

County of Jackson,  
Michigan



For the Year Ended  
December 31, 2013

Comprehensive  
Annual Financial  
Report

Prepared by:

Administrator/Controller  
*Michael R. Overton*

Deputy Administrator  
*Adam J. Brown*

Finance Director  
*James E. Latham*

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# COUNTY OF JACKSON, MICHIGAN

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## INTRODUCTORY SECTION

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# Jackson County

## ADMINISTRATOR/CONTROLLER

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

July 29, 2014

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

Transmitted herein is Jackson County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. Jackson County's financial reporting requirements are mandated by Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that Jackson County issue an annual financial report, and that this report be audited by certified public accountants.

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

The Jackson County's financial statements have been audited by Rehmann Robson, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2013 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 unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

## PROFILE OF THE JACKSON COUNTY GOVERNMENT

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

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

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

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

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

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

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

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

## FACTORS AFFECTING FINANCIAL CONDITION

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

### Local Economy

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

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

The Jackson County Airport's runway realignment project, which began in 2006, is currently in Phase II construction. The total estimated construction budget is \$33 million. When completed this project will enhance the viability of an "Aviation Business Park" located on surplus airport property.

The 2013 taxable value for the Jackson County increased by 0.27%. Total assessed property values for the County are \$4.7 billion based on the 2013 equalization report. The total change in the equalized value (which is approximately 50% of actual property value) was a reduction of \$18 million or 0.38% for 2013.

One of the County's largest manufacturer's added 209,000 square feet of expansion with a \$104 million investment providing 198 new jobs. Many other manufacturer's made significant multi-million dollar investments in their businesses to add many more jobs during 2013.

### Long-Term Financial Planning

Unassigned fund balance in the general fund is 29.7% of prior year's total general fund expenditures and transfers out and exceeds policy guidelines set by the Board of Commissioners for budgetary and planning purposes. In 2007, the Board established the guideline at 18%-24%, due to uncertain financial conditions with the State of Michigan. The 5 year budget plan discussed later in this section calls for the unassigned fund balance to fall to within policy by 2016.

The County continues to adhere to its plan to reduce FTE's in anticipation of reduced property tax revenue. Since 2004, the County has achieved a net reduction of 77 FTE's. This reduction has largely been achieved via attrition (retirements & terminations) and departmental reorganizations. The adopted 2013 budget does not call for 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 the expected reductions using a proactive process. Reserves, which currently exceed policy, are anticipated to be reduced to 24% of the unreserved fund balance to support County services by 2016. The expectation is that revenues and expenditures will be structurally balanced by 2016. The County continues to come in under budget each year, which has contributed to our ability to weather this past recession.

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

### Major Initiatives

As a distinct part of the County's strategic plan, we have been fostering intergovernmental cooperation in the provision of services. Examples include agreements with two component units for information technology services. An inter-local agreement was consummated with the City of Jackson for human resource services in 2010 and agreements for road patrol services with two townships. The equalization office began township assessing in 2012 and expects to add an additional township in 2013. In 2013 the County entered into an agreement to share Jackson County Road fund operations management personnel with the Calhoun County Road Department. The County will continue to explore other collaborative arrangements in the areas of IT, equalization, public safety and facilities management with the other local units of governments as opportunities present themselves.

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

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

### AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition to the Certificate of Achievement, the County also received the GFOA's Distinguished Budget Presentation Award for its budget for the fiscal year beginning January 1, 2012. To qualify for the Distinguished Budget Presentation Award, the County's Budget document was judged as a policy document, a financial plan, an operations guide, and a communications device.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Michael Overton". The signature is written in a cursive style with a long horizontal flourish extending from the end of the name.

Michael R. Overton

Administrator/Controller

# COUNTY OF JACKSON, MICHIGAN

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2013

### BOARD OF COMMISSIONERS

James E. Shotwell, Jr., Chair

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

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

### ADMINISTRATOR/CONTROLLER

Michael R. Overton

### DEPUTY ADMINISTRATOR

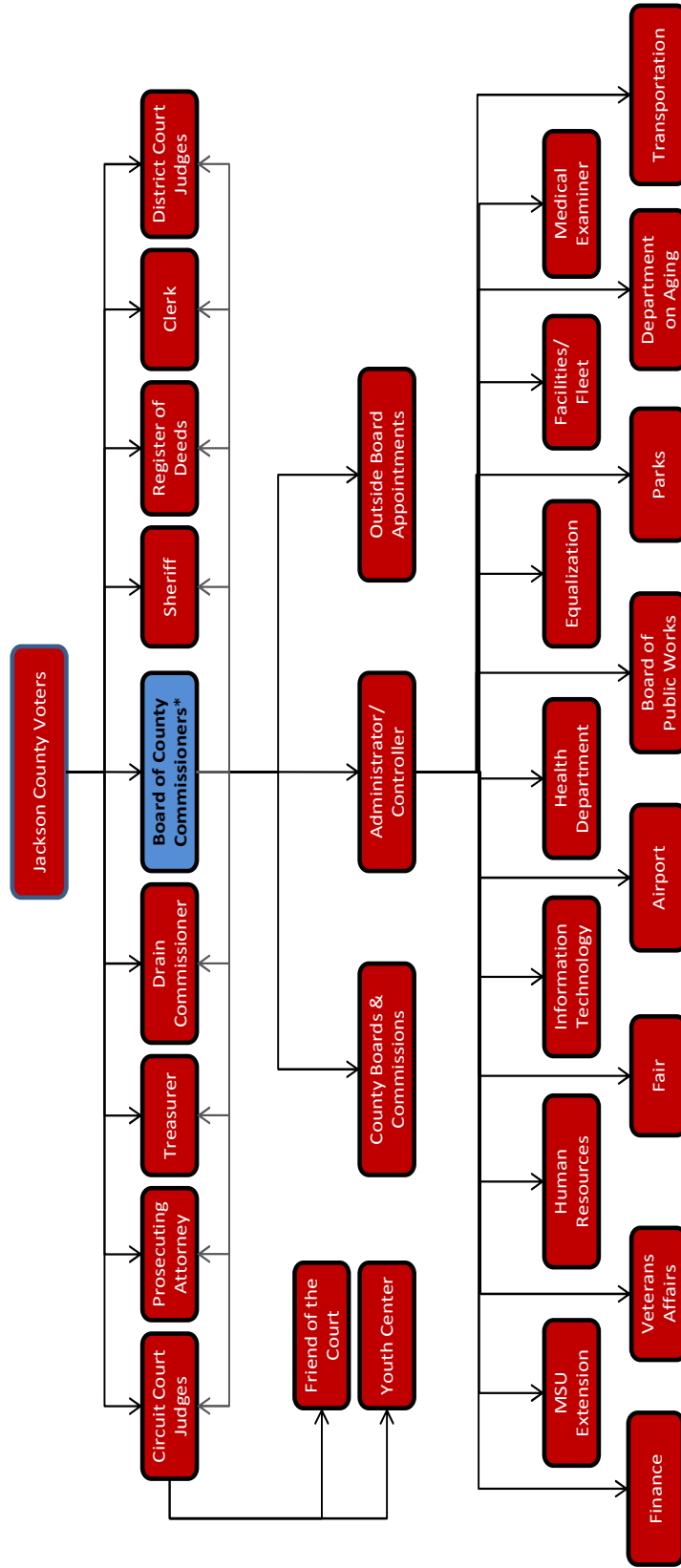
Adam J. Brown

### FINANCE DIRECTOR

James E. Latham, CPA

# COUNTY OF JACKSON

## 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, 2012**

Executive Director/CEO

## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

July 29, 2014

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Jackson, Michigan* (the "County") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

#### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility enterprise fund, which is a major fund, and 49.0%, 24.8%, and 58.2%, respectively, of the assets, net position, and program revenues of the business-type activities. Also, we did not audit the financial statements of the Economic Development Corporation which represent 3.7%, 16.6% and 2.6%, respectively, of the assets, net position and program revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and the Economic Development Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jackson, Michigan, as of December 31, 2013, 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.

### *Other Matters*

#### *Required Supplementary Information*

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

### *Other Information*

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

The combining and individual fund financial 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, 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, under separate cover, our report dated July 29, 2014 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 "Lehmann 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, 2013. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements.

### Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$135,397,120 (net position). Of this amount, \$37,282,005 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's net position decreased by \$22,448,545. Net position from governmental activities decreased by \$9,456,240 while net position from business-type activities (i.e. delinquent tax revolving fund, resource recovery, medical care facility and tax foreclosure administration funds) decreased by \$12,992,305.
- As of the close of the current fiscal year, the County's governmental funds (which include the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$29,276,201 a decrease of \$8,490,691 in comparison with the prior year. Of this balance, \$11,055,848 (37.8 percent), is unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,058,812 or 26.1 percent of total general fund expenditures and transfers out.
- The County's total bonded debt equaled \$26,330,000 at the close of 2013, decreasing by \$2,500,000 during the current fiscal year.

### Overview of the Financial Statements

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

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

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

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

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

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

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

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

**Proprietary Funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax revolving fund, resource recovery, medical care facility, and foreclosure tax administration. *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, resource recovery, medical care facility and foreclosure tax administration funds, all of which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

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

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

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

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$135,397,120 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 44,975,258	\$ 47,523,918	\$29,072,891	\$30,278,625	\$ 74,048,149	\$ 77,802,543
Capital assets, net	96,467,042	94,008,997	15,394,014	28,319,993	111,861,056	122,328,990
Total assets	141,442,300	141,532,915	44,466,905	58,598,618	185,909,205	200,131,533
Deferred outflows of resources	-	-	627,123	-	627,123	-
<b>Liabilities</b>						
Long-term liabilities	18,551,723	17,954,359	12,392,453	13,567,352	30,944,176	31,521,711
Other liabilities	11,545,239	5,911,406	5,285,040	4,271,977	16,830,279	10,183,383
Total liabilities	30,096,962	23,865,765	17,677,493	17,839,329	47,774,455	41,705,094
Deferred inflows of resources	3,364,753	3,590,202	-	-	3,364,753	3,590,202
<b>Net position:</b>						
Net investment in capital assets	82,006,055	91,789,401	3,419,014	15,663,869	85,425,069	107,453,270
Restricted	12,690,046	15,477,619	-	-	12,690,046	15,477,619
Unrestricted	13,284,484	13,990,332	23,997,521	25,095,420	37,282,005	39,085,752
Total net position	\$107,980,585	\$121,257,352	\$27,416,535	\$40,759,289	\$ 135,397,120	\$ 162,016,641

A substantial portion of the County's net position, \$85,425,069 (63.1 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), 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 \$12,690,046 (9.4 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of *unrestricted net position* of \$37,282,005 (27.5 percent) to meet its ongoing obligations to citizens and creditors.

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

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

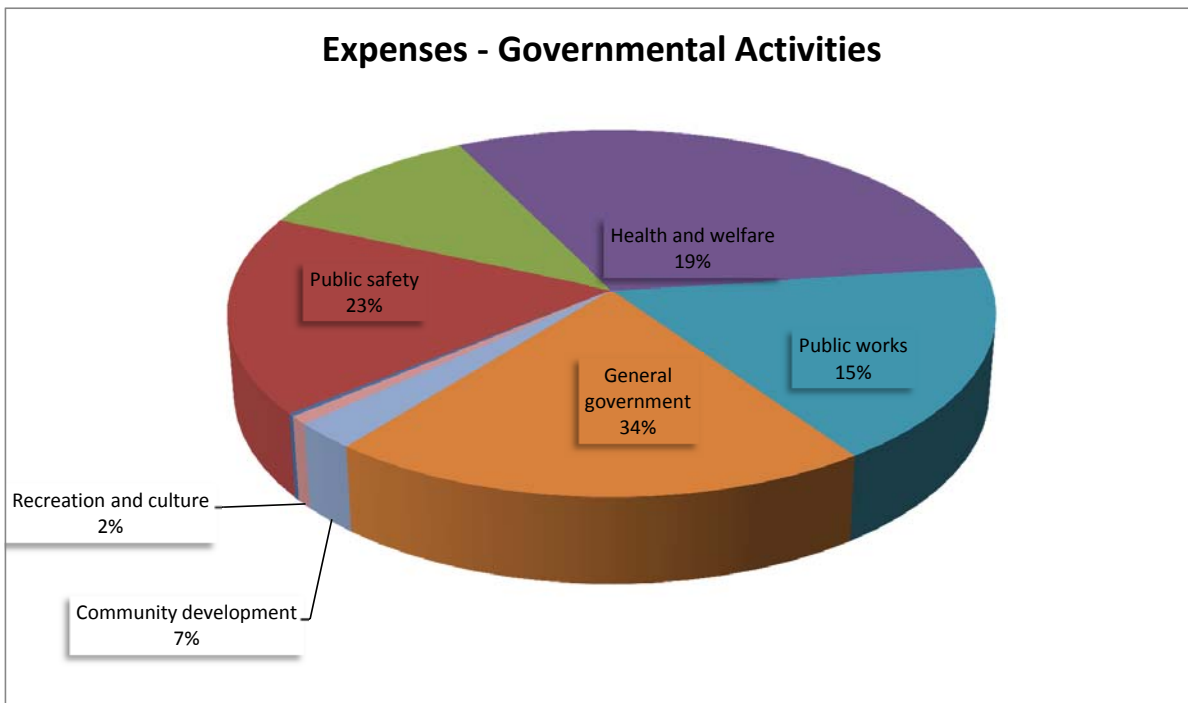
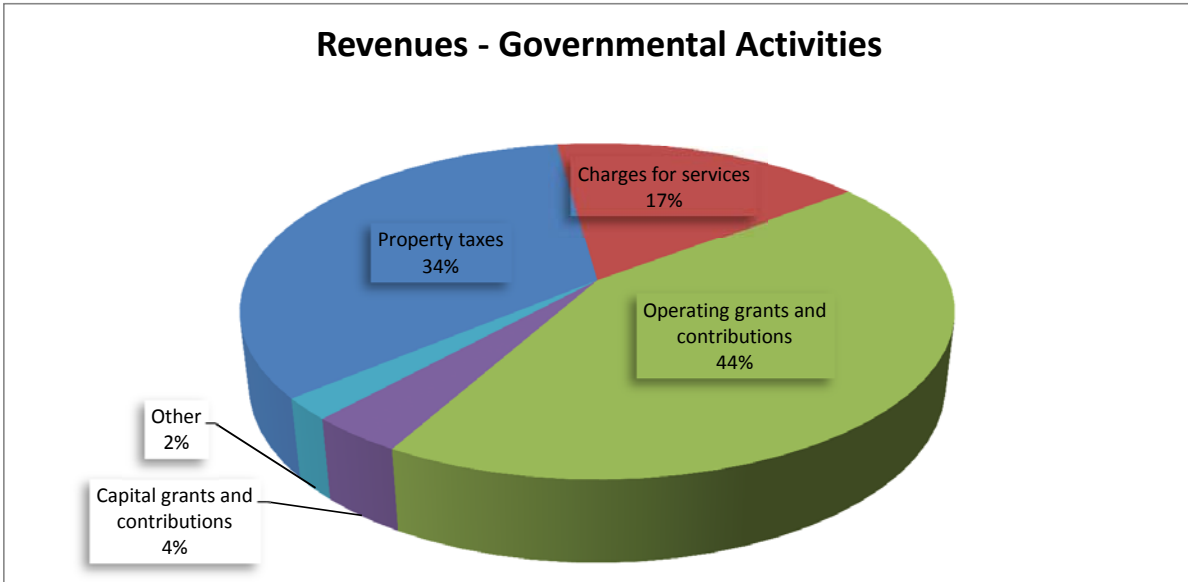
	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 11,874,779	\$ 10,060,336	\$26,247,095	\$31,129,191	\$ 38,121,874	\$ 41,189,527
Operating grants and contributions	30,792,988	18,373,243	4,748,424	-	35,541,412	18,373,243
Capital grants and contributions	2,583,837	4,025	-	-	2,583,837	4,025
General revenues:						
Property taxes	24,038,899	24,605,780	-	-	24,038,899	24,605,780
State shared revenues	3,629,709	2,577,616	-	-	3,629,709	2,577,616
Unrestricted investment earnings (loss)	(2,148,676)	437,115	-	41,007	(2,148,676)	478,122
Gain on sale of capital assets	5,635	-	-	-	5,635	-
Other	-	130,643	-	102,487	-	233,130
<b>Total revenues</b>	<b>70,777,171</b>	<b>56,188,758</b>	<b>30,995,519</b>	<b>31,272,685</b>	<b>101,772,690</b>	<b>87,461,443</b>
<b>Expenses</b>						
General government	27,844,444	25,607,190	-	-	27,844,444	25,607,190
Public safety	18,748,028	18,745,790	-	-	18,748,028	18,745,790
Public works	12,432,981	-	-	-	12,432,981	-
Health and welfare	15,170,502	10,734,927	-	-	15,170,502	10,734,927
Recreation and culture	1,733,043	2,910,341	-	-	1,733,043	2,910,341
Community development	5,418,245	1,795,363	-	-	5,418,245	1,795,363
Interest on long-term debt	604,922	595,138	-	-	604,922	595,138
Delinquent tax revolving	-	-	1,035,957	325,312	1,035,957	325,312
Foreclosure tax administration	-	-	1,338,751	1,626,864	1,338,751	1,626,864
Resource recovery	-	-	8,377,360	8,960,431	8,377,360	8,960,431
Medical care facility	-	-	18,391,888	18,151,367	18,391,888	18,151,367
Personal property tax	-	-	9,493	63,054	9,493	63,054
<b>Total expenses</b>	<b>81,952,165</b>	<b>60,388,749</b>	<b>29,153,449</b>	<b>29,127,028</b>	<b>111,105,614</b>	<b>89,515,777</b>
Change in net position before transfers and special items	(11,174,994)	(4,199,991)	1,842,070	2,145,657	(9,332,924)	(2,054,334)
Transfers	1,718,754	792,659	(1,656,210)	(873,240)	62,544	(80,581)
Special items:						
Impairment loss on capital assets	-	-	(11,573,914)	-	(11,573,914)	-
Loss on write-down of inventory	-	-	(1,604,251)	-	(1,604,251)	-
Change in net position	(9,456,240)	(3,407,332)	(12,992,305)	1,272,417	(22,448,545)	(2,134,915)
Net position:						
Beginning of year, as restated	117,436,825	124,664,684	40,408,840	39,486,872	157,845,665	164,151,556
End of year	<u>\$107,980,585</u>	<u>\$121,257,352</u>	<u>\$27,416,535</u>	<u>\$40,759,289</u>	<u>\$ 135,397,120</u>	<u>\$ 162,016,641</u>

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

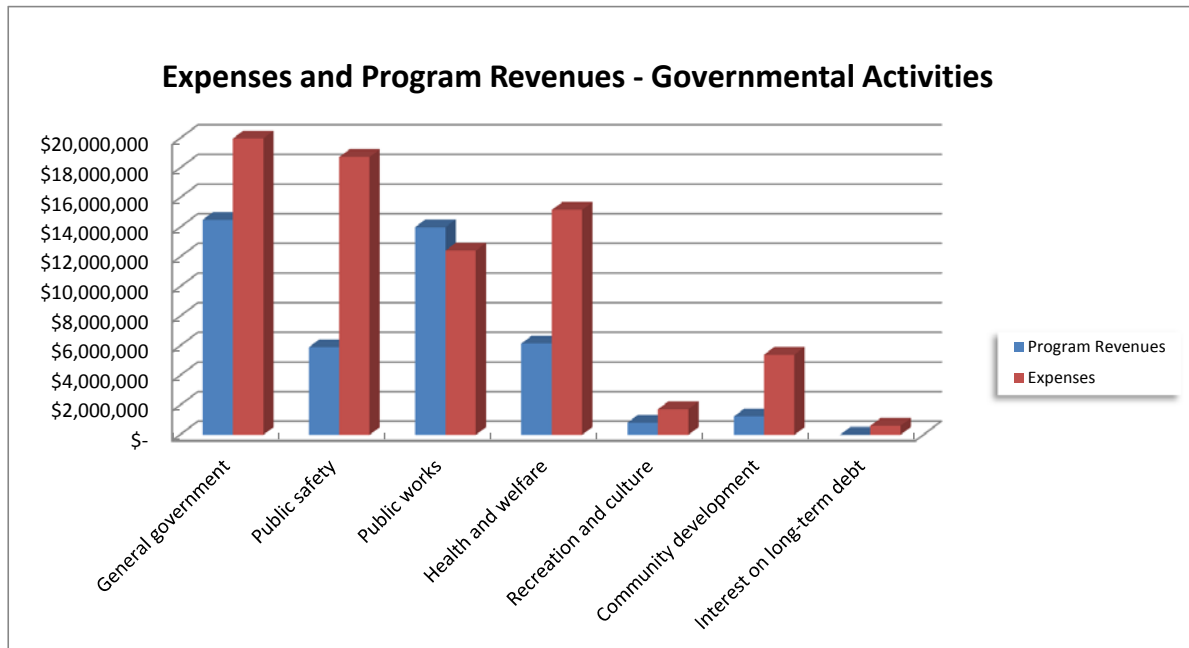
Governmental Activities. Governmental activities decreased net position by \$9,456,240. Key elements of this decrease are as follows:

- The County incurred additional expenses in each area which included an increase in expenses in public works due the County absorbing the road commission which was a component unit in the previous year.
- The fair market value of investment assets declined by \$2.6 million due to changes in interest rates.
- Additional funding of \$2.5 million was committed to the County's mental health agency.
- Childcare Fund expenses increased by over \$900,000 from the year before and the fund used \$2.9 million in reserves thereby reducing the County's net position.



# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis



Business-type Activities. Business-type activities decreased the County’s net position by \$12,992,305. Key elements of this decrease are as follows:

- The County closed operations of the resource recovery facility and wrote down the capital assets and inventories by approximately \$13.6 million to a net realizable value.

### 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 \$29,276,201, a decrease of \$8,490,691 in comparison with the prior year. A portion of this total \$11,055,848 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 \$11,058,812, while total fund balance reached \$12,665,823. 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 26.1 percent of total general fund expenditures and transfers out, while total fund balance represents 29.9 percent of that same amount.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

During the year, there was a total increase in appropriations between the original and final amended budget of \$35,356. All changes were minimal and are as follows:

- \$14,119 increase in general
- \$159,071 decrease in public
- \$6,956 decrease in health and
- \$187,264 increase in other functions

The jail millage fund was created in 2003 to account for property tax receipts, offset operating costs of jail operations and service bonded debt incurred on jail construction and renovation projects. Millage receipts were less than transfers out by \$144,707. The transfers out were comprised of \$1,280,500 for operations to the general fund and \$833,310 to the building authority debt service fund.

The medical care facility maintenance of effort fund makes payments to the State of Michigan for County residents being treated in the facility, a long-term healthcare facility owned and operated by Jackson County. Revenue in this fund is generated by a county-wide millage. The State of Michigan, Department of Community Health, will invoice the County based on a formula of operational costs and Medicaid reimbursement of the facility. Fund balance decreased by \$644,907.

The road fund balance increased by \$100,640 primarily due to measures taken to create ongoing cost savings, including reorganization of staffing, consolidation with the primary government and a collaborative resource sharing agreement with neighboring Calhoun County and their department of transportation.

The building authority debt service fund accounts for the debt payments of projects constructed through the Jackson County Building Authority. In 2006 the Authority originally issued bonds for a local health care organization in the amount of \$5,995,000, the current balance is \$5,645,000 which is carried as a receivable and unavailable revenue on the County's books. The County invoices LifeWays (a mental health agency) annually for principal and interest payments paid by the County of Jackson. Fund balance increased by \$4,001 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, resource recovery, medical care facility, and the foreclosure tax administration funds were \$17,573,891, \$1,092,616, \$3,443,587 and \$1,854,316, respectively.

Internal service funds net position at the end of the year amounted to \$2,060,389, increasing by \$311,881 from the prior year.

#### General Fund Budgetary Highlights

The general fund revenue increased by \$756,955 from the original to the final amended budget. This was primarily due to district court fees and clerks transfer tax and document fees increasing.

Overall, actual general fund revenue and other financing sources for the year ended were under the final budget by \$2,354,762. Actual expenditures and other financing uses for the year ended were under the final budget by \$393,265.

The general fund amended budget had appropriations to other funds transfers out of \$2,211,891. Actual appropriations were \$2,213,052, an increase of \$1,161. These additional appropriations were financed from savings in other budgeted expenditures along with better than anticipated incoming revenue and transfers allowing for an additional year end appropriation.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2013 amounted to \$111,861,056 (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. The substantial increase over the prior year is mainly due to the County absorbing the Road Commission capital assets on December 31, 2013.

Major capital asset events during the current fiscal year included the following:

- Operating revenue of the resource recovery facility decreased due to the termination of operations beginning in October 2013.
- The write off of approximately \$11.6 million in capital assets (net of depreciation) in the resource recovery fund due it ceasing operations in late 2013.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,846,846	\$ 2,846,846	\$ -	\$ 48,832	\$ 2,846,846	\$ 2,895,678
Land improvements	16,116,380	16,445,177	-	-	16,116,380	16,445,177
Avigation easements	375,547	-	-	-	375,547	-
Construction in progress	588,647	-	-	-	588,647	-
Buildings and improvements	22,045,484	21,449,596	14,458,203	22,968,995	36,503,687	44,418,591
Equipment and furniture	2,012,399	1,447,081	818,211	-	2,830,610	1,447,081
Vehicles	247,391	-	117,600	-	364,991	-
Infrastructure	51,833,293	50,169,827	-	-	51,833,293	50,169,827
Depletable assets	401,055	1,650,470	-	5,302,166	401,055	6,952,636
Total capital assets, net	<u>\$ 96,467,042</u>	<u>\$ 94,008,997</u>	<u>\$15,394,014</u>	<u>\$28,319,993</u>	<u>\$ 111,861,056</u>	<u>\$ 122,328,990</u>

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$26,330,000 excluding compensated absences. This entire amount is backed by the full faith and credit of the County and payable from the primary governments net position. The long-term debt included in the footnotes includes conduit debt issued by the County of Jackson for the benefit of LifeWays, Inc. a local mental health agency. The LifeWays outstanding bond debt of \$5,645,000, is offset by a receivable recorded in the building authority debt service fund.

	Bonds					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 14,355,000	\$ 15,395,000	\$11,975,000	\$12,769,481	\$ 26,330,000	\$ 28,164,481
Leases	105,987	137,072	-	-	105,987	137,072
LifeWays settlement	2,451,369	-	-	-	2,451,369	-
Compensated absences	1,639,367	1,668,514	417,453	422,786	2,056,820	2,091,300
Total	<u>\$ 18,551,723</u>	<u>\$ 17,200,586</u>	<u>\$12,392,453</u>	<u>\$13,192,267</u>	<u>\$ 26,435,987</u>	<u>\$ 28,301,553</u>

The County's total installment debt decreased by \$2,500,000 (8.7 percent) during the current fiscal year. This mainly attributable to annual principal payments.

The County maintains an "AA" rating from Standard & Poors for its general obligation debt. The Standard & Poors 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 \$475,480,300 which is significantly higher than the County's outstanding general obligation debt.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

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

The following factors were considered in preparing the County's budget for the 2014 fiscal year:

- Unemployment in the County of Jackson at the end of 2013 stood at 8.0% which is down from 8.2 in 2012. This rate continues to be above national averages but consistent with the State's average annual rate.
- 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.
- The economic downturn from previous years continues to hamper the County's finances. These developments of the last couple of years have resulted in a decline in taxable values. Michigan has two constitutional laws that limit property tax growth to the rate of inflation or 5%, whichever is less. For 2013 the applicable inflation rate was 2.4%. However, the 2014 budget assumes taxable values will increase by only 1.5%.
- Interest rates have declined over the past few years. The 2014 budget assumes the continuation of these poor rates.
- The State of Michigan has returned to fiscal stability and had a budget surplus for their most recent year end. The County has depleted its revenue sharing reserve fund. The 2014 budget assumes that the State will continue the revenue sharing/county incentive program at previous levels.
- In total there are over \$4.6 million additional expenses that must be addressed in the 2014 budget. The defined benefit pension cost increased in 2013 by \$2.3 million, retiree health care costs increased by \$1.1 million and other commitments require an additional \$1.2 million.
- 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, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 27,478,652	\$ 13,105,041	\$ 40,583,693	\$ 1,933,618
Restricted cash and pooled investments	-	1,760,466	1,760,466	-
Receivables, net	13,586,123	14,700,181	28,286,304	23,767,168
Advance to component unit	327,500	100,000	427,500	-
Internal balances	1,346,304	(1,346,304)	-	-
Prepaid items and other assets	2,236,679	753,507	2,990,186	113,846
Capital assets not being depreciated	19,927,420	-	19,927,420	-
Capital assets being depreciated, net	76,539,622	15,394,014	91,933,636	3,475,361
<b>Total assets</b>	<b>141,442,300</b>	<b>44,466,905</b>	<b>185,909,205</b>	<b>29,289,993</b>
<b>Deferred outflows of resources</b>				
Deferred charges on refunding	-	627,123	627,123	-
<b>Liabilities</b>				
Accounts payable and accrued expenses	4,669,962	3,396,522	8,066,484	152,243
Unearned revenue	58,995	3,500	62,495	-
Advance from primary government	-	-	-	427,500
Long-term liabilities:				
Due within one year	1,853,391	588,667	2,442,058	2,354,143
Due in more than one year	16,698,332	11,803,786	28,502,118	19,845,604
Net other postemployment benefit liability	6,816,282	1,885,018	8,701,300	-
<b>Total liabilities</b>	<b>30,096,962</b>	<b>17,677,493</b>	<b>47,774,455</b>	<b>22,779,490</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	3,364,753	-	3,364,753	-
<b>Net position</b>				
Net investment in capital assets	82,006,055	3,419,014	85,425,069	3,475,361
Restricted for:				
Judicial	6,960	-	6,960	-
Public safety	378,693	-	378,693	-
Public works	5,136,643	-	5,136,643	-
Health and welfare	6,219,275	-	6,219,275	-
Recreation and culture	52,041	-	52,041	-
Community development	266,642	-	266,642	-
State mandated and other purposes	453,109	-	453,109	-
Capital projects	-	-	-	1,155,933
Permanent funds:				
Expendable	8,898	-	8,898	-
Nonexpendable	167,785	-	167,785	-
Unrestricted	13,284,484	23,997,521	37,282,005	1,879,209
<b>Total net position</b>	<b>\$ 107,980,585</b>	<b>\$ 27,416,535</b>	<b>\$ 135,397,120</b>	<b>\$ 6,510,503</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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 27,844,444	\$ 6,234,519	\$ 8,272,766	\$ -	\$ (13,337,159)
Public safety	18,748,028	1,623,276	4,288,641	-	(12,836,111)
Public works	12,432,981	2,081,656	11,938,758	2,057,291	3,644,724
Health and welfare	15,170,502	876,963	5,285,598	-	(9,007,941)
Recreation and culture	1,733,043	757,030	70,825	-	(905,188)
Community development	5,418,245	301,335	936,400	526,546	(3,653,964)
Interest on long-term debt	604,922	-	-	-	(604,922)
<b>Total governmental activities</b>	<b>81,952,165</b>	<b>11,874,779</b>	<b>30,792,988</b>	<b>2,583,837</b>	<b>(36,700,561)</b>
Business-type activities:					
Delinquent tax revolving	1,035,957	902,431	1,643,266	-	1,509,740
Resource recovery	8,377,360	7,944,379	20,682	-	(412,299)
Medical care facility	18,391,888	15,845,896	3,051,332	-	505,340
Foreclosure tax administration	1,338,751	1,542,369	211	-	203,829
Personal property tax	9,493	12,020	32,933	-	35,460
<b>Total business-type activities</b>	<b>29,153,449</b>	<b>26,247,095</b>	<b>4,748,424</b>	<b>-</b>	<b>1,842,070</b>
<b>Total primary government</b>	<b>\$ 111,105,614</b>	<b>\$ 38,121,874</b>	<b>\$ 35,541,412</b>	<b>\$ 2,583,837</b>	<b>\$ (34,858,491)</b>
<b>Component units</b>					
Economic development	\$ 34,614	\$ 1,700	\$ 29,531	\$ -	\$ (3,383)
Land bank	52,419	56,997	-	-	4,578
County drains	274,462	-	-	137,457	(137,005)
Brownfield redevelopment	343,674	-	329,316	-	(14,358)
County board of public works	867,467	-	-	642,236	(225,231)
<b>Total component units</b>	<b>\$ 1,572,636</b>	<b>\$ 58,697</b>	<b>\$ 358,847</b>	<b>\$ 779,693</b>	<b>\$ (375,399)</b>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities For the Year Ended December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenue	\$ (36,700,561)	\$ 1,842,070	\$ (34,858,491)	\$ (375,399)
General revenues:				
Property taxes	24,038,899	-	24,038,899	-
Unrestricted state shared revenue	3,629,709	-	3,629,709	-
Unrestricted investment earnings (loss)	(2,148,676)	-	(2,148,676)	5,601
Gain on sale of capital assets	5,635	-	5,635	-
Special items (Notes 6 and 9):				
Impairment loss on capital assets	-	(11,573,914)	(11,573,914)	-
Loss on write-down of inventory	-	(1,604,251)	(1,604,251)	-
Transfers - internal activities	1,718,754	(1,656,210)	62,544	-
Total general revenues, special items, and transfers	<u>27,244,321</u>	<u>(14,834,375)</u>	<u>12,409,946</u>	<u>5,601</u>
Change in net position	(9,456,240)	(12,992,305)	(22,448,545)	(369,798)
Net position, beginning of year, as restated	<u>117,436,825</u>	<u>40,408,840</u>	<u>157,845,665</u>	<u>6,880,301</u>
Net position, end of year	<u>\$ 107,980,585</u>	<u>\$ 27,416,535</u>	<u>\$ 135,397,120</u>	<u>\$ 6,510,503</u>

concluded.

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

COUNTY OF JACKSON, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 December 31, 2013

	General	Jail Millage	Maintenance of Effort	Road
<b>Assets</b>				
Cash and pooled investments	\$ 10,729,927	\$ 164,735	\$ 4,264,811	\$ 2,878,441
Receivables:				
Accounts	561,019	-	-	345,427
Taxes	-	1,848,430	532,698	-
Accrued interest	165,492	-	-	-
Due from other funds	1,519,901	-	-	-
Due from other governmental units	242,333	-	-	2,030,235
Advances to component units	327,500	-	-	-
Advances to other funds	500,000	-	-	-
Inventory	-	-	-	1,274,409
Prepaid items	46,660	-	-	-
<b>Total assets</b>	<u>\$ 14,092,832</u>	<u>\$ 2,013,165</u>	<u>\$ 4,797,509</u>	<u>\$ 6,528,512</u>
<b>Liabilities</b>				
Accounts payable	\$ 713,349	\$ -	\$ 424,632	\$ 524,191
Accrued payroll	713,660	-	-	207,003
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	175,383
Deposits payable	-	-	-	148,442
Advances from other governments	-	-	-	397,325
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>1,427,009</u>	<u>-</u>	<u>424,632</u>	<u>1,452,344</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
Taxes levied for a subsequent period	-	1,865,632	537,653	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>1,865,632</u>	<u>537,653</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	874,160	-	-	1,274,409
Restricted	-	147,533	3,835,224	3,801,759
Committed	469,482	-	-	-
Assigned	263,369	-	-	-
Unassigned (deficit)	11,058,812	-	-	-
<b>Total fund balances</b>	<u>12,665,823</u>	<u>147,533</u>	<u>3,835,224</u>	<u>5,076,168</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 14,092,832</u>	<u>\$ 2,013,165</u>	<u>\$ 4,797,509</u>	<u>\$ 6,528,512</u>

Building Authority Debt Service	Nonmajor Governmental Funds	Total
\$ 4,359	\$ 7,894,408	\$ 25,936,681
-	255,058	1,161,504
-	952,604	3,333,732
-	-	165,492
-	-	1,519,901
5,645,000	527,419	8,444,987
-	-	327,500
-	-	500,000
-	189,356	1,463,765
-	6,960	53,620
<u>\$ 5,649,359</u>	<u>\$ 9,825,805</u>	<u>\$ 42,907,182</u>
\$ -	\$ 330,708	\$ 1,992,880
-	196,908	1,117,571
-	23,035	23,035
-	173,597	173,597
-	34,000	209,383
-	-	148,442
-	-	397,325
-	500,000	500,000
-	58,995	58,995
-	<u>1,317,243</u>	<u>4,621,228</u>
5,645,000	-	5,645,000
-	961,468	3,364,753
<u>5,645,000</u>	<u>961,468</u>	<u>9,009,753</u>
-	205,214	2,353,783
4,359	3,558,863	11,347,738
-	3,785,981	4,255,463
-	-	263,369
-	(2,964)	11,055,848
<u>4,359</u>	<u>7,547,094</u>	<u>29,276,201</u>
<u>\$ 5,649,359</u>	<u>\$ 9,825,805</u>	<u>\$ 42,907,182</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2013

Fund balances - total governmental funds	\$ 29,276,201
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	19,927,420
Capital assets being depreciated, net	76,539,622
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	5,645,000
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	2,060,389
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	(14,460,987)
Compensated absences	(1,639,367)
Net other postemployment benefit obligation	(6,816,282)
Accrued interest on long-term liabilities	(100,042)
Due to LifeWays - long-term agreement	(2,451,369)
Net position of governmental activities	<u>\$ 107,980,585</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, 2013

	General	Jail Millage	Maintenance of Effort	Road
<b>Revenues</b>				
Property taxes	\$ 20,482,195	\$ 1,971,613	\$ 575,761	\$ -
Licenses, fees, taxes and permits	207,230	-	-	74,415
Intergovernmental	8,539,239	-	-	13,790,044
Charges for services	5,542,454	-	-	2,003,032
Fines and forfeitures	751,820	-	-	-
Investment earnings (loss)	(2,137,379)	(2,510)	2,234	4,209
Rental	183,840	-	-	51,138
Donations	-	-	-	-
Other	2,240,661	-	-	154,867
<b>Total revenues</b>	<b>35,810,060</b>	<b>1,969,103</b>	<b>577,995</b>	<b>16,077,705</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	16,058,391	-	-	-
Public safety	13,533,400	-	-	-
Public works	-	-	-	10,743,885
Health and welfare	3,017,394	-	1,242,902	-
Recreation and cultural	-	-	-	-
Community development	-	-	-	-
Fair	-	-	-	-
Other functions	7,526,066	-	-	-
Debt service:				
Principal	-	-	-	31,085
Interest	-	-	-	12,545
Capital outlay	-	-	-	5,189,550
<b>Total expenditures</b>	<b>40,135,251</b>	<b>-</b>	<b>1,242,902</b>	<b>15,977,065</b>
<b>Revenue over (under) expenditures</b>	<b>(4,325,191)</b>	<b>1,969,103</b>	<b>(664,907)</b>	<b>100,640</b>
<b>Other financing sources (uses)</b>				
Transfers in	3,737,376	-	-	-
Transfers out	(2,213,052)	(2,113,810)	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,524,324</b>	<b>(2,113,810)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,800,867)</b>	<b>(144,707)</b>	<b>(664,907)</b>	<b>100,640</b>
<b>Fund balances, beginning of year, as restated</b>	<b>15,466,690</b>	<b>292,240</b>	<b>4,500,131</b>	<b>4,975,528</b>
<b>Fund balances, end of year</b>	<b>\$ 12,665,823</b>	<b>\$ 147,533</b>	<b>\$ 3,835,224</b>	<b>\$ 5,076,168</b>

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

Building Authority Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 1,009,330	\$ 24,038,899
-	348,347	629,992
-	9,236,161	31,565,444
-	2,758,624	10,304,110
-	142,506	894,326
-	(12,875)	(2,146,321)
-	329,425	564,403
-	7,493	7,493
<u>779,376</u>	<u>1,764,016</u>	<u>4,938,920</u>
<u>779,376</u>	<u>15,583,027</u>	<u>70,797,266</u>
-	3,997,148	3,997,148
-	58,523	16,116,914
-	3,230,010	16,763,410
-	-	10,743,885
-	7,329,050	11,589,346
-	1,335,362	1,335,362
-	2,125,453	2,125,453
-	995,116	995,116
-	13,868	7,539,934
1,040,000	-	1,071,085
568,685	-	581,230
-	2,999,813	8,189,363
<u>1,608,685</u>	<u>22,084,343</u>	<u>81,048,246</u>
<u>(829,309)</u>	<u>(6,501,316)</u>	<u>(10,250,980)</u>
833,310	3,580,159	8,150,845
-	(2,069,329)	(6,396,191)
-	5,635	5,635
<u>833,310</u>	<u>1,516,465</u>	<u>1,760,289</u>
4,001	(4,984,851)	(8,490,691)
<u>358</u>	<u>12,531,945</u>	<u>37,766,892</u>
<u>\$ 4,359</u>	<u>\$ 7,547,094</u>	<u>\$ 29,276,201</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balance of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	\$ (8,490,691)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition/construction of capital assets	9,267,068
Depreciation expense	(6,809,023)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred inflows from special assessments	(26,502)
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.	
Net change in deferred inflows of resources for long-term due from other governments	(350,000)
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 debt	1,071,085
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 amounts due to LifeWays on long-term payment agreement	(2,451,369)
Change in accrued interest payable on long-term debt	(23,692)
Change in net other postemployment benefit obligation	(1,984,144)
Change in the accrual for compensated absences	29,147
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	772
Net operating income of the internal service funds	347,009
Transfers accounted for in internal service funds	(35,900)
Change in net position of governmental activities	<u>\$ (9,456,240)</u>

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund

For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes	\$ 20,644,872	\$ 20,644,872	\$ 20,482,195	\$ (162,677)
Licenses, fees, taxes, and permits	159,620	160,620	207,230	46,610
Intergovernmental	8,124,283	8,220,663	8,539,239	318,576
Charges for services	5,102,178	5,196,353	5,542,454	346,101
Fines and forfeitures	711,500	711,500	751,820	40,320
Investment earnings (loss)	800,000	800,000	(2,137,379)	(2,937,379)
Rental	198,432	198,432	183,840	(14,592)
Other	1,648,212	2,213,612	2,240,661	27,049
<b>Total revenues</b>	<b>37,389,097</b>	<b>38,146,052</b>	<b>35,810,060</b>	<b>(2,335,992)</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	16,414,337	16,428,456	16,058,391	(370,065)
Public safety	13,790,319	13,631,248	13,533,400	(97,848)
Health and welfare	3,085,472	3,078,516	3,017,394	(61,122)
Other functions	7,201,871	7,389,135	7,526,066	136,931
<b>Total expenditures</b>	<b>40,491,999</b>	<b>40,527,355</b>	<b>40,135,251</b>	<b>(392,104)</b>
Revenues under expenditures	(3,102,902)	(2,381,303)	(4,325,191)	(1,943,888)
<b>Other financing sources (uses)</b>				
Transfers in	3,771,656	3,718,606	3,737,376	18,770
Transfers out	(1,900,069)	(2,211,891)	(2,213,052)	(1,161)
<b>Total other financing sources</b>	<b>1,871,587</b>	<b>1,506,715</b>	<b>1,524,324</b>	<b>17,609</b>
<b>Net change in fund balance</b>	<b>(1,231,315)</b>	<b>(874,588)</b>	<b>(2,800,867)</b>	<b>(1,926,279)</b>
Fund balance, beginning of year	15,466,690	15,466,690	15,466,690	-
<b>Fund balance, end of year</b>	<b>\$ 14,235,375</b>	<b>\$ 14,592,102</b>	<b>\$ 12,665,823</b>	<b>\$ (1,926,279)</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, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 1,945,000	\$ 1,915,825	\$ 1,971,613	\$ 55,788
Investment earnings (loss)	-	-	(2,510)	(2,510)
<b>Total revenues</b>	<b>1,945,000</b>	<b>1,915,825</b>	<b>1,969,103</b>	<b>53,278</b>
Other financing sources (uses)				
Transfers in	201,000	-	-	-
Transfers out	(2,146,000)	(2,113,810)	(2,113,810)	-
<b>Total other financing uses</b>	<b>(1,945,000)</b>	<b>(2,113,810)</b>	<b>(2,113,810)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(197,985)</b>	<b>(144,707)</b>	<b>53,278</b>
Fund balance, beginning of year	292,240	292,240	292,240	-
<b>Fund balance, end of year</b>	<b>\$ 292,240</b>	<b>\$ 94,255</b>	<b>\$ 147,533</b>	<b>\$ 53,278</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 - Maintenance of Effort Fund For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes	\$ 600,000	\$ 600,000	\$ 575,761	\$ (24,239)
Investment earnings	-	-	2,234	2,234
<b>Total revenues</b>	<b>600,000</b>	<b>600,000</b>	<b>577,995</b>	<b>(22,005)</b>
<b>Expenditures</b>				
Current -				
Health and welfare	345,286	1,528,286	1,242,902	(285,384)
<b>Revenues over (under) expenditures</b>	<b>254,714</b>	<b>(928,286)</b>	<b>(664,907)</b>	<b>263,379</b>
<b>Other financing sources (uses)</b>				
Transfers in	250,000	-	-	-
Transfers out	(504,714)	-	-	-
<b>Total other financing uses</b>	<b>(254,714)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(928,286)</b>	<b>(664,907)</b>	<b>263,379</b>
Fund balance, beginning of year	4,500,131	4,500,131	4,500,131	-
<b>Fund balance, end of year</b>	<b>\$ 4,500,131</b>	<b>\$ 3,571,845</b>	<b>\$ 3,835,224</b>	<b>\$ 263,379</b>

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Road Fund

For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ 61,774	\$ 61,774	\$ 74,415	\$ 12,641
Intergovernmental	13,465,839	13,465,839	13,790,044	324,205
Charges for services	2,068,128	2,068,128	2,003,032	(65,096)
Investment earnings	8,182	8,182	4,209	(3,973)
Rental	49,096	49,096	51,138	2,042
Other	245,165	245,165	154,867	(90,298)
<b>Total revenues</b>	<b>15,898,184</b>	<b>15,898,184</b>	<b>16,077,705</b>	<b>179,521</b>
<b>Expenditures</b>				
Current -				
Public works	10,962,083	10,962,083	10,743,885	(218,198)
Debt service:				
Principal	32,000	32,000	31,085	(915)
Interest	12,000	12,000	12,545	545
Capital outlay	5,189,550	5,189,550	5,189,550	-
<b>Total expenditures</b>	<b>16,195,633</b>	<b>16,195,633</b>	<b>15,977,065</b>	<b>(218,568)</b>
<b>Net change in fund balance</b>	<b>(297,449)</b>	<b>(297,449)</b>	<b>100,640</b>	<b>398,089</b>
Fund balance, beginning of year, as restated	4,975,528	4,975,528	4,975,528	-
<b>Fund balance, end of year</b>	<b>\$ 4,678,079</b>	<b>\$ 4,678,079</b>	<b>\$ 5,076,168</b>	<b>\$ 398,089</b>

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

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position

Proprietary Funds  
December 31, 2013

	Business-type Activities - Enterprise Funds			
	Delinquent Tax Revolving	Resource Recovery	Medical Care Facility	Foreclosure Tax Administration
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 5,051,534	\$ 1,594,191	\$ 3,077,213	\$ 3,340,602
Receivables:				
Accounts	322,416	404,093	2,346,324	264,974
Taxes	9,376,131	-	-	-
Accrued interest	1,986,243	-	-	-
Due from other funds	2,386,813	-	-	-
Advances to component units	-	-	-	100,000
Inventory	-	312,300	36,726	-
Prepaid items	-	-	42,525	-
Total current assets	<u>19,123,137</u>	<u>2,310,584</u>	<u>5,502,788</u>	<u>3,705,576</u>
Noncurrent assets:				
Restricted cash	-	783,191	977,275	-
Land held for resale	-	-	-	361,956
Capital assets being depreciated, net	20,817	56,537	15,316,660	-
Total noncurrent assets	<u>20,817</u>	<u>839,728</u>	<u>16,293,935</u>	<u>361,956</u>
<b>Total assets</b>	<u>19,143,954</u>	<u>3,150,312</u>	<u>21,796,723</u>	<u>4,067,532</u>
<b>Deferred outflows of resources</b>				
Deferred charges on refunding	-	-	627,123	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	6,863	872,659	672,916	-
Estimated claims payable	-	-	-	-
Accrued payroll	9,460	-	462,901	-
Residents' trust payable	-	-	14,482	-
Other liabilities	-	-	224,641	-
Due to other funds	1,519,901	-	-	2,213,216
Due to other governmental units	-	-	-	-
Unearned revenue	-	3,500	-	-
Accrued compensated absences	13,022	-	38,667	-
Current portion of general obligation bonds	-	-	550,000	-
Estimated closure and postclosure monitoring costs - current	-	95,000	-	-
Total current liabilities	<u>1,549,246</u>	<u>971,159</u>	<u>1,963,607</u>	<u>2,213,216</u>
Long-term liabilities				
Accrued compensated absences	-	-	364,974	-
Net other postemployment benefit liability	-	-	1,885,018	-
Estimated closure and postclosure monitoring costs	-	1,030,000	-	-
General obligation bonds payable	-	-	11,425,000	-
Total long-term liabilities	<u>-</u>	<u>1,030,000</u>	<u>13,674,992</u>	<u>-</u>
<b>Total liabilities</b>	<u>1,549,246</u>	<u>2,001,159</u>	<u>15,638,599</u>	<u>2,213,216</u>
<b>Net position</b>				
Net investment in capital assets	20,817	56,537	3,341,660	-
Unrestricted	17,573,891	1,092,616	3,443,587	1,854,316
<b>Total net position</b>	<u>\$ 17,594,708</u>	<u>\$ 1,149,153</u>	<u>\$ 6,785,247</u>	<u>\$ 1,854,316</u>

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

		Governmental Activities
Nonmajor Enterprise Fund Personal Property Tax	Total	Internal Service Funds
\$ 41,501	\$ 13,105,041	\$ 1,541,971
-	3,337,807	480,408
-	9,376,131	-
-	1,986,243	-
-	2,386,813	-
-	100,000	-
-	349,026	-
-	42,525	719,294
<u>41,501</u>	<u>30,683,586</u>	<u>2,741,673</u>
-	1,760,466	-
-	361,956	-
-	15,394,014	-
-	<u>17,516,436</u>	-
<u>41,501</u>	<u>48,200,022</u>	<u>2,741,673</u>
-	627,123	-
3,097	1,555,535	5,290
-	-	675,994
1,650	474,011	-
-	14,482	-
-	224,641	-
-	3,733,117	-
2,853	2,853	-
-	3,500	-
790	52,479	-
-	550,000	-
-	95,000	-
<u>8,390</u>	<u>6,705,618</u>	<u>681,284</u>
-	364,974	-
-	1,885,018	-
-	1,030,000	-
-	11,425,000	-
-	<u>14,704,992</u>	-
<u>8,390</u>	<u>21,410,610</u>	<u>681,284</u>
-	3,419,014	-
<u>33,111</u>	<u>23,997,521</u>	<u>2,060,389</u>
<u>\$ 33,111</u>	<u>\$ 27,416,535</u>	<u>\$ 2,060,389</u>

COUNTY OF JACKSON, MICHIGAN

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Proprietary Funds  
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Delinquent Tax Revolving	Resource Recovery	Medical Care Facility	Foreclosure Tax Administration
<b>Operating revenues</b>				
Interest on taxes	\$ 1,625,403	\$ -	\$ -	\$ -
Charges for services	902,431	7,944,379	15,845,896	1,542,369
Other revenue	4,284	19,202	2,203,358	211
<b>Total operating revenues</b>	<b>2,532,118</b>	<b>7,963,581</b>	<b>18,049,254</b>	<b>1,542,580</b>
<b>Operating expenses</b>				
Personnel services	394,095	-	12,406,099	-
Cost of services	430,311	6,218,692	4,746,532	-
Depreciation	3,871	1,233,719	650,912	-
Administration and other	94,320	700,541	-	1,338,751
<b>Total operating expenses</b>	<b>922,597</b>	<b>8,152,952</b>	<b>17,803,543</b>	<b>1,338,751</b>
<b>Operating income (loss)</b>	<b>1,609,521</b>	<b>(189,371)</b>	<b>245,711</b>	<b>203,829</b>
<b>Nonoperating revenue (expenses)</b>				
Interest income	13,579	1,480	-	-
Other revenues	-	-	847,974	-
Loss on disposal of capital assets	-	(85,400)	-	-
Interest expense	(113,360)	(139,008)	(588,345)	-
<b>Total nonoperating revenue (expenses)</b>	<b>(99,781)</b>	<b>(222,928)</b>	<b>259,629</b>	<b>-</b>
<b>Net Income (loss) before transfers and special items</b>	<b>1,509,740</b>	<b>(412,299)</b>	<b>505,340</b>	<b>203,829</b>
Transfers in	70,066	-	-	-
Transfers out	(1,723,776)	-	-	-
<b>Special items (Notes 6 and 9)</b>				
Impairment loss on capital assets	-	(11,573,914)	-	-
Loss on write-down of inventory	-	(1,604,251)	-	-
<b>Change in net position</b>	<b>(143,970)</b>	<b>(13,590,464)</b>	<b>505,340</b>	<b>203,829</b>
<b>Net position, beginning of year, as restated</b>	<b>17,738,678</b>	<b>14,739,617</b>	<b>6,279,907</b>	<b>1,650,487</b>
<b>Net position, end of year</b>	<b>\$ 17,594,708</b>	<b>\$ 1,149,153</b>	<b>\$ 6,785,247</b>	<b>\$ 1,854,316</b>

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

		Governmental Activities	
Nonmajor Enterprise Fund Personal Property Tax	Total	Internal Service Funds	
\$ 32,914	\$ 1,658,317	\$ -	
12,020	26,247,095	10,634,283	
-	2,227,055	-	
<u>44,934</u>	<u>30,132,467</u>	<u>10,634,283</u>	
7,496	12,807,690	-	
-	11,395,535	9,756,750	
-	1,888,502	-	
1,997	2,135,609	530,524	
<u>9,493</u>	<u>28,227,336</u>	<u>10,287,274</u>	
<u>35,441</u>	<u>1,905,131</u>	<u>347,009</u>	
19	15,078	772	
-	847,974	-	
-	(85,400)	-	
-	(840,713)	-	
<u>19</u>	<u>(63,061)</u>	<u>772</u>	
35,460	1,842,070	347,781	
-	70,066	-	
(2,500)	(1,726,276)	(35,900)	
-	(11,573,914)	-	
-	(1,604,251)	-	
<u>32,960</u>	<u>(12,992,305)</u>	<u>311,881</u>	
<u>151</u>	<u>40,408,840</u>	<u>1,748,508</u>	
<u>\$ 33,111</u>	<u>\$ 27,416,535</u>	<u>\$ 2,060,389</u>	

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Delinquent Tax Revolving	Resource Recovery	Medical Care Facility	Foreclosure Tax Administration
Cash flows from operating activities				
Cash received from customers, residents and users	\$ 1,786,988	\$ 8,028,981	\$ 15,314,417	\$ 1,277,606
Other operating receipts	4,284	-	-	-
Cash received from quality assurance supplement program	-	-	2,201,715	-
Cash paid to employees	(394,761)	(605)	(11,673,376)	-
Cash paid to suppliers	(423,488)	(6,357,930)	(4,853,686)	(1,396,359)
Payments for interfund services used	357,952	(894,815)	-	-
Receipts for interfund services provided	-	-	-	1,289,463
Net cash provided by operating activities	1,330,975	775,631	989,070	1,170,710
Cash flows from capital and related financing activities				
Principal payments on long-term debt	-	(905,000)	(555,000)	-
Interest payments on long-term debt	(113,360)	(139,008)	(544,345)	-
Other revenues collected	-	-	847,974	-
Purchase of capital assets	(12,686)	(150,505)	(458,646)	-
Net cash used in capital and related financing activities	(126,046)	(1,194,513)	(710,017)	-
Cash flows from noncapital financing activities				
Transfers from other funds	70,066	-	-	-
Transfers to other funds	(1,723,776)	-	-	-
Net cash used in noncapital financing activities	(1,653,710)	-	-	-
Cash flows from investing activities				
Interest income received	13,579	1,480	-	-
Net change in cash and cash equivalents	(435,202)	(417,402)	279,053	1,170,710
Cash and pooled investments, beginning of year	5,486,736	2,794,784	3,775,435	2,169,892
Cash and pooled investments, end of year	\$ 5,051,534	\$ 2,377,382	\$ 4,054,488	\$ 3,340,602
Statement of Net Assets Classification				
Cash and pooled investments	\$ 5,051,534	\$ 1,594,191	\$ 3,077,213	\$ 3,340,602
Restricted cash and pooled investments	-	783,191	977,275	-
Total	\$ 5,051,534	\$ 2,377,382	\$ 4,054,488	\$ 3,340,602

		Governmental Activities
Nonmajor Enterprise Fund Personal Property Tax	Total	Internal Service Funds
\$ 27,210	\$ 26,435,202	\$ 11,345,330
-	4,284	-
-	2,201,715	-
(9,228)	(12,077,970)	(10,359,398)
-	(13,031,463)	-
-	(536,863)	-
-	1,289,463	-
<u>17,982</u>	<u>4,284,368</u>	<u>985,932</u>
-	(1,460,000)	-
-	(796,713)	-
-	847,974	-
-	(621,837)	-
<u>-</u>	<u>(2,030,576)</u>	<u>-</u>
-	70,066	-
(2,500)	(1,726,276)	(35,900)
<u>(2,500)</u>	<u>(1,656,210)</u>	<u>(35,900)</u>
<u>19</u>	<u>15,078</u>	<u>772</u>
15,501	612,660	950,804
<u>26,000</u>	<u>14,252,847</u>	<u>591,167</u>
<u>\$ 41,501</u>	<u>\$ 14,865,507</u>	<u>\$ 1,541,971</u>
\$ 41,501	\$ 13,105,041	\$ 1,541,971
-	1,760,466	-
<u>\$ 41,501</u>	<u>\$ 14,865,507</u>	<u>\$ 1,541,971</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			
	Delinquent Tax Revolving	Resource Recovery	Medical Care Facility	Foreclosure Tax Administration
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,609,521	\$ (189,371)	\$ 245,711	\$ 203,829
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,871	1,233,719	650,912	-
Change in:				
Accounts receivable	398,052	237,262	(533,122)	(264,974)
Taxes receivable	(1,138,898)	-	-	-
Due from other funds	(1,067,629)	-	-	-
Prepaid items	-	46,606	62,355	-
Inventory	-	(171,862)	(4,561)	(57,608)
Due from other governments	-	-	-	-
Amortization of deferred expenses	-	75,124	-	-
Accounts payable	6,823	52,261	325,047	-
Accrued payroll	1,870	(605)	(7,562)	-
Residents' trust payable	-	-	435	-
Other liabilities	-	-	(243,422)	-
Due to other funds	1,519,901	(269,398)	-	1,289,463
Due to other governmental units	-	-	-	-
Unearned revenue	-	3,500	-	-
Accrued compensated absences	(2,536)	-	36	-
Estimated closure and postclosure monitoring costs	-	(241,605)	-	-
Net other postemployment benefits obligation	-	-	493,241	-
Net cash provided by operating activities	<u>\$ 1,330,975</u>	<u>\$ 775,631</u>	<u>\$ 989,070</u>	<u>\$ 1,170,710</u>

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

		Governmental Activities
Nonmajor Enterprise Fund Personal Property Tax	Total	Internal Service Funds
\$ 35,441	\$ 1,905,131	\$ 347,009
-	1,888,502	-
-	(162,782)	(101,142)
-	(1,138,898)	-
-	(1,067,629)	-
-	108,961	-
-	(234,031)	-
-	-	812,189
-	75,124	-
3,097	387,228	(72,124)
(2,832)	(9,129)	-
-	435	-
-	(243,422)	-
(3,716)	2,536,250	-
(14,008)	(14,008)	-
-	3,500	-
-	(2,500)	-
-	(241,605)	-
-	493,241	-
<u>\$ 17,982</u>	<u>4,284,368</u>	<u>\$ 985,932</u>

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2013

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and pooled investments	\$ 1,348,771	\$ 4,389,778
Investments, at fair value:		
Domestic equities	42,409,331	-
Equity mutual funds	28,541,281	-
International equities	29,327,848	-
U.S. treasuries	1,699,793	-
U.S. agencies	6,131,926	-
Corporate domestic securities	29,212,969	-
Collateralized mortgage obligations	649,402	-
International securities	606,451	-
Money market funds	5,581,011	-
Receivables:		
Accounts	79,642	21,506
Interest	280,852	-
<b>Total assets</b>	<u>145,869,277</u>	<u>\$ 4,411,284</u>
<b>Liabilities</b>		
Accounts payable	67,704	\$ -
Undistributed receipts	-	1,415,146
Due to other governments	-	2,671,230
Bonds	-	295,043
Escrow payable	-	29,865
<b>Total liabilities</b>	<u>67,704</u>	<u>\$ 4,411,284</u>
<b>Net position</b>		
Held in trust for pension benefits and other purposes	<u>\$ 145,801,573</u>	

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

COUNTY OF JACKSON, MICHIGAN

**Statement of Changes in Fiduciary Net Position**  
 Pension and Other Postemployment Benefits Trust Funds  
 December 31, 2013

	Pension and Other Postemployment Benefit Trust Funds
<b>Additions</b>	
Contributions:	
Employees	\$ 2,025,198
Employer	5,699,327
Other	1,556,573
Total contributions	<u>9,281,098</u>
Investment earnings:	
Interest and dividends	21,316,014
Net appreciation in fair value of investments	3,823,861
Less investment expenses	(608,603)
Net investment earnings	<u>24,531,272</u>
Total additions	<u>33,812,370</u>
<b>Deductions</b>	
Pension benefit payments	13,832,776
Contribution refunds	726,575
Administrative expenses	381,552
Total deductions	<u>14,940,903</u>
Change in net position	18,871,467
Net position, beginning of year	<u>126,930,106</u>
Net position, end of year	<u>\$ 145,801,573</u>

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

# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position Discretely Presented Component Units December 31, 2013

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority
<b>Assets</b>				
Cash and pooled investments	\$ 314,577	\$ 191,622	\$ 1,309,434	\$ 10,798
Receivables, net	769,784	17,870	63,649	686,720
Other assets	-	81,391	-	32,455
Capital assets being depreciated, net	-	-	3,475,361	-
<b>Total assets</b>	<b>1,084,361</b>	<b>290,883</b>	<b>4,848,444</b>	<b>729,973</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	6,308	2,200	7,150	-
Advance from primary government	-	100,000	210,000	117,500
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>6,308</b>	<b>102,200</b>	<b>217,150</b>	<b>117,500</b>
<b>Net position</b>				
Net investment in capital assets	-	-	3,475,361	-
Restricted for construction	-	-	1,155,933	-
Unrestricted	1,078,053	188,683	-	612,473
<b>Total net position</b>	<b>\$ 1,078,053</b>	<b>\$ 188,683</b>	<b>\$ 4,631,294</b>	<b>\$ 612,473</b>

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



Board of Public Works	Totals
-----------------------------	--------

\$ 107,187	\$ 1,933,618
22,229,145	23,767,168
-	113,846
-	3,475,361
<u>22,336,332</u>	<u>29,289,993</u>

136,585	152,243
-	427,500
2,354,143	2,354,143
19,845,604	19,845,604
<u>22,336,332</u>	<u>22,779,490</u>

-	3,475,361
-	1,155,933
-	1,879,209
<u>\$ -</u>	<u>\$ 6,510,503</u>

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Economic Development Corporation					
Governmental Activities -					
Other	\$ 34,614	\$ 1,700	\$ 29,531	\$ -	\$ (3,383)
Land Bank Authority					
Governmental Activities -					
Other	52,419	56,997	-	-	4,578
Drain Commission					
Governmental Activities -					
Public Works	274,462	-	-	137,457	(137,005)
Brownfield Redevelopment Authority					
Governmental Activities -					
Public Works	343,674	-	329,316	-	(14,358)
Board of Public Works					
Governmental Activities -					
Public Works	-	-	-	642,236	642,236
Interest on long-term debt	867,467	-	-	-	(867,467)
Total Board of Public Works	867,467	-	-	642,236	(225,231)
Total component units	\$ 1,572,636	\$ 58,697	\$ 358,847	\$ 779,693	\$ (375,399)

continued...

COUNTY OF JACKSON, MICHIGAN

**Statement of Activities**

Discretely Presented Component Units  
For the Year Ended December 31, 2013

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority	Board of Public Works	Totals
Change in net position net (expense) revenue	\$ (3,383)	\$ 4,578	\$ (137,005)	\$ (14,358)	\$ (225,231)	\$ (375,399)
General revenues - Interest income	97	-	602	4,650	252	5,601
Change in net position	(3,286)	4,578	(136,403)	(9,708)	(224,979)	(369,798)
Net position, beginning of year, as restated	1,081,339	184,105	4,767,697	622,181	224,979	6,880,301
Net position, end of year	<u>\$ 1,078,053</u>	<u>\$ 188,683</u>	<u>\$ 4,631,294</u>	<u>\$ 612,473</u>	<u>\$ -</u>	<u>\$ 6,510,503</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" or "government") 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.

The financial statements of 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 government 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 funds.

#### *Discretely Presented Component Units*

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

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

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

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

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

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

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

The County reports the following major governmental funds -

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

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

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

The *road fund* accounts for the construction and maintenance of the County roads.

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 *resource recovery facility fund* accounts for the operations of the incinerator and landfills; however, the incinerator was closed during 2013.

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

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

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

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

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

### Assets, Deferred Outflows/Inflows, Liabilities and Equity

#### *Deposits and Investments*

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

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

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

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

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

#### *Receivables and Payables*

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

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

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

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

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

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

### *Capital Assets*

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

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

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

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

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

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

### *Deferred Outflows of Resources*

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### *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.

### *Long-term Obligations*

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

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

### *Deferred Inflows of Resources*

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

### *Fund Equity*

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, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the Finance Director. Unassigned fund balance is the residual classification for the general fund.

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

## 2. BUDGETARY INFORMATION

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

During the year ended December 31, 2013, the County incurred expenditures in excess of the amounts appropriated as follows:

	Amended Budget	Actual	Variance
General fund:			
General government:			
Public defender	\$ 1,205,708	\$ 1,237,705	\$ 31,997
LifeWays maintenance	24,065	26,475	2,410
Health and welfare - appropriations			
Substance abuse - liquor tax	400,000	502,670	102,670
LifeWays	70,779	560,000	489,221
Transfers out	2,211,891	2,213,052	1,161
Road fund -			
Interest	12,000	12,545	545
Special revenue funds:			
County law library -			
Judicial	-	6,739	6,739
Joint narcotics			
Judicial	93,750	93,876	126
Community development block grant			
Community development	839,300	887,470	48,170
Airport runway project			
Community development	366,000	743,504	377,504
Health Department			
Transfers out	-	20,961	20,961

### 4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2013:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and pooled investments	\$ 40,583,693	\$ 1,933,618	\$ 42,517,311
Restricted cash and pooled investments	1,760,466	-	1,760,466
Statement of Fiduciary Net Position			
Cash and pooled investments	5,738,549	-	5,738,549
Investments	144,160,012	-	144,160,012
<b>Total</b>	<b>\$ 192,242,720</b>	<b>\$ 1,933,618</b>	<b>\$ 194,176,338</b>
Deposits and investments			
Bank deposits:			
Checking/savings accounts/certificates of deposit			\$ 1,872,644
Investments in securities and mutual funds:			
Treasurer's investment pool			47,924,891
Pension investments			142,888,863
Other postemployment investments			1,271,149
Cash on hand			31,375
Net effect of funds with different year ends			187,416
<b>Total</b>			<b>\$ 194,176,338</b>

Restricted cash of the primary government consists of the County's deposits with MMRMA.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 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 \$1,872,644. The combined bank balance of these deposits was \$6,323,917 of which \$2,678,670 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, 2013:

U.S. government agencies	\$ 40,000,000
Money market and cash management funds	<u>7,924,891</u>
<b>Total</b>	<u><u>\$ 47,924,891</u></u>

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

*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, 2013, all of the County's investments in securities of U.S. agencies were rated AA by Standard & Poor's.

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

At December 31, 2013, the County had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Federal Home Loan Bank	Various	51.0%
Federal Farm Credit Bank	Wells Fargo	25.5%

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

As of December 31, 2013, the County's debt securities had the following maturities:

	Fair Value	< 1 year	1 - 5 years	6 - 10 years	Total
U.S. government agencies	<u>\$ 40,000,000</u>	<u>\$ -</u>	<u>\$ 10,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 40,000,000</u>

# 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, 2013:

	Total
Investments at fair value, as determined by quoted market price:	
Domestic equities	\$ 41,834,471
Equity mutual funds	28,541,281
International equities	29,030,951
U.S. treasuries	1,656,927
U.S. agencies	6,115,337
Corporate domestic securities	28,873,032
Collateralized mortgage obligations	649,402
International securities	606,451
Money market funds	5,581,011
	<hr/>
Total investments	<u>\$ 142,888,863</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, 2013, the System's investments in securities of U.S. agencies, corporate securities, collateralized mortgage obligations and international securities were rated by Standard & Poor's as follows:

Rating	Employees Retirement System
AAA	\$ 681,864
AA+	1,909,684
AA	918,730
AA-	973,567
A+	1,532,801
A	1,719,839
A-	5,451,893
BBB+	2,123,122
BBB	4,009,265
BBB-	1,140,376
BB+	730,371
BB	1,063,767
BB-	514,895
B	218,870
B+	831,560
B-	234,616
Not rated	1,116,516
Not subject to credit risk	11,072,486
	<hr/>
Total	<u>\$ 36,244,222</u>

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

# 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, 2013 was as follows:

Investment Type	Fair Value
International equities	\$ 29,030,951
International securities	606,451

*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, 2013, the System's investment portfolio was concentrated as follows.

Investment Type	Issuer	% of Portfolio
State Street S & P Midcap - Mutual fund	State Street S & P Midcap	10.78%
State Street S & P Midcap - Mutual fund	State Street S & P Flagship	9.22%

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

	Fair value	Investment Maturities (fair value by years)			
		Less than 1	1-5	6-10	More than 10
U.S. treasuries	\$ 1,656,927	\$ -	\$ 502,358	\$ 907,674	\$ 246,895
U.S. agencies	6,115,337	-	507,598	2,550,758	3,056,981
Corporate domestic securities	28,873,032	1,658,129	14,292,549	7,802,412	5,119,942
Collateralized mortgage obligations	649,402	-	-	-	649,402
International securities	606,451	-	282,943	244,432	79,076
<b>Total</b>	<b>\$ 37,901,149</b>	<b>\$ 1,658,129</b>	<b>\$ 15,585,448</b>	<b>\$ 11,505,276</b>	<b>\$ 9,152,296</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.

### Retiree's Health Insurance Fund

The Fund's investments are primarily held in a bank administered trust fund. Following is a summary of the Fund's investments as of December 31, 2013:

	Total
Investments at fair value, as determined by quoted market price:	
Domestic equities	\$ 574,860
International equities	296,897
U.S. treasuries	42,866
U.S. agencies	16,589
Corporate securities	<u>339,937</u>
<b>Total investments</b>	<b><u>\$ 1,271,149</u></b>

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

As of December 31, 2013, the Plan's investments in securities of U.S. agencies and corporate securities were rated by Standard & Poor's as follows:

Rating	Fair Value
AA+	\$ 16,589
AA-	5,674
A+	22,680
A	15,465
A-	66,152
BBB+	4,452
BBB	50,854
BBB-	25,243
BB+	16,903
BB-	18,070
B	18,936
B+	11,328
B-	4,155
Not rated	<u>80,025</u>
	<b><u>\$ 356,526</u></b>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk.

The System's exposure to foreign currency risk stated in U.S. dollars as of December 31, 2013 was as follows:

Investment Type	Fair Value
International equities	<u>\$ 296,897</u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

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

*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. At December 31, 2013 there were no investments that exceeded 5%.

*Interest Rate Risk*. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund'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)			
		Less than 1	1-5	6-10	More than 10
U.S. treasuries	\$ 42,866	\$ -	\$ 20,466	\$ 22,400	\$ -
U.S. agencies	16,589	5,224	11,365	-	-
Corporate securities	339,937	80,665	155,962	38,869	64,441
	<u>\$ 399,392</u>	<u>\$ 85,889</u>	<u>\$ 187,793</u>	<u>\$ 61,269</u>	<u>\$ 64,441</u>

5. RECEIVABLES

Receivables are comprised of the following at December 31, 2013:

	Governmental Activities	Business-type Activities
Accounts	\$ 1,641,912	\$ 3,542,982
Less: allowance for uncollectibles	-	(205,175)
Taxes	3,333,732	9,376,131
Interest	165,492	1,986,243
Due from other governments	8,444,987	-
	<u>\$ 13,586,123</u>	<u>\$ 14,700,181</u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2013 was as follows:

Primary government

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,846,846	\$ -	\$ -	\$ -	\$ 2,846,846
Land improvements	16,105,575	10,805	-	-	16,116,380
Construction in progress - runway project	339,602	249,045	-	-	588,647
Avigation easements	-	375,547	-	-	375,547
	<u>19,292,023</u>	<u>635,397</u>	<u>-</u>	<u>-</u>	<u>19,927,420</u>
Capital assets being depreciated:					
Buildings and improvements	50,334,246	2,129,514	-	-	52,463,760
Equipment and furniture	26,760,477	498,756	(128,380)	-	27,130,853
Vehicles	2,374,838	319,919	(64,130)	-	2,630,627
Infrastructure	88,842,773	5,683,482	-	-	94,526,255
Depletable assets	548,074	-	-	-	548,074
	<u>168,860,408</u>	<u>8,631,671</u>	<u>(192,510)</u>	<u>-</u>	<u>177,299,569</u>
Less accumulated depreciation for:					
Buildings improvements	(28,884,650)	(1,533,626)	-	-	(30,418,276)
Equipment and furniture	(24,245,536)	(1,001,298)	128,380	-	(25,118,454)
Vehicles	(2,193,283)	(254,083)	64,130	-	(2,383,236)
Infrastructure	(38,672,946)	(4,020,016)	-	-	(42,692,962)
Depletable assets	(147,019)	-	-	-	(147,019)
	<u>(94,143,434)</u>	<u>(6,809,023)</u>	<u>192,510</u>	<u>-</u>	<u>(100,759,947)</u>
Total capital assets being depreciated, net, as restated	<u>74,716,974</u>	<u>1,822,648</u>	<u>-</u>	<u>-</u>	<u>76,539,622</u>
Governmental activities capital assets, net, as restated	<u>\$ 94,008,997</u>	<u>\$ 2,458,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,467,042</u>

Capital asset activity for governmental activities for the year ended December 31, 2013, increased due to the transfer of the road fund operations to the County. The capital assets increased by \$70,227,201 (net of depreciation).

Depreciation of governmental activities by function

General government	\$ 718,742
Public safety	642,965
Public works	4,787,161
Judicial	46,255
Health and welfare	304,094
Recreation and culture	309,806
	<u>\$ 6,809,023</u>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Impairments	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated -					
Land	\$ 48,832	\$ -	\$ (48,832)	\$ -	\$ -
Capital assets not depreciated:					
Land improvements	65,192	-	-	(65,192)	-
Buildings and improvements	41,861,986	416,163	-	(22,542,599)	19,735,550
Equipment and furniture	14,464,520	205,674	(18,284)	(12,759,500)	1,892,410
Vehicles	238,685	-	-	-	238,685
	<u>56,630,383</u>	<u>621,837</u>	<u>(18,284)</u>	<u>(35,367,291)</u>	<u>21,866,645</u>
Less accumulated depreciation for:					
Land improvements	(65,192)	-	-	65,192	-
Buildings and improvements	(18,892,991)	(1,442,906)	-	15,058,550	(5,277,347)
Equipment and furniture	(9,300,704)	(424,846)	(18,284)	8,669,635	(1,074,199)
Vehicles	(100,335)	(20,750)	-	-	(121,085)
	<u>(28,359,222)</u>	<u>(1,888,502)</u>	<u>(18,284)</u>	<u>23,793,377</u>	<u>(6,472,631)</u>
Total capital assets being depreciated, net	<u>28,271,161</u>	<u>(1,266,665)</u>	<u>(36,568)</u>	<u>(11,573,914)</u>	<u>15,394,014</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 28,319,993</u>	<u>\$ (1,266,665)</u>	<u>\$ (85,400)</u>	<u>\$ (11,573,914)</u>	<u>\$ 15,394,014</u>

During the year ended December 31, 2013, the County recognized an impairment loss on capital assets in the business-type activities of \$11,573,914 (net of depreciation) due to the closure of the resource recovery facility.

Depreciation of business-type activities by function

Resource recovery facility	\$ 1,235,053
Medical Care Facility	650,912
Delinquent tax fund	<u>2,537</u>
	<u>\$ 1,888,502</u>

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Component Unit - Drain Commission</b>				
Capital assets being depreciated -				
Infrastructure	\$ 12,242,656	\$ -	\$ -	\$ 12,242,656
Less accumulated depreciation for -				
Infrastructure	<u>(8,605,738)</u>	<u>(161,557)</u>	-	<u>(8,767,295)</u>
Total capital assets being depreciated, net	<u>3,636,918</u>	<u>(161,557)</u>	-	<u>3,475,361</u>
<b>Drain Commission capital assets, net</b>	<u>\$ 3,636,918</u>	<u>\$ (161,557)</u>	<u>\$ -</u>	<u>\$ 3,475,361</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, 2013:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,998,170	\$ 1,555,535
Accrued and other liabilities	1,140,606	698,652
Residents' trust payable	-	14,482
Estimated claims payable	675,994	-
Due to other governments	209,383	2,853
Deposits payable	148,442	-
Advances from other governments	397,325	-
Estimated closure and postclosure monitoring costs	-	1,125,000
Accrued interest on long-term debt	100,042	-
	<u>\$ 4,669,962</u>	<u>\$ 3,396,522</u>

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

The composition of interfund balances as of December 31, 2013, was as follows:

	Due from other funds	Due to other funds
Nonmajor governmental funds	\$ -	\$ 173,597
Delinquent tax revolving	2,386,813	-
Foreclosure tax administration	-	2,213,216
	<u>\$ 2,386,813</u>	<u>\$ 2,386,813</u>

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

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

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

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

For the year ended December 31, 2013, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Building Authority Debt Service	Nonmajor Governmental Funds	Delinquent Tax Revolving Fund	
General fund	\$ -	\$ -	\$ 2,213,052	\$ -	\$ 2,213,052
Jail millage	1,280,500	833,310	-	-	2,113,810
Nonmajor governmental funds	1,901,930	-	97,333	70,066	2,069,329
Delinquent tax revolving fund	516,546	-	1,207,230	-	1,723,776
Personal property tax fund	2,500	-	-	-	2,500
Internal service funds	35,900	-	-	-	35,900
Timing differences	-	-	62,544	-	62,544
	<u>\$ 3,737,376</u>	<u>\$ 833,310</u>	<u>\$ 3,580,159</u>	<u>\$ 70,066</u>	<u>\$ 8,220,911</u>

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

**9. INVENTORY**

The resource recovery fund carried an inventory consisting mainly of parts for the operation of the facility. In 2013, the facility ceased operations. Management estimated the net realizable value of the inventory and adjusted the balance of the inventory resulting in a write-off of approximately \$1.6 million.

**10. LONG-TERM DEBT**

Primary government

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

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

*Governmental Activities*

Bonds	Due	Annual Installments	Interest Rate	Amount
1999A Jackson County Building Authority	2019	\$50,000-\$75,000	5.30%-6.00%	\$ 425,000
2006 Jackson County Building Authority	2026	\$300,000-\$520,000	4.75%-5.00%	5,220,000
2010 Refunding bonds - county jail	2022	\$735,000-\$1,145,000	2.85%	8,710,000
Total general obligation bonds				<u>\$ 14,355,000</u>

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

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

Year Ended December 31,	Principal	Interest	Total
2014	\$ 1,085,000	\$ 543,419	\$ 1,628,419
2015	1,260,000	504,932	1,764,932
2016	1,325,000	460,241	1,785,241
2017	1,390,000	408,202	1,798,202
2018	1,425,000	353,912	1,778,912
2019-2023	6,375,000	957,057	7,332,057
2024-2026	1,495,000	151,750	1,646,750
	<u>\$ 14,355,000</u>	<u>\$ 3,379,513</u>	<u>\$ 17,734,513</u>

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

The annual requirement to amortize the debt outstanding as of December 31, 2013 is as follows:

Year Ended December 31,	Amount
2014	\$ 31,444
2015	31,833
2016	29,394
2017	13,316
Total minimum lease payments	<u>105,987</u>

*Business-type Activities*

Bonds	Due	Annual Installments	Interest Rate	Amount
2005 Refunding Bonds	2030	\$555,000-\$885,000	3.150% - 5.125%	<u>\$ 11,975,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2014	\$ 550,000	\$ 524,729	\$ 1,074,729
2015	595,000	502,172	1,097,172
2016	590,000	479,472	1,069,472
2017	635,000	453,576	1,088,576
2018	625,000	427,589	1,052,589
2019-2023	3,460,000	1,751,253	5,211,253
2024-2028	3,790,000	909,161	4,699,161
2029-2030	1,730,000	88,155	1,818,155
	<u>\$ 11,975,000</u>	<u>\$ 5,136,107</u>	<u>\$ 17,111,107</u>

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

*Board of Public Works Component Unit*

Bonds	Due	Annual Installments	Interest Rate	Amount
1993 Village of Grass Lake Sanitary Sewage Disposal System Bonds	2014	\$160,000	2.00%	\$ 160,000
1997 Village of Brooklyn Waste Water Disposal System Facility Limited Tax GO Bonds	2016	\$125,000-\$150,000	4.25% - 5.00%	425,000
2004 Lake Columbia Water Supply Facility Limited Tax GO Bonds	2019	\$5,500,000	4.00%	550,000
2006 Wolf Lake Waste Water Refunding Bonds	2019	\$255,000-\$270,000	3.75% - 4.00%	1,540,000
2004 Lake Columbia Waste Water Disposal System Limited Tax GO Bonds	2024	\$375,000-\$550,000	3.00% - 4.00%	4,045,000
2005 Spring Arbor Township Water Supply Facility Limited Tax GO Bonds	2025	\$25,000-\$30,000	3.85 - 4.75%	305,000
2012 Jackson County Water Supply Facility refunding bonds - Village of Parma	2021	\$140,000-\$150,000	1.2%-2.50%	1,105,000
State Drinking Water Revolving Loan Funds - Village of Parma	2022	\$55,000-\$70,000	2.50%	565,000
2002B Jackson County Water Supply Facility Grass Lake Area Section	2022	\$25,000-\$50,000	4.35% - 6.00%	305,000
2005 Jackson County Waste Water Disposal Facility Round/Farwell Lakes Area	2022	\$225,000	3.50% - 4.00%	2,025,000
2004 Jackson County Wastewater Disposal Facility Vineyard Section	2023	\$350,000-\$375,000	3.625% - 4.50%	3,090,000
State Drinking Water Revolving Loan Funds Village of Grass Lake	2023	\$110,000-\$140,000	2.50%	1,270,000
2005 Jackson County Waste Water Disposal Facility Southern Regional Interceptor	2025	\$225,000-\$425,000	4.125% - 4.500%	3,800,000
2008 Jackson County Waste Water Disposal Facility Rives Township Sewer	2030	\$115,000-\$175,000	2.50%	2,396,598
	2043	\$15,000-\$40,000	4.125%	825,000
				<u>\$ 22,406,598</u>

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

Year Ended December 31,	Principal	Interest	Total
2014	\$ 2,380,000	\$ 794,171	\$ 3,174,171
2015	2,100,000	737,749	2,837,749
2016	2,160,000	664,671	2,824,671
2017	2,020,000	588,400	2,608,400
2018	2,045,000	515,066	2,560,066
2019-2023	8,710,000	1,459,723	10,169,723
2024-2028	2,210,000	303,247	2,513,247
2029-2033	446,598	123,159	569,757
2034-2038	165,000	81,882	246,882
2039-2043	170,000	42,488	212,488
	<u>\$ 22,406,598</u>	<u>\$ 5,310,556</u>	<u>\$ 27,717,154</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	\$ 15,395,000	\$ -	\$ (1,040,000)	\$ 14,355,000	\$ 1,085,000
Leases	137,072	-	(31,085)	105,987	31,444
LifeWays settlement	-	2,451,369	-	2,451,369	245,137
Compensated absences	1,668,514	2,329,389	(2,358,536)	1,639,367	491,810
	<u>\$ 17,200,586</u>	<u>\$ 4,780,758</u>	<u>\$ (3,429,621)</u>	<u>\$ 18,551,723</u>	<u>\$ 1,853,391</u>
<b>Business-type Activities</b>					
Refunding bonds	\$ 13,435,000	\$ -	\$ (1,460,000)	\$ 11,975,000	\$ 550,000
Compensated absences	422,786	38,667	(44,000)	417,453	38,667
	<u>\$ 13,857,786</u>	<u>\$ 38,667</u>	<u>\$ (1,504,000)</u>	<u>\$ 12,392,453</u>	<u>\$ 588,667</u>
<b>Board of Public Works</b>					
<b>Component Unit</b>					
Bonds	\$ 25,946,598	\$ -	\$ (3,540,000)	\$ 22,406,598	\$ 2,380,000
Less deferred amount on refunding	(232,708)	-	25,857	(206,851)	(25,857)
	<u>\$ 25,713,890</u>	<u>\$ -</u>	<u>\$ (3,514,143)</u>	<u>\$ 22,199,747</u>	<u>\$ 2,354,143</u>

Long-term debt activity for governmental activities for the year ended December 31, 2013, increased due to the transfer of the road fund operations to the County. The long-term debt increased by \$409,374.

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

*Prior Year Advance Refunding / Defeased Debt*

*Governmental activities*

On May 1, 2005, the County issued \$14,000,000 in refunding bonds with interest ranging from 3.150% to 5.125% to advance refund \$12,900,000 of outstanding Series 2000 unlimited tax general obligation bonds. The balance of the defeased bonds outstanding was \$11,575,000 at December 31, 2013.

On November 1, 2010, the County issued \$10,100,000 in refunding bonds with an average interest rate of 2.850% to advance refund \$10,075,000 of outstanding Series 2002 long-term general obligation bonds. The balance of the defeased bonds outstanding was \$8,500,000 at December 31, 2013.

*Board of Public Works*

During 2013, Napoleon Township refunded \$600,000 in BPW bonds partially through the issuance of \$437,000 in 2012 limited tax general obligation refunding bonds with interest ranging from 1.400% to 2.100%. The balance of the defeased outstanding wastewater disposal facility bonds was \$525,000 at December 31, 2013. The County is no longer responsible for the debt of Napoleon Township.

During 2006, the Board of Public Works issued \$2,335,000 of Wolf Lake refunding bonds with interest rates ranging from 3.75% to 4.00% to advance refund \$2,300,000 of outstanding Wolf lake 2000 wastewater disposal system bonds. The balance of the defeased debt outstanding was \$1,750,000 at December 31, 2013.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

On May 30, 2012, the County issued \$1,220,000 in refunding bonds with interest ranging from 3.00% to 5.5% to advance refund a portion of the 2002 Village of Parma limited tax general obligation bonds. The balance of the defeased bonds was \$1,075,000 at December 31, 2013.

On June 28, 2012, the County issued \$4,045,000 in refunding bonds with interest ranging from 3.00% to 4.00% to advance refund a portion of the 2004 Lake Columbia limited tax general obligation bonds. The balance of the defeased bonds was \$6,300,000 at December 31, 2013.

### 11. 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 at first requested the full local match of \$560,000 per year. The County agreed to this increase in 2012.

In 2007 LifeWays experienced its first budget deficit and have been drawing down its reserves annually to meet its operating requirements. Currently, LifeWays has an accumulated deficit of \$2.4 million. The Michigan Department of Community Health (MDCH) has indicated that the County is responsible for payments of \$560,000 per year back to 2007 the date of the creation of the mental health authority.

The County is proposing that it make up its share of the deficit of \$2,451,369 through annual payments for a period of ten years. With the approval of both County Boards and Lifeways Board, pending approval from MDCH, the County’s annual funding is increased by \$245,137 to \$805,137 per year.

### 12. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2013, the net investment in capital assets was comprised of the following:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 19,927,420	\$ -
Capital assets being depreciated, net	76,539,622	15,394,014
Less related debt -		
Bonds and capital leases payable	<u>(14,460,987)</u>	<u>(11,975,000)</u>
Total net investment in capital assets	<u>\$ 82,006,055</u>	<u>\$ 3,419,014</u>

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

Type of Risk	Maximum Retention Per Occurrence
General and automobile liability	\$100,000
Motor vehicle physical damage	\$15,000 per vehicle \$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 2013 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, 2013. The change in the claims liability for 2013 and 2012 is as follows:

	2013	2012
Unpaid claims, beginning of year	\$ 734,114	\$ 767,335
Incurred claims (including change in IBNR provisions)	6,507,997	8,794,378
Claims payments	(6,586,064)	(8,827,599)
Unpaid claims, end of year	<u>\$ 656,047</u>	<u>\$ 734,114</u>

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$400,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The change in the claims liability for 2013 and 2012 is as follows:

	2013	2012
Unpaid claims, beginning of year	\$ 3,200	\$ 19,026
Incurred claims (including changes in IBNR provisions)	59,513	48,978
Claims payments	(42,766)	(64,804)
Unpaid claims, end of year	<u>\$ 19,947</u>	<u>\$ 3,200</u>

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 14. 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, 2013 levy was \$4,072,552,406. The general operating tax rate for this levy was 5.1187 mills with an additional 0.2500 mills, 0.4851 mills, 0.1398 mills for the department on aging, the county jail facility and the medical care facility, respectively.

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

### 15. PENSION PLAN

#### County

*Plan Description.* The County administers the Jackson County Employees' Retirement System, (the "Plan"), a single-employer defined benefit plan provided by authority section 12a of Act No. 156 of the Public Acts of 1851, which was adopted and established by the County in accordance with Michigan Compiled Laws Section 46.12a. The plan is included as a pension trust fund in the County's financial statements and a stand alone report of the Plan has not been issued. Employer and employee contributions and benefit provisions are authorized and may be amended by County Board resolution and benefits may vary pursuant to collective bargaining agreements. Substantially all employees are covered by the Plan. Upon retirement, the plan pays a benefit (depending on group), calculated at 2%, 2.25%, or 2.5% of final average compensation times years of credited service.

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

Retirees and beneficiaries receiving benefits	672
Terminated plan members entitled to but not yet receiving benefits	83
DROP members	46
Active plan members	<u>630</u>
Total	<u><u>1,431</u></u>

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

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

*Funding Policy.* The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 2.5% to 14.48% of their annual compensation to the Plan with the County contributing such additional amounts, as necessary, to provide assets sufficient to pay for member benefits.

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

Administrative costs of the Plan are financed through investment earnings.

*Annual Pension Cost.* For the current year, the County’s annual pension cost of \$5,699,339 was equal to the County’s required and actual contributions.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 2,666,058	100%	\$ -
2012	3,022,371	100%	-
2013	5,699,339	100%	-

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the plan was 72.0 percent funded. The actuarial accrued liability (AAL) for benefits was \$189,457,898 and the actuarial value of assets was \$136,406,347 resulting in an unfunded actuarial accrued liability (UAAL) of \$53,051,551. The covered payroll (annual payroll of active employees covered by the plan) was \$26,050,794 and the ratio of the UAAL to the covered payroll was 203.7 percent.

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

*Actuarial Methods and Assumptions.* In the December 31, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included: (a) a rate of return on investments of 7.5%; (b) projected salary increases of 4.0% attributable to inflation; and (c) additional projected salary increases ranging from 4.0% to 8.0%, depending on age, attributable to seniority/merit.

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 four-year period. The unfunded actuarial accrued liability for the County is being amortized as a level dollar over 29 years on a closed basis. The medical care facility is being amortized as a level percent of payroll over 10 years on an open basis. The road fund being amortized as a level percent of payroll over 28 years on a closed basis.

*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, 2013, the County and employees contributed \$230,397 and \$291,081 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.

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

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

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

*Funding Policy.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Benefits are currently funded mostly on a pay-as-you-go basis, with prefunding contributions made periodically as amounts become available to contribute.

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

Annual required contribution	\$ 7,650,314
Interest on net OPEB obligation	241,607
Adjustment to annual required contribution	<u>(185,296)</u>
Annual OPEB cost	7,706,625
Contributions made	<u>(5,722,481)</u>
Change in net OPEB obligation	1,984,144
Net OPEB obligation, beginning of year	<u>4,832,138</u>
Net OPEB obligation, end of year	<u><u>\$ 6,816,282</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 5,012,415	88%	\$ 3,777,445
2012	4,581,305	104%	3,599,359
* 2013	7,706,625	74%	6,816,282

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

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

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

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

### Medical Care Facility

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

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

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

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

Annual required contribution	\$ 874,676
Interest on net OPEB obligation	69,589
Adjustment to annual required contribution	<u>(53,529)</u>
Annual OPEB cost	890,736
Contributions made	<u>(397,495)</u>
Change in net OPEB obligation	493,241
Net OPEB obligation, beginning of year	<u>1,391,777</u>
Net OPEB obligation, end of year	<u><u>\$ 1,885,018</u></u>

COUNTY OF JACKSON, MICHIGAN

**Notes To Financial Statements**

The facility’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 682,589	56%	\$ 1,061,212
2012	689,499	52%	1,391,777
2013	890,736	45%	1,885,018

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

Active plan members	85
Retired participants	<u>252</u>
<b>Total</b>	<u><u>337</u></u>

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

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

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

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

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

	Plan Net Position		
	Pension Retirement	Retiree Health	Total
<b>Assets</b>			
Cash and pooled investments	\$ 1,056,278	\$ 292,493	\$ 1,348,771
Domestic equities			
Investments, at fair value:			
Domestic equities	41,834,471	574,860	42,409,331
Equity mutual funds	28,541,281	-	28,541,281
International equities	29,030,951	296,897	29,327,848
U.S. treasuries	1,656,927	42,866	1,699,793
U.S. agencies	6,115,337	16,589	6,131,926
Corporate domestic securities	28,873,032	339,937	29,212,969
Collateralized mortgage obligations	649,402	-	649,402
International securities	606,451	-	606,451
Money market funds	5,581,011	-	5,581,011
Accounts receivable	79,642	-	79,642
Accrued interest	280,852	-	280,852
<b>Total assets</b>	<b>144,305,635</b>	<b>1,563,642</b>	<b>145,869,277</b>
<b>Liabilities</b>			
Accounts payable	67,704	-	67,704
<b>Net position</b>			
Held in trust for pension benefits and other purposes	\$ 144,237,931	\$ 1,563,642	\$ 145,801,573

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

	Changes in Plan Net Position		
	Pension Retirement	Retiree Health	Total
<b>Additions</b>			
Contributions:			
Employee Contributions	\$ 2,025,198	\$ -	\$ 2,025,198
Employer Contributions	5,699,327	-	5,699,327
Other	-	1,556,573	1,556,573
<b>Total contributions</b>	<b>7,724,525</b>	<b>1,556,573</b>	<b>9,281,098</b>
Investment income			
Net appreciation in fair value of investments	3,823,861	-	3,823,861
Interest and dividends	20,814,929	501,085	21,316,014
<b>Total investment income</b>	<b>24,638,790</b>	<b>501,085</b>	<b>25,139,875</b>
Less investment expense	(608,603)	-	(608,603)
<b>Net investment income</b>	<b>24,030,187</b>	<b>501,085</b>	<b>24,531,272</b>
<b>Total additions</b>	<b>31,754,712</b>	<b>2,057,658</b>	<b>33,812,370</b>
<b>Deductions</b>			
Benefits	11,353,800	2,478,976	13,832,776
Refunds of contributions	726,575	-	726,575
Administrative expense	365,286	16,266	381,552
<b>Total deductions</b>	<b>12,445,661</b>	<b>2,495,242</b>	<b>14,940,903</b>
<b>Change in net position</b>	<b>19,309,051</b>	<b>(437,584)</b>	<b>18,871,467</b>
<b>Net position held in trust for pension and other postemployment benefits:</b>			
Beginning of year	124,928,880	2,001,226	126,930,106
<b>End of year</b>	<b>\$ 144,237,931</b>	<b>\$ 1,563,642</b>	<b>\$ 145,801,573</b>

COUNTY OF JACKSON, MICHIGAN

Notes To Financial Statements

18. 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.

**LifeWays.** The Michigan Department of Community Health (MDCH) has indicated that the County is responsible for payments of \$560,000 per year back to 1998, less payments previously made, to LifeWays, the mental health authority for Jackson and Hillsdale Counties. The County of Jackson's share of these back payments could total over \$6 million. The County is challenging MDCH's assertion and has proposed a payment plan for a lesser amount. Pending approval or further action from MDCH, the outcome and amount of this matter cannot be determined at this time.

**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.

19. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The \$1,125,000 reported within the resource recovery enterprise fund as estimated closure and postclosure monitoring costs at December 31, 2013 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, 2013:

Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
\$ 1,366,605	\$ -	\$ 241,605	\$ 1,125,000	\$ 95,000

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

20. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General	Jail Millage	Maintenance of Effort	Road	Building Authority Debt Service	Nonmajor Governmental	Total
<b>Nonspendable</b>							
Prepaid items and other assets	\$ 46,660	\$ -	\$ -	\$ 1,274,409	\$ -	\$ 205,214	\$ 1,526,283
Long-term advances, net	827,500	-	-	-	-	-	827,500
<b>Total nonspendable</b>	<b>874,160</b>	<b>-</b>	<b>-</b>	<b>1,274,409</b>	<b>-</b>	<b>205,214</b>	<b>2,353,783</b>
<b>Restricted</b>							
General government	-	-	-	-	-	448,750	448,750
Judicial	-	-	-	-	-	186,605	186,605
Public safety	-	147,533	-	-	-	44,555	192,088
Public works	-	-	-	3,801,759	-	-	3,801,759
Health and welfare	-	-	3,835,224	-	-	2,551,836	6,387,060
Community development	-	-	-	-	-	60,475	60,475
Recreation and culture	-	-	-	-	-	266,642	266,642
Debt service	-	-	-	-	4,359	-	4,359
<b>Total restricted</b>	<b>-</b>	<b>147,533</b>	<b>3,835,224</b>	<b>3,801,759</b>	<b>4,359</b>	<b>3,558,863</b>	<b>11,347,738</b>
<b>Committed</b>							
General government	469,482	-	-	-	-	864,328	1,333,810
Judicial	-	-	-	-	-	36,373	36,373
Public safety	-	-	-	-	-	1,060,961	1,060,961
Community development	-	-	-	-	-	1,751,535	1,751,535
Recreation and culture	-	-	-	-	-	72,784	72,784
Debt service	-	-	-	-	-	-	-
<b>Total committed</b>	<b>469,482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,785,981</b>	<b>4,255,463</b>
<b>Assigned</b>							
Subsequent year's expenditures	263,369	-	-	-	-	-	263,369
<b>Unassigned (deficit)</b>	<b>11,058,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,964)</b>	<b>11,055,848</b>
<b>Total fund balances, governmental funds</b>	<b>\$ 12,665,823</b>	<b>\$ 147,533</b>	<b>\$ 3,835,224</b>	<b>\$ 5,076,168</b>	<b>\$ 4,359</b>	<b>\$ 7,547,094</b>	<b>\$ 29,276,201</b>

# COUNTY OF JACKSON, MICHIGAN

## Notes To Financial Statements

### 21. RESTATEMENTS

Beginning governmental activities net position was increased by \$73,587,078. This increase was due to the Road Commission discretely presented component unit being absorbed by the County when it was dissolved as of January 1, 2013. Beginning fund balance for the road fund major special revenue fund was established with a beginning balance of \$4,975,528 which was the result of the dissolution of the Road Commission Board. Beginning component unit net position decreased by \$73,587,078, which was the result of the decrease related to the transfer of operations of the Road Commission component unit to operations within the primary government.

Beginning fund balance for the Economic Development Corporation (the "EDC") component unit was decreased by \$70,000 to account for the recognition of an allowance for uncollectible loans.

The beginning fund balance/net position of the Drain Commission was restated to reflect the correction of an error. Beginning fund balance/net position was decreased by \$10,641 to reclassify activity improperly included in the Drain Commission component unit in prior years. The beginning fund balance/net position of the Board of Public Works was restated to reflect the same error. Beginning fund balance/net position was increased by \$10,641 to properly record amounts owed to the County by local units.

Beginning net position of the medical care facility was restated to reflect a change in accounting principles and a correction of an error. Beginning net position decreased by \$91,543 to expense bond issuance costs per GASB Statement No. 65. Beginning net position was also decreased by \$258,906 to correct an understatement in the net other postemployment benefit obligation liability as of December 31, 2012. These two adjustments, totaling \$350,449, also reduced the beginning net position of the business-type activities.



## REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF JACKSON, MICHIGAN

**DEFINED BENEFIT PENSION PLAN**

County

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded ALL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percent of Covered
12/31/2008	\$ 138,532	\$ 146,517	\$ (7,985)	94.55%	\$ 32,803	-24.34%
12/31/2009	134,978	152,937	(17,959)	88.26%	31,553	-56.92%
12/31/2010	132,409	160,320	(27,911)	82.59%	29,092	-95.94%
12/31/2011	124,714	166,396	(41,682)	74.95%	27,807	-149.90%
12/31/2012	129,651	183,544	(53,893)	70.64%	27,062	-199.15%
12/31/2013	136,406	189,458	(53,052)	72.00%	26,051	-203.65%

**Schedule of Employer Contributions**

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2008	\$ 2,156,285	100.00%
2009	1,964,353	100.00%
2010	2,341,599	100.00%
2011	2,666,058	100.00%
2012	3,022,371	100.00%
2013	5,699,339	100.00%

COUNTY OF JACKSON, MICHIGAN

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

County

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

Schedule of Employer Contributions		
Year Ended December 31	Annual Required Contributions	Percentage Contributed
2008	\$ 5,438,229	78.80%
2009	5,182,631	85.60%
2010	4,919,512	102.30%
2011	5,012,415	87.90%
2012	4,581,305	104.00%
2013	7,650,314	74.80%

COUNTY OF JACKSON, MICHIGAN

**OTHER POSTEMPLOYMENT BENEFITS PLAN**

Medical Care Facility

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

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

**Schedule of Employer Contributions**

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2011	\$ 682,589	56.00%
2012	689,499	52.00%
2013	874,676	45.44%

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes				
Current real property taxes	\$ 20,215,872	\$ 20,215,872	\$ 20,169,276	\$ (46,596)
Delinquent personal property taxes	156,000	156,000	129,437	(26,563)
Industrial/commercial facilities tax	190,000	190,000	94,750	(95,250)
Trailer tax	23,000	23,000	22,062	(938)
Payment in lieu of taxes	60,000	60,000	66,670	6,670
Total property taxes	<u>20,644,872</u>	<u>20,644,872</u>	<u>20,482,195</u>	<u>(162,677)</u>
Licenses, fees, taxes, and permits				
Dog licenses	102,000	102,000	107,787	5,787
Marriage Licenses	5,136	5,136	5,635	499
Gun permits	52,484	53,484	93,808	40,324
Total licenses, fees, taxes, and permits	<u>159,620</u>	<u>160,620</u>	<u>207,230</u>	<u>46,610</u>
Intergovernmental				
Revenue sharing	2,541,500	2,543,500	2,611,766	68,266
Cigarette tax	-	-	1,876	1,876
Liquor tax	807,089	807,089	1,015,586	208,497
Liquor license	9,000	9,000	481	(8,519)
State court funding distribution	960,000	960,000	903,782	(56,218)
Child abuse and neglect	50,729	50,729	29,764	(20,965)
Crime victim's rights	101,000	101,000	101,000	-
Remonumentation	68,043	68,043	66,396	(1,647)
Judges supplement	584,650	584,650	593,637	8,987
Road patrol	173,000	181,435	173,340	(8,095)
Marine safety	50,000	50,000	52,625	2,625
Community corrections board	216,563	213,057	214,697	1,640
Senior citizens programs	307,691	351,927	350,906	(1,021)
Senior citizens - home delivered meals	389,000	373,730	385,654	11,924
Senior citizens - congregate meals	163,000	154,715	155,278	563
Medicaid waiver	213,630	255,200	233,769	(21,431)
Circuit court reimbursement	12,000	32,000	48,700	16,700
District court reimbursement	146,875	146,875	130,012	(16,863)
Parole violators - county jail	160,000	160,000	140,850	(19,150)
Diverted felons - county jail	45,000	45,000	107,555	62,555
Cooperative reimbursement -				
Prosecuting attorney	177,203	177,203	188,251	11,048
LAWNET narcotics	51,500	51,500	22,705	(28,795)
Emergency management	25,290	25,290	39,972	14,682
Police service contracts	654,018	654,018	778,538	124,520
Non profit organizations - sheriff	78,502	78,502	87,603	9,101
Emergency dispatch	91,000	91,000	60,969	(30,031)
Other grants	48,000	55,200	43,527	(11,673)
Total intergovernmental	<u>8,124,283</u>	<u>8,220,663</u>	<u>8,539,239</u>	<u>318,576</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues (continued)</b>				
<b>Charges for services</b>				
12th District court costs	\$ 1,300,000	\$ 1,300,000	\$ 1,706,250	\$ 406,250
12th District court - other	1,367,537	1,367,537	1,320,647	(46,890)
Prosecuting attorney	3,350	3,350	7,091	3,741
Probate court	123,439	123,439	99,495	(23,944)
County Clerk - court costs	146,166	146,166	111,793	(34,373)
County Clerk - other	296,934	296,934	288,422	(8,512)
Printing	-	9,500	9,232	(268)
Map project	255,292	269,642	256,752	(12,890)
Geographic information systems	75,000	75,000	91,056	16,056
Property tax services	-	-	32	32
Transfer tax	220,000	238,900	322,488	83,588
Register of Deeds - recording charges	567,090	571,840	644,885	73,045
Treasurer	38,500	38,500	18,125	(20,375)
Sheriff's department	105,756	113,006	66,770	(46,236)
County jail	323,000	323,000	322,725	(275)
Community corrections fees	7,500	7,500	6,763	(737)
Animal shelter	153,340	153,340	102,733	(50,607)
Medical examiner	57,500	57,500	64,970	7,470
Information technology fees	61,774	54,574	49,370	(5,204)
LifeWays building	-	46,625	52,855	6,230
<b>Total charges for services</b>	<b>5,102,178</b>	<b>5,196,353</b>	<b>5,542,454</b>	<b>346,101</b>
<b>Fines and forfeitures</b>				
Fines	701,500	701,500	736,382	34,882
Bonds forfeited	10,000	10,000	15,438	5,438
<b>Total fines and forfeitures</b>	<b>711,500</b>	<b>711,500</b>	<b>751,820</b>	<b>40,320</b>
<b>Interest and rentals</b>				
Investment earnings	800,000	800,000	(2,137,379)	(2,937,379)
Rentals - general	198,432	198,432	183,840	(14,592)
<b>Total interest and rentals</b>	<b>998,432</b>	<b>998,432</b>	<b>(1,953,539)</b>	<b>(2,951,971)</b>
<b>Other</b>				
Administrative reimbursements	701,600	701,600	643,635	(57,965)
Reimbursements - insurance	-	-	167	167
Reimbursements - election	50,200	50,200	9,030	(41,170)
Reimbursements - prosecuting attorney	17,106	27,106	22,579	(4,527)
Donations - senior programs	6,200	4,050	3,826	(224)
Donations - senior home delivered meals	119,000	110,260	111,784	1,524
Donations - seniors congregate meals	65,000	54,400	54,161	(239)
Other - animal shelter	6,000	6,000	7,121	1,121
Other - clerk	18,731	18,731	25,336	6,605
Other - treasurer	20,000	22,830	95,976	73,146
Other - sheriff	1,000	1,000	2,289	1,289

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues (concluded)</b>				
Other - senior programs	\$ 102,075	\$ 97,835	\$ 91,211	\$ (6,624)
Other - senior home delivered meals	1,000	7,073	7,073	-
Other - senior congregate meals	6,000	6,000	6,000	-
Other - other	534,300	1,106,527	1,160,473	53,946
Total other revenues	<u>1,648,212</u>	<u>2,213,612</u>	<u>2,240,661</u>	<u>27,049</u>
<b>Total revenues</b>	<u>37,389,097</u>	<u>38,146,052</u>	<u>35,810,060</u>	<u>(2,335,992)</u>
<b>Expenditures</b>				
General government				
Board of Commissioners	192,864	192,864	164,889	(27,975)
Circuit court	2,260,698	2,195,628	2,174,039	(21,589)
Jury commission	222,006	212,006	211,561	(445)
12th district court	3,518,135	3,370,449	3,299,718	(70,731)
Adult probation - circuit court	15,316	15,766	15,417	(349)
Public elections	134,364	134,364	73,397	(60,967)
County administrator/controller	333,099	382,011	381,108	(903)
County clerk	951,447	956,487	954,611	(1,876)
Finance	266,713	265,623	265,295	(328)
Equalization	545,313	546,203	542,285	(3,918)
Geographic information systems	182,682	182,682	180,736	(1,946)
Human resources	488,005	538,580	534,901	(3,679)
Prosecuting Attorney	1,915,612	1,891,799	1,792,270	(99,529)
Prosecuting attorney - social services	249,145	249,145	244,861	(4,284)
Prosecuting attorney				
victim/witness program	211,242	211,242	197,784	(13,458)
Public defender	1,106,708	1,205,708	1,237,705	31,997
Register of deeds	265,339	262,709	246,579	(16,130)
Remonumentation	68,043	68,043	67,309	(734)
County treasurer	60,451	92,761	88,799	(3,962)
MSU co-operative extension	255,545	244,545	228,820	(15,725)
Information technology	1,036,965	1,036,965	1,030,808	(6,157)
Courthouse and grounds	601,861	556,896	550,532	(6,364)
Northlawn building	275,241	292,966	288,615	(4,351)
Tower building	773,235	743,066	727,069	(15,997)
Woolworth building	10,042	11,808	10,136	(1,672)
Human services building	281,413	336,482	333,313	(3,169)
Drain commissioner	181,742	195,982	178,173	(17,809)
Airport maintenance	11,111	11,611	11,186	(425)
LifeWays maintenance	-	24,065	26,475	2,410
Total general government	<u>16,414,337</u>	<u>16,428,456</u>	<u>16,058,391</u>	<u>(370,065)</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Expenditures (continued)</b>				
<b>Public safety</b>				
District court intense probation	\$ 158,572	\$ 158,572	\$ 142,205	\$ (16,367)
County Sheriff	4,618,409	4,588,133	4,574,980	(13,153)
Road patrol	198,206	190,481	179,867	(10,614)
LAWNET narcotics grant	239,660	207,494	204,524	(2,970)
Marine law enforcement	78,297	87,927	84,742	(3,185)
Truancy grant	122,594	122,594	114,950	(7,644)
911 communications center	1,392,473	1,474,190	1,466,550	(7,640)
County jail	6,212,438	6,099,803	6,078,355	(21,448)
Community corrections board	224,063	220,557	215,811	(4,746)
Animal shelter	545,607	481,497	471,416	(10,081)
<b>Total public safety</b>	<b>13,790,319</b>	<b>13,631,248</b>	<b>13,533,400</b>	<b>(97,848)</b>
<b>Health and welfare -</b>				
Medical examiner	314,886	314,886	306,492	(8,394)
Senior citizens program	1,200,720	1,163,854	1,143,231	(20,623)
Home delivery meals - seniors	1,062,062	1,107,174	1,094,298	(12,876)
Congregate meals - seniors	350,413	331,711	323,159	(8,552)
Veteran's burial claims	31,500	31,500	24,771	(6,729)
Veteran's affairs office	125,891	129,391	125,443	(3,948)
<b>Total health and welfare</b>	<b>3,085,472</b>	<b>3,078,516</b>	<b>3,017,394</b>	<b>(61,122)</b>
<b>Other</b>				
Unallocated retiree benefits	4,723,660	4,723,660	4,656,648	(67,012)
Accrued sick and vacation payoff	100,000	100,000	77,245	(22,755)
Professional services	173,750	251,750	235,295	(16,455)
Insurance and bonds	725,000	734,560	717,402	(17,158)
Miscellaneous	479,218	586,807	277,762	(309,045)
<b>Appropriations:</b>				
<b>General government:</b>				
Regional planning	55,340	55,340	55,270	(70)
Soil conservation	10,000	10,000	10,000	-
<b>Public safety -</b>				
Emergency measures	107,310	99,425	96,475	(2,950)
Jackson traffic safety program	130,000	130,000	117,985	(12,015)
<b>Public Works:</b>				
Transportation system	100,000	100,000	100,000	-

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (concluded)				
Appropriations (concluded)				
Health and welfare				
Retired senior citizen volunteer program	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Region II Aging Commission	19,314	19,314	11,814	(7,500)
Substance abuse - liquor tax	400,000	400,000	502,670	102,670
Enterprise Group	100,000	100,000	100,000	-
LifeWays	70,779	70,779	560,000	489,221
Total other	<u>7,201,871</u>	<u>7,389,135</u>	<u>7,526,066</u>	<u>136,931</u>
Total expenditures	<u>40,491,999</u>	<u>40,527,355</u>	<u>40,135,251</u>	<u>(392,104)</u>
Revenues under expenditures	<u>(3,102,902)</u>	<u>(2,381,303)</u>	<u>(4,325,191)</u>	<u>(1,943,888)</u>
Other financing sources (uses)				
Transfers in	3,771,656	3,718,606	3,737,376	18,770
Transfers out	<u>(1,900,069)</u>	<u>(2,211,891)</u>	<u>(2,213,052)</u>	<u>(1,161)</u>
Total other financing sources	<u>1,871,587</u>	<u>1,506,715</u>	<u>1,524,324</u>	<u>17,609</u>
Net change in fund balance	(1,231,315)	(874,588)	(2,800,867)	(1,926,279)
Fund balance, beginning of year, as restated	<u>15,466,690</u>	<u>15,466,690</u>	<u>15,466,690</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,235,375</u>	<u>\$ 14,592,102</u>	<u>\$ 12,665,823</u>	<u>\$ (1,926,279)</u>

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues

Road Fund

For the Year Ended December 31, 2013

### Revenues

Licenses and permits	<u>\$ 74,415</u>
Federal sources:	
Surface transportation program	1,435,611
Bridge	442,660
Other	179,021
Total federal sources	<u>2,057,292</u>
State sources:	
Motor Vehicle Highway Funds - Act 51:	
Engineering	10,000
Local roads	1,351,239
Primary urban roads	6,126,605
Local urban roads	3,006,294
Critical bridge	569,751
Primary rural	176,563
Total state sources	<u>11,240,452</u>
Local sources:	
Township contributions	394,364
Other contributions	97,936
Total local sources	<u>492,300</u>
Charges for services:	
State maintenance contract	1,974,515
Other services	9,290
Salvage sales	19,226
Total charges for services	<u>2,003,031</u>
Interest and rent	<u>55,347</u>
Other revenue:	
Net gain on equipment disposal	19,488
Other	135,380
Total other revenues	<u>154,868</u>
Total revenues	<u>\$ 16,077,705</u>

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Expenditures

Road Fund

For the Year Ended December 31, 2013

### Expenditures

Preservation - structural improvements

Primary roads and structures

\$ 3,303,370

Local roads and structures

1,565,886

Total preservation - structural improvements

4,869,256

Maintenance:

Primary roads and structures, winter and traffic control

9,167,030

Equipment:

Direct

1,960,012

Indirect

1,348,662

Operating

597,971

Less - equipment rental

(3,986,304)

Total equipment

(79,659)

Administrative

376,194

Other - trunkline maintenance, non-maintenance and other

2,032,200

Capital outlay - net

(431,585)

Debt service:

Principal

31,084

Interest

12,545

Total debt service

43,629

Total expenditures

\$ 15,977,065

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COUNTY OF JACKSON, MICHIGAN

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

Road Fund

For the Year Ended December 31, 2013

	Primary Roads	Local Roads	County Roads	Total
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ -	\$ -	\$ 74,415	\$ 74,415
Intergovernmental:				
Federal sources	2,026,476	-	30,815	2,057,291
State sources	7,267,121	3,973,331	-	11,240,452
Local sources	-	492,301	-	492,301
Salvage sales	-	-	19,226	19,226
Charges for services	-	-	1,983,806	1,983,806
Investment earnings (loss)	-	-	4,209	4,209
Interest and rental	95	1,900	49,143	51,138
Other	6,335	37,911	110,621	154,867
<b>Total revenues</b>	<b>9,300,027</b>	<b>4,505,443</b>	<b>2,272,235</b>	<b>16,077,705</b>
<b>Expenditures</b>				
Preservation -				
Structural improvements	3,303,370	1,565,886	-	4,869,256
Maintenance:				
Road and structures	2,794,377	3,045,293	-	5,839,670
Winter	1,633,228	1,213,333	-	2,846,561
Traffic control	352,998	127,802	-	480,800
Equipment - net	(28,198)	(35,587)	(15,874)	(79,659)
Administrative	216,662	159,531	-	376,193
Trunkline maintenance	-	-	2,032,200	2,032,200
Capital outlay-net	-	-	(431,585)	(431,585)
Debt service:				
Principal	-	-	31,084	31,084
Interest	-	-	12,545	12,545
<b>Total expenditures</b>	<b>8,272,437</b>	<b>6,076,258</b>	<b>1,628,370</b>	<b>15,977,065</b>
Revenue over (under) expenditures	1,027,590	(1,570,815)	643,865	100,640
<b>Other financing sources (uses)</b>				
Transfers in (out)	(1,230,631)	1,570,815	(340,184)	-
<b>Net change in fund balance</b>	<b>(203,041)</b>	<b>-</b>	<b>303,681</b>	<b>100,640</b>
Fund balance, beginning of year, as restated	203,041	-	4,772,487	4,975,528
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,076,168</b>	<b>\$ 5,076,168</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 December 31, 2013

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and pooled investments	\$ 4,220,673	\$ 3,496,324	\$ 177,411	\$ 7,894,408
Accounts receivable	176,063	78,995	-	255,058
Taxes receivable	952,604	-	-	952,604
Due from other governmental units	527,419	-	-	527,419
Inventory	189,356	-	-	189,356
Prepaid items	6,960	-	-	6,960
<b>Total assets</b>	<b>\$ 6,073,075</b>	<b>\$ 3,575,319</b>	<b>\$ 177,411</b>	<b>\$ 9,825,805</b>
<b>Liabilities</b>				
Accounts payable	\$ 255,337	\$ 74,643	\$ 728	\$ 330,708
Accrued payroll	196,908	-	-	196,908
Accrued liabilities	23,035	-	-	23,035
Due to other funds	173,597	-	-	173,597
Due to other governmental units	34,000	-	-	34,000
Advance from other funds	500,000	-	-	500,000
Unearned revenue	40,857	18,138	-	58,995
<b>Total liabilities</b>	<b>1,223,734</b>	<b>92,781</b>	<b>728</b>	<b>1,317,243</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	961,468	-	-	961,468
<b>Fund balances</b>				
Nonspendable	196,316	-	8,898	205,214
Restricted	3,391,078	-	167,785	3,558,863
Committed	303,443	3,482,538	-	3,785,981
Unassigned (deficit)	(2,964)	-	-	(2,964)
<b>Total fund balances</b>	<b>3,887,873</b>	<b>3,482,538</b>	<b>176,683</b>	<b>7,547,094</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,073,075</b>	<b>\$ 3,575,319</b>	<b>\$ 177,411</b>	<b>\$ 9,825,805</b>

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2013

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 1,009,330	\$ -	\$ -	\$ 1,009,330
Licenses, fees, taxes and permits	348,347	-	-	348,347
Intergovernmental	9,132,766	103,395	-	9,236,161
Charges for services	2,758,441	183	-	2,758,624
Fines and forfeitures	142,506	-	-	142,506
Investment earnings (loss)	(6,182)	(6,693)	-	(12,875)
Rental	316,639	12,786	-	329,425
Donations	-	-	7,493	7,493
Other	203,574	1,560,393	49	1,764,016
<b>Total revenues</b>	<b>13,905,421</b>	<b>1,670,064</b>	<b>7,542</b>	<b>15,583,027</b>
<b>Expenditures</b>				
Current:				
Judicial	3,997,148	-	-	3,997,148
General government	58,523	-	-	58,523
Public safety	3,230,010	-	-	3,230,010
Health and welfare	7,329,050	-	-	7,329,050
Recreation and culture	1,335,362	-	-	1,335,362
Community development	2,125,453	-	-	2,125,453
Fair	995,116	-	-	995,116
Other functions	-	-	13,868	13,868
Capital outlay	-	2,999,813	-	2,999,813
<b>Total expenditures</b>	<b>19,070,662</b>	<b>2,999,813</b>	<b>13,868</b>	<b>22,084,343</b>
Revenues under expenditures	(5,165,241)	(1,329,749)	(6,326)	(6,501,316)
<b>Other financing sources (uses)</b>				
Transfers in	2,313,968	1,266,191	-	3,580,159
Transfers out	(1,253,104)	(816,225)	-	(2,069,329)
Gain on sale of capital assets	-	5,635	-	5,635
<b>Total other financing sources</b>	<b>1,060,864</b>	<b>455,601</b>	<b>-</b>	<b>1,516,465</b>
<b>Net change in fund balances</b>	<b>(4,104,377)</b>	<b>(874,148)</b>	<b>(6,326)</b>	<b>(4,984,851)</b>
Fund balances, beginning of year	7,992,250	4,356,686	183,009	12,531,945
<b>Fund balances, end of year</b>	<b>\$ 3,887,873</b>	<b>\$ 3,482,538</b>	<b>\$ 176,683</b>	<b>\$ 7,547,094</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2013

	Parks Commission	Sparks Parks	Friend of the Court	Omnibus Forfeitures
<b>Assets</b>				
Cash and pooled investments	\$ 34,945	\$ 55,902	\$ 167,861	\$ 981
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Due from other governmental units	-	-	398,270	-
Inventory	134,351	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 169,296</b>	<b>\$ 55,902</b>	<b>\$ 566,131</b>	<b>\$ 981</b>
<b>Liabilities</b>				
Accounts payable	\$ 8,303	\$ -	\$ 8,335	\$ -
Accrued payroll	9,760	-	44,529	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Advance from other funds	-	-	500,000	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>18,063</b>	<b>-</b>	<b>552,864</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	134,351	-	-	-
Restricted	-	-	-	-
Committed	16,882	55,902	13,267	981
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>151,233</b>	<b>55,902</b>	<b>13,267</b>	<b>981</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 169,296</b>	<b>\$ 55,902</b>	<b>\$ 566,131</b>	<b>\$ 981</b>



Prosecuting Attorney Drug Enforcement	Drug Enforcement	County Law Library
\$ 17,340	\$ 6,018	\$ 5,356
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>17,340</u>	<u>6,018</u>	<u>5,356</u>
\$ 17,340	\$ 6,018	\$ 5,356
\$ 571	\$ 368	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>571</u>	<u>368</u>	<u>-</u>
-	-	-
-	-	-
-	5,650	-
16,769	-	5,356
-	-	-
<u>16,769</u>	<u>5,650</u>	<u>5,356</u>
\$ 17,340	\$ 6,018	\$ 5,356

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2013

	Michigan Justice Training	Social Services	Veteran's Trust	Airport
<b>Assets</b>				
Cash and pooled investments	\$ 38,905	\$ 163,768	\$ 11,946	\$ 53,942
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	6,960	-	-	-
<b>Total assets</b>	<b>\$ 45,865</b>	<b>\$ 163,768</b>	<b>\$ 11,946</b>	<b>\$ 53,942</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 417	\$ 3,629
Accrued payroll	-	-	-	7,970
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	34,000	-	-
Advance from other funds	-	-	-	-
Unearned revenue	-	-	-	1,570
<b>Total liabilities</b>	<b>-</b>	<b>34,000</b>	<b>417</b>	<b>13,169</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	6,960	-	-	-
Restricted	38,905	129,768	11,529	-
Committed	-	-	-	40,773
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>45,865</b>	<b>129,768</b>	<b>11,529</b>	<b>40,773</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 45,865</b>	<b>\$ 163,768</b>	<b>\$ 11,946</b>	<b>\$ 53,942</b>



Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund	Airport Runway Project
\$ 186,605	\$ 5,290	\$ 448,750	\$ 141,647
-	46,299	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 186,605</u>	<u>\$ 51,589</u>	<u>\$ 448,750</u>	<u>\$ 141,647</u>
\$ -	\$ 48,802	\$ -	\$ 81,172
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	2,787	-	-
-	<u>51,589</u>	-	<u>81,172</u>
-	-	-	-
-	-	-	-
186,605	-	448,750	60,475
-	-	-	-
-	-	-	-
<u>186,605</u>	<u>-</u>	<u>448,750</u>	<u>60,475</u>
<u>\$ 186,605</u>	<u>\$ 51,589</u>	<u>\$ 448,750</u>	<u>\$ 141,647</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 December 31, 2013

	Child Care	Golf Courses	Fair	Health Department
<b>Assets</b>				
Cash and pooled investments	\$ 328,583	\$ 2,399	\$ 373,422	\$ 1,349,398
Accounts receivable	60	-	-	129,704
Taxes receivable	-	-	-	-
Due from other governmental units	129,149	-	-	-
Inventory	-	55,005	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 457,792</b>	<b>\$ 57,404</b>	<b>\$ 373,422</b>	<b>\$ 1,479,102</b>
<b>Liabilities</b>				
Accounts payable	\$ 29,170	\$ 493	\$ 7,782	\$ 66,295
Accrued payroll	63,470	4,870	2,030	64,279
Accrued liabilities	-	-	-	23,035
Due to other funds	-	-	173,597	-
Due to other governmental units	-	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue	-	-	36,500	-
<b>Total liabilities</b>	<b>92,640</b>	<b>5,363</b>	<b>219,909</b>	<b>153,609</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	55,005	-	-
Restricted	365,152	-	-	1,325,493
Committed	-	-	153,513	-
Unassigned (deficit)	-	(2,964)	-	-
<b>Total fund balances</b>	<b>365,152</b>	<b>52,041</b>	<b>153,513</b>	<b>1,325,493</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 457,792</b>	<b>\$ 57,404</b>	<b>\$ 373,422</b>	<b>\$ 1,479,102</b>



Department on Aging Millage	Falling Waters Trail	Total
\$ 560,973	\$ 266,642	\$ 4,220,673
-	-	176,063
952,604	-	952,604
-	-	527,419
-	-	189,356
-	-	6,960
<u>\$ 1,513,577</u>	<u>\$ 266,642</u>	<u>\$ 6,073,075</u>
\$ -	\$ -	\$ 255,337
-	-	196,908
-	-	23,035
-	-	173,597
-	-	34,000
-	-	500,000
-	-	40,857
<u>-</u>	<u>-</u>	<u>1,223,734</u>
<u>961,468</u>	<u>-</u>	<u>961,468</u>
-	-	196,316
552,109	266,642	3,391,078
-	-	303,443
-	-	(2,964)
<u>552,109</u>	<u>266,642</u>	<u>3,887,873</u>
<u>\$ 1,513,577</u>	<u>\$ 266,642</u>	<u>\$ 6,073,075</u>

concluded.

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Parks Commission	Sparks Parks	Friend of the Court	Omnibus Forfeitures
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	-
Intergovernmental	-	44,894	2,414,298	-
Charges for services	281,002	-	282,022	-
Fines and forfeitures	-	-	-	-
Investment earnings (loss)	-	-	-	-
Rental	-	-	-	-
Other revenue	4,265	41	-	-
<b>Total revenues</b>	<b>285,267</b>	<b>44,935</b>	<b>2,696,320</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	3,163,535	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and culture	825,074	1,936	-	-
Fair	-	-	-	-
Community development	-	-	-	-
<b>Total expenditures</b>	<b>825,074</b>	<b>1,936</b>	<b>3,163,535</b>	<b>-</b>
Revenues over (under) expenditures	(539,807)	42,999	(467,215)	-
<b>Other financing sources (uses)</b>				
Transfers in	569,527	-	429,743	-
Transfers out	(42,176)	-	-	-
<b>Total other financing sources (uses)</b>	<b>527,351</b>	<b>-</b>	<b>429,743</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(12,456)</b>	<b>42,999</b>	<b>(37,472)</b>	<b>-</b>
Fund balances, beginning of year	163,689	12,903	50,739	981
<b>Fund balances, end of year</b>	<b>\$ 151,233</b>	<b>\$ 55,902</b>	<b>\$ 13,267</b>	<b>\$ 981</b>



Prosecuting Attorney Drug Enforcement	Drug Enforcement	County Law Library
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
1,154	13,599	-
-	-	-
-	-	-
-	-	6,500
<u>1,154</u>	<u>13,599</u>	<u>6,500</u>
-	-	-
15,431	-	6,739
-	48,060	-
-	-	-
-	-	-
-	-	-
<u>15,431</u>	<u>48,060</u>	<u>6,739</u>
<u>(14,277)</u>	<u>(34,461)</u>	<u>(239)</u>
-	-	-
-	-	-
-	-	-
<u>(14,277)</u>	<u>(34,461)</u>	<u>(239)</u>
<u>31,046</u>	<u>40,111</u>	<u>5,595</u>
<u>\$ 16,769</u>	<u>\$ 5,650</u>	<u>\$ 5,356</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Michigan Justice Training	Social Services	Veteran's Trust	Airport
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	14,593
Intergovernmental	13,001	18,697	84,129	-
Charges for services	-	-	-	18,050
Fines and forfeitures	-	-	-	-
Investment earnings (loss)	-	-	-	-
Rental	-	-	-	282,239
Other revenue	53,934	-	-	23,929
<b>Total revenues</b>	<b>66,935</b>	<b>18,697</b>	<b>84,129</b>	<b>338,811</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	25,651	-	-	-
Health and welfare	-	31,632	77,157	-
Recreation and culture	-	-	-	-
Fair	-	-	-	-
Community development	-	-	-	494,479
<b>Total expenditures</b>	<b>25,651</b>	<b>31,632</b>	<b>77,157</b>	<b>494,479</b>
<b>Revenues over (under) expenditures</b>	<b>41,284</b>	<b>(12,935)</b>	<b>6,972</b>	<b>(155,668)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	29,000	-	219,471
Transfers out	(42,800)	-	-	(27,890)
<b>Total other financing sources (uses)</b>	<b>(42,800)</b>	<b>29,000</b>	<b>-</b>	<b>191,581</b>
<b>Net change in fund balances</b>	<b>(1,516)</b>	<b>16,065</b>	<b>6,972</b>	<b>35,913</b>
<b>Fund balances, beginning of year</b>	<b>47,381</b>	<b>113,703</b>	<b>4,557</b>	<b>4,860</b>
<b>Fund balances, end of year</b>	<b>\$ 45,865</b>	<b>\$ 129,768</b>	<b>\$ 11,529</b>	<b>\$ 40,773</b>

Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund	Airport Runway Project
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	897,849	-	526,546
-	-	161,095	-
127,753	-	-	-
(736)	-	(1,139)	-
-	-	-	-
-	-	-	-
<u>127,017</u>	<u>897,849</u>	<u>159,956</u>	<u>526,546</u>
-	-	58,523	-
93,876	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	887,470	-	743,504
<u>93,876</u>	<u>887,470</u>	<u>58,523</u>	<u>743,504</u>
<u>33,141</u>	<u>10,379</u>	<u>101,433</u>	<u>(216,958)</u>
-	-	-	-
(55,990)	(10,379)	-	-
<u>(55,990)</u>	<u>(10,379)</u>	-	-
(22,849)	-	101,433	(216,958)
<u>209,454</u>	-	<u>347,317</u>	<u>277,433</u>
<u>\$ 186,605</u>	<u>\$ -</u>	<u>\$ 448,750</u>	<u>\$ 60,475</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Child Care	Golf Courses	Fair	Health Department
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	333,754
Intergovernmental	2,451,090	-	-	2,682,262
Charges for services	34,444	476,028	1,062,005	443,795
Fines and forfeitures	-	-	-	-
Investment earnings (loss)	-	-	(1,082)	-
Rental	34,400	-	-	-
Other revenue	2,287	-	87,614	24,504
<b>Total revenues</b>	<b>2,522,221</b>	<b>476,028</b>	<b>1,148,537</b>	<b>3,484,315</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Judicial	717,567	-	-	-
Public safety	3,156,299	-	-	-
Health and welfare	2,300,515	-	-	4,919,746
Recreation and culture	-	495,440	-	-
Fair	-	-	995,116	-
Community development	-	-	-	-
<b>Total expenditures</b>	<b>6,174,381</b>	<b>495,440</b>	<b>995,116</b>	<b>4,919,746</b>
<b>Revenues over (under) expenditures</b>	<b>(3,652,160)</b>	<b>(19,412)</b>	<b>153,421</b>	<b>(1,435,431)</b>
<b>Other financing sources (uses)</b>				
Transfers in	670,000	-	-	396,227
Transfers out	-	(30,146)	-	(20,961)
<b>Total other financing sources (uses)</b>	<b>670,000</b>	<b>(30,146)</b>	<b>-</b>	<b>375,266</b>
<b>Net change in fund balances</b>	<b>(2,982,160)</b>	<b>(49,558)</b>	<b>153,421</b>	<b>(1,060,165)</b>
<b>Fund balances, beginning of year</b>	<b>3,347,312</b>	<b>101,599</b>	<b>92</b>	<b>2,385,658</b>
<b>Fund balances, end of year</b>	<b>\$ 365,152</b>	<b>\$ 52,041</b>	<b>\$ 153,513</b>	<b>\$ 1,325,493</b>



Department on Aging Millage	Falling Waters Trail	Total
\$ 1,009,330	\$ -	\$ 1,009,330
-	-	348,347
-	-	9,132,766
-	-	2,758,441
-	-	142,506
(3,225)	-	(6,182)
-	-	316,639
-	500	203,574
<u>1,006,105</u>	<u>500</u>	<u>13,905,421</u>
-	-	58,523
-	-	3,997,148
-	-	3,230,010
-	-	7,329,050
-	12,912	1,335,362
-	-	995,116
-	-	2,125,453
-	<u>12,912</u>	<u>19,070,662</u>
<u>1,006,105</u>	<u>(12,412)</u>	<u>(5,165,241)</u>
-	-	2,313,968
<u>(1,022,762)</u>	-	<u>(1,253,104)</u>
<u>(1,022,762)</u>	-	<u>1,060,864</u>
(16,657)	(12,412)	(4,104,377)
<u>568,766</u>	<u>279,054</u>	<u>7,992,250</u>
<u>\$ 552,109</u>	<u>\$ 266,642</u>	<u>\$ 3,887,873</u>

concluded.

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	Parks Commission		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	281,025	281,002	(23)
Fines and forfeitures	-	-	-
Investment earnings (loss)	-	-	-
Rental	-	-	-
Other	6,400	4,265	(2,135)
<b>Total revenues</b>	<b>287,425</b>	<b>285,267</b>	<b>(2,158)</b>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	906,031	825,074	(80,957)
Fair	-	-	-
Community development	-	-	-
<b>Total expenditures</b>	<b>906,031</b>	<b>825,074</b>	<b>(80,957)</b>
Revenues over (under) expenditures	(618,606)	(539,807)	(78,799)
Other financing sources (uses)			
Transfers in	616,666	569,527	(47,139)
Transfers out	(42,176)	(42,176)	-
<b>Total other financing sources</b>	<b>574,490</b>	<b>527,351</b>	<b>(47,139)</b>
Net change in fund balances	(44,116)	(12,456)	31,660
Fund balances, beginning of year	163,689	163,689	-
<b>Fund balances, end of year</b>	<b>\$ 119,573</b>	<b>\$ 151,233</b>	<b>\$ 31,660</b>

Sparks Park			Friend of the Court		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	44,894	44,894	2,560,502	2,414,298	(146,204)
-	-	-	270,472	282,022	11,550
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	41	41	-	-	-
-	44,935	44,935	2,830,974	2,696,320	(134,654)
-	-	-	-	-	-
-	-	-	3,253,906	3,163,535	(90,371)
-	-	-	-	-	-
12,903	1,936	(10,967)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,903	1,936	(10,967)	3,253,906	3,163,535	(90,371)
(12,903)	42,999	(55,902)	(422,932)	(467,215)	44,283
-	-	-	422,932	429,743	6,811
-	-	-	-	-	-
-	-	-	422,932	429,743	6,811
(12,903)	42,999	55,902	-	(37,472)	(37,472)
12,903	12,903	-	50,739	50,739	-
\$ -	\$ 55,902	\$ 55,902	\$ 50,739	\$ 13,267	\$ (37,472)

continued...

COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

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



Prosecuting Attorney Drug Enforcement			Sherriff Drug Enforcement		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,500	1,154	(14,346)	50,000	13,599	(36,401)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,500</u>	<u>1,154</u>	<u>(14,346)</u>	<u>50,000</u>	<u>13,599</u>	<u>(36,401)</u>
-	-	-	-	-	-
15,500	15,431	(69)	-	-	-
-	-	-	50,000	48,060	(1,940)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,500</u>	<u>15,431</u>	<u>(69)</u>	<u>50,000</u>	<u>48,060</u>	<u>(1,940)</u>
-	(14,277)	14,277	-	(34,461)	34,461
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(14,277)	(14,277)	-	(34,461)	(34,461)
31,046	31,046	-	40,111	40,111	-
<u>\$ 31,046</u>	<u>\$ 16,769</u>	<u>\$ (14,277)</u>	<u>\$ 40,111</u>	<u>\$ 5,650</u>	<u>\$ (34,461)</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	County Law Library		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings (loss)	-	-	-
Rental	-	-	-
Other	-	6,500	6,500
<b>Total revenues</b>	<b>-</b>	<b>6,500</b>	<b>6,500</b>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	6,739	6,739
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Fair	-	-	-
Community development	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>6,739</b>	<b>6,739</b>
Revenues over (under) expenditures	-	(239)	239
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	(239)	(239)
Fund balances, beginning of year	5,595	5,595	-
<b>Fund balances, end of year</b>	<b>\$ 5,595</b>	<b>\$ 5,356</b>	<b>\$ (239)</b>

Michigan Justice Training			Social Services		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
17,600	13,001	(4,599)	2,700	18,697	15,997
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
51,200	53,934	2,734	-	-	-
<u>68,800</u>	<u>66,935</u>	<u>(1,865)</u>	<u>2,700</u>	<u>18,697</u>	<u>15,997</u>
-	-	-	-	-	-
-	-	-	-	-	-
26,000	25,651	(349)	-	-	-
-	-	-	31,700	31,632	(68)
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,000</u>	<u>25,651</u>	<u>(349)</u>	<u>31,700</u>	<u>31,632</u>	<u>(68)</u>
<u>42,800</u>	<u>41,284</u>	<u>1,516</u>	<u>(29,000)</u>	<u>(12,935)</u>	<u>(16,065)</u>
-	-	-	29,000	29,000	-
<u>(42,800)</u>	<u>(42,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(42,800)</u>	<u>(42,800)</u>	<u>-</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
-	(1,516)	(1,516)	-	16,065	16,065
<u>47,381</u>	<u>47,381</u>	<u>-</u>	<u>113,703</u>	<u>113,703</u>	<u>-</u>
<u>\$ 47,381</u>	<u>\$ 45,865</u>	<u>\$ (1,516)</u>	<u>\$ 113,703</u>	<u>\$ 129,768</u>	<u>\$ 16,065</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	Veterans Trust		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	78,000	84,129	6,129
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings (loss)	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>78,000</b>	<b>84,129</b>	<b>6,129</b>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	78,000	77,157	(843)
Recreation and culture	-	-	-
Fair	-	-	-
Community development	-	-	-
<b>Total expenditures</b>	<b>78,000</b>	<b>77,157</b>	<b>(843)</b>
Revenues over (under) expenditures	-	6,972	(6,972)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	6,972	6,972
Fund balances, beginning of year	4,557	4,557	-
<b>Fund balances, end of year</b>	<b>\$ 4,557</b>	<b>\$ 11,529</b>	<b>\$ 6,972</b>

Airport			Joint Narcotics		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,620	14,593	1,973	-	-	-
-	-	-	-	-	-
18,050	18,050	-	-	-	-
-	-	-	149,740	127,753	(21,987)
-	-	-	-	(736)	(736)
257,902	282,239	24,337	-	-	-
23,600	23,929	329	-	-	-
<u>312,172</u>	<u>338,811</u>	<u>26,639</u>	<u>149,740</u>	<u>127,017</u>	<u>(22,723)</u>
-	-	-	-	-	-
-	-	-	93,750	93,876	126
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
503,753	494,479	(9,274)	-	-	-
<u>503,753</u>	<u>494,479</u>	<u>(9,274)</u>	<u>93,750</u>	<u>93,876</u>	<u>126</u>
<u>(191,581)</u>	<u>(155,668)</u>	<u>(35,913)</u>	<u>55,990</u>	<u>33,141</u>	<u>22,849</u>
219,471	219,471	-	-	-	-
<u>(27,890)</u>	<u>(27,890)</u>	<u>-</u>	<u>(55,990)</u>	<u>(55,990)</u>	<u>-</u>
<u>191,581</u>	<u>191,581</u>	<u>-</u>	<u>(55,990)</u>	<u>(55,990)</u>	<u>-</u>
-	35,913	35,913	-	(22,849)	(22,849)
4,860	4,860	-	209,454	209,454	-
<u>\$ 4,860</u>	<u>\$ 40,773</u>	<u>\$ 35,913</u>	<u>\$ 209,454</u>	<u>\$ 186,605</u>	<u>\$ (22,849)</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	Community Development Block Grant		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	840,500	897,849	57,349
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings (loss)	-	-	-
Rental	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>840,500</b>	<b>897,849</b>	<b>57,349</b>
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Fair	-	-	-
Community development	839,300	887,470	48,170
<b>Total expenditures</b>	<b>839,300</b>	<b>887,470</b>	<b>48,170</b>
Revenues over (under) expenditures	1,200	10,379	(9,179)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(1,200)	(10,379)	(9,179)
<b>Total other financing sources</b>	<b>(1,200)</b>	<b>(10,379)</b>	<b>(9,179)</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			Airport Runway Project		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	116,000	526,546	410,546
145,000	161,095	16,095	-	-	-
-	-	-	-	-	-
360	(1,139)	(1,499)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>145,360</u>	<u>159,956</u>	<u>14,596</u>	<u>116,000</u>	<u>526,546</u>	<u>410,546</u>
145,360	58,523	(86,837)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	366,000	743,504	377,504
<u>145,360</u>	<u>58,523</u>	<u>(86,837)</u>	<u>366,000</u>	<u>743,504</u>	<u>377,504</u>
-	101,433	(101,433)	(250,000)	(216,958)	(33,042)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	101,433	101,433	(250,000)	(216,958)	33,042
<u>347,317</u>	<u>347,317</u>	<u>-</u>	<u>277,433</u>	<u>277,433</u>	<u>-</u>
<u>\$ 347,317</u>	<u>\$ 448,750</u>	<u>\$ 101,433</u>	<u>\$ 27,433</u>	<u>\$ 60,475</u>	<u>\$ 33,042</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	Child Care		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	3,117,687	2,451,090	(666,597)
Charges for services	30,000	34,444	4,444
Fines and forfeitures	-	-	-
Investment earnings (loss)	-	-	-
Rental	25,650	34,400	8,750
Other	1,000	2,287	1,287
<b>Total revenues</b>	<b>3,174,337</b>	<b>2,522,221</b>	<b>(652,116)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Judicial	1,177,000	717,567	(459,433)
Public safety	3,183,078	3,156,299	(26,779)
Health and welfare	2,358,476	2,300,515	(57,961)
Recreation and culture	-	-	-
Fair	-	-	-
Community development	-	-	-
<b>Total expenditures</b>	<b>6,718,554</b>	<b>6,174,381</b>	<b>(544,173)</b>
<b>Revenues over (under) expenditures</b>	<b>(3,544,217)</b>	<b>(3,652,160)</b>	<b>107,943</b>
<b>Other financing sources (uses)</b>			
Transfers in	670,000	670,000	-
Transfers out	-	-	-
<b>Total other financing sources</b>	<b>670,000</b>	<b>670,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,874,217)</b>	<b>(2,982,160)</b>	<b>(107,943)</b>
<b>Fund balances, beginning of year</b>	<b>3,347,312</b>	<b>3,347,312</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 473,095</b>	<b>\$ 365,152</b>	<b>\$ (107,943)</b>

Golf Courses			Fair		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
637,875	476,028	(161,847)	1,069,475	1,062,005	(7,470)
-	-	-	-	-	-
-	-	-	500	(1,082)	(1,582)
-	-	-	-	-	-
-	-	-	37,000	87,614	50,614
<u>637,875</u>	<u>476,028</u>	<u>(161,847)</u>	<u>1,106,975</u>	<u>1,148,537</u>	<u>41,562</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
551,723	495,440	(56,283)	-	-	-
-	-	-	1,107,975	995,116	(112,859)
-	-	-	-	-	-
<u>551,723</u>	<u>495,440</u>	<u>(56,283)</u>	<u>1,107,975</u>	<u>995,116</u>	<u>(112,859)</u>
<u>86,152</u>	<u>(19,412)</u>	<u>105,564</u>	<u>(1,000)</u>	<u>153,421</u>	<u>(154,421)</u>
-	-	-	-	-	-
<u>(68,146)</u>	<u>(30,146)</u>	<u>38,000</u>	-	-	-
<u>(68,146)</u>	<u>(30,146)</u>	<u>38,000</u>	-	-	-
18,006	(49,558)	(67,564)	(1,000)	153,421	154,421
101,599	101,599	-	92	92	-
<u>\$ 119,605</u>	<u>\$ 52,041</u>	<u>\$ (67,564)</u>	<u>\$ (908)</u>	<u>\$ 153,513</u>	<u>\$ 154,421</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2013

	Health Department		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	335,270	333,754	(1,516)
Intergovernmental	2,631,135	2,682,262	51,127
Charges for services	513,925	443,795	(70,130)
Fines and forfeitures	-	-	-
Investment earnings (loss)	315	-	(315)
Rental	-	-	-
Other	471,665	24,504	(447,161)
<b>Total revenues</b>	<b>3,952,310</b>	<b>3,484,315</b>	<b>(467,995)</b>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	5,151,954	4,919,746	(232,208)
Recreation and culture	-	-	-
Fair	-	-	-
Community development	-	-	-
<b>Total expenditures</b>	<b>5,151,954</b>	<b>4,919,746</b>	<b>(232,208)</b>
<b>Revenues over (under) expenditures</b>	<b>(1,199,644)</b>	<b>(1,435,431)</b>	<b>235,787</b>
<b>Other financing sources (uses)</b>			
Transfers in	344,969	396,227	51,258
Transfers out	-	(20,961)	(20,961)
<b>Total other financing sources</b>	<b>344,969</b>	<b>375,266</b>	<b>30,297</b>
<b>Net change in fund balances</b>	<b>(854,675)</b>	<b>(1,060,165)</b>	<b>(205,490)</b>
<b>Fund balances, beginning of year</b>	<b>2,385,658</b>	<b>2,385,658</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 1,530,983</b>	<b>\$ 1,325,493</b>	<b>\$ (205,490)</b>



Department on Aging Millage			Falling Waters Trail		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 980,920	\$ 1,009,330	\$ 28,410	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(3,225)	(3,225)	-	-	-
-	-	-	-	-	-
-	-	-	-	500	500
<u>980,920</u>	<u>1,006,105</u>	<u>25,185</u>	<u>-</u>	<u>500</u>	<u>500</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	279,054	12,912	(266,142)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>279,054</u>	<u>12,912</u>	<u>(266,142)</u>
<u>980,920</u>	<u>1,006,105</u>	<u>(25,185)</u>	<u>(279,054)</u>	<u>(12,412)</u>	<u>(266,642)</u>
-	-	-	-	-	-
<u>(1,022,762)</u>	<u>(1,022,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,022,762)</u>	<u>(1,022,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(41,842)	(16,657)	25,185	(279,054)	(12,412)	266,642
<u>568,766</u>	<u>568,766</u>	<u>-</u>	<u>279,054</u>	<u>279,054</u>	<u>-</u>
<u>\$ 526,924</u>	<u>\$ 552,109</u>	<u>\$ 25,185</u>	<u>\$ -</u>	<u>\$ 266,642</u>	<u>\$ 266,642</u>

concluded.

COUNTY OF JACKSON, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2013

	Equipment/ Replacement	Sheriff Department Equipment	Building Authority	Public Improvement and Building	Total
<b>Assets</b>					
Cash and pooled investments	\$ 648,222	\$ 1,105,355	\$ 18,138	\$ 1,724,609	\$ 3,496,324
Accounts receivable	78,995	-	-	-	78,995
<b>Total assets</b>	<b>\$ 727,217</b>	<b>\$ 1,105,355</b>	<b>\$ 18,138</b>	<b>\$ 1,724,609</b>	<b>\$ 3,575,319</b>
<b>Liabilities</b>					
Accounts payable	\$ 16,402	\$ 44,394	\$ -	\$ 13,847	\$ 74,643
Unearned revenue	-	-	18,138	-	18,138
<b>Total liabilities</b>	<b>16,402</b>	<b>44,394</b>	<b>18,138</b>	<b>13,847</b>	<b>92,781</b>
<b>Fund balances</b>					
Committed	710,815	1,060,961	-	1,710,762	3,482,538
<b>Total liabilities and fund balances</b>	<b>\$ 727,217</b>	<b>\$ 1,105,355</b>	<b>\$ 18,138</b>	<b>\$ 1,724,609</b>	<b>\$ 3,575,319</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, 2013

	Equipment/ Replacement	Sheriff Department Equipment	Building Authority	Public Improvement and Building	Total
<b>Revenues</b>					
Intergovernmental	\$ 103,395	\$ -	\$ -	\$ -	\$ 103,395
Charges for services	-	-	-	183	183
Rental	12,786	-	-	-	12,786
Investment earnings (loss)	-	-	-	(6,693)	(6,693)
Other	-	1,457,592	-	102,801	1,560,393
<b>Total revenues</b>	<b>116,181</b>	<b>1,457,592</b>	<b>-</b>	<b>96,291</b>	<b>1,670,064</b>
<b>Expenditures</b>					
Capital outlay	886,577	740,153	-	1,373,083	2,999,813
<b>Revenues over (under) expenditures</b>	<b>(770,396)</b>	<b>717,439</b>	<b>-</b>	<b>(1,276,792)</b>	<b>(1,329,749)</b>
<b>Other financing sources (uses)</b>					
Transfers in	851,391	-	-	414,800	1,266,191
Transfers out	-	(816,225)	-	-	(816,225)
Gain on sale of capital assets	5,635	-	-	-	5,635
<b>Total other financing sources (uses)</b>	<b>857,026</b>	<b>(816,225)</b>	<b>-</b>	<b>414,800</b>	<b>455,601</b>
<b>Net change in fund balances</b>	<b>86,630</b>	<b>(98,786)</b>	<b>-</b>	<b>(861,992)</b>	<b>(874,148)</b>
Fund balances, beginning of year	624,185	1,159,747	-	2,572,754	4,356,686
<b>Fund balances, end of year</b>	<b>\$ 710,815</b>	<b>\$ 1,060,961</b>	<b>\$ -</b>	<b>\$ 1,710,762</b>	<b>\$ 3,482,538</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Permanent Funds  
 December 31, 2013

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
<b>Assets</b>				
Cash and pooled investments	\$ 69,239	\$ 105,100	\$ 3,072	\$ 177,411
<b>Liabilities</b>				
Accounts payable	\$ 120	\$ 608	\$ -	\$ 728
<b>Fund balances</b>				
Nonspendable	-	8,177	721	8,898
Restricted	69,119	96,315	2,351	167,785
<b>Total fund balances</b>	<b>69,119</b>	<b>104,492</b>	<b>3,072</b>	<b>176,683</b>
<b>Total liabilities and fund balances</b>	<b>\$ 69,239</b>	<b>\$ 105,100</b>	<b>\$ 3,072</b>	<b>\$ 177,411</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
 Nonmajor Permanent Funds  
 For the Year Ended December 31, 2013

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
Revenues				
Donations	\$ 7,493	\$ -	\$ -	\$ 7,493
Other	-	49	-	49
<b>Total operating revenues</b>	<b>7,493</b>	<b>49</b>	<b>-</b>	<b>7,542</b>
Expenditures				
Other functions	8,995	4,873	-	13,868
<b>Net change in fund balances</b>	<b>(1,502)</b>	<b>(4,824)</b>	<b>-</b>	<b>(6,326)</b>
Fund balances, beginning of year	70,621	109,316	3,072	183,009
<b>Fund balances, end of year</b>	<b>\$ 69,119</b>	<b>\$ 104,492</b>	<b>\$ 3,072</b>	<b>\$ 176,683</b>

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COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Net Position**

Internal Service Funds

December 31, 2013

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
<b>Current assets</b>					
Cash and pooled investments	\$ 472,166	\$ 1,042,373	\$ 23,661	\$ 3,771	\$ 1,541,971
Accounts receivable	-	480,408	-	-	480,408
Prepaid expenses	2,500	716,794	-	-	719,294
<b>Total assets</b>	<b>474,666</b>	<b>2,239,575</b>	<b>23,661</b>	<b>3,771</b>	<b>2,741,673</b>
<b>Liabilities</b>					
Accounts payable	-	5,290	-	-	5,290
Estimated claims payable	19,947	656,047	-	-	675,994
<b>Total liabilities</b>	<b>19,947</b>	<b>661,337</b>	<b>-</b>	<b>-</b>	<b>681,284</b>
<b>Net position</b>					
Unrestricted	\$ 454,719	\$ 1,578,238	\$ 23,661	\$ 3,771	\$ 2,060,389

COUNTY OF JACKSON, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2013

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
Operating revenues					
Charges for services	\$ 189,691	\$ 10,444,592	\$ -	\$ -	\$ 10,634,283
Operating expenses					
Cost of services	42,766	9,713,984	-	-	9,756,750
General and administrative	58,191	472,333	-	-	530,524
Total operating expenses	100,957	10,186,317	-	-	10,287,274
Operating income	88,734	258,275	-	-	347,009
Nonoperating revenues					
Interest revenue	177	595	-	-	772
Net income before transfers	88,911	258,870	-	-	347,781
Transfers out	-	(35,900)	-	-	(35,900)
Change in net position	88,911	222,970	-	-	311,881
Net position, beginning of year	365,808	1,355,268	23,661	3,771	1,748,508
Net position, end of year	\$ 454,719	\$ 1,578,238	\$ 23,661	\$ 3,771	\$ 2,060,389

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2013

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
Cash flows from operating activities					
Cash received from customers, residents and users	\$ 189,691	\$ 11,155,639	\$ -	\$ -	\$ 11,345,330
Cash paid to employees, suppliers and claimants	(84,210)	(10,275,188)	-	-	(10,359,398)
Net cash provided by operating activities	105,481	880,451	-	-	985,932
Cash flows from noncapital financing activities					
Transfers to other funds	-	(35,900)	-	-	(35,900)
Cash flows from investing activities					
Interest income received	177	595	-	-	772
Change in cash and pooled investments	105,658	845,146	-	-	950,804
Cash and cash pooled investments, beginning of year	366,508	197,227	23,661	3,771	591,167
Cash and pooled investments, end of year	\$ 472,166	\$ 1,042,373	\$ 23,661	\$ 3,771	\$ 1,541,971
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 88,734	\$ 258,275	\$ -	\$ -	\$ 347,009
Adjustments to reconcile operating income to net cash provided by operating activities:					
Change in:					
Accounts receivable	-	(101,142)	-	-	(101,142)
Prepaid items	-	812,189	-	-	812,189
Accounts payable	16,747	(88,871)	-	-	(72,124)
Net cash provided operating activities	\$ 105,481	\$ 880,451	\$ -	\$ -	\$ 985,932

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

All Agency Funds  
December 31, 2013

	Trust and Agency	Library	District Court Bonds	Circuit Court Trust
<b>Assets</b>				
Cash and cash equivalents	\$ 1,924,578	\$ 97,278	\$ 150,918	\$ 224,987
Accounts receivable	21,506	-	-	-
<b>Total assets</b>	<b>\$ 1,946,084</b>	<b>\$ 97,278</b>	<b>\$ 150,918</b>	<b>\$ 224,987</b>
<b>Liabilities</b>				
Undistributed fees/collections	\$ 1,098,230	\$ -	\$ -	\$ 199,439
Due to other governments	699,412	97,278	-	-
Bonds	148,442	-	126,322	20,279
Escrow payable	-	-	24,596	5,269
<b>Total liabilities</b>	<b>\$ 1,946,084</b>	<b>\$ 97,278</b>	<b>\$ 150,918</b>	<b>\$ 224,987</b>



LifeWays	Sheriff Canteen	Total
\$ 1,874,540	\$ 117,477	\$ 4,389,778
-	-	21,506
<u>\$ 1,874,540</u>	<u>\$ 117,477</u>	<u>\$ 4,411,284</u>

\$ -	\$ 117,477	\$ 1,415,146
1,874,540	-	2,671,230
-	-	295,043
-	-	29,865
<u>\$ 1,874,540</u>	<u>\$ 117,477</u>	<u>\$ 4,411,284</u>

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>Trust and agency fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,419,583	\$ 61,906,552	\$ 62,401,557	\$ 1,924,578
Accounts receivable	109,870	661,879	750,243	21,506
<b>Total assets</b>	<b>\$ 2,529,453</b>	<b>\$ 62,568,431</b>	<b>\$ 63,151,800</b>	<b>\$ 1,946,084</b>
<b>Liabilities</b>				
Undistributed fees/collections	\$ 1,624,555	\$ 24,433,548	\$ 24,959,873	\$ 1,098,230
Due to other governments	769,606	38,071,633	38,141,827	699,412
Bonds payable	135,292	63,250	50,100	148,442
<b>Total liabilities</b>	<b>\$ 2,529,453</b>	<b>\$ 62,568,431</b>	<b>\$ 63,151,800</b>	<b>\$ 1,946,084</b>
<b>Library fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 138,041	\$ 833,060	\$ 873,823	\$ 97,278
<b>Liabilities</b>				
Due to other governments	\$ 138,041	\$ 833,060	\$ 873,823	\$ 97,278
<b>District court bonds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 147,366	\$ 716,216	\$ 712,664	\$ 150,918
<b>Liabilities</b>				
Bonds payable	\$ 126,125	\$ 578,537	\$ 578,340	\$ 126,322
Escrow payable	21,241	137,679	134,324	24,596
<b>Total liabilities</b>	<b>\$ 147,366</b>	<b>\$ 716,216</b>	<b>\$ 712,664</b>	<b>\$ 150,918</b>
<b>Circuit court trust fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 199,244	\$ 717,196	\$ 691,453	\$ 224,987
<b>Liabilities</b>				
Undistributed fees/collections	\$ 175,975	\$ 669,767	\$ 646,303	\$ 199,439
Bonds payable	18,000	47,429	45,150	20,279
Escrow payable	5,269	-	-	5,269
<b>Total liabilities</b>	<b>\$ 199,244</b>	<b>\$ 717,196</b>	<b>\$ 691,453</b>	<b>\$ 224,987</b>
<b>LifeWays</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,412,584	\$ 563,619	\$ 1,101,663	\$ 1,874,540
<b>Liabilities</b>				
Due to other governments	\$ 2,412,584	\$ 563,619	\$ 1,101,663	\$ 1,874,540

continued...

COUNTY OF JACKSON, MICHIGAN

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

All Agency Funds  
For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>Sheriff Canteen</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 121,310	\$ 1,294,603	\$ 1,298,436	\$ 117,477
<b>Liabilities</b>				
Undistributed fees	\$ 121,310	\$ 1,294,603	\$ 1,298,436	\$ 117,477
<b>Totals-all agency funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,438,128	\$ 66,031,246	\$ 67,079,596	\$ 4,389,778
Accounts receivable	109,870	661,879	750,243	21,506
<b>Total assets</b>	<b>\$ 5,547,998</b>	<b>\$ 66,693,125</b>	<b>\$ 67,829,839</b>	<b>\$ 4,411,284</b>
<b>Liabilities</b>				
Undistributed fees/collections	\$ 1,921,840	\$ 26,397,918	\$ 26,904,612	\$ 1,415,146
Due to other governments	3,320,231	39,468,312	40,117,313	2,671,230
Bonds payable	279,417	689,216	673,590	295,043
Escrow payable	26,510	137,679	134,324	29,865
<b>Total liabilities</b>	<b>\$ 5,547,998</b>	<b>\$ 66,693,125</b>	<b>\$ 67,829,839</b>	<b>\$ 4,411,284</b>

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# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position

Land Bank Authority Component Unit

December 31, 2013

### Assets

Cash and pooled investments	\$ 191,622
Loans receivables	17,870
Inventories	<u>81,391</u>

### Total assets

290,883

### Liabilities

Accrued liabilities	2,200
Advances from other funds	<u>100,000</u>

### Total liabilities

102,200

### Net position

Unrestricted	<u><u>\$ 188,683</u></u>
--------------	--------------------------

# COUNTY OF JACKSON, MICHIGAN

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

Land Bank Authority Component Unit  
For the Year Ended December 31, 2013

Operating revenues	
Property taxes	\$ 3,411
Sales	<u>53,586</u>
Total operating revenues	<u>56,997</u>
Operating expenses	
Public works	9,361
Miscellaneous	<u>43,058</u>
Total operating expenses	<u>52,419</u>
Change in net position	4,578
Net position, beginning of year	<u>184,105</u>
Net position, end of year	<u>\$ 188,683</u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Cash Flows

Land Bank Authority Component Unit  
For the Year Ended December 31, 2013

Cash flows from operating activities	
Cash received from customers, residents and users	\$ 99,439
Cash paid to employees, suppliers and claimants	<u>(51,719)</u>
Net cash provided by operating activities	47,720
Cash and cash pooled investments, beginning of year	<u>143,902</u>
Cash and pooled investments, end of year	<u><u>\$ 191,622</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 4,578
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in:	
Loans receivable	68
Inventories	42,374
Accounts payable	<u>700</u>
Net cash provided operating activities	<u><u>\$ 47,720</u></u>

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2013

	Capital Project Funds				
	Spring Arbor Water Project	Drain Districts	Drain Revolving	Lake Level Districts	Lake Level Revolving
<b>Assets</b>					
Cash and pooled investments	\$ 3,323	\$ 1,097,718	\$ 135,918	\$ 63,735	\$ 8,740
Special assessments receivable, net	-	56,734	-	6,915	-
Due from other funds	-	-	64,229	-	1,260
Capital assets, net of depreciation	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,323</u>	<u>\$ 1,154,452</u>	<u>\$ 200,147</u>	<u>\$ 70,650</u>	<u>\$ 10,000</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 7,150	\$ -	\$ -	\$ -
Due to other funds	-	64,626	-	863	-
Advance from primary government	-	-	200,000	-	10,000
<b>Total liabilities</b>	-	71,776	200,000	863	10,000
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	56,734	-	6,915	-
<b>Fund balances</b>					
Reserved for construction	3,323	1,025,942	147	62,872	-
<b>Total liabilities, deferred inflows of resources and liabilities</b>	<u>\$ 3,323</u>	<u>\$ 1,154,452</u>	<u>\$ 200,147</u>	<u>\$ 70,650</u>	<u>\$ 10,000</u>



Total Governmental Funds	Adjustments	Statement of Net Position
\$ 1,309,434	\$ -	\$ 1,309,434
63,649	-	63,649
65,489	(65,489)	-
-	3,475,361	3,475,361
<u>\$ 1,438,572</u>	<u>\$ 3,409,872</u>	<u>4,848,444</u>
\$ 7,150	\$ -	7,150
65,489	(65,489)	-
210,000	-	210,000
<u>282,639</u>	<u>(65,489)</u>	<u>217,150</u>
63,649	(63,649)	-
<u>1,092,284</u>	<u>(1,092,284)</u>	<u>-</u>
<u>\$ 1,438,572</u>		
	3,475,361	3,475,361
	1,155,933	1,155,933
	<u>\$ 4,631,294</u>	<u>\$ 4,631,294</u>

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# COUNTY OF JACKSON, MICHIGAN

## ■ Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Unit  
Drain Commission Component Unit  
December 31, 2013

Fund balances - governmental funds \$ 1,092,284

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

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds. 3,475,361

Unearned revenue is not a current financial resource and therefore is not  
reported as revenue in the governmental funds 63,649

Net position of governmental activities \$ 4,631,294

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, 2013

	Capital Project Funds				
	Spring Arbor Water Project	Drain Districts	Drain Revolving	Lake Level Districts	Lake Level Revolving
Revenues					
Intergovernmental revenue	\$ -	\$ 139,463	\$ -	\$ 6,915	\$ -
Investment earnings	2	566	-	34	-
<b>Total revenues</b>	<b>2</b>	<b>140,029</b>	<b>-</b>	<b>6,949</b>	<b>-</b>
Expenditures/expenses					
Public works	-	104,369	-	8,536	-
Depreciation expense	-	-	-	-	-
<b>Total expenditures/expenses</b>	<b>-</b>	<b>104,369</b>	<b>-</b>	<b>8,536</b>	<b>-</b>
Revenues over (under) expenditures/ change in net position	2	35,660	-	(1,587)	-
Fund balances/net position					
Beginning of year, as restated	3,321	990,282	147	64,459	-
End of year	\$ 3,323	\$ 1,025,942	\$ 147	\$ 62,872	\$ -



Total	Adjustments	Statement of Activities
\$ 146,378 602	\$ (8,921) -	\$ 137,457 602
<u>146,980</u>	<u>(8,921)</u>	<u>138,059</u>
112,905 -	- 161,557	112,905 161,557
<u>112,905</u>	<u>161,557</u>	<u>274,462</u>
<u>34,075</u>	<u>(170,478)</u>	<u>(136,403)</u>
<u>1,058,209</u>	<u>3,709,488</u>	<u>4,767,697</u>
<u>\$ 1,092,284</u>	<u>\$ 3,539,010</u>	<u>\$ 4,631,294</u>

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## COUNTY OF JACKSON, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Unit  
Drain Commission Component Unit  
For the Year Ended December 31, 2013

Net change in fund balances - governmental funds	\$ 34,075
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(161,557)
Governmental funds report payments received by other municipalities for principal debt service as revenue, but the statement of activities does not.	
Change in special assessments paid in current year	<u>(8,921)</u>
Change in net position of governmental activities	<u><u>\$ (136,403)</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Fund Balance Sheet

Brownfield Redevelopment Authority Component Unit

December 31, 2013

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
<b>Current assets</b>			
Cash and cash equivalents	\$ 10,798	\$ -	\$ 10,798
Accounts receivable	26,329	-	26,329
Other assets	32,455	-	32,455
Long-term receivable	660,391	-	660,391
	<u>660,391</u>	<u>-</u>	<u>660,391</u>
<b>Total assets</b>	<u>\$ 729,973</u>	<u>-</u>	<u>729,973</u>
<b>Liabilities</b>			
Advance from primary government	\$ 117,500	-	117,500
<b>Fund balances</b>			
Unrestricted	612,473	(612,473)	-
	<u>612,473</u>	<u>(612,473)</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 729,973</u>		
<b>Net position</b>			
Unrestricted		\$ 612,473	\$ 612,473
		<u>\$ 612,473</u>	<u>\$ 612,473</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, 2013

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Contributions	\$ 329,316	\$ -	\$ 329,316
Other	4,650	-	4,650
Total revenues	333,966	-	333,966
Expenditures/expenses			
Current operations - Public works	343,674	-	343,674
Net change in fund balances	(9,708)	(9,708)	
Change in net position		9,708	(9,708)
Fund balances/net position			
Beginning of year	622,181	-	622,181
End of year	\$ 612,473	\$ -	\$ 612,473

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2013

	Debt Service Funds				
	Village of Springport Wastewater	Village of Grass Lake	Village of Springport	Spring Arbor Water Project	Village of Brooklyn
<b>Assets</b>					
Cash and pooled investments	\$ 307	\$ -	\$ 71	\$ 9	\$ 34
Due from other governmental units	-	160,000	-	305,000	425,000
<b>Total assets</b>	<u>\$ 307</u>	<u>\$ 160,000</u>	<u>\$ 71</u>	<u>\$ 305,009</u>	<u>\$ 425,034</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Long-term debt:					
Due in one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	160,000	-	305,000	425,000
<b>Fund balances</b>					
Reserved for debt service	307	-	71	9	34
Reserved for construction	-	-	-	-	-
<b>Total fund balances</b>	<u>307</u>	<u>-</u>	<u>71</u>	<u>9</u>	<u>34</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 307</u>	<u>\$ 160,000</u>	<u>\$ 71</u>	<u>\$ 305,009</u>	<u>\$ 425,034</u>

Clark Lake	Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Lake Columbia Refunding	Village of Parma - Revolving
\$ 87	\$ 633	\$ 542	\$ 2,168	\$ -	\$ -
-	1,540,000	-	550,000	3,838,149	565,000
<u>\$ 87</u>	<u>\$ 1,540,633</u>	<u>\$ 542</u>	<u>\$ 552,168</u>	<u>\$ 3,838,149</u>	<u>\$ 565,000</u>
\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	-	-
-	1,540,000	-	550,000	3,838,149	565,000
87	633	542	1,668	-	-
-	-	-	-	-	-
<u>87</u>	<u>633</u>	<u>542</u>	<u>1,668</u>	<u>-</u>	<u>-</u>
<u>\$ 87</u>	<u>\$ 1,540,633</u>	<u>\$ 542</u>	<u>\$ 552,168</u>	<u>\$ 3,838,149</u>	<u>\$ 565,000</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit  
For the Year Ended December 31, 2013

	Debt Service funds				
	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B	Vineyard Lake Area Section	Round/ Farewell Lake Section
<b>Assets</b>					
Cash and pooled investments	\$ 2,674	\$ -	\$ 3,243	\$ 250	\$ 8,887
Due from other governmental units	2,396,598	1,270,000	305,000	3,090,000	2,025,000
<b>Total assets</b>	<u>\$ 2,399,272</u>	<u>\$ 1,270,000</u>	<u>\$ 308,243</u>	<u>\$ 3,090,250</u>	<u>\$ 2,033,887</u>
<b>Liabilities</b>					
Accounts payable	\$ 500	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Long-term debt:					
Due in one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	2,396,598	1,270,000	305,000	3,090,000	2,025,000
<b>Fund balances</b>					
Reserved for debt service	2,174	-	3,243	250	8,887
Reserved for construction	-	-	-	-	-
<b>Total fund balances</b>	<u>2,174</u>	<u>-</u>	<u>3,243</u>	<u>250</u>	<u>8,887</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,399,272</u>	<u>\$ 1,270,000</u>	<u>\$ 308,243</u>	<u>\$ 3,090,250</u>	<u>\$ 2,033,887</u>

Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater	Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer
\$ 86,303	\$ 29	\$ -	\$ 405	\$ 135	\$ 1,348	\$ 62
3,800,000	825,000	1,105,000	-	-	-	-
<u>\$ 3,886,303</u>	<u>\$ 825,029</u>	<u>\$ 1,105,000</u>	<u>\$ 405</u>	<u>\$ 135</u>	<u>\$ 1,348</u>	<u>\$ 62</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,800,000	825,000	1,105,000	-	-	-	-
86,303	29	-	-	-	-	-
-	-	-	405	135	1,348	62
86,303	29	-	405	135	1,348	62
<u>\$ 3,886,303</u>	<u>\$ 825,029</u>	<u>\$ 1,105,000</u>	<u>\$ 405</u>	<u>\$ 135</u>	<u>\$ 1,348</u>	<u>\$ 62</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2013

	Total	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and pooled investments	\$ 107,187	\$ -	\$ 107,187
Due from other governmental units	22,199,747	29,398	22,229,145
<b>Total assets</b>	<b>\$ 22,306,934</b>	<b>\$ 29,398</b>	<b>\$ 22,336,332</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,000	\$ -	\$ 1,000
Accrued liabilities	-	135,585	135,585
Long-term debt:			
Due in one year	-	2,354,143	2,354,143
Due in more than one year	-	19,845,604	19,845,604
<b>Total liabilities</b>	<b>1,000</b>	<b>22,335,332</b>	<b>22,336,332</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	22,199,747	(22,199,747)	-
<b>Fund balances</b>			
Reserved for debt service	104,237	(104,237)	-
Reserved for construction	1,950	(1,950)	-
<b>Total fund balances</b>	<b>106,187</b>	<b>(106,187)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 22,306,934</b>		
<b>Net position</b>			
Restricted for construction		\$ -	\$ -

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Unit  
Board of Public Works Component Unit  
December 31, 2013

Fund balances - governmental Funds	\$ 106,187
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	29,398
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	22,199,747
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Bonds payable	(22,199,747)
Interest payable	(135,585)
Net position of governmental activities	<u>\$ -</u>

COUNTY OF JACKSON, MICHIGAN

**Statement of Activities and Governmental Funds Revenues, Expenditures  
and Changes in Fund Balances**  
Board of Public Works Component Unit  
For the Year Ended December 31, 2013

	Village of Springport Wastewater	Village of Grass Lake	Village of Springport	Spring Arbor Water Project	Village of Brooklyn
Revenues					
Intergovernmental	\$ -	\$ 166,400	\$ -	\$ 38,981	\$ 151,675
Investment earnings	1	-	-	3	2
<b>Total revenues</b>	<b>1</b>	<b>166,400</b>	<b>-</b>	<b>38,984</b>	<b>151,677</b>
Expenditures/expenses					
Debt Service:					
Principal	-	160,000	-	25,000	125,000
Interest and fiscal charges	-	6,400	-	13,981	26,675
<b>Total expenditures/expenses</b>	<b>-</b>	<b>166,400</b>	<b>-</b>	<b>38,981</b>	<b>151,675</b>
Net change in fund balances	1	-	-	3	2
Change in net position					
Fund balances/net position					
Beginning of year, as restated	306	-	71	6	32
End of year	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 9</u>	<u>\$ 34</u>

Clark Lake	Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Lake Columbia Refunding	Village of Parma - Revolving
\$ 152,513 7	\$ 329,063 2	\$ - -	\$ 733,925 30	\$ - -	\$ 69,813 -
152,520	329,065	-	733,955	-	69,813
150,000 2,513	260,000 68,988	- -	550,000 184,425	- -	55,000 14,813
152,513 7	328,988 77	- -	734,425 (470)	- -	69,813 -
80	556	542	2,138	-	-
<u>\$ 87</u>	<u>\$ 633</u>	<u>\$ 542</u>	<u>\$ 1,668</u>	<u>\$ -</u>	<u>\$ -</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, 2013

	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B	Vineyard Lake Area Section	Round/ Farewell Lake Section
Revenues					
Intergovernmental	\$ 139,575	\$ 143,125	\$ 40,624	\$ 968,238	\$ 308,475
Investment earnings	6	-	3	158	17
<b>Total revenues</b>	<b>139,581</b>	<b>143,125</b>	<b>40,627</b>	<b>968,396</b>	<b>308,492</b>
Expenditures/expenses					
Debt Service:					
Principal	115,000	110,000	25,000	810,000	225,000
Interest and fiscal charges	24,825	33,125	15,624	158,238	83,475
<b>Total expenditures/expenses</b>	<b>139,825</b>	<b>143,125</b>	<b>40,624</b>	<b>968,238</b>	<b>308,475</b>
Net change in fund balances	(244)	-	3	158	17
Change in net position					
Fund balances/net position					
Beginning of year, as restated	2,418	-	3,240	92	8,870
End of year	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ 3,243</u>	<u>\$ 250</u>	<u>\$ 8,887</u>

Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater	Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer
\$ 369,363 19	\$ 49,268 3	\$ 176,352 -	\$ - -	\$ - -	\$ - 1	\$ - -
369,382	49,271	176,352	-	-	1	-
200,000	15,000	115,000	-	-	-	-
173,613	34,268	61,352	-	-	-	-
373,613	49,268	176,352	-	-	-	-
(4,231)	3	-	-	-	1	-
90,534	26	-	405	135	1,347	62
<u>\$ 86,303</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 405</u>	<u>\$ 135</u>	<u>\$ 1,348</u>	<u>\$ 62</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Statement of Activities and Governmental Funds Revenues, Expenditures  
and Changes in Fund Balances**  
Board of Public Works Component Unit  
For the Year Ended December 31, 2013

	Total	Adjustments	Statement of Activities
Revenues			
Intergovernmental	\$ 3,837,390	\$ (3,195,154)	\$ 642,236
Interest and rentals	252	-	252
<b>Total revenues</b>	<b>3,837,642</b>	<b>(3,195,154)</b>	<b>642,488</b>
Expenditures/expenses			
Debt Service:			
Principal	2,940,000	(2,940,000)	-
Interest and fiscal charges	902,315	(34,848)	867,467
<b>Total expenditures/expenses</b>	<b>3,842,315</b>	<b>(2,974,848)</b>	<b>867,467</b>
Net change in fund balances	(4,673)	4,673	-
Change in net position		(224,979)	(224,979)
Fund balances/net position			
Beginning of year, as restated	110,860	114,119	224,979
End of year	\$ 106,187	\$ (106,187)	\$ -

concluded.

# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Unit  
Board of Public Works Component Unit  
For the Year Ended December 31, 2013

Net change in fund balances - governmental funds	\$ (4,673)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report payments received by other for principal debt service as revenue, but the statement of activities does not.	
Debt assessments received current year	(3,195,154)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in accrued interest on bonds payable	34,848
Repayment of debt principal is an expenditure in the funds but not in the statement of activities:	
Bond payments	<u>2,940,000</u>
Change in net position of governmental activities	<u>\$ (224,979)</u>

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# COUNTY OF JACKSON, MICHIGAN

## Statistical Section (Unaudited)

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

CONTENTS	<u>Page</u>
<b>Financial Trends (schedules 1 thru 5)</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	172
<b>Revenue Capacity (schedules 6 thru 9)</b>	
These schedules contain information to help the reader assess the government's most significant local sources: property taxes and water and wastewater usage fees.	182
<b>Debt Capacity (schedules 10 thru 12)</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.	188
<b>Demographic and Economic Information (schedules 13 and 14)</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	193
<b>Operating Information (schedules 15 thru 17)</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.	195

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)

	2004	2005	2006	2007	2008
<b>Governmental activities</b>					
Net investment in capital assets	\$ 16,852,113	\$ 15,904,438	\$ 16,131,214	\$ 16,662,254	\$ 16,820,741
Restricted	2,072,383	1,598,012	2,248,154	1,999,818	1,851,694
Unrestricted	20,951,919	26,634,239	30,618,527	29,152,734	28,243,259
<b>Total governmental activities net position</b>	<b>\$ 39,876,415</b>	<b>\$ 44,136,689</b>	<b>\$ 48,997,895</b>	<b>\$ 47,814,806</b>	<b>\$ 46,915,694</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 7,577,629	\$ 8,331,629	\$ 8,256,892	\$ 9,254,305	\$ 11,920,478
Unrestricted	16,012,507	16,105,046	19,923,786	22,051,366	21,158,429
<b>Total business-type activities net position</b>	<b>\$ 23,590,136</b>	<b>\$ 24,436,675</b>	<b>\$ 28,180,678</b>	<b>\$ 31,305,671</b>	<b>\$ 33,078,907</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 24,429,742	\$ 24,236,067	\$ 24,388,106	\$ 25,916,559	\$ 28,741,219
Restricted	2,072,383	1,598,012	2,248,154	1,999,818	1,851,694
Unrestricted	36,964,426	42,739,285	50,542,313	51,204,100	49,401,688
<b>Total primary government net position</b>	<b>\$ 63,466,551</b>	<b>\$ 68,573,364</b>	<b>\$ 77,178,573</b>	<b>\$ 79,120,477</b>	<b>\$ 79,994,601</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.

Source: Jackson County Finance Department

Schedule 1  
Unaudited

2009	2010	2011	2012	2013
\$ 16,533,573	\$ 15,130,221	\$ 15,172,343	\$ 14,381,796	\$ 82,006,055
2,398,320	2,970,238	17,220,863	15,477,619	12,683,086
27,949,778	28,418,753	14,863,873	13,990,332	13,284,484
<u>\$ 46,881,671</u>	<u>\$ 46,519,212</u>	<u>\$ 47,257,079</u>	<u>\$ 43,849,747</u>	<u>\$ 107,973,625</u>
\$ 12,124,522	\$ 13,178,355	\$ 13,901,502	\$ 15,663,869	\$ 3,419,014
23,646,148	24,406,603	25,585,370	25,095,420	23,997,521
<u>\$ 35,770,670</u>	<u>\$ 37,584,958</u>	<u>\$ 39,486,872</u>	<u>\$ 40,759,289</u>	<u>\$ 27,416,535</u>
\$ 28,658,095	\$ 28,308,576	\$ 29,073,845	\$ 30,045,665	\$ 85,425,069
2,398,320	2,970,238	17,220,863	15,477,619	12,683,086
51,595,926	52,825,356	40,449,243	39,085,752	37,282,005
<u>\$ 82,652,341</u>	<u>\$ 84,104,170</u>	<u>\$ 86,743,951</u>	<u>\$ 84,609,036</u>	<u>\$ 135,390,160</u>

COUNTY OF JACKSON, MICHIGAN

**Changes in Net Position**

Last Ten Years

(accrual basis of accounting)

	2004	2005	2006	2007	2008
<b>Revenue</b>					
Governmental activities:					
Program revenues:					
Charges for services	\$ 9,386,330	\$ 9,725,485	\$ 9,208,333	\$ 9,156,733	\$ 8,139,339
Operating grants and contributions	17,821,584	19,999,106	19,605,978	20,002,956	19,534,191
Capital grants and contributions	-	-	-	-	-
General revenues:					
Property taxes	26,781,837	28,674,384	30,548,572	26,632,998	26,301,985
State shared revenue	2,232,993	612,647	656,012	686,772	736,391
Other	1,519,268	1,668,218	1,990,206	2,206,053	1,829,418
Transfers	2,873,036	1,614,331	592,990	1,574,795	2,679,194
Total governmental activities revenues	<u>60,615,048</u>	<u>62,294,171</u>	<u>62,602,091</u>	<u>60,260,307</u>	<u>59,220,518</u>
Business-type activities:					
Program revenues:					
Charges for services	24,171,355	24,809,733	29,232,470	30,063,817	30,586,126
Operating grants and contributions	449,893	1,132,540	945,108	427,996	338,959
General revenues:					
Other	-	-	-	-	-
Special items (Notes 6 and 9)					
Impairment loss on capital assets	-	-	-	-	-
Loss on write-down of inventory	-	-	-	-	-
Transfers	(2,924,513)	(1,594,101)	(663,226)	(1,565,385)	(2,626,150)
Total business-type activities revenues	<u>21,696,735</u>	<u>24,348,172</u>	<u>29,514,352</u>	<u>28,926,428</u>	<u>28,298,935</u>
Total primary government revenues	<u>82,311,783</u>	<u>86,642,343</u>	<u>92,116,443</u>	<u>89,186,735</u>	<u>87,519,453</u>
<b>Expenses</b>					
Governmental activities:					
General government	21,196,404	21,992,799	21,501,134	23,777,304	22,601,423
Public safety	14,785,492	15,373,560	16,090,197	16,944,208	18,171,168
Public works	-	-	-	-	-
Health and welfare	5,723,355	9,640,700	9,687,103	9,878,983	9,254,566
Recreation and culture	1,607,037	1,691,953	1,666,183	1,732,731	1,766,639
Community development	11,226,594	8,798,015	8,225,733	8,253,892	7,494,081
Interest on long-term debt	544,615	536,869	570,535	856,277	831,753
Total governmental activities expenses	<u>55,083,497</u>	<u>58,033,896</u>	<u>57,740,885</u>	<u>61,443,395</u>	<u>60,119,630</u>
Business-type activities:					
Delinquent tax collection/forfeitures	584,691	465,438	582,566	543,975	523,433
Resource recovery	7,422,625	8,094,120	7,682,790	8,602,557	8,640,601
Medical care facility	12,478,688	12,982,116	14,950,198	15,375,425	15,758,850
Foreclosure tax	80,434	107,519	382,099	233,853	301,988
Personal Property Tax	98,706	394,249	59,534	70,351	66,944
Soil erosion	35,528	83,665	108,442	98,247	65,186
Total business-type activities expenses	<u>20,700,672</u>	<u>22,127,107</u>	<u>23,765,629</u>	<u>24,924,408</u>	<u>25,357,002</u>
Total primary government expenses	<u>75,784,169</u>	<u>80,161,003</u>	<u>81,506,514</u>	<u>86,367,803</u>	<u>85,476,632</u>
Change in net position	6,527,614	6,481,340	10,609,929	2,818,932	2,042,821
Net position, beginning of year, as restated	<u>58,521,114</u>	<u>63,466,549</u>	<u>67,744,072</u>	<u>77,428,572</u>	<u>79,120,477</u>
Net position, end of year	<u>\$ 65,048,728</u>	<u>\$ 69,947,889</u>	<u>\$ 78,354,001</u>	<u>\$ 80,247,504</u>	<u>\$ 81,163,298</u>

Source: Jackson County Finance Department

Schedule 2  
Unaudited

2009	2010	2011	2012	2013
\$ 9,855,124	\$ 9,597,688	\$ 9,515,532	\$ 10,060,336	\$ 11,874,779
16,131,328	16,857,973	17,845,207	18,373,243	30,792,988
-	-	382,293	4,025	2,583,837
26,383,232	25,542,916	24,779,304	24,605,780	24,038,899
1,236,701	2,361,911	3,297,426	2,577,616	3,629,709
1,177,816	741,905	1,504,285	567,758	(2,143,041)
1,122,574	1,233,954	960,559	792,659	1,718,754
<u>55,906,775</u>	<u>56,336,347</u>	<u>58,284,606</u>	<u>56,981,417</u>	<u>72,495,925</u>
30,569,896	29,535,470	29,741,712	31,129,191	26,247,095
-	-	-	-	4,748,424
234,205	54,945	157,095	143,494	-
-	-	-	-	(11,573,914)
-	-	-	-	(1,604,251)
(1,123,027)	(1,225,023)	(948,952)	(873,240)	(1,656,210)
<u>29,681,074</u>	<u>28,365,392</u>	<u>28,949,855</u>	<u>30,399,445</u>	<u>16,161,144</u>
<u>85,587,849</u>	<u>84,701,739</u>	<u>87,234,461</u>	<u>87,380,862</u>	<u>88,657,069</u>
23,650,817	22,366,906	22,951,626	25,607,190	27,844,444
18,196,223	18,336,839	18,882,372	18,745,790	18,748,028
-	-	-	-	12,432,981
9,521,311	10,487,852	10,664,522	10,734,927	15,170,502
3,188,894	2,843,700	2,844,926	2,910,341	1,733,043
1,463,740	1,033,799	2,006,522	1,795,363	5,418,245
803,914	1,156,503	443,479	595,138	604,922
<u>56,824,899</u>	<u>56,225,599</u>	<u>57,793,447</u>	<u>60,388,749</u>	<u>81,952,165</u>
560,542	345,126	490,959	325,312	1,035,957
8,991,113	8,893,948	8,242,890	8,960,431	8,377,360
16,060,347	16,681,276	17,816,002	18,151,367	18,391,888
426,210	494,072	462,740	1,626,864	1,338,751
66,998	66,631	35,350	63,054	9,493
-	-	-	-	-
<u>26,105,210</u>	<u>26,481,053</u>	<u>27,047,941</u>	<u>29,127,028</u>	<u>29,153,449</u>
<u>82,930,109</u>	<u>82,706,652</u>	<u>84,841,388</u>	<u>89,515,777</u>	<u>111,105,614</u>
2,657,740	1,995,087	2,393,073	(2,134,915)	(22,448,545)
<u>79,994,601</u>	<u>82,109,083</u>	<u>84,350,878</u>	<u>86,743,951</u>	<u>157,845,665</u>
<u>\$ 82,652,341</u>	<u>\$ 84,104,170</u>	<u>\$ 86,743,951</u>	<u>\$ 84,609,036</u>	<u>\$ 135,397,120</u>

COUNTY OF JACKSON, MICHIGAN

**Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008
General fund					
Nonspendable					
Committed					
Assigned					
Unassigned					
Reserved	\$ 823,857	\$ 887,987	\$ 881,264	\$ 881,943	\$ 878,826
Unreserved	4,745,938	5,470,437	6,105,169	8,333,984	10,211,100
<b>Total general fund</b>	<b>\$ 5,569,795</b>	<b>\$ 6,358,424</b>	<b>\$ 6,986,433</b>	<b>\$ 9,215,927</b>	<b>\$ 11,089,926</b>
All other governmental funds					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned (deficit)					
Reserved	\$ 2,260,783	\$ 1,577,476	\$ 2,227,860	\$ 1,988,260	\$ 1,815,135
Unreserved, reported in:					
Special revenue funds	14,994,195	19,221,587	23,544,783	20,596,873	19,461,048
Permanent funds	128,790	128,548	136,555	149,945	176,986
<b>Total all other governmental funds</b>	<b>17,383,768</b>	<b>20,927,611</b>	<b>25,909,198</b>	<b>22,735,078</b>	<b>21,453,169</b>
<b>Total governmental funds</b>	<b>\$ 22,953,563</b>	<b>\$ 27,286,035</b>	<b>\$ 32,895,631</b>	<b>\$ 31,951,005</b>	<b>\$ 32,543,095</b>

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

Source: Jackson County Finance Department

Schedule 3  
Unaudited

2009	2010	2011	2012	2013
		\$ 876,332	\$ 888,149	\$ 874,160
		1,447,924	958,703	469,482
		830,299	830,299	263,369
		12,965,088	12,789,539	11,058,812
\$ 879,589	\$ 880,467	-	-	-
12,834,704	13,012,690	-	-	-
<u>\$ 13,714,293</u>	<u>\$ 13,893,157</u>	<u>\$ 16,119,643</u>	<u>\$ 15,466,690</u>	<u>\$ 12,665,823</u>
		\$ 431,540	\$ 387,139	\$ 1,479,623
		17,150,425	15,397,727	11,347,738
		1,504,087	1,539,808	3,785,981
		-	-	-
		(2,753)	-	(2,964)
\$ 1,886,987	\$ 3,038,560	-	-	-
17,334,858	16,882,432	-	-	-
181,134	180,616	-	-	-
<u>19,402,979</u>	<u>20,101,608</u>	<u>19,083,299</u>	<u>17,324,674</u>	<u>16,610,378</u>
<u>\$ 33,117,272</u>	<u>\$ 33,994,765</u>	<u>\$ 35,202,942</u>	<u>\$ 32,791,364</u>	<u>\$ 29,276,201</u>

COUNTY OF JACKSON, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008
<b>Revenues</b>					
Property taxes	\$ 26,211,661	\$ 28,674,384	\$ 30,548,572	\$ 26,632,998	\$ 26,301,985
Licenses, fees, taxes and permits	588,399	568,405	536,321	497,887	474,069
Intergovernmental	16,580,471	16,591,458	15,788,530	15,701,183	14,098,155
Charges for services	8,835,069	8,647,694	8,203,360	8,006,369	8,873,750
Fines and forfeitures	1,221,828	1,178,027	1,057,902	1,211,283	999,836
Investment earnings (loss)	1,921,629	2,010,888	2,574,872	2,848,441	2,389,750
Rental, donations, and other	2,353,691	2,934,004	3,270,925	3,761,527	3,385,049
<b>Total revenues</b>	<b>57,712,748</b>	<b>60,604,860</b>	<b>61,980,482</b>	<b>58,659,688</b>	<b>56,522,594</b>
<b>Expenditures</b>					
<b>Current:</b>					
Judicial	-	-	-	-	-
General government	20,539,483	20,765,931	21,199,149	21,682,119	21,063,018
Public safety	14,061,504	14,690,942	14,783,211	15,579,716	15,805,365
Public works	-	-	-	-	-
Health and welfare	14,061,504	14,690,942	14,783,211	15,579,716	15,805,365
Recreation and cultural	1,482,387	1,661,674	1,556,943	2,080,699	1,775,068
Community development	-	-	143,212	2,002,491	1,090,014
Fair	-	-	-	-	-
Other functions	10,157,473	8,023,440	8,049,294	9,583,117	7,653,906
<b>Debt service:</b>					
Principal	275,000	275,000	350,000	600,000	700,000
Interest & fiscal charges	1,389,257	539,369	531,869	860,645	836,969
Capital outlay	3,742,658	2,488,485	8,302,321	1,559,476	2,177,165
<b>Total expenditures</b>	<b>65,709,266</b>	<b>63,135,783</b>	<b>69,699,210</b>	<b>69,527,979</b>	<b>66,906,870</b>
<b>Revenues over (under) expenditures</b>	<b>(7,996,518)</b>	<b>(2,530,923)</b>	<b>(7,718,728)</b>	<b>(10,868,291)</b>	<b>(10,384,276)</b>
<b>Other financing sources (uses)</b>					
Proceeds from the issuance of debt	-	-	7,045,000	-	-
Discount on bonds	-	-	(42,340)	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers in	16,835,716	14,008,213	13,437,705	15,652,285	15,375,975
Transfers out	(13,249,940)	(12,217,191)	(12,663,185)	(13,863,913)	(12,591,093)
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,585,776</b>	<b>1,791,022</b>	<b>7,777,180</b>	<b>1,788,372</b>	<b>2,784,882</b>
<b>Net change in fund balances</b>	<b>\$ (4,410,742)</b>	<b>\$ (739,901)</b>	<b>\$ 58,452</b>	<b>\$ (9,079,919)</b>	<b>\$ (7,599,394)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.5%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>2.3%</b>

Source: Jackson County Finance Department

Schedule 4  
Unaudited

2009	2010	2011	2012	2013
\$ 26,383,232	\$ 25,541,044	\$ 24,779,305	\$ 24,606,997	\$ 24,038,899
437,296	471,432	459,766	464,860	629,992
13,904,984	15,498,755	17,817,486	17,413,440	31,565,444
7,589,130	7,920,575	7,603,096	7,802,940	10,304,110
1,021,582	987,318	929,517	884,085	894,326
1,548,242	1,136,906	1,759,834	975,110	(2,146,321)
4,181,788	3,871,363	4,300,043	4,366,326	5,510,816
<u>55,066,254</u>	<u>55,427,393</u>	<u>57,649,047</u>	<u>56,513,758</u>	<u>70,797,266</u>
-	-	-	-	3,997,148
20,540,737	19,928,198	19,954,588	20,594,967	16,116,914
14,871,330	15,132,380	15,434,422	15,720,974	16,763,410
-	-	-	-	10,743,885
14,871,330	15,132,380	15,434,422	15,720,974	11,589,346
2,448,636	2,112,047	1,985,441	2,175,564	1,335,362
1,290,775	919,684	1,775,957	1,586,540	2,125,453
-	-	-	-	995,116
7,061,789	1,950,462	4,278,569	4,258,056	7,539,934
700,000	775,000	905,000	895,000	1,071,085
809,331	779,925	421,334	600,133	581,230
917,416	5,932,361	5,769,282	6,400,349	8,189,363
<u>63,511,344</u>	<u>62,662,437</u>	<u>65,959,015</u>	<u>67,952,557</u>	<u>81,048,246</u>
<u>(8,445,090)</u>	<u>(7,235,044)</u>	<u>(8,309,968)</u>	<u>(11,438,799)</u>	<u>(10,250,980)</u>
-	10,100,000	-	-	-
-	-	-	-	-
-	(10,018,468)	-	-	-
14,747,892	13,543,829	12,695,160	11,001,852	8,150,845
(13,809,630)	(12,215,610)	(11,696,532)	(10,168,939)	(6,396,191)
-	-	-	-	5,635
<u>938,262</u>	<u>1,409,751</u>	<u>998,628</u>	<u>832,913</u>	<u>1,760,289</u>
<u>\$ (7,506,828)</u>	<u>\$ (5,825,293)</u>	<u>\$ (7,311,340)</u>	<u>\$ (10,605,886)</u>	<u>\$ (8,490,691)</u>
<u>2.4%</u>	<u>2.5%</u>	<u>2.0%</u>	<u>2.2%</u>	<u>2.30%</u>

COUNTY OF JACKSON, MICHIGAN

Changes in Fund Balances - General Fund

Last Ten Years

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008
<b>Revenues</b>					
Property taxes	\$ 17,956,661	\$ 19,398,287	\$ 21,074,348	\$ 23,036,819	\$ 22,536,049
Licenses, fees, taxes and permits	138,631	140,166	126,079	119,539	135,192
Intergovernmental	8,026,159	6,181,855	6,161,126	6,153,948	5,961,239
Charges for services	6,837,104	6,573,634	6,303,080	6,218,903	5,338,369
Fines and forfeitures	1,066,752	906,658	845,866	941,868	749,644
Investment earnings (loss)	1,561,669	1,470,154	1,981,369	2,255,763	1,897,465
Rental	-	-	-	-	-
Other	756,016	1,382,861	1,283,861	1,329,233	1,474,543
<b>Total revenues</b>	<b>36,342,992</b>	<b>36,053,615</b>	<b>37,775,729</b>	<b>40,056,073</b>	<b>38,092,501</b>
<b>Expenditures</b>					
Legislative	168,639	101,107	180,727	127,981	277,010
Judicial	212,660	214,972	204,724	222,134	223,025
Elections	5,791,244	5,820,832	5,880,955	6,051,352	5,934,204
General government	10,101,306	9,811,231	9,984,893	10,062,268	9,858,185
Public safety	11,684,741	11,869,900	12,065,712	12,745,940	12,681,662
Health and welfare	2,417,480	2,868,936	3,103,073	3,232,085	3,032,634
Other functions	5,156,890	5,326,414	5,831,316	5,674,330	5,493,801
<b>Total expenditures</b>	<b>35,532,960</b>	<b>36,013,392</b>	<b>37,251,400</b>	<b>38,116,090</b>	<b>37,500,521</b>
Excess of revenues over (under) expenditures	810,032	40,223	524,329	1,939,983	591,980
<b>Other financing sources (uses)</b>					
Transfers in	3,599,125	6,226,447	6,214,717	6,599,333	6,671,943
Transfers (out)	(5,567,493)	(5,478,041)	(6,111,037)	(6,309,822)	(5,389,924)
<b>Total other financing sources (uses)</b>	<b>(1,968,368)</b>	<b>748,406</b>	<b>103,680</b>	<b>289,511</b>	<b>1,282,019</b>
<b>Net change in fund balances</b>	<b>\$ (1,158,336)</b>	<b>\$ 788,629</b>	<b>\$ 628,009</b>	<b>\$ 2,229,494</b>	<b>\$ 1,873,999</b>

Source: Jackson County Finance Department

Schedule 5  
Unaudited

2009	2010	2011	2012	2013
\$ 22,553,464	\$ 21,700,151	\$ 21,109,245	\$ 21,043,608	\$ 20,482,195
156,335	175,006	171,086	156,443	207,230
6,141,528	7,862,620	8,968,474	8,287,347	8,539,239
5,079,399	5,491,690	5,208,296	5,564,361	5,542,454
732,132	728,241	700,521	728,655	751,820
1,205,421	869,110	1,374,972	617,042	(2,137,379)
-	-	-	-	183,840
580,749	525,441	631,080	710,319	2,240,661
<u>36,449,028</u>	<u>37,352,259</u>	<u>38,163,674</u>	<u>37,107,775</u>	<u>35,810,060</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,908,581	15,835,320	15,626,331	16,241,246	16,058,391
12,531,637	12,925,272	13,105,635	13,386,637	13,533,400
2,602,846	2,601,208	2,611,342	2,653,476	3,017,394
5,051,238	5,497,645	5,007,331	5,663,549	7,526,066
<u>36,094,302</u>	<u>36,859,445</u>	<u>36,350,639</u>	<u>37,944,908</u>	<u>40,135,251</u>
<u>354,726</u>	<u>492,814</u>	<u>1,813,035</u>	<u>(837,133)</u>	<u>(4,325,191)</u>
7,780,600	5,646,699	4,515,983	4,576,289	3,737,376
(5,510,959)	(5,591,401)	(5,550,456)	(4,392,109)	(2,213,052)
<u>2,269,641</u>	<u>55,298</u>	<u>(1,034,473)</u>	<u>184,180</u>	<u>1,524,324</u>
<u>\$ 2,624,367</u>	<u>\$ 548,112</u>	<u>\$ 778,562</u>	<u>\$ (652,953)</u>	<u>\$ (2,800,867)</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		
2004	\$ 2,520,199	\$ 483,912	\$ 256,259	\$ 156,791	\$ 14,147	\$ 329,263
2005	2,702,975	505,751	247,242	158,885	16,424	356,962
2006	2,900,367	532,560	241,307	162,175	13,294	370,865
2007	3,086,703	564,281	246,554	170,502	13,253	368,855
2008	3,153,655	586,814	238,922	176,195	9,399	366,925
2009	3,152,609	594,997	242,768	183,178	6,973	370,891
2010	3,010,501	593,343	217,483	181,464	5,667	364,718
2011	2,918,037	585,050	212,279	183,094	4,647	375,068
2012	2,841,876	553,113	205,194	187,167	4,125	385,366
2013	2,844,162	539,221	194,597	188,802	3,718	411,501

Source: County Equalization department, exclusive of Industrial and Commercial Facility Tax and prior to any Board of review Action

Schedule 6  
Unaudited



		Estimated Actual Value	Total Direct Tax Rate
	<b>Total</b>		
\$	3,760,571	\$ 4,963,371	6.0876
	3,988,239	5,234,043	6.0244
	4,220,568	5,815,259	5.9994
	4,450,148	6,033,906	5.9909
	4,531,910	5,962,893	5.9909
	4,551,416	5,604,766	5.9909
	4,373,176	5,225,510	5.9909
	4,278,175	4,971,653	5.9909
	4,176,841	4,772,886	5.9936
	4,182,001	4,754,803	5.9936

## COUNTY OF JACKSON, MICHIGAN

### Property Tax Rates - Direct and Overlapping

Last Ten Years

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

	2004	2005	2006	2007	2008
<b>County direct rates</b>					
Operating	5.2022	5.1471	5.1259	5.1187	5.1187
Medical Care Facility	0.1422	0.1406	0.1400	0.1398	0.1398
Jail	0.4932	0.4879	0.4858	0.4851	0.4851
Senior services	0.2500	0.2488	0.2477	0.2473	0.2473
<b>Total direct rate</b>	<b>6.0876</b>	<b>6.0244</b>	<b>5.9994</b>	<b>5.9909</b>	<b>5.9909</b>
<b>Overlapping rates</b>					
Cities -					
Jackson	15.7482	15.8785	15.3289	14.6889	14.5889
Townships (average)	1.8247	1.7763	1.7185	1.6796	1.7737
Villages (average)	10.3812	10.7263	10.6623	10.0423	9.4123
School districts (average)	22.4380	22.2208	22.3375	22.3495	22.4486
Intermediate school district (average)	5.8137	6.0999	5.9006	5.8883	5.8986
Community College:	1.1638	1.1565	1.1463	1.1446	1.1446
District library	0.8736	0.8682	0.8606	0.8593	1.2593

Source: Jackson County Finance Department

2009	2010	2011	2012	2013
5.1187	5.1187	5.1187	5.1187	5.1187
0.1398	0.1398	0.1398	0.1398	0.1398
0.4851	0.4851	0.4851	0.4851	0.4851
0.2473	0.2473	0.2473	0.2500	0.2500
<u>5.9909</u>	<u>5.9909</u>	<u>5.9909</u>	<u>5.9936</u>	<u>5.9936</u>

15.8089      15.3589      15.8389      16.1389      16.0889

1.7709      1.8980      1.9418      1.9367      1.9445

10.9535      10.7720      10.7496      11.0929      10.8634

22.3737      22.3737      22.8728      21.8281      23.0342

5.9528      5.9528      5.9692      6.0600      6.0612

1.1446      1.1446      1.1446      1.1446      1.1446

1.2593      1.2593      1.2593      1.2593      1.2593

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

Taxpayer	2013			2004		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 161,378,689	1	3.96%	\$ 136,439,763	1	3.79%
DPC Juniper LLC	79,911,060	2	1.96%	-	-	
MACI	75,949,969	3	1.86%	98,039,283	2	2.73%
Gerdau MAC Steel	29,826,639	4	0.73%	50,206,482	3	1.40%
TAC Manufacturing Inc.	17,306,039	5	0.42%	18,971,470	4	0.53%
Ramco Jackson LTD	15,690,323	6	0.39%	14,804,110	6	0.41%
Wal-mart Stores Inc.	12,418,644	7	0.30%	-	-	
John Ganton	11,988,369	8	0.29%	7,812,579	11	0.22%
Lloyd Ganton	11,957,885	9	0.29%	-	-	
Meijer Inc.	11,779,746	10	0.29%	13,293,101	7	0.37%
Vista Grande Villa	11,502,320	11	0.28%	-	-	
Federal Banks	10,196,925	12	0.25%	-	-	
Tenneco/Walker	10,023,081	13	0.25%	-	-	
Chemetall	9,472,334	14	0.23%	-	-	
Wolverine Tech/Certainteed	9,201,150	15	0.23%	12,631,839	8	0.35%
Adco	9,101,596	16	0.22%	-	-	
Comcast	8,407,958	17	0.21%	-	-	
Allegiance	7,582,093	18	0.19%	-	-	
Vector Pipeline LP	7,134,624	19	0.18%	12,057,560	9	0.34%
Michigan Electric Transmission	6,333,330	20	0.16%	-	-	
Quanex	-			15,746,498	5	0.44%
Jackson Automotive	-			8,130,217	10	0.23%
	<u>\$ 517,162,774</u>		<u>12.70%</u>	<u>\$ 388,132,902</u>		<u>10.81%</u>

Source: Jackson County Finance 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
2004	\$ 20,823,011	\$ 18,760,676	90.10%	\$ 1,692,104	\$ 20,452,780	98.22%
2005	21,626,845	19,709,618	91.13%	1,660,868	21,370,486	98.81%
2006	22,764,241	20,944,310	92.01%	1,702,934	22,647,244	99.49%
2007	25,334,259	23,532,388	92.89%	1,605,031	25,137,419	99.22%
2008	25,805,606	24,135,002	93.53%	1,439,464	25,574,466	99.10%
2009	25,772,909	23,450,825	90.99%	1,699,356	25,150,181	97.58%
2010	24,776,520	22,980,074	92.75%	1,568,371	24,548,445	99.08%
2011	24,191,799	22,635,414	93.57%	1,460,958	24,096,372	99.61%
2012	23,838,450	22,426,460	94.08%	1,361,990	23,788,450	99.79%
2013	24,076,501	22,603,314	93.88%	1,473,188	24,076,501	100.00%

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

Fiscal Year	Governmental Activities	Business-type Activities		Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Bonds	Revenue Bonds			
2004	\$ 13,075,000	\$ 14,950,000	\$ 13,950,000	\$ 41,975,000	9.75%	\$ 258.06
2005	12,800,000	14,790,714	12,385,000	39,975,714	8.96%	244.31
2006	19,495,000	14,424,109	10,825,000	44,744,109	10.00%	273.08
2007	18,895,000	14,055,505	9,245,000	42,195,505	9.08%	258.86
2008	18,913,195	13,680,900	7,675,000	40,269,095	8.45%	251.40
2009	17,495,000	13,254,295	5,775,000	36,524,295	7.75%	228.52
2010	17,195,000	12,822,645	4,445,000	34,462,645	7.31%	215.06
2011	16,290,000	12,341,085	2,695,000	31,326,085	8.91%	195.49
2012	15,395,000	11,864,481	905,000	28,164,481	7.90%	175.69
2013	14,355,000	11,309,481	-	25,664,481	7.15%	160.03

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
2004	\$ 28,025,000	\$ -	\$ 28,025,000	6.51%	0.75%	\$ 172.30
2005	27,590,714	-	27,590,714	6.18%	0.69%	168.62
2006	33,919,109	-	33,919,109	7.58%	0.80%	207.01
2007	32,950,505	-	32,950,505	7.09%	0.74%	202.14
2008	32,594,095	-	32,594,095	6.84%	0.72%	203.48
2009	30,749,295	-	30,749,295	6.52%	0.68%	192.39
2010	30,017,645	-	30,017,645	6.37%	0.69%	187.32
2011	28,631,085	-	28,631,085	8.14%	0.67%	178.67
2012	27,259,481	-	27,259,481	7.65%	0.65%	170.04
2013	25,664,481	-	25,664,481	7.15%	0.61%	160.03

Source: Jackson County Finance Department

**Computation of Net Direct and Overlapping Debt**  
December 31, 2013

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
<b>Direct debt</b>			
General obligation bonds	\$ 14,355,000	\$ 5,645,000	\$ 8,710,000
Medical care facility bonds	11,309,481	11,309,481	-
Road fund debt	105,987	105,987	-
Board of public works - Component Unit	22,199,747	22,199,747	-
<b>Net direct debt</b>	<b>\$ 47,970,215</b>	<b>\$ 39,260,215</b>	<b>8,710,000</b>
	Gross	County Share	
<b>Overlapping debt</b>			
City of Jackson	\$ 39,825,000	100.00%	39,825,000
Blackman Township	3,000,000	100.00%	3,000,000
Columbia Township	5,997,640	100.00%	5,997,640
Grass Lake Township	663,357	100.00%	663,357
Hanover Township	1,604,610	100.00%	1,604,610
Leoni Township	3,800,000	100.00%	3,800,000
Liberty Township	420,390	100.00%	420,390
Napoleon Township	3,266,643	100.00%	3,266,643
Norvell Township	1,533,141	100.00%	1,533,141
Rives Township	1,000,000	100.00%	1,000,000
Spring Arbor Township	305,000	100.00%	305,000
Brooklyn Village	1,730,000	100.00%	1,730,000
Concord Village	600,000	100.00%	600,000
Grass Lake Village	2,045,000	100.00%	2,045,000
Parma Village	4,115,000	100.00%	4,115,000
Springport Village	300,000	100.00%	300,000
Addison School District	17,720,000	0.05%	8,860
Albion School District	4,255,000	6.03%	256,577
Chelsea School District	48,889,861	4.64%	2,268,490
Columbia School District	1,260,000	75.92%	956,592
Concord School District	3,100,000	100.00%	3,100,000
East Jackson School District	11,655,000	100.00%	11,655,000
Grass Lake School District	29,148,540	99.26%	28,932,841
Hanover-Horton School District	3,960,000	86.11%	3,409,956

continued...

Computation of Net Direct and Overlapping Debt			
December 31, 2013			
Overlapping debt (Continued)			
Homer School District	\$ 20,891,165	1.27%	\$ 265,318
Jackson School District	49,390,000	100.00%	49,390,000
Jonesville School District	22,835,930	0.64%	146,150
Leslie School District	14,577,087	12.27%	1,788,609
Litchfield School District	950,000	3.30%	31,350
Manchester School District	40,461,405	0.72%	291,322
Napoleon School District	19,770,000	99.95%	19,760,115
North Adams-Jerome School District	710,000	0.88%	6,248
Northwest School District	44,340,000	99.76%	44,233,584
Springport School District	15,531,124	62.61%	9,724,037
Stockbridge School District	11,045,000	21.81%	2,408,915
Vandercook Lake School district	7,370,000	100.00%	7,370,000
Western School District	43,863,935	100.00%	43,863,935
Ingham Intermediate School district	2,168,000	1.14%	24,715
Jackson Intermediate School District	865,000	94.24%	815,176
Jackson Community College	35,340,000	100.00%	35,340,000
	<u>\$ 520,302,828</u>		<u>\$ 336,253,569</u>
Total overlapping debt			
			<u>\$ 344,963,569</u>

concluded.

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

Source: Jackson County Finance Department

COUNTY OF JACKSON, MICHIGAN

Schedule 12  
Unaudited

**Legal Debt Margin**  
Last Ten Years

Legal debt margin calculation for 2013

Assessed value	<u>\$ 4,754,803,000</u>
Debt limit (10% of state equalized value)	475,480,300
Debt applicable to limit - gross direct bonds	<u>(47,970,215)</u>

Legal debt margin \$ 427,510,085

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit As % of Debt Limit Ratio
2004	\$ 496,337,185	\$ 77,250,000	\$ 419,087,185	15.56%
2005	523,440,388	83,655,000	439,785,388	15.98%
2006	581,211,455	85,880,000	495,331,455	14.78%
2007	603,390,600	80,995,000	522,395,600	13.42%
2008	596,294,900	76,808,255	519,486,645	12.88%
2009	560,476,600	73,033,008	487,443,592	13.03%
2010	522,551,000	68,521,552	454,029,448	13.11%
2011	497,165,300	62,576,592	434,588,708	12.59%
2012	477,288,600	54,015,443	423,273,157	11.32%
2013	475,480,300	47,970,215	427,510,085	10.09%

Source: Jackson County Finance Department

Demographic and Economic Statistics  
Last Ten Years

Fiscal Year	(1) Population	(2) Labor Force	(2) Employment	(2) Unemployment	(2) Unemployment Rate	(3) Total Personal Income (000's)	(3) Per Capita Income
2004	162,653	78,187	72,321	5,866	7.5%	\$ 4,304,049	\$ 26,462
2005	163,629	78,700	73,375	5,325	6.8%	4,461,465	27,266
2006	163,851	78,612	72,987	5,625	7.2%	4,475,638	27,315
2007	163,006	77,442	71,591	5,851	7.6%	4,644,937	28,495
2008	160,180	76,513	69,845	6,668	8.7%	4,767,939	29,766
2009	159,828	76,470	66,162	10,308	13.5%	4,713,086	29,488
2010	160,248	72,338	65,106	7,232	10.0%	4,713,086	29,411
2011	160,248	71,890	65,680	6,210	8.6%	3,516,693	21,945
2012	160,309	69,851	64,240	5,611	8.0%	3,563,188	22,227
2013	160,369	69,678	64,115	5,563	8.0%	3,590,341	22,388

**Principal Employers**

Current Year and Nine Years Ago

Employer	2013 (1)			2004 (2)		
	(1) Total Employees	Rank	% of Total County Labor Force	Employees	Rank	% of Total County Labor Force
Allegiance Health System	3,620	1	5.13%	2,589	1	3.55%
Consumers Energy	2,400	2	3.40%	2,025	3	2.78%
Michigan Department of Corrections	2,040	3	2.89%	2,301	2	3.16%
Great Lakes Home Health/Hospice	1,118	4	1.58%			
Local Government	870	5	1.23%	955	5	1.31%
Jackson Public Schools	782	6	1.11%			
Meijer Inc.	755	7	1.07%	1,400	4	1.92%
Michigan Automotive Compressor (MACI)	750	8	1.06%	500	8	0.69%
Jackson College	650	9	0.92%	833	6	1.14%
Eaton Corporation	636	10	0.90%	600	7	0.82%
TAC Manufacturing	580	11	0.82%	300	12	0.41%
Wal-Mart Inc.	568	12	0.80%			
JCISD	500	13	0.71%			0.00%
McDonalds Restaurants	450	14	0.64%			
Dawn Food Products	400	15	0.57%	350	10	0.48%
Gerdau Special Steel North America	385	16	0.55%			
Tenneco	350	17	0.50%			
Spring Arbor University	300	18	0.43%			
Anesthesia Business Consultants	284	19	0.40%			
LifeWays/Community Connections	275	20	0.39%			
Michigan Seat Company				400	9	0.55%
Wolverine Vinyl Siding				350	11	0.48%
	<u>17,713</u>		<u>25.09%</u>	<u>12,603</u>		<u>17.29%</u>

Source (1): The Enterprise Group, Jackson County.

Source (2): Jackson County Building Authority Bonds Series 2002  
Official bond Statement 2002

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Legislative:										
Board of Commissioners	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	9.0
Judicial:										
Circuit court	30.5	30.5	31.5	30.0	29.0	29.0	28.0	28.0	28.0	28.0
District court	57.0	55.0	55.0	55.0	55.0	54.5	51.0	49.0	49.0	49.5
Friend of the court	50.0	47.5	47.5	47.5	46.5	44.5	43.5	44.0	44.0	44.0
County guardian	3.4	3.3	3.0	-	-	-	-	-	-	-
General government and elections:										
County Administration	3.8	3.0	3.0	2.0	2.0	3.0	3.5	2.5	2.5	2.5
Finance	4.0	4.8	4.5	4.5	4.3	7.5	6.5	3.5	3.6	3.5
Information & Tech Systems	8.0	7.0	7.0	7.0	7.0	7.0	9.0	9.0	9.0	9.0
*Human Resources	6.0	5.0	3.0	3.0	3.0	-	-	4.8	4.5	5.8
Equalization	9.0	9.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
GIS	-	-	-	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Facilities Management	24.8	18.0	18.0	17.8	21.5	20.5	17.0	14.8	14.8	14.8
Fleet Operations	5.0	3.0	3.0	2.0	-	-	-	-	-	-
Clerk	21.0	19.5	20.3	20.4	20.7	21.0	20.0	19.3	18.8	18.8
Register of Deeds	6.0	6.0	6.0	6.0	6.0	5.0	4.0	5.0	5.0	5.0
Treasurer	3.0	1.5	2.0	1.5	1.5	1.5	1.0	1.0	1.0	0.5
MSU Extension	3.5	3.5	3.5	3.0	3.0	2.5	2.5	2.5	2.0	2.0
Drain Commissioner	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Print Department	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Retirement Board	1.0	1.0	1.0	1.3	1.3	1.3	1.3	-	-	-
Public safety:										
Prosecuting attorney	27.5	27.5	27.5	27.5	27.5	27.5	25.6	25.6	25.6	25.6
Sheriff	65.0	65.0	65.0	62.0	60.0	59.0	54.0	55.0	58.0	58.0
Emergency management	20.0	20.0	20.0	20.0	20.0	20.0	19.0	19.0	19.0	19.0
Jail	57.5	56.3	58.0	56.0	56.0	55.0	54.0	54.0	54.0	54.0
Animal control	7.8	7.8	7.3	7.3	7.0	4.0	3.0	3.0	3.0	3.0
Youth center	42.5	39.5	39.5	38.0	36.6	35.8	32.4	32.4	32.3	32.3
Health and welfare:										
Environmental Health	-	-	13.0	13.0	9.8	8.3	8.0	8.0	8.0	8.2
Public Health	59.3	56.0	43.7	40.7	39.0	41.8	40.2	41.5	43.5	44.0
Medical Examiner	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Department On Aging	24.2	26.5	26.3	30.4	29.9	28.8	28.6	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
Cultural and recreation:										
Parks & Recreation	10.0	10.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
Golf Course	-	-	1.0	4.6	4.0	4.0	2.6	2.8	2.8	2.8
***Fair	-	-	-	-	-	-	2.5	1.0	1.0	1.0
Other:										
Airport	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.7	3.5
Enterprise funds	7.5	9.0	8.5	7.5	7.5	8.5	6.0	6.0	6.0	6.5
<b>Total</b>	<b>580.3</b>	<b>558.2</b>	<b>557.1</b>	<b>550.0</b>	<b>540.1</b>	<b>533.5</b>	<b>503.2</b>	<b>499.4</b>	<b>503.3</b>	<b>502.5</b>

Source: Jackson County Finance Department

\* Human Resources was combined with Administration Services in 2009

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

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

COUNTY OF JACKSON, MICHIGAN

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

Function/Program	2004	2005	2006	2007	2008	2009	2010
<b>Public safety</b>							
Sheriff:							
Complaints	25,110	23,795	24,669	26,641	26,792	33,034	30,069
Dispatches	136,800	140,099	134,028	129,691	127,895	146,669	138,673
Arrests	1,562	1,610	1,871	1,856	1,875	1,551	1,506
Bookings	7,448	8,376	8,991	9,576	8,996	9,543	11,104
<b>Health</b>							
Public health:							
Immunizations administered	10,558	12,586	7,859	7,645	7,575	7,133	14,921
WIC participants	5,200	5,243	5,082	5,272	5,534	5,687	5,725
Vision/hearing screenings	16,855	15,411	9,518	14,964	16,433	10,472	16,392
<b>Cultural and recreation</b>							
Parks and recreation:							
Special events participation	210,000	215,000	215,000	200,000	220,000	220,000	220,000
Cascades Falls participation	25,000.0	28,000	27,500	40,000	29,750	29,750	29,750
Rounds of golf	44,056	45,665	40,700	30,000	38,550	33,700	33,400
Camper participation	12,590	14,500	15,300	13,300	15,550	15,550	33,700

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

Schedule 16  
Unaudited



2011	2012	2013
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39,448	35,654	36,076
149,663	152,808	141,157
1,335	2,328	2,305
10,779	8,182	8,309

10,052	9,247	7,576
5,485	5,401	5,361
17,597	18,671	18,330

220,000	225,000	225,000
29,750	31,425	23,964
33,400	32,248	25,000
33,700	14,740	2,400

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public safety</b>										
Corrections facility capacities	426	426	426	426	426	426	426	426	426	426
Vehicle:										
Sheriff	38	40	43	38	39	47	41	49	35	31
Animal control	5	4	4	4	4	5	4	5	3	-
<b>Culture and recreation</b>										
Parks:										
County	15	15	15	16	16	16	16	16	16	16
Acreage	591	591	591	1,000	900	900	900	900	900	900
Picnic areas	15	15	15	17	17	17	17	17	17	17
Buildings:										
Restaurant/meeting	1	1	1	1	1	1	1	1	1	1
County recreation center	1	1	1	1	1	1	1	1	1	1
Picnic shelter/pavilions	10	10	10	10	15	15	15	15	15	15
Concession	2	2	2	2	4	4	4	4	4	4
Swimming beach areas	12	12	12	12	12	12	12	12	12	12
Golf courses:										
18 hole course	1	1	1	1	1	1	1	1	1	1
Par 3 course	1	1	1	1	1	1	1	1	1	1
Driving range	1	1	1	1	1	1	1	1	1	1
Trails/paths/sidewalks	3	3	3	4	4	4	4	4	4	4
Playgrounds	15	15	15	15	9	9	10	10	10	10
Boat launch	8	8	8	8	8	8	8	8	8	8
Campgrounds	2	2	2	2	2	2	2	2	2	2
<b>Public works</b>										
Miles of streets:										
Paved primary	652	652	652	652	546	544	544	544	544	544
Paved local	972	972	1,010	1,010	788	790	796	1,042	786	811
Gravel	312	312	283	283	249	248	253	250	253	229

Source: Jackson County Finance Department