <b>Expenditures</b>                                     |                       |                       |                       |                       |                        |
| Current:  |                       |                       |                       |                       |                        |
| Judicial  | -                     | -                     | -                     | -                     | -                      |
| General government                                      | 21,063,018            | 20,540,737            | 19,928,198            | 19,954,588            | 20,594,967             |
| Public safety   | 15,805,365            | 14,871,330            | 15,132,380            | 15,434,422            | 15,720,974             |
| Public works  | -                     | -                     | -                     | -                     | -                      |
| Health and welfare                                      | 15,805,365            | 14,871,330            | 15,132,380            | 15,434,422            | 15,720,974             |
| Recreation and cultural                                 | 1,775,068             | 2,448,636             | 2,112,047             | 1,985,441             | 2,175,564              |
| Community development                                   | 1,090,014             | 1,290,775             | 919,684               | 1,775,957             | 1,586,540              |
| Fair  | -                     | -                     | -                     | -                     | -                      |
| Other functions   | 7,653,906             | 7,061,789             | 1,950,462             | 4,278,569             | 4,258,056              |
| Debt service:   |                       |                       |                       |                       |                        |
| Principal   | 700,000               | 700,000               | 775,000               | 905,000               | 895,000                |
| Interest  | 836,969               | 809,331               | 779,925               | 421,334               | 600,133                |
| Issuance costs  | -                     | -                     | -                     | -                     | -                      |
| Capital outlay  | 2,177,165             | 917,416               | 5,932,361             | 5,769,282             | 6,400,349              |
| <b>Total expenditures</b>                               | <b>66,906,870</b>     | <b>63,511,344</b>     | <b>62,662,437</b>     | <b>65,959,015</b>     | <b>67,952,557</b>      |
| Revenues under expenditures                             | (10,384,276)          | (8,445,090)           | (7,235,044)           | (8,309,968)           | (11,438,799)           |
| <b>Other financing sources (uses)</b>                   |                       |                       |                       |                       |                        |
| Issuance of long-term debt                              | -                     | -                     | 10,100,000            | -                     | -                      |
| Payment to refunding bond escrow agent                  | -                     | -                     | (10,018,468)          | -                     | -                      |
| Premium on bonds  | -                     | -                     | -                     | -                     | -                      |
| Discount on bonds                                       | -                     | -                     | -                     | -                     | -                      |
| Transfers in  | 15,375,975            | 14,747,892            | 13,543,829            | 12,695,160            | 11,001,852             |
| Transfers out   | (12,591,093)          | (13,809,630)          | (12,215,610)          | (11,696,532)          | (10,168,939)           |
| Proceeds from sale of capital assets                    | -                     | -                     | -                     | -                     | -                      |
| <b>Total other financing sources</b>                    | <b>2,784,882</b>      | <b>938,262</b>        | <b>1,409,751</b>      | <b>998,628</b>        | <b>832,913</b>         |
| <b>Net change in fund balances</b>                      | <b>\$ (7,599,394)</b> | <b>\$ (7,506,828)</b> | <b>\$ (5,825,293)</b> | <b>\$ (7,311,340)</b> | <b>\$ (10,605,886)</b> |
| Debt service as a percentage of noncapital expenditures | 2.37%                 | 2.41%                 | 2.74%                 | 2.20%                 | 2.43%                  |

Source: Jackson County Finance Department

Schedule 4  
Unaudited

| 2013                  | 2014                  | 2015                | 2016                  | 2017                 |
|-----------------------|-----------------------|---------------------|-----------------------|----------------------|
| \$ 24,038,899         | \$ 24,982,710         | \$ 25,555,482       | \$ 25,634,598         | \$ 26,277,253        |
| 629,992               | 553,195               | 631,450             | 635,428               | 607,896              |
| 31,565,444            | 34,424,635            | 35,162,155          | 36,520,651            | 40,969,848           |
| 10,304,110            | 10,937,860            | 10,850,745          | 11,189,247            | 12,040,633           |
| 894,326               | 913,977               | 1,456,750           | 651,421               | 938,047              |
| (2,146,321)           | 2,621,077             | 812,505             | 94,678                | 587,809              |
| 5,510,816             | 6,418,398             | 7,669,019           | 8,227,171             | 10,768,863           |
| <u>70,797,266</u>     | <u>80,851,852</u>     | <u>82,138,106</u>   | <u>82,953,194</u>     | <u>92,190,349</u>    |
| 3,997,148             | 3,845,425             | 3,737,954           | 3,902,705             | 4,191,727            |
| 16,116,914            | 17,407,601            | 17,239,021          | 18,153,632            | 17,827,675           |
| 16,763,410            | 17,703,355            | 17,681,048          | 18,005,725            | 17,792,184           |
| 10,743,885            | 11,891,655            | 12,341,964          | 23,653,781            | 31,375,125           |
| 11,589,346            | 11,842,417            | 12,658,535          | 15,454,312            | 13,798,980           |
| 1,335,362             | 1,690,424             | 1,822,130           | 1,633,829             | 2,621,599            |
| 2,125,453             | 1,098,819             | 1,065,995           | 791,815               | 685,379              |
| 995,116               | 1,067,215             | 1,309,611           | 1,418,233             | 1,456,247            |
| 7,539,934             | 6,221,610             | 6,650,035           | 6,583,834             | 5,960,345            |
| 1,071,085             | 1,116,444             | 1,289,064           | 1,920,479             | 2,775,000            |
| 581,230               | 544,479               | 854,075             | 581,304               | 1,714,378            |
| -                     | 69,662                | 139,792             | -                     | 63,506               |
| <u>8,189,363</u>      | <u>10,425,090</u>     | <u>11,029,567</u>   | <u>11,156,420</u>     | <u>16,632,443</u>    |
| <u>81,048,246</u>     | <u>84,924,196</u>     | <u>87,818,791</u>   | <u>103,256,069</u>    | <u>116,894,588</u>   |
| <u>(10,250,980)</u>   | <u>(4,072,344)</u>    | <u>(5,680,685)</u>  | <u>(20,302,875)</u>   | <u>(24,704,239)</u>  |
| -                     | 5,010,000             | 8,935,000           | 15,190,000            | 40,725,000           |
| -                     | (4,920,000)           | -                   | -                     | -                    |
| -                     | -                     | 147,286             | 61,174                | 1,261,836            |
| -                     | (20,338)              | -                   | -                     | -                    |
| 8,150,845             | 11,469,347            | 12,238,395          | 15,307,436            | 15,540,157           |
| (6,396,191)           | (9,360,030)           | (10,027,276)        | (11,477,456)          | (12,222,951)         |
| 5,635                 | 30,268                | 18,967              | 27,869                | 32,097               |
| <u>1,760,289</u>      | <u>2,209,247</u>      | <u>11,312,372</u>   | <u>19,109,023</u>     | <u>45,336,139</u>    |
| <u>\$ (8,490,691)</u> | <u>\$ (1,863,097)</u> | <u>\$ 5,631,687</u> | <u>\$ (1,193,852)</u> | <u>\$ 20,631,900</u> |
| <u>2.30%</u>          | <u>2.28%</u>          | <u>2.60%</u>        | <u>2.90%</u>          | <u>7.71%</u>         |

COUNTY OF JACKSON, MICHIGAN

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

|   | 2008                | 2009                | 2010              | 2011               | 2012                |
|---|---------------------|---------------------|-------------------|--------------------|---------------------|
| <b>Revenues</b>                             |                     |                     |                   |                    |                     |
| Property taxes                              | \$ 22,536,049       | \$ 22,553,464       | \$ 21,700,151     | \$ 21,109,245      | \$ 21,043,608       |
| Licenses, fees, taxes and permits           | 135,192             | 156,335             | 175,006           | 171,086            | 156,443             |
| Intergovernmental                           | 5,961,239           | 6,141,528           | 7,862,620         | 8,968,474          | 8,287,347           |
| Charges for services                        | 5,338,369           | 5,079,399           | 5,491,690         | 5,208,296          | 5,564,361           |
| Fines and forfeitures                       | 749,644             | 732,132             | 728,241           | 700,521            | 728,655             |
| Investment earnings (loss)                  | 1,897,465           | 1,205,421           | 869,110           | 1,374,972          | 617,042             |
| Rental                                      | -                   | -                   | -                 | -                  | -                   |
| Other                                       | 1,474,543           | 580,749             | 525,441           | 631,080            | 710,319             |
| <b>Total revenues</b>                       | <b>38,092,501</b>   | <b>36,449,028</b>   | <b>37,352,259</b> | <b>38,163,674</b>  | <b>37,107,775</b>   |
| <b>Expenditures</b>                         |                     |                     |                   |                    |                     |
| Elections                                   | 277,010             | -                   | -                 | -                  | -                   |
| Legislative                                 | 223,025             | -                   | -                 | -                  | -                   |
| Judicial                                    | 5,934,204           | -                   | -                 | -                  | -                   |
| General government                          | 9,858,185           | 15,908,581          | 15,835,320        | 15,626,331         | 16,241,246          |
| Public safety                               | 12,681,662          | 12,531,637          | 12,925,272        | 13,105,635         | 13,386,637          |
| Health and welfare                          | 3,032,634           | 2,602,846           | 2,601,208         | 2,611,342          | 2,653,476           |
| Other functions                             | 5,493,801           | 5,051,238           | 5,497,645         | 5,007,331          | 5,663,549           |
| <b>Total expenditures</b>                   | <b>37,500,521</b>   | <b>36,094,302</b>   | <b>36,859,445</b> | <b>36,350,639</b>  | <b>37,944,908</b>   |
| Revenues over (under) expenditures          | 591,980             | 354,726             | 492,814           | 1,813,035          | (837,133)           |
| <b>Other financing sources (uses)</b>       |                     |                     |                   |                    |                     |
| Transfers in                                | 6,671,943           | 7,780,600           | 5,646,699         | 4,515,983          | 4,576,289           |
| Transfers out                               | (5,389,924)         | (5,510,959)         | (5,591,401)       | (5,550,456)        | (4,392,109)         |
| <b>Total other financing sources (uses)</b> | <b>1,282,019</b>    | <b>2,269,641</b>    | <b>55,298</b>     | <b>(1,034,473)</b> | <b>184,180</b>      |
| <b>Net change in fund balance</b>           | <b>\$ 1,873,999</b> | <b>\$ 2,624,367</b> | <b>\$ 548,112</b> | <b>\$ 778,562</b>  | <b>\$ (652,953)</b> |

Source: Jackson County Finance Department

Schedule 5  
Unaudited

| 2013                  | 2014               | 2015                  | 2016                  | 2017               |
|-----------------------|--------------------|-----------------------|-----------------------|--------------------|
| \$ 20,482,195         | \$ 21,411,937      | \$ 21,882,537         | \$ 21,861,653         | \$ 22,115,685      |
| 207,230               | 177,025            | 176,633               | 110,735               | 95,219             |
| 8,539,239             | 9,119,267          | 9,845,236             | 10,493,103            | 10,736,570         |
| 5,542,454             | 5,479,044          | 5,634,251             | 5,577,341             | 5,726,892          |
| 751,820               | 724,427            | 680,240               | 632,107               | 582,324            |
| (2,137,379)           | 2,586,554          | 804,259               | 63,411                | 305,663            |
| 183,840               | 191,734            | 203,379               | 190,627               | 192,207            |
| 2,240,661             | 2,124,084          | 1,897,529             | 1,825,893             | 2,228,910          |
| <u>35,810,060</u>     | <u>41,814,072</u>  | <u>41,124,064</u>     | <u>40,754,870</u>     | <u>41,983,470</u>  |
| -                     | -                  | -                     | -                     | -                  |
| -                     | -                  | -                     | -                     | -                  |
| -                     | -                  | -                     | -                     | -                  |
| 16,058,391            | 17,169,311         | 17,099,912            | 18,088,676            | 17,634,708         |
| 13,533,400            | 14,485,381         | 14,563,759            | 14,973,279            | 14,633,635         |
| 3,017,394             | 3,216,354          | 3,302,188             | 3,418,765             | 3,499,499          |
| 7,526,066             | 6,203,489          | 6,618,646             | 6,559,160             | 5,960,345          |
| <u>40,135,251</u>     | <u>41,074,535</u>  | <u>41,584,505</u>     | <u>43,039,880</u>     | <u>41,728,187</u>  |
| <u>(4,325,191)</u>    | <u>739,537</u>     | <u>(460,441)</u>      | <u>(2,285,010)</u>    | <u>255,283</u>     |
| 3,737,376             | 4,108,649          | 4,254,545             | 5,671,618             | 5,250,032          |
| <u>(2,213,052)</u>    | <u>(4,427,339)</u> | <u>(5,007,195)</u>    | <u>(5,621,154)</u>    | <u>(5,572,470)</u> |
| <u>1,524,324</u>      | <u>(318,690)</u>   | <u>(752,650)</u>      | <u>50,464</u>         | <u>(322,438)</u>   |
| <u>\$ (2,800,867)</u> | <u>\$ 420,847</u>  | <u>\$ (1,213,091)</u> | <u>\$ (2,234,546)</u> | <u>\$ (67,155)</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 |          |                   |
| 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           |
| 2016        | 2,947,731                      | 533,023    | 147,960    | 193,871      | 3,333    | 450,796           |
| 2017        | 3,015,927                      | 543,997    | 148,052    | 193,097      | 2,368    | 458,389           |

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



Schedule 6  
Unaudited

| Total        | Assessed State<br>Equalized<br>Value | Industrial<br>Facilities<br>Taxable Value | Total<br>Direct<br>Tax Rate |
|--------------|--------------------------------------|---|-----------------------------|
| \$ 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                      |
| 4,276,714    | 5,144,216                            | 71,794                                    | 6.1038                      |
| 4,361,830    | 5,327,136                            | 25,827                                    | 6.1038                      |

COUNTY OF JACKSON, MICHIGAN

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

|   | 2008          | 2009          | 2010          | 2011          | 2012          |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>County direct rates</b>                    |               |               |               |               |               |
| Operating                                     | 5.1187        | 5.1187        | 5.1187        | 5.1187        | 5.1187        |
| Medical Care Facility                         | 0.1398        | 0.1398        | 0.1398        | 0.1398        | 0.1398        |
| Jail  | 0.4851        | 0.4851        | 0.4851        | 0.4851        | 0.4851        |
| Senior services                               | 0.2473        | 0.2473        | 0.2473        | 0.2473        | 0.2500        |
| <b>Total direct rate</b>                      | <b>5.9909</b> | <b>5.9909</b> | <b>5.9909</b> | <b>5.9909</b> | <b>5.9936</b> |
| <b>Overlapping rates</b>                      |               |               |               |               |               |
| <b>Cities -</b>                               |               |               |               |               |               |
| Jackson                                       | 14.5889       | 15.8089       | 15.3589       | 15.8389       | 16.1389       |
| <b>Townships (average)</b>                    | 1.7737        | 1.7709        | 1.8980        | 1.9418        | 1.9367        |
| <b>Villages (average)</b>                     | 9.4123        | 10.9535       | 10.7720       | 10.7496       | 11.0929       |
| <b>School districts (average)</b>             | 22.4486       | 22.3737       | 22.3737       | 22.8728       | 21.8281       |
| <b>Intermediate school district (average)</b> | 5.8986        | 5.9528        | 5.9528        | 5.9692        | 6.0600        |
| <b>Community College:</b>                     | 1.1446        | 1.1446        | 1.1446        | 1.1446        | 1.1446        |
| <b>District library</b>                       | 1.2593        | 1.2593        | 1.2593        | 1.2593        | 1.2593        |

Operating Tax Rate Limitations

|                       | 2008-2011          |                                  | 2012 - 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                           |

| 2016 - 2017        |                                  |
|--------------------|----------------------------------|
| Millage Authorized | Maximum Allowable after Rollback |

|                       |        |        |
|-----------------------|--------|--------|
| Operating             | 5.9500 | 5.1187 |
| Medical Care Facility | 0.2500 | 0.2500 |
| Jail debt             | 0.5000 | 0.4851 |
| Senior services       | 0.2500 | 0.2500 |

Source: Jackson County Equalization Department

Schedule 7  
Unaudited

| 2013          | 2014          | 2015          | 2016          | 2017          |
|---------------|---------------|---------------|---------------|---------------|
| 5.1187        | 5.1187        | 5.1187        | 5.1187        | 5.1187        |
| 0.1398        | 0.1398        | 0.1398        | 0.2500        | 0.2500        |
| 0.4851        | 0.4851        | 0.4851        | 0.4851        | 0.4851        |
| 0.2500        | 0.2500        | 0.2500        | 0.2500        | 0.2500        |
| <u>5.9936</u> | <u>5.9936</u> | <u>5.9936</u> | <u>6.1038</u> | <u>6.1038</u> |
| 16.0889       | 16.9789       | 16.0329       | 18.0389       | 18.1889       |
| 1.9445        | 2.0500        | 2.0468        | 2.0734        | 2.2992        |
| 10.8634       | 13.0162       | 12.9995       | 12.9614       | 13.2439       |
| 23.0342       | 23.4993       | 23.4993       | 23.2770       | 23.1699       |
| 6.0612        | 6.0612        | 6.0612        | 6.3073        | 6.3006        |
| 1.1446        | 1.1446        | 1.1446        | 1.1446        | 1.1446        |
| 1.2593        | 1.2593        | 1.2593        | 1.2593        | 1.7593        |

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

| Taxpayer                       | 2017                  |      |                                | 2008                  |      |                                |
|--------------------------------|-----------------------|------|--------------------------------|-----------------------|------|--------------------------------|
|                                | Taxable Value         | Rank | Percent of Total Taxable Value | Taxable Value         | Rank | Percent of Total Taxable Value |
| Consumers Energy               | \$ 275,154,326        | 1    | 6.31%                          | 154,300,705           | 1    | 3.47%                          |
| Enbride                        | 55,896,003            | 2    | 1.28%                          |                       |      |                                |
| Michigan Electric Transmission | 21,651,013            | 3    | 0.50%                          |                       |      |                                |
| MACI                           | 18,650,809            | 4    | 0.43%                          | 66,163,175            | 3    | 1.49%                          |
| Ramco Jackson LTD              | 16,637,546            | 5    | 0.38%                          | 17,131,805            | 6    | 0.38%                          |
| John Ganton                    | 13,049,881            | 6    | 0.30%                          |                       |      |                                |
| Meijer Inc.                    | 11,895,181            | 7    | 0.27%                          | 13,793,627            | 9    | 0.31%                          |
| West Bay Exploration           | 11,755,445            | 8    | 0.27%                          |                       |      |                                |
| Vista Grande Villa             | 11,465,483            | 9    | 0.26%                          |                       |      |                                |
| Wal-mart Stores Inc.           | 10,902,340            | 10   | 0.25%                          | 13,037,678            | 10   | 0.29%                          |
| Kinder Morgan Michigan LLC     |                       |      |                                | 95,294,050            | 2    | 2.14%                          |
| Gerdau MAC Steel               |                       |      |                                | 41,386,526            | 4    | 0.93%                          |
| TAC Manufacturing Inc.         |                       |      |                                | 20,342,175            | 5    | 0.46%                          |
| Wolverine Tech/Certainteed     |                       |      |                                | 15,949,950            | 7    | 0.36%                          |
| Comcast                        |                       |      |                                | 14,687,483            | 8    | 0.33%                          |
|                                | <u>\$ 447,058,027</u> |      | <u>10.25%</u>                  | <u>\$ 452,087,174</u> |      | <u>10.16%</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 |
|-------------|----------------|-------------------------|------------------------------------|----------------------------|-----------------------|--|
| 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                  | 24,076,502            | 100.00%  |
| 2014        | 24,486,531     | 23,097,727              | 94.33%                             | 1,388,805                  | 24,486,532            | 100.00%  |
| 2015        | 25,036,427     | 23,738,308              | 94.82%                             | 1,298,120                  | 25,036,428            | 100.00%  |
| 2016        | 25,362,592     | 24,098,873              | 95.02%                             | 1,263,720                  | 25,362,593            | 100.00%  |
| 2017        | 25,868,879     | 24,567,953              | 94.97%                             | 1,300,927                  | 25,868,880            | 100.00%  |

**State Revenue Sharing Payments**  
Last Ten Years

| Fiscal Year Ended | Revenue Sharing Payments |
|-------------------|--------------------------|
| 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                |
| 2016              | 3,382,698                |
| 2017              | 3,415,941                |

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 |                          |                      |            |
| 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     |
| 2016        | 34,530,214               | -              | 10,620,432               | -             | 45,150,646               | 7.77%                | 284.93     |
| 2017        | 137,948,369              | 3,225,000      | 10,041,830               | -             | 151,215,199              | 24.90%               | 953.20     |

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 |
|-------------|--------------------------|--|---------------|----------------------|---|------------|
| 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     |
| 2016        | 34,530,214               | -  | 34,530,214    | 5.95%                | 0.81%                                     | 217.91     |
| 2017        | 147,990,199              | 95,089   | 147,895,110   | 24.35%               | 3.39%                                     | 932.87     |

Source: Jackson County Finance Department



**Computation of Net Direct and Overlapping Debt**  
December 31, 2017

|                               | Gross Amount Outstanding | Self-Supporting or Paid by Benefited Government | Net Amount Outstanding |
|-------------------------------|--------------------------|---|------------------------|
| <b>Direct debt</b>            |                          |   |                        |
| General obligation bonds      | \$ 132,350,000           | \$ 5,470,000                                    | \$ 126,880,000         |
| Michigan Transportation Bonds | 13,385,000               | 13,385,000                                      | -                      |
| Leases                        | 3,225,000                | -   | 3,225,000              |
| Issuance discount             | (15,253)                 | (15,253)  | -                      |
| Issuance premium              | 1,443,622                | 1,443,622                                       | -                      |
| <b>Net direct debt</b>        | <b>\$ 150,388,369</b>    | <b>\$ 20,283,369</b>                            | <b>\$ 130,105,000</b>  |

|                                | Gross         | County Share | Net Amount Outstanding |
|--------------------------------|---------------|--------------|------------------------|
| <b>Overlapping debt</b>        |               |              |                        |
| City of Jackson                | \$ 45,008,000 | 100.00%      | \$ 45,008,000          |
| Blackman Township              | 2,325,000     | 100.00%      | 2,325,000              |
| Columbia Township              | 3,676,611     | 100.00%      | 3,676,611              |
| Grass Lake Township            | 322,513       | 100.00%      | 322,513                |
| Hanover Township               | 891,450       | 100.00%      | 891,450                |
| Henrietta Township             | 1,860,000     | 100.00%      | 1,860,000              |
| Leoni Township                 | 2,800,000     | 100.00%      | 2,800,000              |
| Liberty Township               | 233,550       | 100.00%      | 233,550                |
| Napoleon Township              | 1,362,487     | 100.00%      | 1,362,487              |
| Norvell Township               | 898,053       | 100.00%      | 898,053                |
| Rives Township                 | 980,000       | 100.00%      | 980,000                |
| Spring Arbor Township          | 8,210,000     | 100.00%      | 8,210,000              |
| Summit Township                | 1,858,579     | 100.00%      | 1,858,579              |
| Brooklyn Village               | 1,458,165     | 100.00%      | 1,458,165              |
| Concord Village                | 435,000       | 100.00%      | 435,000                |
| Grass Lake Village             | 1,315,000     | 100.00%      | 1,315,000              |
| Parma Village                  | 3,206,598     | 100.00%      | 3,206,598              |
| Springport Village             | 125,074       | 100.00%      | 125,074                |
| Addison School District        | 14,260,000    | 0.06%        | 8,556                  |
| Chelsea School District        | 34,981,842    | 4.43%        | 1,549,696              |
| Columbia School District       | 28,875,000    | 78.21%       | 22,583,138             |
| Concord School District        | 1,880,000     | 100.00%      | 1,880,000              |
| East Jackson School District   | 21,206,008    | 100.00%      | 21,206,008             |
| Grass Lake School District     | 24,567,170    | 99.28%       | 24,390,287             |
| Hanover-Horton School District | 1,680,000     | 86.34%       | 1,450,512              |

continued...

**Computation of Net Direct and Overlapping Debt**  
December 31, 2017

|  | Gross                 | County Share | Net Amount Outstanding |
|--|-----------------------|--------------|------------------------|
| <b>Overlapping debt (Continued)</b>    |                       |              |                        |
| Homer School District                  | \$ 18,478,434         | 1.26%        | \$ 232,828             |
| Jackson School District                | 38,890,000            | 100.00%      | 38,890,000             |
| Jonesville School District             | 20,732,412            | 0.67%        | 138,907                |
| Leslie School District                 | 10,022,087            | 13.45%       | 1,347,971              |
| Manchester School District             | 39,620,845            | 0.76%        | 301,118                |
| Marshall School District               | 47,830,000            | 1.77%        | 846,591                |
| Michigan Center School District        | 10,105,000            | 100.00%      | 10,105,000             |
| Napoleon School District               | 15,970,000            | 99.95%       | 15,962,015             |
| North Adams-Jerome School District     | 290,000               | 0.86%        | 2,494                  |
| Northwest School District              | 38,990,000            | 99.75%       | 38,892,525             |
| Springport School District             | 11,537,402            | 67.94%       | 7,838,511              |
| Stockbridge School District            | 24,150,000            | 16.18%       | 3,907,470              |
| Vandercook Lake School district        | 5,550,000             | 100.00%      | 5,550,000              |
| Western School District                | 37,548,398            | 100.00%      | 37,548,398             |
| Ingham Intermediate School district    | 1,503,000             | 1.28%        | 19,238                 |
| Jackson Intermediate School District   | 710,000               | 94.62%       | 671,802                |
| Jackson College                        | 36,560,000            | 100.00%      | 36,560,000             |
| <b>Total overlapping debt</b>          | <b>\$ 562,903,678</b> |              | <b>\$ 348,849,145</b>  |
| <b>Net direct and overlapping debt</b> |                       |              | <b>\$ 478,954,145</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.

**Legal Debt Margin**  
Last Ten Years

|   |                         |
|---|-------------------------|
| Legal debt margin calculation for 2017        |                         |
| Assessed value                                | <u>\$ 5,466,480,710</u> |
| Debt limit (10% of state equalized value)     | \$ 546,648,071          |
| Debt applicable to limit - gross direct bonds | <u>(159,385,848)</u>    |
| Legal debt margin                             | <u>\$ 387,262,223</u>   |

| Year | Debt Limit     | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to Limit As % of Debt Limit Ratio |
|------|----------------|------------------------------------|-------------------|---|
| 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%   |
| 2016 | 532,713,624    | 59,694,848                         | 473,018,776       | 11.21%  |
| 2017 | 546,648,071    | 159,385,848                        | 387,262,223       | 29.16%  |

Source: Jackson County Finance Department

Demographic and Economic Statistics  
Last Ten Years

| Fiscal Year | (1)<br>Population | (2)<br>Labor Force | (2)<br>Employment | (2)<br>Unemployment | (2)<br>Unemployment Rate | (3)<br>Total Personal Income (000's) | (3)<br>Per Capita Income |
|-------------|-------------------|--------------------|-------------------|---------------------|--------------------------|--------------------------------------|--------------------------|
| 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                   |
| 2016        | 158,460           | 73,700             | 70,600            | 3,100               | 4.2%                     | 5,807,699                            | 36,651                   |
| 2017        | 158,640           | 74,530             | 71,460            | 3,070               | 4.1%                     | 6,073,885                            | 38,287                   |

Source: Jackson County Finance Department

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

| Employer                              | 2017            |      |                               | 2008            |      |                               |
|---------------------------------------|-----------------|------|-------------------------------|-----------------|------|-------------------------------|
|                                       | Total Employees | Rank | % of Total County Labor Force | Total Employees | Rank | % of Total County Labor Force |
| Henry Ford Allegiance Health System   | 4,100           | 1    | 5.50%                         | 3,146           | 1    | 4.23%                         |
| Consumers Energy                      | 2,400           | 2    | 3.22%                         | 2,026           | 3    | 2.72%                         |
| Michigan Department of Corrections    | 2,040           | 3    | 2.74%                         | 2,040           | 2    | 2.74%                         |
| Great Lakes Home Health/Hospice       | 1,118           | 4    | 1.50%                         |                 |      |                               |
| Michigan Automotive Compressor (MACI) | 1,100           | 5    | 1.48%                         | 784             | 5    | 1.05%                         |
| TAC Manufacturing                     | 990             | 6    | 1.33%                         | 590             | 10   | 0.79%                         |
| Local Government                      | 870             | 7    | 1.17%                         | 870             | 4    | 1.17%                         |
| Jackson Public Schools                | 782             | 8    | 1.05%                         | 782             | 6    | 1.05%                         |
| Meijer Inc.                           | 755             | 9    | 1.01%                         | 755             | 8    | 1.01%                         |
| Eaton Corporation                     | 700             | 10   | 0.94%                         |                 |      |                               |
| Jackson College                       |                 |      |                               | 767             | 7    | 1.03%                         |
| Wal-Mart Inc.                         |                 |      |                               | 598             | 9    | 0.80%                         |
|                                       | <u>14,855</u>   |      | <u>19.93%</u>                 | <u>12,358</u>   |      | <u>16.59%</u>                 |

Source: The Enterprise Group, Jackson County.

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

| Function/Program                  | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Legislative:                      |              |              |              |              |              |              |              |              |              |              |
| Board of Commissioners            | 12.0         | 12.0         | 12.0         | 12.0         | 12.0         | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          |
| Judicial:                         |              |              |              |              |              |              |              |              |              |              |
| Circuit court                     | 29.0         | 29.0         | 28.0         | 28.0         | 28.0         | 28.0         | 28.0         | 28.0         | 28.0         | 28.0         |
| District court                    | 55.0         | 54.5         | 51.0         | 49.0         | 49.0         | 49.5         | 49.5         | 49.5         | 49.5         | 49.5         |
| Friend of the court               | 46.5         | 44.5         | 43.5         | 44.0         | 44.0         | 44.0         | 44.0         | 44.0         | 44.0         | 44.0         |
| General government and elections: |              |              |              |              |              |              |              |              |              |              |
| *County Administration            | 2.0          | 3.0          | 3.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 2.5          | 3.5          |
| Finance                           | 4.3          | 7.5          | 6.5          | 3.5          | 3.6          | 3.5          | 3.5          | 3.5          | 3.5          | 3.5          |
| Information & Tech Systems        | 7.0          | 7.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 11.0         | 11.0         | 11.0         |
| *Human Resources                  | 3.0          | -            | -            | 4.8          | 4.5          | 5.8          | 5.8          | 5.8          | 5.8          | 5.8          |
| Equalization                      | 8.0          | 8.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| GIS                               | 3.0          | 3.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Facilities Management             | 21.5         | 20.5         | 17.0         | 14.8         | 14.8         | 14.8         | 14.8         | 15.8         | 15.8         | 15.8         |
| Clerk                             | 20.7         | 21.0         | 20.0         | 19.3         | 18.8         | 18.8         | 18.8         | 18.8         | 18.8         | 18.8         |
| Register of Deeds                 | 6.0          | 5.0          | 4.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| Treasurer                         | 1.5          | 1.5          | 1.0          | 1.0          | 1.0          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          |
| MSU Extension                     | 3.0          | 2.5          | 2.5          | 2.5          | 2.0          | 2.0          | 1.0          | 1.0          | 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          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Retirement Board                  | 1.3          | 1.3          | 1.3          | -            | -            | -            | -            | -            | -            | -            |
| Public safety:                    |              |              |              |              |              |              |              |              |              |              |
| Prosecuting attorney              | 27.5         | 27.5         | 25.6         | 25.6         | 25.6         | 25.6         | 25.6         | 25.6         | 25.6         | 25.6         |
| Sheriff                           | 60.0         | 59.0         | 54.0         | 55.0         | 58.0         | 58.0         | 57.0         | 58.0         | 58.0         | 58.0         |
| Emergency management              | 20.0         | 20.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         | 19.0         | 22.0         | 22.0         |
| Jail                              | 56.0         | 55.0         | 54.0         | 54.0         | 54.0         | 54.0         | 54.0         | 54.0         | 53.0         | 53.0         |
| Animal control                    | 7.0          | 4.0          | 3.0          | 3.0          | 3.0          | 3.0          | -            | -            | -            | -            |
| Youth center                      | 36.6         | 35.8         | 32.4         | 32.4         | 32.3         | 32.3         | 32.3         | 32.3         | 32.3         | 32.3         |
| Health and welfare:               |              |              |              |              |              |              |              |              |              |              |
| Environmental Health              | 9.8          | 8.3          | 8.0          | 8.0          | 8.0          | 8.2          | 8.2          | 8.2          | 8.2          | 8.2          |
| Public Health                     | 39.0         | 41.8         | 40.2         | 41.5         | 43.5         | 44.0         | 44.0         | 45.5         | 45.5         | 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               | 29.9         | 28.8         | 28.6         | 27.7         | 27.7         | 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          | 3.5          | 3.5          |
| Cultural and recreation:          |              |              |              |              |              |              |              |              |              |              |
| Parks & Recreation                | 8.0          | 8.0          | 6.0          | 6.0          | 6.0          | 6.0          | 5.7          | 5.7          | 5.7          | 5.7          |
| Golf Course                       | 4.0          | 4.0          | 2.6          | 2.8          | 2.8          | 2.8          | 2.8          | 2.8          | 2.8          | 2.8          |
| ***Fair                           | -            | -            | 2.5          | 1.0          | 1.0          | 1.0          | 1.3          | 1.3          | 1.3          | 1.3          |
| Other:                            |              |              |              |              |              |              |              |              |              |              |
| Airport                           | 4.0          | 3.5          | 3.5          | 3.5          | 3.7          | 3.5          | 3.5          | 3.5          | 3.5          | 3.5          |
| Transportation                    | -            | -            | -            | -            | -            | 75.0         | 75.0         | 75.0         | 79.0         | 120.0        |
| Enterprise funds                  | 7.5          | 8.5          | 6.0          | 6.0          | 6.0          | 6.5          | 6.5          | 6.5          | 6.5          | 6.5          |
| <b>Total</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> | <b>584.0</b> | <b>626.0</b> |

Source: Jackson County Finance Department

\* Human Resources was combined with Administration Services in 2009 and 2010

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

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

**Operating Indicators by Function/Program**  
Last Ten Years

| Function/Program               | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Public safety</b>           |         |         |         |         |         |         |         |         |         |         |
| Sheriff:                       |         |         |         |         |         |         |         |         |         |         |
| Complaints                     | 26,792  | 33,034  | 30,069  | 39,448  | 35,654  | 36,076  | 36,480  | 29,563  | 32,199  | 28,520  |
| Dispatches                     | 127,895 | 146,669 | 138,673 | 149,663 | 152,808 | 141,157 | 132,512 | 129,036 | 132,981 | 143,454 |
| Arrests                        | 1,875   | 1,551   | 1,506   | 1,335   | 2,328   | 2,305   | 2,010   | 2,175   | 2,277   | 1,837   |
| Bookings                       | 8,996   | 9,543   | 11,104  | 10,779  | 8,182   | 8,309   | 7,190   | 7,047   | 7,364   | 7,238   |
| <b>Health</b>                  |         |         |         |         |         |         |         |         |         |         |
| Public health:                 |         |         |         |         |         |         |         |         |         |         |
| Immunizations administered     | 7,575   | 7,133   | 14,921  | 10,052  | 9,247   | 7,576   | 5,965   | 5,609   | 5,629   | 4,713   |
| WIC participants               | 5,534   | 5,687   | 5,725   | 5,485   | 5,401   | 5,361   | 5,445   | 5,442   | 5,150   | 4,903   |
| Vision/hearing screenings      | 16,433  | 10,472  | 16,392  | 17,597  | 18,671  | 18,330  | 17,741  | 22,321  | 17,936  | 18,325  |
| <b>Cultural and recreation</b> |         |         |         |         |         |         |         |         |         |         |
| Parks and recreation:          |         |         |         |         |         |         |         |         |         |         |
| Special events participation   | 220,000 | 220,000 | 220,000 | 220,000 | 225,000 | 225,000 | 230,000 | 240,000 | 229,000 | 215,000 |
| Cascades Falls participation   | 29,750  | 29,750  | 29,750  | 29,750  | 31,425  | 23,964  | 26,895  | 27,307  | 32,222  | 35,857  |
| Rounds of golf                 | 38,550  | 33,700  | 33,400  | 33,400  | 32,248  | 25,000  | 22,500  | 28,000  | 34,188  | 35,000  |
| Camper participation           | 15,550  | 15,550  | 33,700  | 33,700  | 14,740  | 2,400   | 1,635   | 10,742  | 11,601  | 8,590   |

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

# COUNTY OF JACKSON, MICHIGAN

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

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

Source: Jackson County Finance Department



Schedule 18  
Unaudited



| 2013 | 2014  | 2015  | 2016  | 2017  |
|------|-------|-------|-------|-------|
| 426  | 426   | 426   | 426   | 426   |
| 31   | 34    | 35    | 35    | 35    |
| -    | -     | -     | -     | -     |
| 16   | 16    | 16    | 16    | 16    |
| 900  | 1,086 | 1,086 | 1,086 | 1,086 |
| 17   | 17    | 17    | 17    | 17    |
| 1    | 1     | 1     | 1     | 1     |
| 1    | 1     | 1     | 1     | 1     |
| 15   | 15    | 15    | 15    | 15    |
| 4    | 4     | 4     | 4     | 4     |
| 12   | 12    | 12    | 12    | 12    |
| 1    | 1     | 1     | 1     | 1     |
| 1    | 1     | 1     | 1     | 1     |
| 1    | 1     | 1     | 1     | 1     |
| 4    | 4     | 4     | 4     | 4     |
| 10   | 10    | 10    | 10    | 10    |
| 8    | 8     | 8     | 8     | 8     |
| 2    | 2     | 2     | 2     | 2     |
| 544  | 544   | 544   | 544   | 544   |
| 811  | 811   | 811   | 811   | 811   |
| 229  | 229   | 229   | 229   | 229   |