

County of Jackson,  
Michigan



For the Year Ended  
December 31, 2018

Comprehensive  
Annual Financial  
Report

Prepared by:

Administrator/Controller  
*Michael R. Overton*

Finance Director  
*Cecilia Anderson*

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# COUNTY OF JACKSON, MICHIGAN

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## INTRODUCTORY SECTION

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# Jackson County

## ADMINISTRATOR/CONTROLLER

Michael R. Overton, Administrator/Controller

June 26, 2019

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

Transmitted herein is the County of Jackson, Michigan's Comprehensive Annual Financial Report for the 2018 fiscal year. The County of Jackson, Michigan's financial reporting requirements are mandated by the Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County of Jackson, Michigan issue an annual financial report, and that this report be audited by certified public accountants.

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

The County of Jackson, Michigan's financial statements have been audited by Rehmann Robson, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of Jackson, Michigan for the fiscal year ended December 31, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County of Jackson, Michigan's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. This is the highest opinion that can be received. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

## PROFILE OF THE COUNTY OF JACKSON, MICHIGAN GOVERNMENT

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

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

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

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

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

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

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

The business of the County is carried out on a daily basis by some 642 Full Time Equivalent employees located at several different locations throughout the County, providing a diverse array of services in the areas of human services, road maintenance, law enforcement, justice, administration, recreation, education, elections, and record keeping.

#### FACTORS AFFECTING FINANCIAL CONDITION

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

##### Local Economy

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

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

The Jackson County Airport's runway realignment project, which began in 2006, is now complete and in operation. The total estimated construction budget was \$40 million. This project will enhance the viability of an "Aviation Business Park" located on surplus airport property.

The 2018 taxable value for the County of Jackson, Michigan, including reimbursement of personal property losses by the State, increased by 2.90%. Total assessed property values for the County are \$5.47 billion based on the 2018 Equalization Report. The total change in the Equalized Value (which is approximately 50.00% of actual property value) was an increase of \$139 million or 2.62% for 2018.

The Enterprise Group of Jackson County was instrumental in the creation of 387 jobs in 2018 with a total new investment of \$21,584,409. The Blackman Township LDFA acquired 180 acres to create an additional industrial park, and infrastructure improvements are in the planning stage. The January 2019 labor force numbers reflect positive changes with the unemployed rate at 4.30% and on the decline.

##### Long-Term Financial Planning

The total fund balance in the general fund is 19.28% of total general fund expenditures and transfers out. In 2007, the Board established the guideline at 18.00%-24.00%, due to uncertain financial conditions with the State of Michigan. The unassigned fund balance fell within policy guidelines in 2018.

The Board completed a strategic planning process in 2019 to update/reaffirm the existing plan. The strategic plan guides budget decisions in the allocation of resources. The County's priorities include, Economic Development, Safe Community, Healthy Community, Recreational and Cultural Opportunities, and Community and Social Supports. At the beginning of each budget year, the Commissioners reconfirm the Strategic Plan and refresh department budget priorities.

## Relevant Financial Policies

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

The Headlee Amendment of 1978 was designed to limit the ability of local governments to levy new taxes and to limit the growth of property tax revenues in general. Its provisions require that when growth on existing property is greater than inflation, the local government must "roll back" its millage rate so that the total increase does not exceed inflation. In 1994 Proposal A was passed which limits the increase in property taxes on individual properties to the lesser of inflation or 5.00% unless the property is sold. These two provisions control growth but not declines in property values meaning that governments that experience losses during downturns will take decades to restore tax revenues during recoveries. The net effect of these two provisions will limit our revenue increase to 3.00%.

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

## Major Initiatives

As a distinct part of the County's strategic plan, we have been fostering intergovernmental cooperation in the provision of services. Inter Local Agreements were consummated for Road Patrol services with eight townships, villages and other local governments. The Equalization office provides assessing services for three townships, and anticipates the fourth to come online in 2020. In 2013, the County entered into an agreement to share Jackson County Department of Transportation ("JCDOT") equipment and purchasing services with the Calhoun County Road Department with an approximate savings of \$1,000,000 in 2018. The County will continue to explore other collaborative arrangements in the areas of IT, Assessing, Public Safety and Facilities management with the other local units of governments as opportunities present themselves.

Jackson County constructed a new morgue in 2018. This will eliminate use of the hospital morgue facilities. The Medical Examiner continues to contract with neighboring Counties for autopsy services and is exploring additional collaboration opportunities.

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

Budget preparation has moved from a document filled with numbers to a large on-line presentation complete with charts, historical data, and performance measurement. In addition, each department prepares information outlining their mission, activities, impact on the strategic plan, accomplishments, and key indicators. The same information that is available to Commissioners is also open to public viewing via the County web-page. In 2019 the County is renewing its commitment to transparent government by encouraging more use of social media. We've developed policy and training in the use of social media and hope to reach much broader segment of the County of Jackson, Michigan's residents.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Jackson, Michigan for its comprehensive annual financial report (CAFR) for the year ended December 31, 2017. This is the 24th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The County of Jackson, Michigan's bond rating was affirmed by Standard & Poor to AA- in February 2019. The County's Moody's rating remains at AA2. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the County of Jackson, and outside participating partners. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report and in particular to Finance Department. Credit also must be given to the Chairman of the Board and the County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the County of Jackson's finances.

Respectfully submitted,



Michael R. Overton

Administrator/Controller

# COUNTY OF JACKSON, MICHIGAN

## PRINCIPAL OFFICIALS

YEAR ENDED DECEMBER 31, 2018

### BOARD OF COMMISSIONERS

James E. Shotwell, Jr., Chair

Tony Bair  
Rodney Walz  
Corey Kennedy  
Phillip S. Duckham, III

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

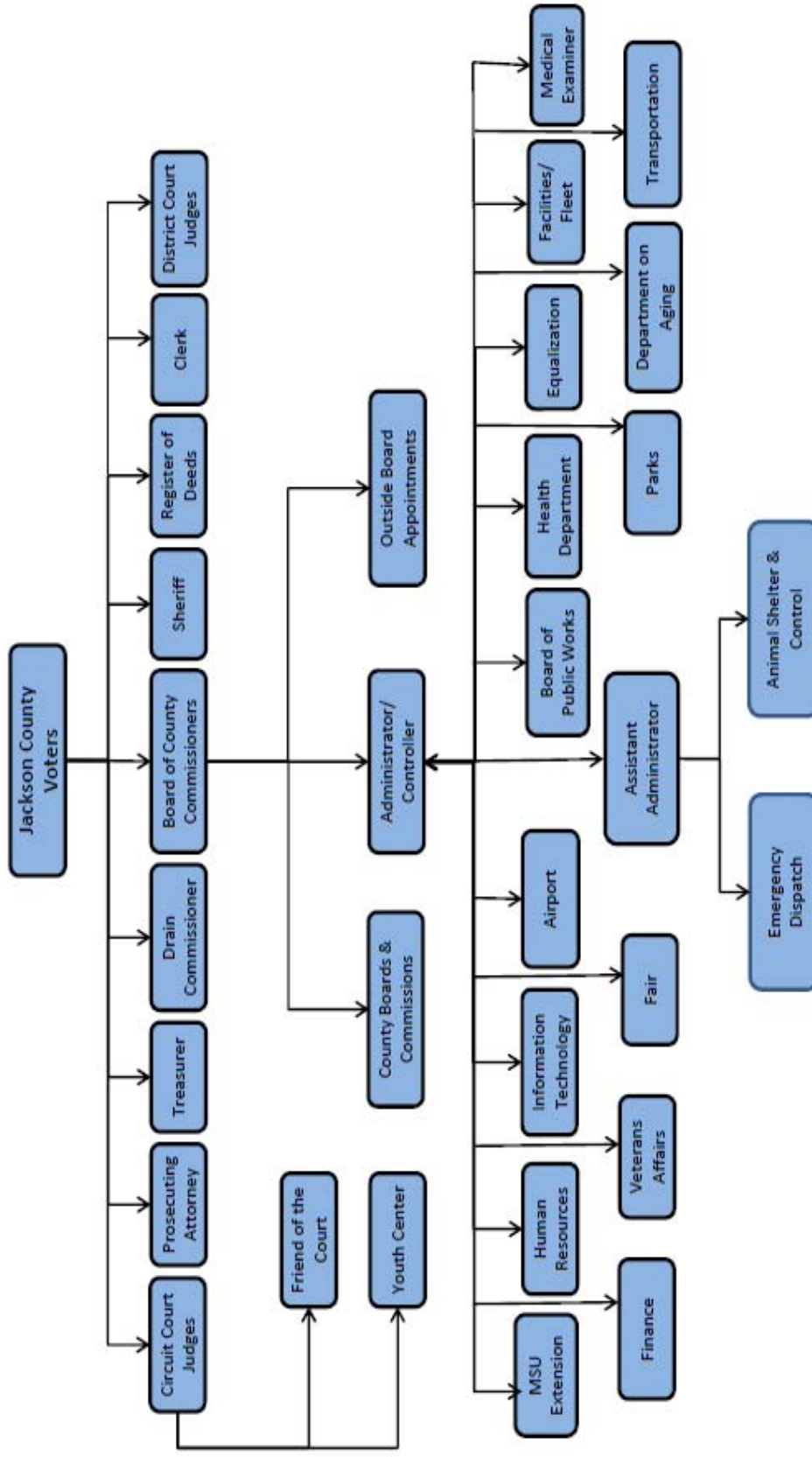
### ADMINISTRATOR/CONTROLLER

Michael R. Overton

### FINANCE DIRECTOR

Cecilia Anderson, CPA

Organization Chart





Government Finance Officers Association

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

Presented to

**County of Jackson  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

## FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 26, 2019

Board of Commissioners  
 County of Jackson, Michigan  
 Jackson, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Jackson, Michigan* (the "County") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Economic Development Corporation component unit, which represents the below indicated percentage of the total assets and deferred outflows of resources, net position, and program revenues of the aggregate discretely presented component units:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Program Revenues
Economic Development Corporation	3.9%	12.6%	3.6%

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Economic Development Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Jackson, Michigan, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Implementation of GASB Statement No. 75*

As described in Note 21, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. Accordingly, beginning net position of the governmental activities, the business-type activities and the Medical Care Facility enterprise fund were restated. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 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.



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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, 2018. We encourage readers to consider the information presented here in conjunction with accompanying audited financial statements.

### Financial Highlights

· Total net position	\$ (18,762,918)
· Change in total net position	(4,862,260)
· Fund balances, governmental funds	41,550,155
· Change in fund balances, governmental funds	(10,932,684)
· Unassigned fund balance, general fund	7,327,676
· Change in fund balance, general fund	(699,882)
· Installment debt outstanding	156,215,794
· Change in installment debt	3,299,226

### Overview of the Financial Statements

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

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

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

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

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

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

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

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

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

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

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

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

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

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

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

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

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

#### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$18,762,918 at the close of the most recent fiscal year.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and other assets	\$ 78,805,269	\$ 67,811,571	\$ 34,879,816	\$ 34,613,613	\$ 113,685,085	\$ 102,425,184
Capital assets, net	181,270,155	158,286,435	17,729,931	14,576,435	199,000,086	172,862,870
Total assets	260,075,424	226,098,006	52,609,747	49,190,048	312,685,171	275,288,054
<b>Deferred outflows of resources</b>						
	17,450,118	79,785,480	3,429,763	1,566,638	20,879,881	81,352,118
<b>Liabilities</b>						
Long-term debt	148,961,114	145,023,597	9,913,813	10,515,350	158,874,927	155,538,947
Other liabilities	153,767,357	97,081,161	22,472,323	6,307,394	176,239,680	103,388,555
Total liabilities	302,728,471	242,104,758	32,386,136	16,822,744	335,114,607	258,927,502
<b>Deferred inflows of resources</b>						
	15,114,228	4,776,097	2,099,135	376,980	17,213,363	5,153,077
<b>Net position</b>						
Net investment in capital assets	107,550,702	102,545,547	8,482,719	4,746,956	116,033,421	107,292,503
Restricted	27,513,421	19,893,219	10,378,037	9,834,247	37,891,458	29,727,466
Unrestricted (deficit)	(175,381,280)	(63,436,135)	2,693,483	18,975,759	(172,687,797)	(44,460,376)
Total net position	\$ (40,317,157)	\$ 59,002,631	\$ 21,554,239	\$ 33,556,962	\$ (18,762,918)	\$ 92,559,593

A substantial portion of the County's net position, \$116,033,421 reflects its investment in capital assets (e.g., land, land improvements, construction in progress, avigation easements, buildings and improvements, equipment and furniture, vehicles, infrastructure, and depletable assets), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$37,891,458 represents resources that are subject to external restrictions on how they may be used. The County reports an *unrestricted net position (deficit)* of \$172,687,797.

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015 and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year. In addition to expanded disclosure requirements, the County is required to report its net pension asset/liability, net other postemployment benefit asset/liability, and the related deferred inflows/outflows of resources on the statement of net position.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

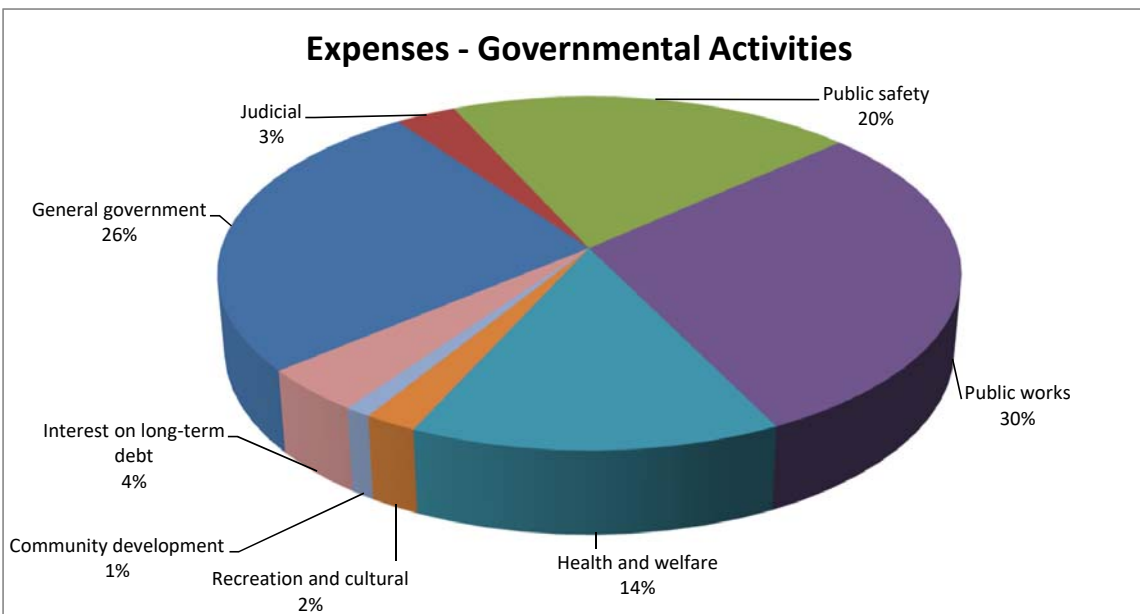
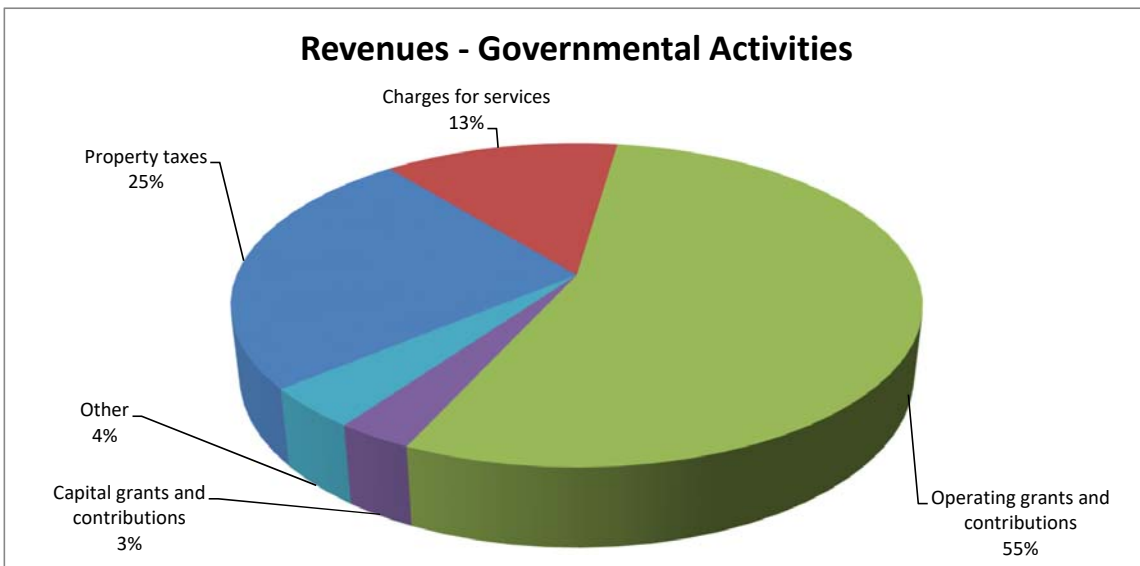
	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 13,920,594	\$ 13,834,598	\$ 17,909,249	\$ 18,263,271	\$ 31,829,843	\$ 32,097,869
Operating grants and contributions	58,357,306	46,133,784	4,833,488	3,813,233	63,190,794	49,947,017
Capital grants and contributions	3,625,507	29,253,340	-	-	3,625,507	29,253,340
General revenues:						
Property taxes	27,087,232	26,277,253	-	-	27,087,232	26,277,253
Unrestricted state shared revenues	4,087,077	4,049,764	-	-	4,087,077	4,049,764
Unrestricted investment earnings	416,134	366,463	-	-	416,134	366,463
<b>Total revenues</b>	<b>107,493,850</b>	<b>119,915,202</b>	<b>22,742,737</b>	<b>22,076,504</b>	<b>130,236,587</b>	<b>141,991,706</b>
<b>Expenses</b>						
Judicial	3,565,922	4,683,821	-	-	3,565,922	4,683,821
General government	29,309,335	28,793,948	-	-	29,309,335	28,793,948
Public safety	22,423,866	22,968,477	-	-	22,423,866	22,968,477
Public works	33,203,536	22,754,594	-	-	33,203,536	22,754,594
Health and welfare	15,673,497	18,191,270	-	-	15,673,497	18,191,270
Recreation and cultural	2,652,375	3,511,322	-	-	2,652,375	3,511,322
Community development	1,592,328	2,855,259	-	-	1,592,328	2,855,259
Interest on long-term debt	4,731,872	2,098,842	-	-	4,731,872	2,098,842
Delinquent tax revolving	-	-	836,356	1,383,260	836,356	1,383,260
Medical care facility	-	-	20,531,079	20,197,137	20,531,079	20,197,137
Foreclosure tax administration	-	-	876,567	604,246	876,567	604,246
Resource recovery	-	-	128,257	117,391	128,257	117,391
Personal property tax	-	-	2,292	3,150	2,292	3,150
<b>Total expenses</b>	<b>113,152,731</b>	<b>105,857,533</b>	<b>22,374,551</b>	<b>22,305,184</b>	<b>135,527,282</b>	<b>128,162,717</b>
Change in net position, before transfers	(5,658,881)	14,057,669	368,186	(228,680)	(5,290,695)	13,828,989
Transfers	850,501	3,281,306	(422,066)	(3,188,675)	428,435	92,631
Change in net position	(4,808,380)	17,338,975	(53,880)	(3,417,355)	(4,862,260)	13,921,620
<b>Net position</b>						
Beginning of year	59,002,631	41,663,656	33,556,962	36,974,317	92,559,593	78,637,973
Restatement for implementation of GASB 75	(94,511,408)	-	(11,948,843)	-	(106,460,251)	-
<b>Net position, end of year</b>	<b>\$ (40,317,157)</b>	<b>\$ 59,002,631</b>	<b>\$ 21,554,239</b>	<b>\$ 33,556,962</b>	<b>\$ (18,762,918)</b>	<b>\$ 92,559,593</b>

COUNTY OF JACKSON, MICHIGAN

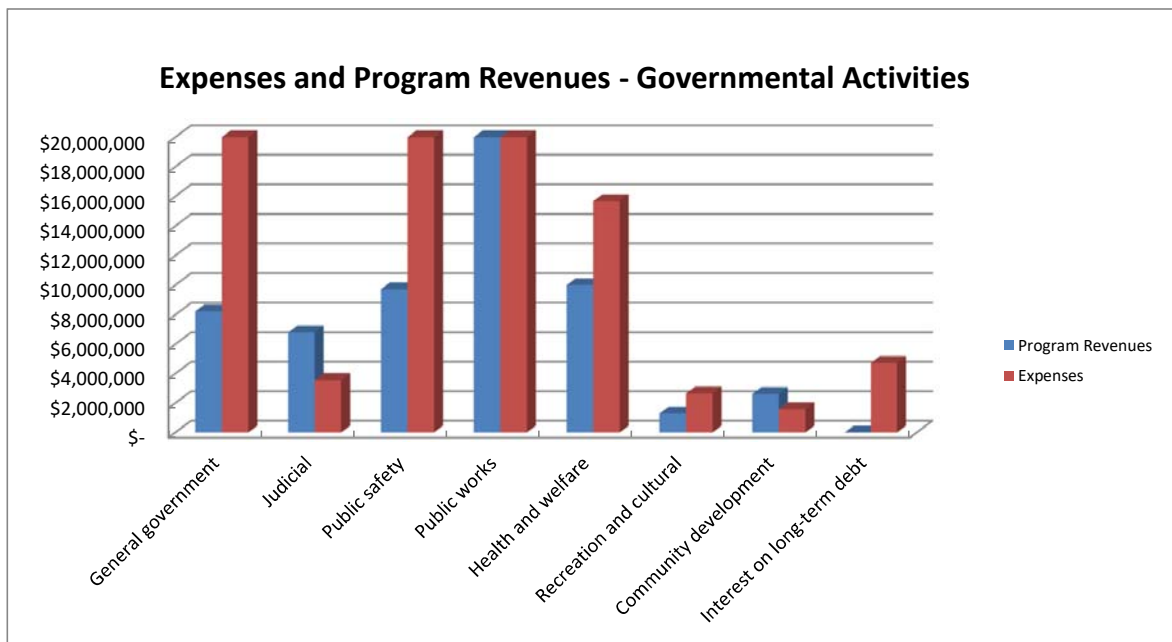
**Management's Discussion and Analysis**

Governmental Activities. Governmental activities net position decreased by \$4,808,380. Key elements of this decrease are as

- There were general wage increases of approximately \$725,000 and an increase in long-term debt interest expense of approximately \$294,000;
- The health department's Medicaid cost reimbursement was approximately \$1,081,000 less than the prior year amount; and,
- There was a reduction in general government operating grants of approximately \$1,177,000 and a reduction in the Local Community Stabilization tax of approximately \$657,000.
- There was a significant increase in operating grants and contributions of approximately \$12.2 million and public works expenses of approximately \$9.8 million, largely due to increases in Road projects in the current year.
- There was a significant decrease in capital grants and contributions of approximately \$25.6 million as a result of federal and state contributions towards the airport runway project in the prior year.



Management's Discussion and Analysis



Business-type Activities. Business-type activities decreased the County’s net position by \$53,880. Key elements of this decrease are as follows:

- Medical care facility’s expenses were higher than charges for services and grants and contributions by approximately \$1 million due to a decrease in the census during an active construction project. Foreclosure tax administration expenses were higher than charges for services by \$300,650 due to less foreclosed properties being processed and resource recovery net expenses were \$121,789. Delinquent tax revolving net revenue was \$1.3 million and Personal property tax net revenue was \$40,508 which offsets the net expenses.

Financial Analysis of the County’s Funds

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

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

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$41,550,155, a decrease of \$10,932,684 in comparison with the prior year. A portion of this total, \$7,327,676, constitutes unassigned fund balance, which is available for spending for specific purposes and government discretion. The remainder of fund balance is nonspendable, restricted, or committed 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 \$7,327,676, while total fund balance reached \$8,871,996. 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 15.92 percent of total general fund expenditures and transfers out, while total fund balance represents 19.28 percent of that same amount.

The road fund balance decreased by \$8,942,632 as a result of the spending of the equipment bond proceeds on various road equipment purchases in the current year.

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

The building authority debt service fund accounts for the debt payments of projects constructed through the Jackson County Building Authority. The debt payments of the following bonds are accounted for in the building authority debt service fund:

Bonds	Original Amount	Amount Due
1999A Jackson County Building Authority	\$ 950,000	\$ 75,000
2014 LifeWays Refunding bonds (originally issued in 2006 in the amount of \$5,995,000)	5,010,000	3,515,000
Capital Improvement bond, Series 2015B - LifeWays	1,500,000	<u>1,340,000</u>
		<u>\$ 4,930,000</u>

The current balance is \$4,930,000, which is carried as a receivable and unavailable revenue on the County's books. The County invoices Lifeway's (a mental health agency) annually for principal and interest payments paid by the County of Jackson. Fund balance increased by \$16,120 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 (deficit) of the delinquent tax revolving and medical care facility funds were \$9,779,096 and (\$10,948,403), respectively. Net position for the delinquent tax revolving fund decreased \$1,662,961 due to a decrease in foreclosed properties being processed in the current year. Additionally, the medical care facility net position increased \$2,000,442 as a result of receiving new funding through the Quality Measure Initiative Assessment (QMIA) in the current year.

### General Fund Budgetary Highlights

The general fund revenue increased by \$1,744,150 from the original to the final amended budget. This was primarily due to an increase to police services contracts, property tax revenue, and additional assessing services.

Overall, actual general fund revenue and other financing sources for the year ended were under the final budget by \$1,842,010. Actual expenditures and other financing uses for the year ended were under the final budget by \$1,142,128.

The general fund amended budget had appropriations to other funds (transfers out) of \$7,564,196. Actual appropriations were \$7,565,196, over budget by \$1,000.

### Capital Asset and Debt Administration

*Capital Assets.* The County's capital assets for its governmental and business-type activities as of December 31, 2018 amounted to \$199,000,086 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, avigation easements, buildings and improvements, equipment and furniture, vehicles, infrastructure and depletable assets. Additional information for capital assets can be found at Note 6.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,070,916	\$ 4,001,758	\$ -	\$ -	\$ 4,070,916	\$ 4,001,758
Land improvements	16,116,380	16,116,380	-	-	16,116,380	16,116,380
Construction in progress	12,645,539	32,762,561	4,133,312	358,435	16,778,851	33,120,996
Avigation easements	375,547	375,547	-	-	375,547	375,547
Buildings and improvements	21,933,846	21,726,874	13,035,317	13,544,761	34,969,163	35,271,635
Equipment and furniture	18,018,503	12,047,696	477,877	567,773	18,496,380	12,615,469
Vehicles	362,258	231,988	83,425	105,466	445,683	337,454
Infrastructure	107,346,111	70,622,576	-	-	107,346,111	70,622,576
Depletable assets	401,055	401,055	-	-	401,055	401,055
Total capital assets, net	<u>\$181,270,155</u>	<u>\$158,286,435</u>	<u>\$ 17,729,931</u>	<u>\$ 14,576,435</u>	<u>\$ 199,000,086</u>	<u>\$ 172,862,870</u>

# COUNTY OF JACKSON, MICHIGAN

## Management's Discussion and Analysis

Significant capital asset additions during the year include the following:

- Fair events and conference center renovations (construction in progress) of approximately \$568,000
- Elevator projects renovations (construction in progress) of approximately \$790,000
- Airport runway construction (infrastructure) of approximately \$1.0 million
- Cascade Falls splash pad renovations (buildings and improvements) of approximately \$810,000
- Road infrastructure of approximately \$19.0 million
- Road equipment of approximately \$9.8 million
- Medical Care Facility building renovations (construction in progress) of approximately \$3.8 million

Long-Term Debt. At the end of the current fiscal year, the County had total installment debt outstanding of \$156,215,794 excluding compensated absences. This entire amount is backed by the full faith and credit of the County and payable from the primary government's net position. The long-term debt included in the footnotes includes conduit debt issued by the County of Jackson for the benefit of LifeWays, Inc. a local mental health agency. The LifeWays outstanding bond debt of \$4,930,000 is offset by a receivable recorded in the building authority debt service fund. Additional information for long-term debt can be found at Note 9.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 140,610,000	\$ 136,520,000	\$ 8,680,000	\$ 9,215,000	\$ 149,290,000	\$ 145,735,000
Leases	3,059,609	3,225,000	-	-	3,059,609	3,225,000
LifeWays settlement	1,451,369	1,701,369	-	-	1,451,369	1,701,369
Compensated absences	2,188,548	2,148,859	470,585	473,520	2,659,133	2,622,379
Issuance discount	(13,558)	(15,253)	-	-	(13,558)	(15,253)
Issuance premium	1,665,146	1,443,622	763,228	826,830	2,428,374	2,270,452
<b>Total</b>	<b>\$ 148,961,114</b>	<b>\$ 145,023,597</b>	<b>\$ 9,913,813</b>	<b>\$ 10,515,350</b>	<b>\$ 158,874,927</b>	<b>\$ 155,538,947</b>

The County's total installment debt increased by \$3,299,226 during the current fiscal year. This is mainly attributable to the issuance of the 2018A Capital Improvement Bonds (\$7,120,000), 2018B Capital Improvement Bonds (\$3,810,000), and two capital leases (\$165,862) offset by the scheduled principal repayments.

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$580,261,313 which is significantly higher than the County's outstanding general obligation debt.

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

The following factors were considered in preparing the County's budget for the 2019 fiscal year:

- Unemployment in the County of Jackson at the end of 2018 stood at 3.8% which is down from 4.1% in 2017. This rate is still below the State's average rate of 4.0% and consistent with the national unemployment rate of 3.9%.
- Inflationary trends in the region compare closely to national indices. Consumer Price Index annual percentage increases traditionally run slightly higher than the national average; however, overall averages are slightly lower.
- While there is some improvement, the economic downturn from previous years continues to hamper the County's finances. These developments over the last decade have resulted in a decline in taxable values. Michigan has two constitutional laws that limit property tax growth to the rate of inflation or 5%, whichever is less. For 2018, the applicable inflation rate was 2.4%. However, the 2019 budget assumes taxable values will increase by only 1.25%. Total general fund expenditures are expected to increase by 1.5%.
- Interest rates have declined over the past few years. The 2019 budget assumes only modest increases to interest rates.
- The 2019 budget assumes that the State of Michigan will continue the revenue sharing program at previous levels with slight increases.
- The County completed labor negotiations resulting in modest wage increases for the three-year term of the agreements. The County's defined benefit plan is closed to new hires. New hires enter into a defined contribution pension plan and a retirement health savings plan, both of which limit the County's long-term liabilities.
- The Board will continue to follow its guideline of maintaining a general fund balance of 18%-24% of general fund expenditures.

## COUNTY OF JACKSON, MICHIGAN

### Management's Discussion and Analysis

#### 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 33,803,008	\$ 11,382,519	\$ 45,185,527	\$ 2,226,575
Restricted cash and investments	-	783,191	783,191	-
Receivables, net	25,728,718	10,534,561	36,263,279	12,496,946
Advance to component unit	327,500	100,000	427,500	-
Internal balances	2,395,087	(2,395,087)	-	-
Prepaid items and other assets	6,443,269	1,997,460	8,440,729	67,299
Net pension asset	10,107,687	12,477,172	22,584,859	-
Capital assets not being depreciated	33,208,382	4,133,312	37,341,694	-
Capital assets being depreciated, net	148,061,773	13,596,619	161,658,392	2,685,781
<b>Total assets</b>	<b>260,075,424</b>	<b>52,609,747</b>	<b>312,685,171</b>	<b>17,476,601</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	2,624,094	-	2,624,094	-
Deferred other postemployment benefit amounts	14,826,024	3,233,747	18,059,771	-
Deferred charges on refunding	-	196,016	196,016	77,566
<b>Total deferred outflows of resources</b>	<b>17,450,118</b>	<b>3,429,763</b>	<b>20,879,881</b>	<b>77,566</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	13,374,414	2,093,559	15,467,973	151,149
Unearned revenue	453,162	-	453,162	-
Advance from primary government	-	-	-	427,500
Long-term debt:				
Due within one year	8,894,878	1,094,187	9,989,065	1,990,000
Due in more than one year	140,066,236	8,819,626	148,885,862	9,606,848
Total other postemployment benefit liability (due in more than one year)	139,939,781	20,378,764	160,318,545	-
<b>Total liabilities</b>	<b>302,728,471</b>	<b>32,386,136</b>	<b>335,114,607</b>	<b>12,175,497</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	5,336,189	2,099,135	7,435,324	-
Taxes levied for a subsequent period	9,778,039	-	9,778,039	-
<b>Total deferred inflows of resources</b>	<b>15,114,228</b>	<b>2,099,135</b>	<b>17,213,363</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	107,550,702	8,482,719	116,033,421	2,685,781
Restricted for:				
Public safety	388,822	-	388,822	-
Public works	15,422,485	-	15,422,485	-
Health and welfare	3,662,849	-	3,662,849	-
Recreation and cultural	79	-	79	-
Community development	20,163	-	20,163	-
State mandated and other purposes	437,784	-	437,784	-
Capital projects	-	-	-	1,117,965
Brownfield loans	-	-	-	580,329
Revolving loan fund	-	-	-	561,239
Permanent funds:				
Expendable	1,838	-	1,838	-
Nonexpendable	183,809	-	183,809	-
Pension	7,395,592	10,378,037	17,773,629	-
Unrestricted (deficit)	(175,381,280)	2,693,483	(172,687,797)	433,356
<b>Total net position</b>	<b>\$ (40,317,157)</b>	<b>\$ 21,554,239</b>	<b>\$ (18,762,918)</b>	<b>\$ 5,378,670</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
Judicial	\$ 3,565,922	\$ 2,699,042	\$ 4,104,474	\$ -	\$ 3,237,594
General government	29,309,335	4,012,351	4,217,510	-	(21,079,474)
Public safety	22,423,866	2,731,030	6,991,369	-	(12,701,467)
Public works	33,203,536	2,972,295	32,899,647	1,364,229	4,032,635
Health and welfare	15,673,497	606,849	9,388,874	-	(5,677,774)
Recreation and cultural	2,652,375	877,758	417,942	-	(1,356,675)
Community development	1,592,328	21,269	337,490	2,261,278	1,027,709
Interest on long-term debt	4,731,872	-	-	-	(4,731,872)
<b>Total governmental activities</b>	<b>113,152,731</b>	<b>13,920,594</b>	<b>58,357,306</b>	<b>3,625,507</b>	<b>(37,249,324)</b>
Business-type activities:					
Delinquent tax revolving	836,356	1,025,461	1,564,872	-	1,753,977
Medical care facility	20,531,079	16,297,202	3,230,017	-	(1,003,860)
Resource recovery	128,257	100	6,368	-	(121,789)
Personal property tax	2,292	10,569	32,231	-	40,508
Foreclosure tax administration	876,567	575,917	-	-	(300,650)
<b>Total business-type activities</b>	<b>22,374,551</b>	<b>17,909,249</b>	<b>4,833,488</b>	<b>-</b>	<b>368,186</b>
<b>Total primary government</b>	<b>\$ 135,527,282</b>	<b>\$ 31,829,843</b>	<b>\$ 63,190,794</b>	<b>\$ 3,625,507</b>	<b>\$ (36,881,138)</b>
<b>Component units</b>					
Economic development	\$ 12,408	\$ -	\$ 33,148	\$ -	\$ 20,740
Land bank	9,597	200	-	-	(9,397)
County drains	411,517	-	-	201,940	(209,577)
Brownfield redevelopment	191,393	-	202,117	-	10,724
County board of public works	479,809	-	209,605	-	(270,204)
<b>Total component units</b>	<b>\$ 1,104,724</b>	<b>\$ 200</b>	<b>\$ 444,870</b>	<b>\$ 201,940</b>	<b>\$ (457,714)</b>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Statement of Activities For the Year Ended December 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net expenses	\$ (37,249,324)	\$ 368,186	\$ (36,881,138)	\$ (457,714)
General revenues:				
Property taxes	27,087,232	-	27,087,232	2,100
Unrestricted state shared revenue	4,087,077	-	4,087,077	-
Unrestricted investment earnings	416,134	-	416,134	295,999
Transfers - internal activities	850,501	(422,066)	428,435	-
Total general revenues and transfers	32,440,944	(422,066)	32,018,878	298,099
Change in net position	(4,808,380)	(53,880)	(4,862,260)	(159,615)
Net position, beginning of year, as restated	(35,508,777)	21,608,119	(13,900,658)	5,538,285
Net position, end of year	\$ (40,317,157)	\$ 21,554,239	\$ (18,762,918)	\$ 5,378,670

concluded

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

# COUNTY OF JACKSON, MICHIGAN

## Balance Sheet Governmental Funds December 31, 2018

	General	Road	Building Authority Debt Service
<b>Assets</b>			
Cash and pooled investments	\$ 5,986,661	\$ 17,308,271	\$ -
Receivables:			
Accounts, net	83,373	203,694	26,175
Taxes	-	-	-
Accrued interest	427,693	-	-
Due from other governments	905,755	7,315,733	4,930,000
Due from other funds	1,425,839	-	-
Advances to component units	327,500	-	-
Advances to other funds	500,000	-	-
Inventories	-	2,647,545	-
Prepaid items	716,820	2,501,569	-
<b>Total assets</b>	<b>\$ 10,373,641</b>	<b>\$ 29,976,812</b>	<b>\$ 4,956,175</b>
<b>Liabilities</b>			
Negative equity in cash and pooled investments	\$ -	\$ -	\$ 8,054
Accounts payable	1,027,799	6,266,898	-
Accrued payroll	431,620	190,600	-
Accrued liabilities	8,804	-	-
Due to other governments	-	14,123	-
Due to other funds	-	-	-
Advances from other governments	-	2,027,385	-
Advances from other funds	-	-	-
Unearned revenue	33,422	-	-
<b>Total liabilities</b>	<b>1,501,645</b>	<b>8,499,006</b>	<b>8,054</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - LifeWays	-	-	4,930,000
Unavailable revenue - local contracts	-	148,577	-
Taxes levied for a subsequent period	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>148,577</b>	<b>4,930,000</b>
<b>Fund balances</b>			
Nonspendable	1,544,320	5,149,114	-
Restricted	-	16,180,115	18,121
Committed	-	-	-
Unassigned	7,327,676	-	-
<b>Total fund balances</b>	<b>8,871,996</b>	<b>21,329,229</b>	<b>18,121</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,373,641</b>	<b>\$ 29,976,812</b>	<b>\$ 4,956,175</b>

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

Nonmajor Governmental Funds	Total
\$ 10,544,860	\$ 33,839,792
886,687	1,199,929
9,418,744	9,418,744
-	427,693
1,530,864	14,682,352
1,055,910	2,481,749
-	327,500
-	500,000
198,111	2,845,656
117,936	3,336,325
<u>\$ 23,753,112</u>	<u>\$ 69,059,740</u>

\$ -	\$ 8,054
1,236,745	8,531,442
303,537	925,757
97,580	106,384
-	14,123
86,662	86,662
-	2,027,385
500,000	500,000
419,740	453,162
<u>2,644,264</u>	<u>12,652,969</u>

-	4,930,000
-	148,577
<u>9,778,039</u>	<u>9,778,039</u>

<u>9,778,039</u>	<u>14,856,616</u>
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317,885	7,011,319
4,658,161	20,856,397
6,354,763	6,354,763
-	7,327,676

<u>11,330,809</u>	<u>41,550,155</u>
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<u>\$ 23,753,112</u>	<u>\$ 69,059,740</u>
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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2018

Fund balances - total governmental funds	\$ 41,550,155
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	33,208,382
Capital assets being depreciated, net	148,061,773
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.	
Long-term receivable included in deferred inflows of resources - LifeWays	4,930,000
Unavailable state grant funding for state and local road and bridge programs	148,577
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	115,695
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	(143,669,609)
Unamortized bond premium	(1,665,146)
Unamortized bond discount	13,558
Due to LifeWays - long-term agreement	(1,451,369)
Compensated absences	(2,188,548)
Self-insurance liability	(1,031,864)
Accrued interest on long-term debt	(620,596)
Certain pension and other postemployment benefit-related amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension asset	10,107,687
Deferred outflows related to the net pension asset	2,624,094
Deferred inflows related to the net pension asset	(5,336,189)
Total other postemployment benefit liability	(139,939,781)
Deferred outflows related to the total other postemployment benefit liability	14,826,024
Net position of governmental activities	<u>\$ (40,317,157)</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, 2018

	General	Road	Building Authority Debt Service
<b>Revenues</b>			
Property taxes	\$ 22,838,115	\$ -	\$ -
Licenses, fees, taxes and permits	66,425	115,009	-
Intergovernmental	10,484,282	33,661,565	1,016,372
Charges for services	5,629,027	2,972,295	-
Fines and forfeitures	513,877	-	-
Investment earnings	339,815	373,305	1,168
Rental	207,421	92,088	-
Donations	-	-	-
Telephone surcharge	-	-	-
Reimbursements	-	-	-
Other	1,500,388	20,275	-
<b>Total revenues</b>	<b>41,579,350</b>	<b>37,234,537</b>	<b>1,017,540</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	17,662,088	-	-
Public safety	12,259,662	-	-
Public works	-	42,433,637	-
Health and welfare	3,423,963	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Fair	-	-	-
Other functions	5,110,704	-	-
Debt service:			
Principal	-	2,942,732	1,460,000
Interest	-	1,324,956	665,332
Issuance costs	-	-	-
Capital outlay	-	6,687,973	-
<b>Total expenditures</b>	<b>38,456,417</b>	<b>53,389,298</b>	<b>2,125,332</b>
<b>Revenue over (under) expenditures</b>	<b>3,122,933</b>	<b>(16,154,761)</b>	<b>(1,107,792)</b>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	7,120,000	-
Premium on issuance of long-term debt	-	92,129	-
Transfers in	3,742,381	-	1,123,912
Transfers out	(7,565,196)	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,822,815)</b>	<b>7,212,129</b>	<b>1,123,912</b>
<b>Net change in fund balances</b>	<b>(699,882)</b>	<b>(8,942,632)</b>	<b>16,120</b>
<b>Fund balances, beginning of year</b>	<b>9,571,878</b>	<b>30,271,861</b>	<b>2,001</b>
<b>Fund balances, end of year</b>	<b>\$ 8,871,996</b>	<b>\$ 21,329,229</b>	<b>\$ 18,121</b>

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

Nonmajor Governmental Funds		Total	
\$ 4,249,117		\$ 27,087,232	
418,484		599,918	
9,313,518		54,475,737	
5,319,272		13,920,594	
65,394		579,271	
76,025		790,313	
481,436		780,945	
24,571		24,571	
2,726,742		2,726,742	
2,448,369		2,448,369	
819,598		2,340,261	
<u>25,942,526</u>		<u>105,773,953</u>	
3,462,360		3,462,360	
113,828		17,775,916	
4,901,999		17,161,661	
-		42,433,637	
9,485,678		12,909,641	
1,894,131		1,894,131	
706,193		706,193	
1,405,798		1,405,798	
-		5,110,704	
2,768,521		7,171,253	
2,868,855		4,859,143	
51,320		51,320	
6,358,934		13,046,907	
<u>34,017,617</u>		<u>127,988,664</u>	
<u>(8,075,091)</u>		<u>(22,214,711)</u>	
3,975,862		11,095,862	
233,809		325,938	
12,280,169		17,146,462	
(9,775,935)		(17,341,131)	
54,896		54,896	
<u>6,768,801</u>		<u>11,282,027</u>	
(1,306,290)		(10,932,684)	
<u>12,637,099</u>		<u>52,482,839</u>	
<u>\$ 11,330,809</u>		<u>\$ 41,550,155</u>	

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds \$ (10,932,684)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Acquisition/construction of capital assets	35,828,337
Depreciation expense	(12,057,670)
Proceeds from sale of capital assets	(54,896)
Loss on disposal of capital assets	(732,051)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Change in deferred inflows of resources for long-term due from other governments	(540,000)
Change in unavailable State grant funding for state and local road and bridge programs	1,634

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term debt in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

Principal payments on long-term debt	7,171,253
Reduction in Lifeways settlement liability	250,000
Proceeds from issuance of long-term debt	(11,095,862)
Premium on issuance of long-term debt	(325,938)
Amortization of bond discount	(1,695)
Amortization of bond premium	104,414

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 self-insurance liability	(1,031,864)
Change in accrued interest payable on long-term debt	(28,175)
Change in the accrual for compensated absences	(39,689)
Change in total other postemployment benefit liability and related deferred amounts	(7,100,916)
Change in net pension asset and related deferred amounts	(3,466,604)

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.

Investment earnings from internal service funds	2,593
Net operating loss of the internal service funds	(1,803,737)
Transfers accounted for in internal service funds	1,045,170

Change in net position of governmental activities \$ (4,808,380)

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, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes	\$ 22,159,500	\$ 22,647,994	\$ 22,838,115	\$ 190,121
Licenses, fees, taxes, and permits	106,500	106,500	66,425	(40,075)
Intergovernmental	9,929,838	10,643,991	10,484,282	(159,709)
Charges for services	6,525,452	6,890,939	5,629,027	(1,261,912)
Fines and forfeitures	723,500	723,500	513,877	(209,623)
Investment earnings	550,000	552,431	339,815	(212,616)
Rental	190,402	207,421	207,421	-
Other	1,538,093	1,694,659	1,500,388	(194,271)
<b>Total revenues</b>	<b>41,723,285</b>	<b>43,467,435</b>	<b>41,579,350</b>	<b>(1,888,085)</b>
<b>Expenditures</b>				
Current:				
General government	17,146,500	17,896,794	17,662,088	(234,706)
Public safety	13,600,680	12,367,285	12,259,662	(107,623)
Health and welfare	3,326,663	3,482,093	3,423,963	(58,130)
Other functions	5,468,888	5,853,373	5,110,704	(742,669)
<b>Total expenditures</b>	<b>39,542,731</b>	<b>39,599,545</b>	<b>38,456,417</b>	<b>(1,143,128)</b>
<b>Revenues over (under) expenditures</b>	<b>2,180,554</b>	<b>3,867,890</b>	<b>3,122,933</b>	<b>(744,957)</b>
<b>Other financing sources (uses)</b>				
Transfers in	5,765,939	3,696,306	3,742,381	46,075
Transfers out	(7,322,479)	(7,564,196)	(7,565,196)	1,000
<b>Total other financing sources (uses)</b>	<b>(1,556,540)</b>	<b>(3,867,890)</b>	<b>(3,822,815)</b>	<b>45,075</b>
<b>Net change in fund balance</b>	<b>624,014</b>	<b>-</b>	<b>(699,882)</b>	<b>(699,882)</b>
<b>Fund balance, beginning of year</b>	<b>9,571,878</b>	<b>9,571,878</b>	<b>9,571,878</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 10,195,892</b>	<b>\$ 9,571,878</b>	<b>\$ 8,871,996</b>	<b>\$ (699,882)</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, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ 89,893	\$ 115,845	\$ 115,009	\$ (836)
Intergovernmental	36,846,920	31,882,570	33,661,565	1,778,995
Charges for services	2,482,444	3,124,395	2,972,295	(152,100)
Investment earnings	19,233	263,919	373,305	109,386
Rental	59,373	65,521	92,088	26,567
Other	-	48,143	20,275	(27,868)
<b>Total revenues</b>	<b>39,497,863</b>	<b>35,500,393</b>	<b>37,234,537</b>	<b>1,734,144</b>
<b>Expenditures</b>				
Current -				
Public works	52,643,921	41,327,225	42,433,637	1,106,412
Debt service:				
Principal	3,325,000	2,942,732	2,942,732	-
Interest	1,359,600	1,324,956	1,324,956	-
Capital outlay	(1,365,000)	6,511,714	6,687,973	176,259
<b>Total expenditures</b>	<b>55,963,521</b>	<b>52,106,627</b>	<b>53,389,298</b>	<b>1,282,671</b>
Revenues under expenditures	(16,465,658)	(16,606,234)	(16,154,761)	451,473
<b>Other financing sources</b>				
Issuance of long-term debt	1,600,000	7,120,000	7,120,000	-
Premium on issuance of long-term debt	-	92,129	92,129	-
<b>Total other financing sources</b>	<b>1,600,000</b>	<b>7,212,129</b>	<b>7,212,129</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(14,865,658)</b>	<b>(9,394,105)</b>	<b>(8,942,632)</b>	<b>451,473</b>
Fund balance, beginning of year	30,271,861	30,271,861	30,271,861	-
<b>Fund balance, end of year</b>	<b>\$ 15,406,203</b>	<b>\$ 20,877,756</b>	<b>\$ 21,329,229</b>	<b>\$ 451,473</b>

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

COUNTY OF JACKSON, MICHIGAN

**Statement of Net Position**

Proprietary Funds  
December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Medical Care Facility	Nonmajor Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and pooled investments	\$ 5,075,949	\$ 6,573,577	\$ 321,951	\$ 11,971,477	\$ 108,159
Receivables:					
Accounts, net	241,717	1,751,317	-	1,993,034	-
Taxes	7,474,714	-	-	7,474,714	-
Accrued interest	1,066,813	-	-	1,066,813	-
Due from other funds	86,662	-	2,163,386	2,250,048	-
Inventories	-	61,908	-	61,908	-
Prepaid items	-	168,158	-	168,158	261,288
<b>Total current assets</b>	<b>13,945,855</b>	<b>8,554,960</b>	<b>2,485,337</b>	<b>24,986,152</b>	<b>369,447</b>
Noncurrent assets:					
Restricted cash and investments	-	-	783,191	783,191	-
Advance to component unit	-	-	100,000	100,000	-
Land held for resale	-	-	1,767,394	1,767,394	-
Net pension asset	-	12,477,172	-	12,477,172	-
Capital assets not being depreciated	-	4,133,312	-	4,133,312	-
Capital assets being depreciated, net	4,001	13,592,618	-	13,596,619	-
<b>Total noncurrent assets</b>	<b>4,001</b>	<b>30,203,102</b>	<b>2,650,585</b>	<b>32,857,688</b>	<b>-</b>
<b>Total assets</b>	<b>13,949,856</b>	<b>38,758,062</b>	<b>5,135,922</b>	<b>57,843,840</b>	<b>369,447</b>
Deferred outflows of resources					
Deferred other postemployment benefit amounts	-	3,233,747	-	3,233,747	-
Deferred charges on refunding	-	196,016	-	196,016	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>3,429,763</b>	<b>-</b>	<b>3,429,763</b>	<b>-</b>
<b>Liabilities</b>					
Current liabilities:					
Negative equity in cash and pooled investments	-	-	588,958	588,958	136,889
Accounts payable	261,031	563,754	18,214	842,999	16,534
Estimated claims payable	-	-	-	-	100,329
Accrued payroll	5,270	502,919	960	509,149	-
Accrued interest payable	-	63,520	-	63,520	-
Residents' trust payable	-	12,891	-	12,891	-
Due to other funds	3,891,135	754,000	-	4,645,135	-
Current portion of accrued compensated absences	9,323	461,262	-	470,585	-
Current portion of general obligation bonds payable	-	623,602	-	623,602	-
Current portion of estimated closure and postclosure monitoring costs	-	-	90,000	90,000	-
<b>Total current liabilities</b>	<b>4,166,759</b>	<b>2,981,948</b>	<b>698,132</b>	<b>7,846,839</b>	<b>253,752</b>
Noncurrent liabilities:					
General obligation bonds payable, net of current portion	-	8,819,626	-	8,819,626	-
Estimated closure and postclosure monitoring costs, net of current portion	-	-	575,000	575,000	-
Total other postemployment benefit liability	-	20,378,764	-	20,378,764	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>29,198,390</b>	<b>575,000</b>	<b>29,773,390</b>	<b>-</b>
<b>Total liabilities</b>	<b>4,166,759</b>	<b>32,180,338</b>	<b>1,273,132</b>	<b>37,620,229</b>	<b>253,752</b>
Deferred inflows of resources					
Deferred pension amounts	-	2,099,135	-	2,099,135	-
<b>Net position</b>					
Net investment in capital assets	4,001	8,478,718	-	8,482,719	-
Restricted for pension	-	10,378,037	-	10,378,037	-
Unrestricted	9,779,096	(10,948,403)	3,862,790	2,693,483	115,695
<b>Total net position</b>	<b>\$ 9,783,097</b>	<b>\$ 7,908,352</b>	<b>\$ 3,862,790</b>	<b>\$ 21,554,239</b>	<b>\$ 115,695</b>

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

COUNTY OF JACKSON, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Medical Care Facility	Nonmajor Funds	Total	Internal Service Funds
Operating revenues					
Interest on taxes	\$ 1,461,983	\$ -	\$ 27,631	\$ 1,489,614	\$ -
Charges for services	1,025,461	16,297,202	586,586	17,909,249	10,383,757
Quality assurance supplement	-	2,569,060	-	2,569,060	-
Quality measure initiative assessment	-	616,806	-	616,806	-
Other	3,403	23,687	-	27,090	-
<b>Total operating revenues</b>	<b>2,490,847</b>	<b>19,506,755</b>	<b>614,217</b>	<b>22,611,819</b>	<b>10,383,757</b>
Operating expenses					
Personnel services	409,343	13,768,312	57,768	14,235,423	-
Cost of services	337,698	5,688,736	12,148	6,038,582	6,951,256
Depreciation	1,333	728,333	-	729,666	-
Administration	87,982	-	937,200	1,025,182	5,236,238
<b>Total operating expenses</b>	<b>836,356</b>	<b>20,185,381</b>	<b>1,007,116</b>	<b>22,028,853</b>	<b>12,187,494</b>
Operating income (loss)	1,654,491	(678,626)	(392,899)	582,966	(1,803,737)
Nonoperating revenue (expenses)					
Investment earnings	99,486	20,464	10,968	130,918	2,593
Interest expense	-	(345,698)	-	(345,698)	-
<b>Total nonoperating revenue (expenses)</b>	<b>99,486</b>	<b>(325,234)</b>	<b>10,968</b>	<b>(214,780)</b>	<b>2,593</b>
Net Income (loss) before transfers	1,753,977	(1,003,860)	(381,931)	368,186	(1,801,144)
Transfers in	249,566	3,084,302	-	3,333,868	1,099,570
Transfers out	(3,666,504)	(80,000)	(9,430)	(3,755,934)	(54,400)
Change in net position	(1,662,961)	2,000,442	(391,361)	(53,880)	(755,974)
Net position, beginning of year, as restated	11,446,058	5,907,910	4,254,151	21,608,119	871,669
Net position, end of year	\$ 9,783,097	\$ 7,908,352	\$ 3,862,790	\$ 21,554,239	\$ 115,695

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

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Medical Care Facility	Nonmajor Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash received from customers, residents and users	\$ 2,445,288	\$ 17,222,432	\$ 925,663	\$ 20,593,383	\$ 11,963,135
Other operating receipts	3,403	-	-	3,403	-
Cash received from quality assurance supplement program	-	2,569,060	-	2,569,060	-
Cash received from quality measure initiative assessment	-	616,806	-	616,806	-
Cash paid to employees	(404,595)	(10,331,749)	(59,870)	(10,796,214)	-
Cash paid to suppliers and claimants	578,696	(4,704,769)	(98,738)	(4,224,811)	(12,522,186)
Cash paid for employee benefits	-	(2,587,855)	-	(2,587,855)	-
Cash paid to third-parties	-	(739,277)	-	(739,277)	-
Payments for interfund services used	-	-	(1,473,806)	(1,473,806)	-
Net cash provided by (used in) operating activities	2,622,792	2,044,648	(706,751)	3,960,689	(559,051)
Cash flows from capital and related financing activities					
Principal payments on long-term debt	-	(535,000)	-	(535,000)	-
Interest payments on long-term debt	-	(396,531)	-	(396,531)	-
Purchase of capital assets	-	(3,883,162)	-	(3,883,162)	-
Net cash used in capital and related financing activities	-	(4,814,693)	-	(4,814,693)	-
Cash flows from noncapital financing activities					
Transfers from other funds	249,566	3,084,302	-	3,333,868	1,099,570
Transfers to other funds	(3,666,504)	(80,000)	(9,430)	(3,755,934)	(54,400)
Net cash provided by (used in) noncapital financing activities	(3,416,938)	3,004,302	(9,430)	(422,066)	1,045,170
Cash flows from investing activities					
Interest earnings on investments	135,232	20,464	10,968	166,664	2,593
Net change in cash and pooled investments	(658,914)	254,721	(705,213)	(1,109,406)	488,712
Cash and pooled investments, beginning of year	5,734,863	6,318,856	1,221,397	13,275,116	(517,442)
Cash and pooled investments, end of year	\$ 5,075,949	\$ 6,573,577	\$ 516,184	\$ 12,165,710	\$ (28,730)
Statement of Net Position Classification					
Cash and pooled investments	\$ 5,075,949	\$ 6,573,577	\$ 321,951	\$ 11,971,477	\$ 108,159
Restricted cash and investments	-	-	783,191	783,191	-
Negative equity in cash and pooled investments	-	-	(588,958)	(588,958)	(136,889)
Total	\$ 5,075,949	\$ 6,573,577	\$ 516,184	\$ 12,165,710	\$ (28,730)

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Medical Care Facility	Nonmajor Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 1,654,491	\$ (678,626)	\$ (392,899)	\$ 582,966	\$ (1,803,737)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,333	728,333	-	729,666	-
Change in:					
Accounts receivable, net	854	907,225	-	908,079	602,229
Taxes receivable	(43,010)	-	-	(43,010)	-
Due from other funds	19,528	-	(538,898)	(519,370)	-
Inventories	-	1,791	-	1,791	-
Prepaid items	-	(6,559)	-	(6,559)	977,149
Land held for resale	-	-	327,814	327,814	-
Net pension asset	-	(3,620,232)	-	(3,620,232)	-
Deferred outflows of resources related to the net pension asset	-	1,354,287	-	1,354,287	-
Deferred outflows of resources related to the total other postemployment benefit liability	-	(3,233,747)	-	(3,233,747)	-
Accounts payable	216,721	(329,253)	(12,958)	(125,490)	(20,892)
Estimated claims payable	-	-	-	-	(313,800)
Accrued payroll	920	33,820	190	34,930	-
Medicaid cost settlement payable	-	(182,698)	-	(182,698)	-
Residents' trust payable	-	1,727	-	1,727	-
Due to other funds	768,127	754,000	-	1,522,127	-
Accrued compensated absences	3,828	(6,763)	-	(2,935)	-
Estimated closure and postclosure monitoring costs	-	-	(90,000)	(90,000)	-
Total other postemployment benefit liability	-	4,599,188	-	4,599,188	-
Deferred inflows of resources related to the net pension asset	-	1,722,155	-	1,722,155	-
Net cash provided by (used in) operating activities	<u>\$ 2,622,792</u>	<u>\$ 2,044,648</u>	<u>\$ (706,751)</u>	<u>\$ 3,960,689</u>	<u>\$ (559,051)</u>

concluded

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds  
December 31, 2018

	Pension Trust Fund	Agency Funds
<b>Assets</b>		
Cash and pooled investments	\$ 706,766	\$ 2,504,918
Investments, at fair value:		
Domestic equities	99,353,643	-
Equity mutual funds	27,106,011	-
International equities	30,445,079	-
U.S. treasuries	4,098,319	-
U.S. agencies	9,275,343	-
Corporate domestic securities	30,015,683	-
Collateralized mortgage obligations	684,286	-
International securities	475,887	-
Real estate equities	653,040	-
Money market funds	9,039,916	-
Receivables:		
Accounts	404,652	-
Interest	311,364	-
<b>Total assets</b>	<u>212,569,989</u>	<u>\$ 2,504,918</u>
<b>Liabilities</b>		
Accounts payable	319,830	\$ -
Undistributed receipts	-	2,044,622
Due to other governments	-	285,550
Bonds payable	-	144,696
Escrow payable	-	30,050
<b>Total liabilities</b>	<u>319,830</u>	<u>\$ 2,504,918</u>
<b>Net position</b>		
Restricted for pension benefits	<u>\$ 212,250,159</u>	

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

# COUNTY OF JACKSON, MICHIGAN

## Statement of Changes in Fiduciary Net Position

Pension Trust Fund

For the Year Ended December 31, 2018

	Pension Trust Fund
<b>Additions</b>	
Contributions:	
Employees	\$ 1,543,438
Employer	1,647,852
Total contributions	<u>3,191,290</u>
Investment earnings (loss):	
Interest and dividends	4,604,939
Net depreciation in fair value of investments	(13,455,630)
Less investment expenses	(992,123)
Net investment loss	<u>(9,842,814)</u>
Total additions (net of investment losses)	<u>(6,651,524)</u>
<b>Deductions</b>	
Pension benefit payments	15,061,017
Administrative expenses	201,164
Total deductions	<u>15,262,181</u>
Change in net position	(21,913,705)
Net position, beginning of year	<u>234,163,864</u>
Net position, end of year	<u><u>\$ 212,250,159</u></u>

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

# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position Discretely Presented Component Units December 31, 2018

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority
<b>Assets</b>				
Cash and pooled investments	\$ 645,265	\$ 338,560	\$ 1,250,828	\$ 170,689
Restricted cash and pooled investments	-	-	-	-
Receivables	33,135	17,426	79,489	536,467
Land held for resale	-	67,299	-	-
Capital assets being depreciated, net	-	-	2,685,781	-
<b>Total assets</b>	<b>678,400</b>	<b>423,285</b>	<b>4,016,098</b>	<b>707,156</b>
<b>Deferred outflows of resources</b>				
Deferred charges on refunding	-	-	-	-
<b>Liabilities</b>				
Negative equity in cash and pooled investments	-	-	-	-
Accounts payable and accrued liabilities	1,635	5,455	2,352	9,327
Advance from primary government	-	100,000	210,000	117,500
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>1,635</b>	<b>105,455</b>	<b>212,352</b>	<b>126,827</b>
<b>Net position</b>				
Investment in capital assets	-	-	2,685,781	-
Restricted for capital projects	-	-	1,117,965	-
Restricted for brownfield loans	-	-	-	580,329
Restricted for the revolving loan fund	561,239	-	-	-
Unrestricted	115,526	317,830	-	-
<b>Total net position</b>	<b>\$ 676,765</b>	<b>\$ 317,830</b>	<b>\$ 3,803,746</b>	<b>\$ 580,329</b>

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



Board of Public Works	Totals
\$ -	\$ 2,405,342
-	-
11,830,429	12,496,946
-	67,299
-	2,685,781
<u>11,830,429</u>	<u>17,655,368</u>
<u>77,566</u>	<u>77,566</u>
178,767	178,767
132,380	151,149
-	427,500
1,990,000	1,990,000
9,606,848	9,606,848
<u>11,907,995</u>	<u>12,354,264</u>
-	2,685,781
-	1,117,965
-	580,329
-	561,239
-	433,356
<u>\$ -</u>	<u>\$ 5,378,670</u>

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Economic Development Corporation</b>					
Governmental activities -					
Other	\$ 12,408	\$ -	\$ 33,148	\$ -	\$ 20,740
<b>Land Bank Authority</b>					
Business-type activities -					
Community development	9,597	200	-	-	(9,397)
<b>Drain Commission</b>					
Governmental activities -					
Public works	411,517	-	-	201,940	(209,577)
<b>Brownfield Redevelopment Authority</b>					
Governmental activities -					
Public works	191,393	-	202,117	-	10,724
<b>Board of Public Works</b>					
Governmental activities -					
Interest on long-term debt	479,809	-	209,605	-	(270,204)
<b>Total component units</b>	<u>\$ 1,104,724</u>	<u>\$ 200</u>	<u>\$ 444,870</u>	<u>\$ 201,940</u>	<u>\$ (457,714)</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Activities**  
 Discretely Presented Component Units  
 For the Year Ended December 31, 2018

	Economic Development Corporation	Land Bank Authority	Drain Commission	Brownfield Redevelopment Authority	Board of Public Works	Totals
Change in net position						
Net revenue (expense)	\$ 20,740	\$ (9,397)	\$ (209,577)	\$ 10,724	\$ (270,204)	\$ (457,714)
General revenues						
Property taxes	-	2,100	-	-	-	2,100
Investment earnings	1,151	1,399	22,826	419	270,204	295,999
Total general revenues	1,151	3,499	22,826	419	270,204	298,099
Change in net position	21,891	(5,898)	(186,751)	11,143	-	(159,615)
Net position, beginning of year	654,874	323,728	3,990,497	569,186	-	5,538,285
Net position, end of year	\$ 676,765	\$ 317,830	\$ 3,803,746	\$ 580,329	\$ -	\$ 5,378,670

concluded

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

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## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Reporting Entity

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

#### *Blended Component Unit*

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

#### *Discretely Presented Component Units*

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

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

### *Funds with a Different Year End*

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

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

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

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

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

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

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

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

## COUNTY OF JACKSON, MICHIGAN

### Notes to Financial Statements

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.

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

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

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

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

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

#### *Deposits and Investments*

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

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

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

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

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

#### *Receivables and Payables*

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

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

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

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### *Inventories and Prepaid Items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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 using the consumption method.

### *Land Held for Resale*

Land held for resale in the tax foreclosure administration fund and the Land Bank Authority.

### *Capital Assets*

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred charges on refunding in the government-wide, proprietary funds, and component unit statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt. The County also reports deferred outflows of resources for contributions subsequent to the measurement date, differences between expected and actual experience, changes in assumptions, and differences between projected and actual earnings related to its pension and other postemployment benefit plans.

### *Long-term Obligations*

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

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

## 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.

#### *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items that qualify for reporting in this category. In the governmental fund financial statements, the County reports unavailable revenues, which arises only under a modified accrual basis of accounting. In the government-wide financial statements, a deferred inflow of resources is reported for differences between expected and actual experience, changes in assumptions, and differences between projected and actual earnings in the pension plan. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

#### *Fund Balances*

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

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

In 2007, the Board established the guideline that total fund balance of the general fund as a percentage of total general fund expenditures and transfers out must fall between 18.00%-24.00%, due to uncertain financial conditions with the State of Michigan. The unassigned fund balance fell within policy guidelines in 2018.

#### *Pensions and Other Postemployment Benefits*

For purposes of measuring the net pension asset, total other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other post employment benefit expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

### 2. BUDGETARY INFORMATION

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

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2018, the County incurred expenditures in excess of the amounts appropriated as follows:

	Amended Budget	Actual	Variance
General fund			
Other:			
Professional services	\$ 342,574	\$ 354,449	\$ 11,875
Appropriations - health and welfare -			
Substance abuse - liquor tax	310,122	315,111	4,989
Transfers out	7,564,196	7,565,196	1,000
Special revenue funds			
Road:			
Public works	41,327,225	42,433,637	1,106,412
Capital outlay	6,511,714	6,687,973	176,259
Parks commission -			
Transfers out	140,596	182,776	42,180
Friend of the court -			
Transfers out	308,260	484,041	175,781
Prosecuting attorney drug enforcement -			
Judicial	50,000	56,058	6,058
Michigan justice training -			
Transfers out	21,400	59,950	38,550
Community development block grant:			
Community development	60,000	147,157	87,157
Transfers out	-	7,323	7,323
Child care -			
Health and welfare	2,538,227	2,542,605	4,378
Fair -			
Transfers out	24,150	154,991	130,841
Medical care facility millage -			
Transfers out	2,662,500	3,084,302	421,802
Jail millage -			
Transfers out	2,100,000	2,186,912	86,912
Concealed pistol licenses -			
Judicial	14,438	14,485	47

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances of December 31, 2018:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash and pooled investments	\$ 45,185,527	\$ 2,226,575	\$ 47,412,102
Restricted cash and pooled investments	783,191	-	783,191
<b>Statement of Fiduciary Net Position</b>			
Cash and pooled investments	3,211,684	-	3,211,684
Investments	211,147,207	-	211,147,207
<b>Total</b>	<b>\$ 260,327,609</b>	<b>\$ 2,226,575</b>	<b>\$ 262,554,184</b>
<b>Deposits and investments</b>			
Bank deposits :			
Checking/savings accounts			\$ 4,795,856
Certificates of deposit - due within one year			1,250,000
Certificates of deposit - due in more than one year			3,250,000
Treasurer's deposit pool			1,435,539
Investments in securities and mutual funds:			
Treasurer's investment pool			39,119,878
Pension investments			211,147,207
Cash on hand			85,842
Net effect of funds with different year ends			1,469,862
<b>Total</b>			<b>\$ 262,554,184</b>

Restricted cash of the primary government consists of \$783,191 restricted in the resource recovery fund for closure and postclosure landfill monitoring.

*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 \$16,982,170. The combined bank balance of these deposits was \$18,159,408 of which \$11,317,336 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, 2018:

U.S. government agencies	\$ 30,817,299
Municipal bonds	2,051,804
Michigan CLASS government investment pool	6,250,775
<b>Total</b>	<b>\$ 39,119,878</b>

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

As of December 31, 2018, all of the County's investments in securities of U.S. agencies and municipal bonds were rated AA+ by Standard & Poor's, and the investments in the Michigan CLASS government investment fund were rated AAAM 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, 2018, the County had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Federal Farm Credit Bank	Various	71.4%
Federal Home Loan Bank	Various	12.0%
Federal Home Loan Mortgage Corporation	Various	10.4%
Municipal bonds	Various	6.2%

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

	Fair value	Investment Maturities (fair value by years)		
		< 1 year	1 - 5 years	6 - 10 years
U.S. government agencies	\$ 30,817,299	\$ 4,447,955	\$ 20,437,670	\$ 5,931,674
Municipal bonds	2,051,804	1,559,194	492,610	-
<b>Total</b>	<b>\$ 32,869,103</b>	<b>\$ 6,007,149</b>	<b>\$ 20,930,280</b>	<b>\$ 5,931,674</b>

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

The County's recurring fair value measurements as of December 31, 2018 were related to its investments in U.S. government agency funds and municipal bonds. These investments are valued using significant other observable inputs of the underlying securities and bonds as they are traded only in secondary markets (Level 2 inputs). The investments in the Michigan CLASS government investment pool are not categorized as they are measured at net asset value per share or its equivalent.

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, 2018:

	Total
Investments at fair value, as determined by quoted market price:	
Domestic equities	\$ 99,353,643
Equity mutual funds	27,106,011
International equities	30,445,079
U.S. treasuries	4,098,319
U.S. agencies	9,275,343
Corporate domestic securities	30,015,683
Collateralized mortgage obligations	684,286
International securities	475,887
Real estate equities	653,040
Money market funds	9,039,916
	<hr/>
Total investments	<u>\$ 211,147,207</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, 2018, the System's investments in securities of U.S. treasuries, U.S. agencies, corporate securities, collateralized mortgage obligations and international securities were rated by Moody's as follows:

Rating	Employees Retirement System
Aaa	\$ 10,452,939
Aa1	198,482
Aa2	453,312
Aa3	134,675
A1	1,275,812
A2	4,238,948
A3	2,021,930
Baa1	1,579,313
Baa2	181,715
Baa3	239,707
Ba1	177,369
Ba2	118,188
Ba3	314,933
B1	719,135
Not subject to credit risk	22,443,060
	<hr/>
Total	<u>\$ 44,549,518</u>

## COUNTY OF JACKSON, MICHIGAN

### Notes to Financial Statements

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

The System's exposure to foreign currency risk stated in U.S. dollars as of December 31, 2018 was as follows:

Investment Type	Fair Value
International equities	\$ 30,445,079
International securities	475,887

*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, 2018, the System had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Equity mutual funds	State Street S&P Midcap Index	7.0%
Equity mutual funds	State Street S&P 500 Flagship	5.8%

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

	Fair value	Investment Maturities (fair value by years)			
		< 1 year	1 - 5 years	6 - 10 years	More Than 10
U.S. treasuries	\$ 4,098,319	\$ 343,158	\$ 2,435,712	\$ 362,504	\$ 956,945
U.S. agencies	9,275,343	-	2,484,699	2,649,367	4,141,277
Corporate domestic securities	30,015,683	-	19,603,678	4,921,880	5,490,125
Collateralized mortgage obligations	684,286	-	-	-	684,286
International securities	475,887	-	221,224	196,853	57,810
<b>Total</b>	<b>\$ 44,549,518</b>	<b>\$ 343,158</b>	<b>\$ 24,745,313</b>	<b>\$ 8,130,604</b>	<b>\$ 11,330,443</b>

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

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

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

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

The System had the following recurring fair value measurements as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Domestic equities	\$ 99,353,643	\$ -	\$ -	\$ 99,353,643
Equity mutual funds	27,106,011	-	-	27,106,011
International equities	30,445,079	-	-	30,445,079
U.S. treasuries	-	4,098,319	-	4,098,319
U.S. agencies	-	9,275,343	-	9,275,343
Corporate domestic securities	-	30,015,683	-	30,015,683
Collateralized mortgage obligations	-	684,286	-	684,286
International securities	-	475,887	-	475,887
Real estate equities	-	653,040	-	653,040
Money market funds	9,039,916	-	-	9,039,916
Total investments at fair value	\$ 165,944,649	\$ 45,202,558	\$ -	\$ 211,147,207

Th investments classified as Level 2 inputs, as noted in the table above, are valued using significant other observable inputs of the underlying securities and bonds as they are traded only in secondary markets.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

5. RECEIVABLES

Receivables are comprised of the following at December 31, 2018:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,270,254	\$ 2,377,153	\$ 277,776
Less: allowance for uncollectibles	(70,325)	(384,119)	-
Property taxes	9,418,744	7,474,714	-
Interest	427,693	1,066,813	-
Due from other governments	14,682,352	-	11,621,779
Loans receivable	-	-	517,902
Special assessments receivable, net	-	-	79,489
	<u>\$ 25,728,718</u>	<u>\$ 10,534,561</u>	<u>\$ 12,496,946</u>

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

	Governmental Activities	Business-type Activities	Component Units
Property taxes	\$ -	\$ 1,400,000	\$ -
Due from other governments	4,400,000	-	9,606,848
Loans receivable	-	-	500,476
Special assessments receivable, net	-	-	74,289
	<u>\$ 4,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 10,181,613</u>

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018 was as follows:

Primary government

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 4,001,758	\$ 69,158	\$ -	\$ -	\$ 4,070,916
Land improvements	16,116,380	-	-	-	16,116,380
Construction in progress	32,762,561	3,370,053	-	23,487,075	12,645,539
Avigation easements	375,547	-	-	-	375,547
	<u>53,256,246</u>	<u>3,439,211</u>	<u>-</u>	<u>23,487,075</u>	<u>33,208,382</u>
Capital assets being depreciated:					
Buildings and improvements	58,039,805	1,870,627	874,386	726,348	59,762,394
Equipment and furniture	39,383,038	9,930,092	7,835	-	49,305,295
Vehicles	2,723,441	471,958	212,423	-	2,982,976
Infrastructure	120,056,694	20,116,449	5,824,340	22,760,727	157,109,530
Depletable assets	548,074	-	-	-	548,074
	<u>220,751,052</u>	<u>32,389,126</u>	<u>6,918,984</u>	<u>23,487,075</u>	<u>269,708,269</u>
Less accumulated depreciation for:					
Buildings improvements	36,312,931	1,603,056	87,439	-	37,828,548
Equipment and furniture	27,335,342	3,959,285	7,835	-	31,286,792
Vehicles	2,491,453	341,688	212,423	-	2,620,718
Infrastructure	49,434,118	6,153,641	5,824,340	-	49,763,419
Depletable assets	147,019	-	-	-	147,019
	<u>115,720,863</u>	<u>12,057,670</u>	<u>6,132,037</u>	<u>-</u>	<u>121,646,496</u>
Total capital assets being depreciated, net	<u>105,030,189</u>	<u>20,331,456</u>	<u>786,947</u>	<u>23,487,075</u>	<u>148,061,773</u>
Governmental activities capital assets, net	<u>\$ 158,286,435</u>	<u>\$ 23,770,667</u>	<u>\$ 786,947</u>	<u>\$ -</u>	<u>\$ 181,270,155</u>

Depreciation of governmental activities by function

General government	\$ 580,535
Public safety	693,689
Public works	8,917,088
Judicial	220,792
Health and welfare	304,672
Recreation and culture	1,340,894
	<u>\$ 12,057,670</u>

At December 31, 2018, the County's governmental activities had outstanding commitments through construction contracts of approximately \$8.5 million.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated -					
Construction in progress	\$ 358,435	\$ 3,774,877	\$ -	\$ -	\$ 4,133,312
Capital assets being depreciated:					
Buildings and improvements	21,002,059	72,859	-	-	21,074,918
Equipment and furniture	1,976,163	35,426	-	-	2,011,589
Vehicles	305,685	-	-	-	305,685
	<u>23,283,907</u>	<u>108,285</u>	<u>-</u>	<u>-</u>	<u>23,392,192</u>
Less accumulated depreciation for:					
Buildings and improvements	7,457,298	582,303	-	-	8,039,601
Equipment and furniture	1,408,390	125,322	-	-	1,533,712
Vehicles	200,219	22,041	-	-	222,260
	<u>9,065,907</u>	<u>729,666</u>	<u>-</u>	<u>-</u>	<u>9,795,573</u>
Total capital assets being depreciated, net	<u>14,218,000</u>	<u>(621,381)</u>	<u>-</u>	<u>-</u>	<u>13,596,619</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 14,576,435</u>	<u>\$ 3,153,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,729,931</u>

Depreciation of business-type activities by function

Medical Care Facility	\$ 728,333
Delinquent tax revolving fund	<u>1,333</u>
	<u>\$ 729,666</u>

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - Drain Commission</b>					
Capital assets being depreciated -					
Infrastructure	\$ 12,242,656	\$ -	\$ -	\$ -	\$ 12,242,656
Less accumulated depreciation for -					
Infrastructure	9,401,688	155,187	-	-	9,556,875
	<u>9,401,688</u>	<u>155,187</u>	<u>-</u>	<u>-</u>	<u>9,556,875</u>
Drain Commission capital assets, net	<u>\$ 2,840,968</u>	<u>\$ (155,187)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,685,781</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, 2018:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 8,547,976	\$ 842,999	\$ 13,314
Accrued and other liabilities	1,032,141	509,149	137,835
Residents' trust payable	-	12,891	-
Estimated claims payable	1,132,193	-	-
Due to other governments	14,123	-	-
Advances from other governments	2,027,385	-	-
Estimated closure and postclosure monitoring costs	-	665,000	-
Accrued interest on long-term debt	620,596	63,520	-
	<u>\$ 13,374,414</u>	<u>\$ 2,093,559</u>	<u>\$ 151,149</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, was as follows:

	Due from other funds	Due to other funds
General fund	\$ 1,425,839	\$ -
Nonmajor governmental funds	1,055,910	86,662
Delinquent tax revolving fund	86,662	3,891,135
Medical care facility	-	754,000
Nonmajor enterprise funds	2,163,386	-
	<u>\$ 4,731,797</u>	<u>\$ 4,731,797</u>

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

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

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

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

For the year ended December 31, 2018, interfund transfers consisted of the following:

Transfers Out	Transfers In						Total
	General Fund	Building Authority Debt Service Fund	Nonmajor Governmental Funds	Delinquent Tax Revolving Fund	Medical Care Facility Fund	Internal Service Funds	
General fund	\$ -	\$ -	\$ 7,565,196	\$ -	\$ -	\$ -	\$ 7,565,196
Nonmajor governmental funds	3,073,981	1,123,912	1,539,724	249,566	3,084,302	704,450	9,775,935
Delinquent tax revolving fund	550,000	-	3,067,964	-	-	48,540	3,666,504
Medical care facility fund	80,000	-	-	-	-	-	80,000
Nonmajor enterprise funds	2,500	-	-	-	-	6,930	9,430
Internal service funds	35,900	-	-	-	-	18,500	54,400
Timing differences	-	-	107,285	-	-	321,150	428,435
	<u>\$ 3,742,381</u>	<u>\$ 1,123,912</u>	<u>\$ 12,280,169</u>	<u>\$ 249,566</u>	<u>\$ 3,084,302</u>	<u>\$ 1,099,570</u>	<u>\$ 21,579,900</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Timing differences are a result of certain funds having a fiscal year-end that is different from the County's year-end.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

9. LONG-TERM DEBT

Primary government

*General obligation bonds.* The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, as well as to finance contributions to the County's pension plan. General obligation bonds have been issued for governmental and business-type activities.

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

Governmental Activities

Bonds	Final Maturity	Annual Installments	Interest Rate	Amount
1999A Jackson County Building Authority	2019	\$50,000-\$75,000	5.30%-6.00%	\$ 75,000
2010 Refunding bonds - county jail	2022	\$735,000-\$1,145,000	2.85%	4,250,000
2014 LifeWays Refunding bonds	2026	\$325,000-\$475,000	2.00%-3.125%	3,515,000
Capital Improvement bond, Series 2015A - Energy	2035	\$85,000-\$160,000	2.00%-3.625%	2,150,000
Capital Improvement bond, Series 2015B - LifeWays	2035	\$55,000-\$105,000	3.00%-3.50%	1,340,000
Capital Improvement bond, Series 2015C - Airport runway	2026	\$365,000-\$545,000	2.00%-2.50%	3,840,000
2016 Brownfield Redevelopment Loan	2030	\$84,294-\$97,826	1.50%	1,000,000
2016 Michigan Transportation Fund Bonds	2031	\$805,000-\$1,105,000	2.00%-2.625%	12,560,000
2017 Capital Improvement Bonds	2031	\$1,825,000-\$2,570,000	3.00%	28,175,000
2017B Capital Improvement Bonds	2032	\$420,000-\$600,000	3.00%	7,080,000
2017 Limited Tax Pension Obligation Bonds	2042	\$1,750,000-\$4,080,000	1.965%-4.076%	65,695,000
2018A Capital Improvement Bonds	2033	\$370,000-\$600,000	3.00%-5.00%	7,120,000
2018B Capital Improvement Bonds	2038	\$135,000-\$270,000	2.00%-4.00%	3,810,000
<b>Total general obligation bonds</b>				<b>\$ 140,610,000</b>

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

Year Ended December 31,	Principal	Interest	Total
2019	\$ 7,530,000	\$ 4,486,435	\$ 12,016,435
2020	7,752,826	4,288,881	12,041,707
2021	7,929,294	4,053,388	11,982,682
2022	8,170,558	3,886,562	12,057,120
2023	7,226,842	3,659,785	10,886,627
2024-2028	37,259,142	15,117,518	52,376,660
2029-2033	31,461,338	9,497,776	40,959,114
2034-2038	17,885,000	5,284,093	23,169,093
2039-2042	15,395,000	1,600,034	16,995,034
	<b>\$ 140,610,000</b>	<b>\$ 51,874,472</b>	<b>\$ 192,484,472</b>

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

Business-type Activities

Bonds	Final Maturity	Annual Installments	Interest Rate	Amount
2015 Refunding bonds	2030	\$495,000- \$855,000	3.150% - 5.125%	<u>\$ 8,680,000</u>

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

Year Ended December 31,	Principal	Interest	Total
2019	\$ 560,000	\$ 367,118	\$ 927,118
2020	585,000	338,493	923,493
2021	615,000	308,493	923,493
2022	650,000	276,868	926,868
2023	680,000	243,618	923,618
2024-2028	3,900,000	690,972	4,590,972
2029-2030	1,690,000	65,391	1,755,391
	<u>\$ 8,680,000</u>	<u>\$ 2,290,953</u>	<u>\$ 10,970,953</u>

Board of Public Works Component Unit

Bonds	Final Maturity	Annual Installments	Interest Rate	Amount
2006 Wolf Lake Waste Water Refunding Bonds	2019	\$255,000- \$270,000	3.75% - 4.00%	\$ 250,000
2004 Lake Columbia Waste Water Disposal System Limited Tax GO Bonds	2024	\$375,000- \$550,000	3.00% - 4.00%	2,460,000
2012 Jackson County Water Supply Facility Refunding Bonds - Village of Parma	2021	\$140,000- \$150,000	1.2%-2.50%	440,000
State Drinking Water Revolving Loan Funds - Village of Parma	2022	\$55,000- \$70,000	2.50%	270,000
2002B Jackson County Water Supply Facility Grass Lake Area Section	2022	\$25,000- \$50,000	4.35% - 6.00%	175,000
2005 Jackson County Waste Water Disposal Facility Round/Farwell Lakes Area	2022	\$225,000	3.50% - 4.00%	900,000
2004 Jackson County Wastewater Disposal Facility Vineyard Section	2023	\$350,000- \$375,000	3.625% - 4.50%	1,500,000
State Drinking Water Revolving Loan Funds Village of Grass Lake	2023	\$110,000- \$140,000	2.50%	675,000
2005 Jackson County Waste Water Disposal Facility Southern Regional Interceptor	2025	\$225,000- \$425,000	4.125% - 4.500%	2,500,000
2008 Jackson County Waste Water Disposal Facility	2030	\$115,000- \$175,000	2.50%	1,781,598
2008 Jackson County Waste Water Disposal Facility Rives Township Sewer	2043	\$15,000- \$40,000	4.125%	645,250
				<u>\$ 11,596,848</u>

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Principal	Interest	Total
2019	\$ 1,990,000	\$ 419,025	\$ 2,409,025
2020	1,810,000	340,947	2,150,947
2021	1,825,000	269,769	2,094,769
2022	1,700,000	189,445	1,889,445
2023	1,410,000	127,669	1,537,669
2024-2028	2,130,000	252,405	2,382,405
2029-2033	481,598	75,772	557,370
2034-2038	133,250	37,326	170,576
2039-2043	117,000	11,406	128,406
	<u>\$ 11,596,848</u>	<u>\$ 1,723,764</u>	<u>\$ 13,320,612</u>

*Leases.* The government has entered into four lease agreements for financing the purchase of plow trucks for \$1,506,000 and \$1,719,000, respectively, GMC vehicles for \$106,028, and Ford vehicles for \$59,834. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the net present value of the future minimum lease payments as of the inception date. Total accumulated depreciation on these leased assets at year end was \$951,722.

*Governmental Activities*

Bonds	Final Maturity	Annual Installments	Interest Rate	Amount
2017A Installment Purchase Agreement	2027	\$136,699- \$166,151	2.269%	\$ 1,369,301
2017B Installment Purchase Agreement	2027	\$156,033- \$189,651	2.269%	1,562,967
2018 GMC Equipment Lease Purchase Agreement	2021	\$24,772- \$28,394	2.269%	81,256
2018 Ford Equipment Lease Purchase Agreement	2021	\$13,749- \$16,213	2.269%	46,085
Total leases				<u>\$ 3,059,609</u>

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

Year Ended December 31,	Amount
2019	\$ 410,582
2020	410,579
2021	410,580
2022	363,875
2023	363,876
2024-2027	1,455,501
	<u>3,414,993</u>
Less amount representing interest	<u>(355,384)</u>
	<u>\$ 3,059,609</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	\$ 136,520,000	\$ 10,930,000	\$ (6,840,000)	\$ 140,610,000	\$ 7,530,000
Leases	3,225,000	165,862	(331,253)	3,059,609	337,763
LifeWays settlement	1,701,369	-	(250,000)	1,451,369	250,000
Issuance discount	(15,253)	-	1,695	(13,558)	(1,695)
Issuance premium	1,443,622	325,938	(104,414)	1,665,146	122,246
Compensated absences	2,148,859	2,902,030	(2,862,341)	2,188,548	656,564
	<u>\$ 145,023,597</u>	<u>\$ 14,323,830</u>	<u>\$ (10,386,313)</u>	<u>\$ 148,961,114</u>	<u>\$ 8,894,878</u>
<b>Business-type Activities</b>					
Refunding bonds	\$ 9,215,000	\$ -	\$ (535,000)	\$ 8,680,000	\$ 560,000
Issuance premium	826,830	-	(63,602)	763,228	63,602
Compensated absences	473,520	554,251	(557,186)	470,585	470,585
	<u>\$ 10,515,350</u>	<u>\$ 554,251</u>	<u>\$ (1,155,788)</u>	<u>\$ 9,913,813</u>	<u>\$ 1,094,187</u>
<b>Board of Public Works</b>					
Component Unit					
Bonds	\$ 13,650,848	\$ -	\$ (2,054,000)	\$ 11,596,848	\$ 1,990,000

For the governmental activities, total other postemployment benefit liability, the LifeWays settlement and compensated absences are generally liquidated by the general fund.

*Prior Year Advance Refunding / Defeased Debt*

*Governmental activities*

On November 1, 2010, the County issued \$10,100,000 in refunding bonds with an average interest rate of 2.85% to advance refund \$10,075,000 of outstanding Series 2002 long-term general obligation bonds. The balance of the defeased bonds outstanding was \$4,275,000 at December 31, 2018.

During 2014, the County issued \$5,010,000 of refunding bonds with interest ranging from 2.00% to 3.125% to advance refund \$4,920,000 of outstanding Series 2014 building authority refunding bonds. The balance of the defeased bonds outstanding was \$3,545,000 at December 31, 2018.

*Business-type activities*

During 2015, the Jackson County Building Authority defeased the 2005 Refunding Bonds, which are due and payable May 1, 2016 through May 1, 2030. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. government securities sufficient to meet the applicable principal and interest obligations. The Jackson County Building Authority issued general obligation 2015 Refunding Bonds in the amount of \$10,225,000 to provide resources to fund the escrow amounts and pay the costs of issuance of the refunding bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the County's financial statements. The balance of the defeased debt outstanding was \$8,900,000 at December 31, 2018.

*Board of Public Works*

During 2013, Napoleon Township refunded \$600,000 in BPW bonds partially through the issuance of \$437,000 in 2012 limited tax general obligation refunding bonds with interest ranging from 1.40% to 2.10%. The balance of the defeased outstanding wastewater disposal facility bonds was \$150,000 at December 31, 2018. 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 \$300,000 at December 31, 2018.

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 \$450,000 at December 31, 2018.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 10. CONTINGENT LIABILITIES - LIFEWAYS

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

Based on an agreement between the Boards of both Jackson and Hillsdale Counties and the LifeWays Board, which has been approved by the State of Michigan, the County will make up its share owed to LifeWays in the amount of \$2,451,369 through annual payments, for a period of ten years. The County began making payments in excess of the normal appropriation by \$250,000 annually beginning in 2015 until the balance is paid in full. During the year ended December 31, 2018, the County repaid \$250,000, resulting in a remaining balance of \$1,451,369.

### 11. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2018, the net investment in capital assets was comprised of the following:

	Governmental activities	Business-type activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 33,208,382	\$ 4,133,312	\$ -
Capital assets being depreciated, net	148,061,773	13,596,619	2,685,781
	<u>181,270,155</u>	<u>17,729,931</u>	<u>2,685,781</u>
Related debt:			
Bonds payable	140,610,000	8,680,000	-
Capital leases payable	3,059,609	-	-
Less: pension bonds	(65,695,000)	-	-
Issuance discount	(13,558)	-	-
Issuance premium	1,665,146	763,228	-
Deferred charge on refunding	-	(196,016)	-
Less: unspent proceeds	(5,906,744)	-	-
	<u>73,719,453</u>	<u>9,247,212</u>	<u>-</u>
Net investment in capital assets	<u>\$ 107,550,702</u>	<u>\$ 8,482,719</u>	<u>\$ 2,685,781</u>

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

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

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

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, MICHIGAN

Notes to Financial Statements

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the self-funded managed care insurance fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA’s general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members’ self insured retention limits along with certain other member specific costs. Accordingly, the County records an asset for its portion of the unexpended member retention fund. At December 31, 2018, the balance of the County’s member retention fund was \$663,667.

	2018
General liability	
Estimated liability, January 1, 2018	\$ -
Estimated claims incurred, including changes in estimates	1,378,153
Claim payments	<u>(346,289)</u>
Estimated liability, December 31, 2018	<u>\$ 1,031,864</u>

*County of Jackson Self-Funded Managed Care Insurance.* The County operates a self-funding dental and vision 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 2018 were based upon the cost of obtaining traditional dental and vision insurance. These contributions are expensed by the members when made, and recognized as revenue by the insurance fund upon receipt.

In fiscal year 2018, the County discontinued its self-funding health insurance program significantly decreasing the insurance coverage from prior year. Additionally, there were 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, 2018. The change in the claims liability for 2018 and 2017 is as follows:

	2018	2017
Unpaid claims, beginning of year	\$ 334,156	\$ 385,261
Incurred claims (including change in IBNR provisions)	108,742	6,190,036
Claims payments	<u>(423,633)</u>	<u>(6,241,141)</u>
Unpaid claims, end of year	<u>\$ 19,265</u>	<u>\$ 334,156</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 2018 and 2017 is as follows:

	2018	2017
Unpaid claims, beginning of year	\$ 79,973	\$ 70,339
Incurred claims (including changes in IBNR provisions)	1,091	9,634
Unpaid claims, end of year	<u>\$ 81,064</u>	<u>\$ 79,973</u>

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 13. PROPERTY TAXES

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

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

The assessed and taxable value of real and personal property for the July 1, 2018 levy was \$4,487,860,970. The general operating tax rate for this levy was 5.1187 mills with an additional 0.2500 mills, 0.4851 mills, 0.2500 mills, 0.5000 mills, 0.5000 mills, 0.2500 mills for the medical care facility, the county jail facility, senior services, LifeWays, the parks, and the animal shelter, respectively.

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

### 14. TAX ABATEMENTS

The County received reduced property tax revenues during 2018 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to \$58,000 in reduced County tax revenues for 2018.

### 15. PENSION PLAN

#### General Information about the Pension Plan

*Plan Description.* The County administers the Jackson County Employees' Retirement System, (the "Plan"), a single-employer defined benefit plan provided by authority section 12a of Act No. 156 of the Public Acts of 1851, which was adopted and established by the County in accordance with Michigan Compiled Laws Section 46.12a. The plan is included as a pension trust fund in the County's financial statements. Employer and employee contributions and benefit provisions are authorized and may be amended by County Board resolution and benefits may vary pursuant to collective bargaining agreements. Substantially all employees are covered by the Plan. Upon retirement, the plan pays a benefit percentage (depending on group), calculated using the percentage of final average compensation times years of credited service. The Plan issues a publicly available financial report that can be obtained at the County of Jackson, 120 West Michigan Avenue, Jackson, Michigan 49201.

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

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

*Rate of Return.* For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Concentrations.* At December 31, 2017, the Plan held certain investments (other than those issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, or other pooled investments) in certain organizations that represent 5% or more of the Plan's fiduciary net position. Refer to Note 4 for the details of these concentrations.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

*Benefits Provided.* Plan members may retire at age 55, 57 or 60 with 8, 10 or 25 years of credited service depending on which group the employee is in. Members are vested after completing 8 - 10 years of credited service. Retirement options that provide for survivor benefits are available to members. The Plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary. Employees may enter the Deferred Retirement Option Plan ("DROP") at age 57 with 10 years of credited service. The balances of DROP accounts, which are included in the Plan Fiduciary Net Position, amounted to \$1,877,458 as of December 31, 2018.

*Contributions.* The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 2.50% to 12.00% to the Plan, depending on their bargaining unit and hire date, with the County contributing additional amounts, as necessary, to provide assets sufficient to pay for member benefits.

Bargaining Unit / Employee Group	Benefits Multiplier	Contribution Percentage
AFSCME (AFL-CIO)	2.00%-2.50%	2.50%-7.85%
Assistant Prosecutors Association (APA)	2.00%-2.50%	2.50%-7.85%
Michigan Nurses Association (MNA)	2.00%-2.50%	2.50%-7.85%
Police Officers Labor Council (POLC)	2.00%-2.50%	2.50%-7.85%
Police Officers Association of Michigan (POAM)	2.50%	10.05%
Federal Order of Police (FOP)	2.25%	6.45%
Command Officers Association of Michigan (COAM):		
Road sergeants	2.50%	11.05%
Corrections supervisors	2.25%	7.50%
Jackson County Road Workers Association (JDOT)	2.50%	12.00%
Jackson County Medical Care Facility (MCF)	2.00%	2.50%

*Employees Covered by Benefit Terms.* At December 31, 2017, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	741
Inactive, DROP and non-retired plan members	115
Active plan members	499
<b>Total</b>	<b>1,355</b>

*Net Pension Asset.* The County's net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions.

Inflation	No specific price inflation used; 2.5% to 3.0% would be consistent with other economic assumptions.
Salary increases	4.00%-8.00% including inflation
Investment rate of return	7.50%, net of investment and administrative expenses

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

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

*Long-term Expected Rate of Return.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These real ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each asset class that is included in the pension plan's target asset allocation as of December 31, 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Tare of Return
Large cap growth equity	15.00%	7.20%	1.08%
Large cap value equity	15.00%	7.20%	1.08%
International equity	17.00%	6.80%	1.16%
S & P 400 Mid-cap	10.00%	7.80%	0.78%
S & P 500	8.00%	7.30%	0.58%
Core fixed	9.00%	2.80%	0.25%
Intermediate government/credit bonds	9.00%	1.60%	0.14%
Convertible bonds	17.00%	4.50%	0.77%
Cash and cash equivalents	0.00%	1.40%	0.00%
	<u>100.00%</u>		5.84%
Inflation			2.00%
Risk adjustments			<u>-0.34%</u>
Investment rate of return			<u>7.50%</u>

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

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2017	\$ 207,591,278	\$ 148,113,560	\$ 59,477,718
Changes for the year:			
Service cost	2,905,966	-	2,905,966
Interest	15,158,830	-	15,158,830
Differences between expected and actual experience	(224,016)	-	(224,016)
Employer contributions	-	71,127,032	(71,127,032)
Employee contributions	-	1,672,802	(1,672,802)
Net investment income	-	27,304,453	(27,304,453)
Benefit payments, including refunds of employee contributions	(13,853,053)	(13,853,053)	-
Administrative expense	-	(200,930)	200,930
Net changes	<u>3,987,727</u>	<u>86,050,304</u>	<u>(82,062,577)</u>
Balances at December 31, 2018	<u>\$ 211,579,005</u>	<u>\$ 234,163,864</u>	<u>\$ (22,584,859)</u>

COUNTY OF JACKSON, MICHIGAN

**Notes to Financial Statements**

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan net pension liability (asset) - County	\$ 9,980,098	\$ (10,107,687)	\$ (27,194,421)
Plan net pension asset - Medical Care Facility	(9,816,566)	(12,477,172)	(14,691,074)
Net pension liability (asset)	<u>\$ 163,532</u>	<u>\$ (22,584,859)</u>	<u>\$ (41,885,495)</u>

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended December 31, 2018, the County recognized pension expense of \$4,525,222. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 976,242	\$ 765,690	\$ 210,552
Net difference between projected and actual earnings on pension plan investments	-	6,669,634	(6,669,634)
	976,242	7,435,324	(6,459,082)
Employer contributions to the plan subsequent to the measurement date	1,647,852	-	1,647,852
Total	<u>\$ 2,624,094</u>	<u>\$ 7,435,324</u>	<u>\$ (4,811,230)</u>

\$1,647,852 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending December 31, 2019. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2019	\$ 59,026
2020	(759,211)
2021	(2,907,352)
2022	(2,846,341)
2023	(5,204)
Total	<u>\$ (6,459,082)</u>

*Payable to the pension plan.* At December 31, 2018, the County did not have any outstanding contributions payable to the pension plan for the year then ended.

*Defined Contribution Plan*

Effective January 1, 2008, the County established a defined contribution plan administered by the Municipal Employees' Retirement System ("MERS") for substantially all new full time employees with fully vested service after 5 years of service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employer contributions are a minimum of 1% of eligible compensation and a potential matching of 5% of the employees' contribution. The employees are required to contribute a minimum of 1% of eligible compensation up to a maximum of 12%. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners. For the year ended December 31, 2018, the County and employees contributed \$700,201 and \$835,205 respectively, to this plan.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

16. OTHER POSTEMPLOYMENT BENEFITS

County

*Plan Description.* The County of Jackson provides health insurance benefits for its retired employees and medical care facility employees retired prior to 1988, as established by County Board Resolution. Substantially all of the County’s employees may become eligible for this benefit if they reach normal retirement age while working for the County. The medical care facility retirees are covered under a separate plan. The County’s general fund and retiree health insurance fund covers the cost of other postemployment benefits (OPEB) for all other eligible employees. Health insurance benefits are accounted for in the self-funded managed care insurance fund. The plan does not issue a separate stand alone report.

*Benefits Provided.* The Plan provides medical and prescription drug benefits to both the retiree and their spouse. The retiree must meet the required years of service of 15 years to be eligible to receive benefits. Additionally, all retirees receive life insurance benefits. Life insurance in the amount of \$12,500 is provided if retired before January 1, 2002 and \$15,000 if retired after January 1, 2002.

*Contributions.* The contribution requirements of retirees and the County are established and may be amended by the County Board of Commissioners. For 2018, retiree contributions were not required and County contributions were intended to be at a level that meets the current cost of benefits. If the retiree’s spouse is receiving medical and prescription drug benefits, the retiree must contribute 20% of the spouse’s cost of benefits.

*Employees Covered by Benefit Terms.* At December 31, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries	446
Inactive, nonretired members	39
Active plan members	<u>250</u>
 Total membership	 <u><u>735</u></u>

*Total OPEB Liability.* The County’s total OPEB liability was measured as of December 31, 2018, and was determined by an annual actuarial valuation as of that date.

*Actuarial Assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	No explicit price inflation assumption used
Salary increases	4.0%-8.0% including inflation
Investment rate of return	3.71%, net of OPEB plan investment expense
Healthcare cost trend rates	Initial trend of 8.0% gradually decreasing to an ultimate trend rate of 4.0% in year 8
Changes in assumptions	The single discount rate increased from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

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

*Discount Rate.* The discount rate used to measure the total OPEB liability was 3.71%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. As the plan is not funded, the discount rate is equal to the municipal bond rate, which is based on an index of 20-year general obligations bonds with an average AA credit rating as of the measurement date. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Total OPEB Liability of the County.* The County is not prefunding the plan and the total OPEB liability at December 31, 2018 was \$139,939,781.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

*Changes in the Total OPEB Liability.* The components of the change in the total OPEB liability are summarized as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 118,012,841
Changes for the year:	
Service cost	1,744,200
Interest	3,848,044
Changes in assumptions	21,594,352
Benefit payments	(5,259,656)
Net changes	<u>21,926,940</u>
Balance at December 31, 2018	<u>\$ 139,939,781</u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the County, calculated using the discount rate of 3.71%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.71%) or 1% higher (4.71%) than the current rate:

	1% Decrease (2.71%)	Current Discount Rate (3.71%)	1% Increase (4.71%)
County's total OPEB liability	\$ 162,568,960	\$ 139,939,781	\$ 121,884,854

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7% decreasing to 3%) or 1% higher (9% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 3%)	Healthcare Cost Trend Rates (8% decreasing to 4%)	1% Increase (9% decreasing to 5%)
County's total OPEB liability	\$ 122,105,137	\$ 139,939,781	\$ 162,267,841

*OPEB Expense and Deferred Outflows of Resources Related to OPEB.* For the year ended December 31, 2018, the County recognized OPEB expense of \$12,360,572. At December 31, 2018, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	<u>\$ 14,826,024</u>

Amounts reported as OPEB-related deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2019	\$ 6,768,328
2020	6,768,328
2021	<u>1,289,368</u>
Total	<u>\$ 14,826,024</u>

*Payable to the OPEB plan.* At December 31, 2018, the County did not have any outstanding contributions payable to the OPEB plan for the year then ended.

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### Medical Care Facility

*Plan Description.* The Facility provides certain retiree health care benefits as other postemployment benefits (OPEB) to eligible employees (based on hire date and years of service as described in the plan) upon retirement in accordance with their applicable union contract for union employees and past practice for nonunion employees. The Facility’s policy is to finance these benefits on a pay as you go basis. The plan does not issue a separate stand-alone financial statement.

*Benefits Provided.* The Plan provides medical, prescription drug, and vision benefits to both the retiree and their spouse. The retiree must be at least 60 years of age to receive retiree benefits. The required years of service ranges from 8 to 20 years, based on their bargaining unit and hire date. Additionally, all retirees who are age 60 with 8 years of service receive life insurance (\$3,000 for union retirees and \$5,000 for non-union retirees).

*Contributions.* The contribution requirements of retirees and the Facility are established and may be amended by the County Board of Commissioners. For 2018, retiree contributions were not required and Facility contributions were intended to be at a level that meets the current cost of benefits.

*Employees Covered by Benefit Terms.* At December 31, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries	84
Inactive, nonretired members	24
Active plan members	<u>225</u>
 Total membership	 <u><u>333</u></u>

*Total OPEB Liability.* The Facility’s total OPEB liability was measured as of December 31, 2018, and was determined by an annual actuarial valuation as of that date.

*Actuarial Assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	No explicit price inflation assumption used
Salary increases	4.0%-8.0% including inflation
Investment rate of return	3.71%, net of OPEB plan investment expense
Healthcare cost trend rates	Initial trend of 8.0% gradually decreasing to an ultimate trend rate of 4.0% in year 8
Changes in assumptions	The single discount rate increased from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

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

*Discount Rate.* The discount rate used to measure the total OPEB liability was 3.71%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. As the plan is not funded, the discount rate is equal to the municipal bond rate, which is based on an index of 20-year general obligations bonds with an average AA credit rating as of the measurement date. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Total OPEB Liability of the Facility.* The Facility is not prefunding the plan and the total OPEB liability at December 31, 2018 was \$20,378,764.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

*Changes in the Total OPEB Liability.* The components of the change in the total OPEB liability are summarized as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 15,779,576
Changes for the year:	
Service cost	455,509
Interest	521,192
Changes in assumptions	4,145,201
Benefit payments	(522,714)
Net changes	<u>4,599,188</u>
Balance at December 31, 2018	<u>\$ 20,378,764</u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the Facility, calculated using the discount rate of 3.71%, as well as what the Facility's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.71%) or 1% higher (4.71%) than the current rate:

	1% Decrease (2.71%)	Current Discount Rate (3.71%)	1% Increase (4.71%)
Facility's total OPEB liability	\$ 24,999,061	\$ 20,378,764	\$ 16,899,089

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption.* The following presents the total OPEB liability of the Facility, as well as what the Facility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7% decreasing to 3%) or 1% higher (9% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 3%)	Healthcare Cost Trend Rates (8% decreasing to 4%)	1% Increase (9% decreasing to 5%)
Facility's total OPEB liability	\$ 16,772,995	\$ 20,378,764	\$ 25,207,156

*OPEB Expense and Deferred Outflows of Resources Related to OPEB.* For the year ended December 31, 2018, the Facility recognized OPEB expense of \$1,888,155. At December 31, 2018, the Facility reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in assumptions	<u>\$ 3,233,747</u>

Amounts reported as OPEB-related deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2019	\$ 911,454
2020	911,454
2021	911,454
2022	<u>499,385</u>
Total	<u>\$ 3,233,747</u>

*Payable to the OPEB plan.* At December 31, 2018, the Facility did not have any outstanding contributions payable to the OPEB plan for the year then ended.

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

17. COMMITMENTS AND CONTINGENCIES

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

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

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

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

18. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The \$665,000 reported within the resource recovery enterprise fund as estimated closure and postclosure monitoring costs at December 31, 2018 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, 2018:

Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
\$ 755,000	\$ -	\$ 90,000	\$ 665,000	\$ 90,000

COUNTY OF JACKSON, MICHIGAN

Notes to Financial Statements

19. FUND BALANCES - GOVERNMENTAL FUNDS

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General	Road	Building Authority Debt Service	Nonmajor Governmental	Total
<b>Nonspendable</b>					
Inventories and prepaid items	\$ 716,820	\$ 5,149,114	\$ -	\$ 316,047	\$ 6,181,981
Endowments	-	-	-	1,838	1,838
Long-term advances	827,500	-	-	-	827,500
<b>Total nonspendable</b>	<u>1,544,320</u>	<u>5,149,114</u>	<u>-</u>	<u>317,885</u>	<u>7,011,319</u>
<b>Restricted</b>					
Road	-	16,180,115	-	-	16,180,115
Building authority debt service	-	-	18,121	-	18,121
Sheriff drug enforcement	-	-	-	2,668	2,668
Social services	-	-	-	117,709	117,709
Joint narcotics	-	-	-	242,887	242,887
Register of deeds automation fund	-	-	-	419,663	419,663
Child care	-	-	-	1,917,809	1,917,809
Health department	-	-	-	1,442,450	1,442,450
Department on aging millage	-	-	-	108,609	108,609
Falling waters trail	-	-	-	20,163	20,163
Medical care facility millage	-	-	-	459	459
Parks millage	-	-	-	79	79
Animal shelter millage	-	-	-	40	40
LifeWays millage	-	-	-	79	79
911 services	-	-	-	126,356	126,356
Jail millage	-	-	-	2,198	2,198
Concealed pistol licenses	-	-	-	57,257	57,257
Debt service - LifeWays	-	-	-	15,926	15,926
Department on aging endowment	-	-	-	75,496	75,496
Preston endowment	-	-	-	102,935	102,935
Cemetery trust	-	-	-	5,378	5,378
<b>Total restricted</b>	<u>-</u>	<u>16,180,115</u>	<u>18,121</u>	<u>4,658,161</u>	<u>20,856,397</u>
<b>Committed</b>					
Parks commission	-	-	-	51	51
Cascades preservation	-	-	-	29	29
Friend of the court	-	-	-	711,158	711,158
Omnibus forfeitures	-	-	-	981	981
Prosecuting attorney drug enforcement	-	-	-	20,565	20,565
County law library	-	-	-	5,105	5,105
Michigan justice training	-	-	-	21,339	21,339
Airport	-	-	-	224	224
Golf courses	-	-	-	20	20
Fair	-	-	-	139	139
Equipment/replacement	-	-	-	1,027,003	1,027,003
Sheriff department equipment	-	-	-	59,525	59,525
Public improvement and building	-	-	-	1,072,919	1,072,919
Debt service - fair	-	-	-	3,435,705	3,435,705
<b>Total committed</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,354,763</u>	<u>6,354,763</u>
<b>Unassigned</b>	<u>7,327,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,327,676</u>
<b>Total fund balances, governmental funds</b>	<u>\$ 8,871,996</u>	<u>\$ 21,329,229</u>	<u>\$ 18,121</u>	<u>\$ 11,330,809</u>	<u>\$ 41,550,155</u>

# COUNTY OF JACKSON, MICHIGAN

## Notes to Financial Statements

### 20. SUBSEQUENT EVENTS

In January 2019, the County issued \$6,305,000 of State of Michigan Capital Improvement Bonds, Series 2018C, for the purpose of making facility modifications and improvements to the LifeWays building.

### 21. RESTATEMENT

The County adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year. As a result of this change, beginning net position of business-type activities and the medical care facility enterprise fund decreased by \$11,948,843 and governmental activities beginning net position decreased by \$94,511,408.

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## REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF JACKSON, MICHIGAN

**Required Supplementary Information**  
Employees' Retirement System

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	Fiscal Year Ended December 31,			
	2015	2016	2017	2018
<b>Total pension liability</b>				
Service cost	\$ 2,988,028	2,877,944	\$ 3,000,424	\$ 2,905,966
Interest on total pension liability	13,855,007	14,274,789	14,885,546	15,158,830
Benefit changes	(33,794)	-	-	-
Difference between expected and actual experience	1,646,055	4,610,816	(171,792)	(224,016)
Benefit payments and refunds	(12,436,958)	(13,169,386)	(14,193,299)	(13,853,053)
<b>Net change in total pension liability</b>	<b>6,018,338</b>	<b>8,594,163</b>	<b>3,520,879</b>	<b>3,987,727</b>
<b>Total pension liability, beginning of year</b>	<b>189,457,898</b>	<b>195,476,236</b>	<b>204,070,399</b>	<b>207,591,278</b>
<b>Total pension liability, end of year</b>	<b>195,476,236</b>	<b>204,070,399</b>	<b>207,591,278</b>	<b>211,579,005</b>
<b>Plan fiduciary net position</b>				
Employer contributions	5,855,877	6,049,033	6,250,395	71,127,032
Employee contributions	2,110,414	2,003,526	1,651,784	1,672,802
Net investment income	9,552,482	135,621	10,612,888	27,304,453
Benefit payments and refunds	(12,436,958)	(13,169,386)	(14,193,299)	(13,853,053)
Pension plan administrative expense	(157,982)	(201,583)	(187,183)	(200,930)
<b>Net change in plan fiduciary net position</b>	<b>4,923,833</b>	<b>(5,182,789)</b>	<b>4,134,585</b>	<b>86,050,304</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>144,237,931</b>	<b>149,161,764</b>	<b>143,978,975</b>	<b>148,113,560</b>
<b>Plan fiduciary net position, end of year</b>	<b>149,161,764</b>	<b>143,978,975</b>	<b>148,113,560</b>	<b>234,163,864</b>
<b>Net pension liability (asset)</b>	<b>\$ 46,314,472</b>	<b>\$ 60,091,424</b>	<b>\$ 59,477,718</b>	<b>\$ (22,584,859)</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>76.31%</b>	<b>70.55%</b>	<b>71.35%</b>	<b>110.67%</b>
<b>Covered payroll</b>	<b>\$ 25,361,437</b>	<b>\$ 26,353,056</b>	<b>\$ 25,475,387</b>	<b>\$ 24,107,474</b>
<b>Net pension liability (asset) as a percentage of covered payroll</b>	<b>182.62%</b>	<b>228.02%</b>	<b>233.47%</b>	<b>-93.68%</b>

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

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

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information Employees' Retirement System

Schedule of the Net Pension Liability (Asset)

Fiscal Year Ended	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as Percentage of Covered
12/31/2015	\$195,476,236	\$ 149,161,764	\$46,314,472	76.31%	\$ 25,361,437	182.62%
12/31/2016	204,070,399	143,978,975	60,091,424	70.55%	26,353,056	228.02%
12/31/2017	207,591,278	148,113,560	59,477,718	71.35%	25,475,387	233.47%
12/31/2018	211,579,005	234,163,864	(22,584,859)	110.67%	24,107,474	-93.68%

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

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

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information Employees' Retirement System

### Schedule of Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 5,855,877	\$ 5,855,877	\$ -	\$ 25,361,437	23.09%
12/31/2015	6,049,033	6,049,033	-	26,353,056	22.95%
12/31/2016	6,250,395	6,250,395	-	25,475,387	24.54%
12/31/2017	6,636,508	71,127,032	(64,490,524)	24,107,474	295.04%
12/31/2018	1,072,009	1,647,852	(575,843)	23,750,904	6.94%

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

#### Notes to Schedule of Contributions

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

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

Actuarial cost method	Entry-age normal
Amortization method	General county: level dollar Medical Care Facility: level percent of payroll Road fund: level percent of payroll
Remaining amortization period	General county: closed, 25 year period Medical Care Facility: open, 10 year period Road fund: closed, 25 year period
Asset valuation method	Market value with 4 year smoothing of gains and losses.
Wage inflation	4.00%
Price Inflation	No specific price inflation used; 2.5% to 3.0% would be consistent with other economic assumptions.
Salary increases	4.0%-8.0% including inflation
Investment rate of return	7.5% net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table projected to 2020 using projection scale AA (adjusted by 120% for males)

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information

Other Postemployment Benefits Plan

County

### Schedule of Changes in Total Other Postemployment Benefit (OPEB) Liability and Related Ratios

	Year Ended December 31, 2018
Total OPEB liability	
Service cost	\$ 1,744,200
Interest	3,848,044
Changes in assumptions	21,594,352
Benefit payments	(5,259,656)
Net change in total OPEB liability	<u>21,926,940</u>
Total OPEB liability, beginning of year	<u>118,012,841</u>
Total OPEB liability, end of year	<u>\$ 139,939,781</u>
Covered payroll	\$ 15,307,279
Total OPEB liability as a percentage of covered payroll	914.20%

#### Notes:

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Assumptions: The single discount rate increased from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information

### Other Postemployment Benefits Plan

County

#### Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2018	\$ 8,012,355	\$ 5,259,656	\$ 2,752,699	\$ 15,307,279	34.36%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The plan has no assets and is not being prefunded therefore the schedule of investment returns is not applicable.

#### Notes to Schedule of Contributions

Valuation Date                      Actuarially determined contribution rates are calculated as of December 31, 2018.

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

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	30 years, open
Asset valuation method	There are no assets as of the measurement date
Wage inflation	4.0%
Price inflation	No explicit price inflation assumption used.
Salary increases	4.0% to 8.0%, including inflation
Investment rate of return	3.71%, net of OPEB plan investment expense
Retirement age	Age-based and Service-based table of rates that are specific to the type of eligibility condition
Mortality	RP 2000 mortality table projected to 2020 using projection scale AA (adjusted by 120% for males).
Health care trend rates	8.00% gradually decreasing to an ultimate trend rate of 4.00% in year 8.
Excise tax	No load was applied in connection with the "Cadillac" tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information

Other Postemployment Benefits Plan

Medical Care Facility

### Schedule of Changes in Total Other Postemployment Benefit (OPEB) Liability and Related Ratios

	Year Ended December 31, 2018
Total OPEB liability	
Service cost	\$ 455,509
Interest	521,192
Changes in assumptions	4,145,201
Benefit payments	(522,714)
Net change in total OPEB liability	<u>4,599,188</u>
Total OPEB liability, beginning of year	<u>15,779,576</u>
Total OPEB liability, end of year	<u>\$ 20,378,764</u>
Covered payroll	\$ 8,443,625
Total OPEB liability as a percentage of covered payroll	241.35%

Notes:

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Assumptions: The single discount rate increased from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

# COUNTY OF JACKSON, MICHIGAN

## Required Supplementary Information

Other Postemployment Benefits Plan

Medical Care Facility

### Schedule of Contributions

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2018	\$ 1,342,191	\$ 522,714	\$ 819,477	\$ 8,443,625	6.19%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The plan has no assets and is not being prefunded therefore the schedule of investment returns is not applicable.

#### Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, 2018.

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

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	30 years, open
Asset valuation method	There are no assets as of the measurement date
Wage inflation	4.0%
Price inflation	No specific price inflation used.
Salary increases	4.0% to 8.0%, including inflation
Investment rate of return	3.71%, net of OPEB plan investment expense
Retirement age	Age-based and Service-based table of rates that are specific to the type of eligibility condition
Mortality	RP 2000 mortality table projected to 2020 using projection scale AA (adjusted by 120% for males).
Health care trend rates	8.00% gradually decreasing to an ultimate trend rate of 4.00% in year 8.
Excise tax	No load was applied in connection with the "Cadillac" tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

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

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes				
Current real property taxes	\$ 21,811,500	\$ 22,299,994	\$ 22,547,302	\$ 247,308
Delinquent personal property taxes	135,000	135,000	122,071	(12,929)
Industrial/commercial facilities tax	120,000	120,000	56,215	(63,785)
Trailer tax	23,000	23,000	22,822	(178)
Payment in lieu of taxes	70,000	70,000	89,705	19,705
<b>Total property taxes</b>	<b>22,159,500</b>	<b>22,647,994</b>	<b>22,838,115</b>	<b>190,121</b>
Licenses, fees, taxes, and permits				
Dog licenses	70,000	70,000	48,105	(21,895)
Marriage licenses	5,500	5,500	5,300	(200)
Gun permits	31,000	31,000	13,020	(17,980)
<b>Total licenses, fees, taxes, and permits</b>	<b>106,500</b>	<b>106,500</b>	<b>66,425</b>	<b>(40,075)</b>
Intergovernmental				
Revenue sharing	3,500,000	3,500,000	3,445,116	(54,884)
Liquor tax	620,245	630,511	630,511	-
Liquor license	10,000	11,450	11,450	-
State court funding distribution	960,000	980,000	1,062,061	82,061
Child abuse and neglect	28,000	51,723	60,282	8,559
Crime victim's rights	124,000	134,761	133,862	(899)
Remonumentation	68,043	102,067	129,458	27,391
Judges supplement	594,650	636,031	611,091	(24,940)
Road patrol	179,000	179,000	159,858	(19,142)
Marine safety	36,400	37,000	37,000	-
Community corrections board	213,089	213,089	141,164	(71,925)
Senior citizens programs	381,007	394,507	397,510	3,003
Senior citizens - home delivered meals	300,590	390,490	391,244	754
Senior citizens - congregate meals	167,117	177,717	178,242	525
Medicaid waiver	202,000	189,600	193,747	4,147
Circuit court reimbursement	64,000	64,000	16,960	(47,040)
District court reimbursement	154,255	154,255	137,991	(16,264)
Parole violators - county jail	124,700	142,351	129,347	(13,004)
Diverted felons - county jail	181,000	196,315	237,425	41,110
Cooperative reimbursement -				
Prosecuting attorney	220,000	220,000	220,989	989
LAWNET narcotics	39,450	41,333	24,750	(16,583)
Emergency management	30,550	36,072	38,368	2,296
Highway training and education - safe communities	6,800	6,800	12,548	5,748
Police service contracts	1,081,702	1,177,165	1,115,280	(61,885)
Non profit organizations - sheriff	141,540	141,540	211,515	69,975
Emergency dispatch	8,500	-	-	-
Local community stabilization tax	450,000	686,646	652,472	(34,174)
Other grants	43,200	149,568	104,041	(45,527)
<b>Total intergovernmental</b>	<b>9,929,838</b>	<b>10,643,991</b>	<b>10,484,282</b>	<b>(159,709)</b>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues (continued)</b>				
<b>Charges for services</b>				
12th district court costs	\$ 1,600,000	\$ 1,600,000	\$ 1,113,320	\$ (486,680)
12th district court - other	1,292,000	1,413,529	1,237,997	(175,532)
Prosecuting attorney	123,000	123,000	16,812	(106,188)
Probate court	130,000	132,721	97,592	(35,129)
County Clerk - court costs	120,000	120,000	111,989	(8,011)
County Clerk - other	399,137	432,528	410,277	(22,251)
Printing	18,250	21,377	21,385	8
Map project	232,200	263,830	242,178	(21,652)
Geographic information systems	90,000	90,000	84,416	(5,584)
Transfer tax	550,000	635,494	635,494	-
Register of Deeds - recording charges	1,003,015	1,009,115	764,964	(244,151)
Treasurer	27,000	42,580	42,050	(530)
Sheriff's department	35,200	38,392	29,157	(9,235)
County jail	399,800	399,800	305,065	(94,735)
Community corrections fees	7,500	8,350	3,850	(4,500)
Animal shelter	91,000	106,787	118,411	11,624
Medical examiner	75,500	88,350	81,509	(6,841)
Information technology fees	96,350	103,787	104,012	225
LifeWays building	235,500	261,299	208,549	(52,750)
<b>Total charges for services</b>	<b>6,525,452</b>	<b>6,890,939</b>	<b>5,629,027</b>	<b>(1,261,912)</b>
<b>Fines and forfeitures</b>				
Fines	701,500	701,500	499,877	(201,623)
Bonds forfeited	22,000	22,000	14,000	(8,000)
<b>Total fines and forfeitures</b>	<b>723,500</b>	<b>723,500</b>	<b>513,877</b>	<b>(209,623)</b>
<b>Investment earnings and rentals</b>				
Investment earnings	550,000	552,431	339,815	(212,616)
Rentals - general	190,402	207,421	207,421	-
<b>Total investment earnings and rentals</b>	<b>740,402</b>	<b>759,852</b>	<b>547,236</b>	<b>(212,616)</b>
<b>Other</b>				
Administrative reimbursements	483,725	508,980	543,106	34,126
Reimbursements - insurance	-	834	834	-
Reimbursements - election	3,900	5,241	2,342	(2,899)
Reimbursements - prosecuting attorney	103,106	103,106	62,921	(40,185)
Donations - senior programs	6,800	6,000	6,418	418
Donations - senior home delivered meals	105,000	91,764	94,439	2,675
Donations - seniors congregate meals	51,000	45,200	46,958	1,758
Other - animal shelter	2,000	2,000	7,232	5,232
Other - clerk	13,000	13,000	7,512	(5,488)
Other - treasurer	20,000	21,907	12,188	(9,719)
Other - sheriff	3,000	13,439	13,452	13

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues (concluded)				
Other (concluded)				
Other - senior programs	\$ 69,000	\$ 63,000	\$ 63,305	\$ 305
Other - senior home delivered meals	206,480	235,430	236,895	1,465
Other - senior congregate meals	48,207	51,207	51,493	286
Other - other	422,875	533,551	351,293	(182,258)
Total other	<u>1,538,093</u>	<u>1,694,659</u>	<u>1,500,388</u>	<u>(194,271)</u>
Total revenues	<u>41,723,285</u>	<u>43,467,435</u>	<u>41,579,350</u>	<u>(1,888,085)</u>
Expenditures				
General government				
Board of Commissioners	194,483	203,648	194,817	(8,831)
Circuit court	2,320,890	2,249,451	2,225,360	(24,091)
Jury commission	255,708	234,034	228,019	(6,015)
12th district court	3,359,070	3,500,032	3,489,745	(10,287)
Adult probation - circuit court	15,316	15,316	15,205	(111)
Public elections	171,730	150,904	150,677	(227)
County administrator/controller	420,334	475,966	465,728	(10,238)
County clerk	956,076	1,020,327	1,019,501	(826)
Finance	289,415	346,203	342,707	(3,496)
Equalization	625,905	631,360	622,157	(9,203)
Geographic information systems	181,380	182,441	163,349	(19,092)
Human resources	605,790	645,310	611,902	(33,408)
Prosecuting Attorney	1,781,485	1,905,624	1,900,618	(5,006)
Prosecuting attorney - social services	230,787	249,102	249,042	(60)
Prosecuting attorney				
victim/witness program	200,797	188,390	187,228	(1,162)
Public defender	1,218,755	1,546,355	1,520,997	(25,358)
Register of deeds	306,085	226,635	219,971	(6,664)
Remonumentation	73,000	97,612	97,612	-
County treasurer	108,520	97,171	94,558	(2,613)
MSU co-operative extension	258,915	251,473	250,363	(1,110)
Information technology	1,300,670	1,256,159	1,202,628	(53,531)
Courthouse and grounds	573,204	587,064	585,561	(1,503)
Northlawn building	307,950	327,510	323,541	(3,969)
Tower building	704,304	812,884	809,582	(3,302)
Woolworth building	-	12,690	12,654	(36)
Human services building	330,984	364,662	364,319	(343)
Drain commissioner	206,386	194,323	190,134	(4,189)
LifeWays maintenance	148,561	124,148	124,113	(35)
Total general government	<u>17,146,500</u>	<u>17,896,794</u>	<u>17,662,088</u>	<u>(234,706)</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - General Fund - By Activity  
For the Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Expenditures (concluded)</b>				
<b>Public safety</b>				
County Sheriff	\$ 4,423,145	\$ 4,625,165	\$ 4,617,877	\$ (7,288)
Road patrol	172,100	169,520	153,668	(15,852)
LAWNET narcotics grant	225,572	226,132	224,475	(1,657)
Marine law enforcement	41,925	64,760	39,263	(25,497)
Truancy grant	170,513	292,218	286,644	(5,574)
911 communications center	1,932,450	-	-	-
County jail	5,950,412	6,181,440	6,181,083	(357)
Community corrections board	215,589	196,399	158,665	(37,734)
Animal shelter	351,280	485,297	474,184	(11,113)
Emergency measures	117,694	126,354	123,803	(2,551)
<b>Total public safety</b>	<b>13,600,680</b>	<b>12,367,285</b>	<b>12,259,662</b>	<b>(107,623)</b>
<b>Health and welfare</b>				
Medical examiner	369,547	479,191	472,134	(7,057)
Senior citizens program	1,171,299	1,155,009	1,135,021	(19,988)
Home delivery meals - seniors	1,263,830	1,305,230	1,289,206	(16,024)
Congregate meals - seniors	365,280	353,030	348,375	(4,655)
Veteran's burial claims	31,500	31,672	24,012	(7,660)
Veteran's affairs office	125,207	157,961	155,215	(2,746)
<b>Total health and welfare</b>	<b>3,326,663</b>	<b>3,482,093</b>	<b>3,423,963</b>	<b>(58,130)</b>
<b>Other</b>				
Other postemployment benefits expense	1,820,000	2,628,000	2,628,000	-
Unallocated retiree benefits	1,024,200	227,162	184,750	(42,412)
Accrued sick and vacation payoff	75,000	66,915	66,915	-
Professional services	230,350	342,574	354,449	11,875
Insurance and bonds	685,000	882,924	219,257	(663,667)
Miscellaneous	279,562	371,022	358,775	(12,247)
<b>Appropriations:</b>				
<b>General government:</b>				
Regional planning	55,340	55,340	21,633	(33,707)
Soil conservation	10,000	10,000	10,000	-
Jackson traffic safety program	50,000	30,000	30,000	-
<b>Health and welfare:</b>				
Retired senior citizen volunteer program	7,500	7,500	-	(7,500)
Region II Aging Commission	11,814	11,814	11,814	-
Substance abuse - liquor tax	310,122	310,122	315,111	4,989
Enterprise Group	100,000	100,000	100,000	-
LifeWays	810,000	810,000	810,000	-
<b>Total other</b>	<b>5,468,888</b>	<b>5,853,373</b>	<b>5,110,704</b>	<b>(742,669)</b>
<b>Total expenditures</b>	<b>39,542,731</b>	<b>39,599,545</b>	<b>38,456,417</b>	<b>(1,143,128)</b>

continued...

COUNTY OF JACKSON, MICHIGAN

**Detail Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Budget and Actual - General Fund - By Activity  
 For the Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues over (under) expenditures	\$ 2,180,554	\$ 3,867,890	\$ 3,122,933	\$ (744,957)
Other financing sources (uses)				
Transfers in	5,765,939	3,696,306	3,742,381	46,075
Transfers out	(7,322,479)	(7,564,196)	(7,565,196)	1,000
Total other financing sources (uses)	(1,556,540)	(3,867,890)	(3,822,815)	45,075
Net change in fund balance	624,014	-	(699,882)	(699,882)
Fund balance, beginning of year	9,571,878	9,571,878	9,571,878	-
Fund balance, end of year	\$ 10,195,892	\$ 9,571,878	\$ 8,871,996	\$ (699,882)

concluded

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Revenues - General Operating Fund

### Road Fund

For the Year Ended December 31, 2018

#### Revenues

Licenses, fees, taxes and permits	\$ 115,009
Federal sources:	
D funds	81,745
Bridge	301,459
Other	981,025
Total federal sources	<u>1,364,229</u>
State sources:	
Motor Vehicle Highway Funds - Act 51:	
Engineering	10,000
Primary roads	9,387,253
Local roads	4,637,411
Primary urban roads	1,438,170
Local urban roads	582,254
Rural primary roads	20,429
Other	3,183,193
Total state sources	<u>19,258,710</u>
Local sources:	
City and village contributions	130,971
Township contributions	12,586,612
Other contributions	321,043
Total local sources	<u>13,038,626</u>
Charges for services:	
State maintenance contract	2,882,067
Other services	70,373
Salvage sales	19,855
Total charges for services	<u>2,972,295</u>
Investment earnings and rentals	<u>465,393</u>
Other revenues:	
Sundry refunds	215
Contributions from private sources	20,060
Issuance of long-term debt	7,120,000
Premium on issuance of long-term debt	92,129
Total other revenues	<u>7,232,404</u>
Total revenues	<u>\$ 44,446,666</u>

# COUNTY OF JACKSON, MICHIGAN

## Detail Schedule of Expenditures - General Operating Fund

Road Fund

For the Year Ended December 31, 2018

### Expenditures

Preservation - structural improvements:

Primary roads and structures	\$ 2,190,318
Local roads and structures	16,829,230
Total preservation - structural improvements	<u>19,019,548</u>

Maintenance - winter and traffic control

Primary roads and structures	7,607,243
Local roads and structures	7,498,142
Total maintenance - winter and traffic control	<u>15,105,385</u>

Equipment:

Direct	5,644,330
Indirect	2,820,194
Operating	624,519
Less - equipment rental	(6,361,178)
Total equipment	<u>2,727,865</u>

Administrative 1,650,315

Other - trunkline maintenance, non-maintenance and other 3,930,524

Capital outlay - net 6,687,973

Debt service:

Principal	2,942,732
Interest and fiscal charges	1,324,956
Total debt service	<u>4,267,688</u>

Total expenditures \$ 53,389,298

COUNTY OF JACKSON, MICHIGAN

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

Road Fund

For the Year Ended December 31, 2018

	Primary Roads	Local Roads	County Roads	Total
<b>Revenues</b>				
Licenses, fees, taxes and permits	\$ -	\$ -	\$ 115,009	\$ 115,009
Intergovernmental:				
Federal sources	1,364,229	-	-	1,364,229
State sources	14,035,738	5,222,972	-	19,258,710
Local sources	-	12,586,611	452,015	13,038,626
Charges for services	680	13,415	2,958,200	2,972,295
Investment earnings and rentals	-	-	465,393	465,393
Other	-	-	20,275	20,275
<b>Total revenues</b>	<b>15,400,647</b>	<b>17,822,998</b>	<b>4,010,892</b>	<b>37,234,537</b>
<b>Expenditures</b>				
Current:				
Preservation -				
Structural improvements	2,190,318	16,829,230	-	19,019,548
Maintenance:				
Road and structures	5,715,397	5,949,682	-	11,665,079
Winter	1,729,252	1,423,865	-	3,153,117
Traffic control	162,594	124,595	-	287,189
Equipment - net	1,017,965	1,493,631	216,270	2,727,866
Administrative	473,820	1,176,495	-	1,650,315
Trunkline maintenance	-	-	2,210,244	2,210,244
Trunkline non-maintenance	-	-	32,732	32,732
Other	372,725	912,532	402,290	1,687,547
Capital outlay-net	-	-	6,687,973	6,687,973
Debt service:				
Principal	-	-	2,942,732	2,942,732
Interest and fiscal charges	-	-	1,324,956	1,324,956
<b>Total expenditures</b>	<b>11,662,071</b>	<b>27,910,030</b>	<b>13,817,197</b>	<b>53,389,298</b>
Revenue over (under) expenditures	3,738,576	(10,087,032)	(9,806,305)	(16,154,761)
Other financing sources (uses)				
Transfers in (out)	(3,738,576)	10,087,032	(6,348,456)	-
Issuance of long-term debt	-	-	7,120,000	7,120,000
Premium on issuance of long-term debt	-	-	92,129	92,129
<b>Total other financing sources (uses)</b>	<b>(3,738,576)</b>	<b>10,087,032</b>	<b>863,673</b>	<b>7,212,129</b>
Net change in fund balance	-	-	(8,942,632)	(8,942,632)
Fund balance, beginning of year	-	-	30,271,861	30,271,861
Fund balance, end of year	\$ -	\$ -	\$ 21,329,229	\$ 21,329,229

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 December 31, 2018

	Special Revenue Funds	Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and pooled investments	\$ 5,795,857	\$ 15,926	6,019,437	\$ 185,647	\$ 12,016,867
Accounts receivable, net	207,809	-	678,878	-	886,687
Taxes receivable	9,418,744	-	-	-	9,418,744
Due from other governments	1,530,864	-	-	-	1,530,864
Due from other funds	1,055,910	-	-	-	1,055,910
Inventories	198,111	-	-	-	198,111
Prepaid items	22,062	-	95,874	-	117,936
<b>Total assets</b>	<b>\$ 18,229,357</b>	<b>\$ 15,926</b>	<b>\$ 6,794,189</b>	<b>\$ 185,647</b>	<b>\$ 25,225,119</b>
<b>Liabilities</b>					
Negative equity in cash and pooled investments	\$ 856,061	\$ -	\$ 615,946	\$ -	\$ 1,472,007
Accounts payable	749,528	-	487,217	-	1,236,745
Accrued payroll	303,537	-	-	-	303,537
Accrued liabilities	97,580	-	-	-	97,580
Due to other funds	86,662	-	-	-	86,662
Advances from other funds	500,000	-	-	-	500,000
Unearned revenue	419,740	-	-	-	419,740
<b>Total liabilities</b>	<b>3,013,108</b>	<b>-</b>	<b>1,103,163</b>	<b>-</b>	<b>4,116,271</b>
<b>Deferred inflows of resources</b>					
Taxes levied for a subsequent period	9,778,039	-	-	-	9,778,039
<b>Fund balances</b>					
Nonspendable	220,173	-	95,874	1,838	317,885
Restricted	4,458,426	15,926	-	183,809	4,658,161
Committed	759,611	-	5,595,152	-	6,354,763
<b>Total fund balances</b>	<b>5,438,210</b>	<b>15,926</b>	<b>5,691,026</b>	<b>185,647</b>	<b>11,330,809</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,229,357</b>	<b>\$ 15,926</b>	<b>\$ 6,794,189</b>	<b>\$ 185,647</b>	<b>\$ 25,225,119</b>

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	Special Revenue Funds	Debt Service	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 4,249,117	\$ -	\$ -	\$ -	\$ 4,249,117
Licenses, fees, taxes and permits	418,484	-	-	-	418,484
Intergovernmental	9,263,436	-	50,082	-	9,313,518
Charges for services	5,221,022	98,250	-	-	5,319,272
Fines and forfeitures	65,394	-	-	-	65,394
Investment earnings	51,681	2,308	22,036	-	76,025
Rental	481,436	-	-	-	481,436
Donations	-	-	-	24,571	24,571
Telephone surcharge	-	-	2,726,742	-	2,726,742
Reimbursements	2,448,369	-	-	-	2,448,369
Other	607,203	-	210,598	1,797	819,598
<b>Total revenues</b>	<b>22,806,142</b>	<b>100,558</b>	<b>3,009,458</b>	<b>26,368</b>	<b>25,942,526</b>
<b>Expenditures</b>					
<b>Current:</b>					
Judicial	3,462,360	-	-	-	3,462,360
General government	113,828	-	-	-	113,828
Public safety	4,901,999	-	-	-	4,901,999
Health and welfare	9,462,412	-	-	23,266	9,485,678
Recreation and culture	1,894,131	-	-	-	1,894,131
Community development	706,193	-	-	-	706,193
Fair	1,405,798	-	-	-	1,405,798
<b>Debt service:</b>					
Principal	-	2,730,000	38,521	-	2,768,521
Interest	-	2,816,129	52,726	-	2,868,855
Issuance costs	-	-	51,320	-	51,320
Capital outlay	-	-	6,358,934	-	6,358,934
<b>Total expenditures</b>	<b>21,946,721</b>	<b>5,546,129</b>	<b>6,501,501</b>	<b>23,266</b>	<b>34,017,617</b>
<b>Revenues over (under) expenditures</b>	<b>859,421</b>	<b>(5,445,571)</b>	<b>(3,492,043)</b>	<b>3,102</b>	<b>(8,075,091)</b>
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	3,975,862	-	3,975,862
Premium on issuance of long-term debt	-	-	233,809	-	233,809
Transfers in	4,497,657	5,285,191	2,497,321	-	12,280,169
Transfers out	(8,622,507)	-	(1,153,428)	-	(9,775,935)
Proceeds from sale of capital assets	2,135	-	52,761	-	54,896
<b>Total other financing sources (uses)</b>	<b>(4,122,715)</b>	<b>5,285,191</b>	<b>5,606,325</b>	<b>-</b>	<b>6,768,801</b>
<b>Net change in fund balances</b>	<b>(3,263,294)</b>	<b>(160,380)</b>	<b>2,114,282</b>	<b>3,102</b>	<b>(1,306,290)</b>
<b>Fund balances, beginning of year</b>	<b>8,701,504</b>	<b>176,306</b>	<b>3,576,744</b>	<b>182,545</b>	<b>12,637,099</b>
<b>Fund balances, end of year</b>	<b>\$ 5,438,210</b>	<b>\$ 15,926</b>	<b>\$ 5,691,026</b>	<b>\$ 185,647</b>	<b>\$ 11,330,809</b>

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2018

	Parks Commission	Cascades Preservation	Friend of the Court	Omnibus Forfeitures
<b>Assets</b>				
Cash and pooled investments	\$ 23,095	\$ -	\$ 853,706	\$ 981
Accounts receivable, net	-	182,368	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	-	455,294	-
Due from other funds	-	-	-	-
Inventories	147,125	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 170,220</b>	<b>\$ 182,368</b>	<b>\$ 1,309,000</b>	<b>\$ 981</b>
<b>Liabilities</b>				
Negative equity in cash and pooled investments	\$ -	\$ 182,339	\$ -	\$ -
Accounts payable	11,525	-	10,984	-
Accrued payroll	11,519	-	86,858	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	500,000	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>23,044</b>	<b>182,339</b>	<b>597,842</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
<b>Fund balances</b>				
Nonspendable	147,125	-	-	-
Restricted	-	-	-	-
Committed	51	29	711,158	981
<b>Total fund balances</b>	<b>147,176</b>	<b>29</b>	<b>711,158</b>	<b>981</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 170,220</b>	<b>\$ 182,368</b>	<b>\$ 1,309,000</b>	<b>\$ 981</b>



Prosecuting Attorney Drug Enforcement	Sheriff Drug Enforcement	County Law Library	Michigan Justice Training	Social Services	Veterans' Trust
\$ 20,565	\$ 2,693	\$ 5,105	\$ 12,559	\$ 124,959	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,778	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 20,565</u>	<u>\$ 2,693</u>	<u>\$ 5,105</u>	<u>\$ 23,337</u>	<u>\$ 124,959</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	25	-	1,998	7,250	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	25	-	1,998	7,250	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,668	-	-	117,709	-
20,565	-	5,105	21,339	-	-
20,565	2,668	5,105	21,339	117,709	-
<u>\$ 20,565</u>	<u>\$ 2,693</u>	<u>\$ 5,105</u>	<u>\$ 23,337</u>	<u>\$ 124,959</u>	<u>\$ -</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2018

	Airport	Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund
<b>Assets</b>				
Cash and pooled investments	\$ 7,434	\$ 238,387	\$ 116,096	\$ 419,663
Accounts receivable, net	8,232	-	-	-
Taxes receivable	-	-	-	-
Due from other governments	-	4,500	50,388	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Prepaid items	4,838	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 20,504</b>	<b>\$ 242,887</b>	<b>\$ 166,484</b>	<b>\$ 419,663</b>
<b>Liabilities</b>				
Negative equity in cash and pooled investments	\$ -	\$ -	\$ -	\$ -
Accounts payable	10,552	-	47,948	-
Accrued payroll	4,890	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue	-	-	118,536	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>15,442</b>	<b>-</b>	<b>166,484</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances</b>				
Nonspendable	4,838	-	-	-
Restricted	-	242,887	-	419,663
Committed	224	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b>5,062</b>	<b>242,887</b>	<b>-</b>	<b>419,663</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 20,504</b>	<b>\$ 242,887</b>	<b>\$ 166,484</b>	<b>\$ 419,663</b>

Child Care	Golf Courses	Fair	Health Department	Senior Services Millage	Falling Waters Trail
\$ 1,167,783	\$ 2,061	\$ -	\$ 2,132,879	\$ 148,792	\$ 20,163
6,910	-	-	10,299	-	-
-	-	-	-	1,053,508	-
834,480	-	-	175,424	-	-
-	-	301,910	-	-	-
-	50,986	-	-	-	-
967	-	-	1,584	-	-
<u>\$ 2,010,140</u>	<u>\$ 53,047</u>	<u>\$ 301,910</u>	<u>\$ 2,320,186</u>	<u>\$ 1,202,300</u>	<u>\$ 20,163</u>
\$ -	\$ -	\$ 172,747	\$ -	\$ -	\$ -
54,934	471	14,307	375,003	-	-
36,430	1,570	2,040	128,380	-	-
-	-	-	97,580	-	-
-	-	86,662	-	-	-
-	-	-	-	-	-
-	-	26,015	275,189	-	-
<u>91,364</u>	<u>2,041</u>	<u>301,771</u>	<u>876,152</u>	<u>-</u>	<u>-</u>
-	-	-	-	1,093,691	-
967	50,986	-	1,584	-	-
1,917,809	-	-	1,442,450	108,609	20,163
-	20	139	-	-	-
<u>1,918,776</u>	<u>51,006</u>	<u>139</u>	<u>1,444,034</u>	<u>108,609</u>	<u>20,163</u>
<u>\$ 2,010,140</u>	<u>\$ 53,047</u>	<u>\$ 301,910</u>	<u>\$ 2,320,186</u>	<u>\$ 1,202,300</u>	<u>\$ 20,163</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2018

	Medical Care Facility Millage	Parks Millage	Animal Shelter Millage	LifeWays Millage
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 80,460	\$ 40,224	\$ 80,460
Accounts receivable, net	-	-	-	-
Taxes receivable	1,053,508	2,107,002	1,053,508	2,107,002
Due from other governments	-	-	-	-
Due from other funds	754,000	-	-	-
Inventories	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 1,807,508</b>	<b>\$ 2,187,462</b>	<b>\$ 1,093,732</b>	<b>\$ 2,187,462</b>
<b>Liabilities</b>				
Negative equity in cash and pooled investments	\$ 500,975	\$ -	\$ -	\$ -
Accounts payable	212,383	-	-	-
Accrued payroll	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>713,358</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	1,093,691	2,187,383	1,093,692	2,187,383
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	459	79	40	79
Committed	-	-	-	-
<b>Total fund balances</b>	<b>459</b>	<b>79</b>	<b>40</b>	<b>79</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,807,508</b>	<b>\$ 2,187,462</b>	<b>\$ 1,093,732</b>	<b>\$ 2,187,462</b>



911 Service Fund	Jail Millage	Concealed Pistol Licenses	Total
\$ 160,305	\$ 80,181	\$ 57,306	\$ 5,795,857
-	-	-	207,809
-	2,044,216	-	9,418,744
-	-	-	1,530,864
-	-	-	1,055,910
-	-	-	198,111
14,673	-	-	22,062
<u>\$ 174,978</u>	<u>\$ 2,124,397</u>	<u>\$ 57,306</u>	<u>\$ 18,229,357</u>
\$ -	\$ -	\$ -	\$ 856,061
2,099	-	49	749,528
31,850	-	-	303,537
-	-	-	97,580
-	-	-	86,662
-	-	-	500,000
-	-	-	419,740
<u>33,949</u>	<u>-</u>	<u>49</u>	<u>3,013,108</u>
-	2,122,199	-	9,778,039
14,673	-	-	220,173
126,356	2,198	57,257	4,458,426
-	-	-	759,611
<u>141,029</u>	<u>2,198</u>	<u>57,257</u>	<u>5,438,210</u>
<u>\$ 174,978</u>	<u>\$ 2,124,397</u>	<u>\$ 57,306</u>	<u>\$ 18,229,357</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, 2018

	Parks Commission	Cascades Preservation	Friend of the Court	Omnibus Forfeitures
<b>Revenues</b>				
Property taxes	-	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	-
Intergovernmental	-	-	2,828,549	-
Charges for services	346,611	-	250,132	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	-
Rental	-	-	-	-
Reimbursements	-	-	-	-
Other	322,064	95,799	-	-
<b>Total revenues</b>	<b>668,675</b>	<b>95,799</b>	<b>3,078,681</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	3,116,192	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	1,294,242	95,770	-	-
Community development	-	-	-	-
Fair	-	-	-	-
<b>Total expenditures</b>	<b>1,294,242</b>	<b>95,770</b>	<b>3,116,192</b>	<b>-</b>
Revenues over (under) expenditures	(625,567)	29	(37,511)	-
<b>Other financing sources (uses)</b>				
Transfers in	811,377	-	129,732	-
Transfers out	(182,776)	-	(484,041)	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>628,601</b>	<b>-</b>	<b>(354,309)</b>	<b>-</b>
Net change in fund balances	3,034	29	(391,820)	-
Fund balances, beginning of year	144,142	-	1,102,978	981
Fund balances, end of year	\$ 147,176	\$ 29	\$ 711,158	\$ 981

Prosecuting Attorney Drug Enforcement	Sheriff Drug Enforcement	County Law Library	Michigan Justice Training	Social Services	Veterans' Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	29,412	-	-
-	-	-	-	-	-
654	10,307	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,500	88,636	-	-
654	10,307	6,500	118,048	-	-
56,058	-	8,279	-	-	-
-	-	-	-	-	-
-	7,709	-	47,333	-	-
-	-	-	-	29,000	7,480
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,058	7,709	8,279	47,333	29,000	7,480
(55,404)	2,598	(1,779)	70,715	(29,000)	(7,480)
-	-	-	-	29,000	-
-	-	-	(59,950)	-	-
-	-	-	-	-	-
-	-	-	(59,950)	29,000	-
(55,404)	2,598	(1,779)	10,765	-	(7,480)
75,969	70	6,884	10,574	117,709	7,480
\$ 20,565	\$ 2,668	\$ 5,105	\$ 21,339	\$ 117,709	\$ -

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, 2018

	Airport	Joint Narcotics	Community Development Block Grant	Register of Deeds Automation Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	14,651	-	-	-
Intergovernmental	-	6,747	154,480	-
Charges for services	21,269	-	-	133,895
Fines and forfeitures	-	54,433	-	-
Investment earnings	-	3,723	-	6,430
Rental	278,751	-	-	-
Reimbursements	-	-	-	-
Other	25,080	-	-	-
<b>Total revenues</b>	<b>339,751</b>	<b>64,903</b>	<b>154,480</b>	<b>140,325</b>
<b>Expenditures</b>				
Current:				
Judicial	-	65,688	-	-
General government	-	-	-	113,828
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community development	559,036	-	147,157	-
Fair	-	-	-	-
<b>Total expenditures</b>	<b>559,036</b>	<b>65,688</b>	<b>147,157</b>	<b>113,828</b>
<b>Revenues over (under) expenditures</b>	<b>(219,285)</b>	<b>(785)</b>	<b>7,323</b>	<b>26,497</b>
<b>Other financing sources (uses)</b>				
Transfers in	318,210	38,550	-	-
Transfers out	(98,718)	(55,990)	(7,323)	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>219,492</b>	<b>(17,440)</b>	<b>(7,323)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>207</b>	<b>(18,225)</b>	<b>-</b>	<b>26,497</b>
<b>Fund balances, beginning of year</b>	<b>4,855</b>	<b>261,112</b>	<b>-</b>	<b>393,166</b>
<b>Fund balances, end of year</b>	<b>\$ 5,062</b>	<b>\$ 242,887</b>	<b>\$ -</b>	<b>\$ 419,663</b>

Child Care	Golf Courses	Fair	Health Department	Senior Services Millage	Falling Waters Trail
\$ -	\$ -	\$ -	\$ -	\$ 1,079,081	\$ -
-	-	-	327,431	-	-
3,177,048	-	-	3,062,864	-	-
100,071	531,147	1,236,331	327,119	-	-
-	-	-	-	-	-
-	-	407	-	7,615	-
202,685	-	-	-	-	-
-	-	-	2,448,369	-	-
26,863	-	21,900	20,163	-	-
<u>3,506,667</u>	<u>531,147</u>	<u>1,258,638</u>	<u>6,185,946</u>	<u>1,086,696</u>	<u>-</u>
201,658	-	-	-	-	-
-	-	-	-	-	-
3,002,052	-	-	-	-	-
2,542,605	-	-	6,670,933	11	-
-	459,039	-	-	-	45,080
-	-	-	-	-	-
-	-	1,405,798	-	-	-
<u>5,746,315</u>	<u>459,039</u>	<u>1,405,798</u>	<u>6,670,933</u>	<u>11</u>	<u>45,080</u>
<u>(2,239,648)</u>	<u>72,108</u>	<u>(147,160)</u>	<u>(484,987)</u>	<u>1,086,685</u>	<u>(45,080)</u>
2,621,981	27,200	301,910	219,697	-	-
(426,667)	(92,500)	(154,991)	(225,000)	(1,195,488)	-
-	-	-	-	2,135	-
<u>2,195,314</u>	<u>(65,300)</u>	<u>146,919</u>	<u>(5,303)</u>	<u>(1,193,353)</u>	<u>-</u>
(44,334)	6,808	(241)	(490,290)	(106,668)	(45,080)
<u>1,963,110</u>	<u>44,198</u>	<u>380</u>	<u>1,934,324</u>	<u>215,277</u>	<u>65,243</u>
<u>\$ 1,918,776</u>	<u>\$ 51,006</u>	<u>\$ 139</u>	<u>\$ 1,444,034</u>	<u>\$ 108,609</u>	<u>\$ 20,163</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, 2018

	Medical Care Facility Millage	Parks Millage	Animal Shelter Millage	LifeWays Millage
<b>Revenues</b>				
Property taxes	\$ 1,077,580	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	19,322	-	-	-
Rental	-	-	-	-
Reimbursements	-	-	-	-
Other	-	79	40	79
<b>Total revenues</b>	<b>1,096,902</b>	<b>79</b>	<b>40</b>	<b>79</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	212,383	-	-	-
Recreation and cultural	-	-	-	-
Community development	-	-	-	-
Fair	-	-	-	-
<b>Total expenditures</b>	<b>212,383</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>884,519</b>	<b>79</b>	<b>40</b>	<b>79</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(3,084,302)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,084,302)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,199,783)</b>	<b>79</b>	<b>40</b>	<b>79</b>
<b>Fund balances, beginning of year</b>	<b>2,200,242</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 459</b>	<b>\$ 79</b>	<b>\$ 40</b>	<b>\$ 79</b>

911 Service Fund	Jail Millage	Concealed Pistol Licenses	Total
\$ -	\$ 2,092,456	\$ -	\$ 4,249,117
-	-	76,402	418,484
4,336	-	-	9,263,436
2,274,447	-	-	5,221,022
-	-	-	65,394
-	14,184	-	51,681
-	-	-	481,436
-	-	-	2,448,369
-	-	-	607,203
<u>2,278,783</u>	<u>2,106,640</u>	<u>76,402</u>	<u>22,806,142</u>
-	-	14,485	3,462,360
-	-	-	113,828
1,844,905	-	-	4,901,999
-	-	-	9,462,412
-	-	-	1,894,131
-	-	-	706,193
-	-	-	1,405,798
<u>1,844,905</u>	<u>-</u>	<u>14,485</u>	<u>21,946,721</u>
<u>433,878</u>	<u>2,106,640</u>	<u>61,917</u>	<u>859,421</u>
-	-	-	4,497,657
(292,849)	(2,186,912)	(75,000)	(8,622,507)
-	-	-	2,135
<u>(292,849)</u>	<u>(2,186,912)</u>	<u>(75,000)</u>	<u>(4,122,715)</u>
141,029	(80,272)	(13,083)	(3,263,294)
-	82,470	70,340	8,701,504
<u>\$ 141,029</u>	<u>\$ 2,198</u>	<u>\$ 57,257</u>	<u>\$ 5,438,210</u>

concluded

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2018

	Parks Commission		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	387,235	346,611	(40,624)
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	323,564	322,064	(1,500)
<b>Total revenues</b>	<b>710,799</b>	<b>668,675</b>	<b>(42,124)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	1,332,980	1,294,242	(38,738)
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>1,332,980</b>	<b>1,294,242</b>	<b>(38,738)</b>
<b>Revenues over (under) expenditures</b>	<b>(622,181)</b>	<b>(625,567)</b>	<b>(3,386)</b>
<b>Other financing sources (uses)</b>			
Transfers in	762,777	811,377	48,600
Transfers out	(140,596)	(182,776)	42,180
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>622,181</b>	<b>628,601</b>	<b>6,420</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>3,034</b>	<b>3,034</b>
<b>Fund balances, beginning of year</b>	<b>144,142</b>	<b>144,142</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 144,142</b>	<b>\$ 147,176</b>	<b>\$ 3,034</b>

Cascades Preservation			Friend of the Court		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,966,163	2,828,549	(137,614)
-	-	-	270,852	250,132	(20,720)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
147,331	95,799	(51,532)	-	-	-
<u>147,331</u>	<u>95,799</u>	<u>(51,532)</u>	<u>3,237,015</u>	<u>3,078,681</u>	<u>(158,334)</u>
-	-	-	3,165,929	3,116,192	(49,737)
-	-	-	-	-	-
-	-	-	-	-	-
147,331	95,770	(51,561)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>147,331</u>	<u>95,770</u>	<u>(51,561)</u>	<u>3,165,929</u>	<u>3,116,192</u>	<u>(49,737)</u>
-	29	29	71,086	(37,511)	(108,597)
-	-	-	-	129,732	129,732
-	-	-	(308,260)	(484,041)	175,781
-	-	-	-	-	-
-	-	-	(308,260)	(354,309)	(46,049)
-	29	29	(237,174)	(391,820)	(154,646)
-	-	-	1,102,978	1,102,978	-
<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 865,804</u>	<u>\$ 711,158</u>	<u>\$ (154,646)</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2018

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



Prosecuting Attorney Drug Enforcement			Sheriff Drug Enforcement		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	654	(19,346)	16,000	10,307	(5,693)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,000</u>	<u>654</u>	<u>(19,346)</u>	<u>16,000</u>	<u>10,307</u>	<u>(5,693)</u>
50,000	56,058	6,058	-	-	-
-	-	-	-	-	-
-	-	-	16,000	7,709	(8,291)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>50,000</u>	<u>56,058</u>	<u>6,058</u>	<u>16,000</u>	<u>7,709</u>	<u>(8,291)</u>
<u>(30,000)</u>	<u>(55,404)</u>	<u>(25,404)</u>	<u>-</u>	<u>2,598</u>	<u>2,598</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(30,000)</u>	<u>(55,404)</u>	<u>(25,404)</u>	<u>-</u>	<u>2,598</u>	<u>2,598</u>
<u>75,969</u>	<u>75,969</u>	<u>-</u>	<u>70</u>	<u>70</u>	<u>-</u>
<u>\$ 45,969</u>	<u>\$ 20,565</u>	<u>\$ (25,404)</u>	<u>\$ 70</u>	<u>\$ 2,668</u>	<u>\$ 2,598</u>

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# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2018

	County Law Library		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	6,500	6,500	-
<b>Total revenues</b>	<u>6,500</u>	<u>6,500</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Judicial	8,279	8,279	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<u>8,279</u>	<u>8,279</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>(1,779)</u>	<u>(1,779)</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(1,779)</u>	<u>(1,779)</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	<u>6,884</u>	<u>6,884</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 5,105</u>	<u>\$ 5,105</u>	<u>\$ -</u>

Michigan Justice Training			Social Services		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
19,647	29,412	9,765	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
52,536	88,636	36,100	-	-	-
<u>72,183</u>	<u>118,048</u>	<u>45,865</u>	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
52,788	47,333	(5,455)	-	-	-
-	-	-	29,000	29,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>52,788</u>	<u>47,333</u>	<u>(5,455)</u>	<u>29,000</u>	<u>29,000</u>	-
<u>19,395</u>	<u>70,715</u>	<u>51,320</u>	<u>(29,000)</u>	<u>(29,000)</u>	-
-	-	-	29,000	29,000	-
(21,400)	(59,950)	38,550	-	-	-
-	-	-	-	-	-
<u>(21,400)</u>	<u>(59,950)</u>	<u>(38,550)</u>	<u>29,000</u>	<u>29,000</u>	-
(2,005)	10,765	12,770	-	-	-
<u>10,574</u>	<u>10,574</u>	-	<u>117,709</u>	<u>117,709</u>	-
<u>\$ 8,569</u>	<u>\$ 21,339</u>	<u>\$ 12,770</u>	<u>\$ 117,709</u>	<u>\$ 117,709</u>	<u>\$ -</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2018

	Veterans' Trust		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	50,000	-	(50,000)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>50,000</b>	<b>-</b>	<b>(50,000)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	50,000	7,480	(42,520)
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>50,000</b>	<b>7,480</b>	<b>(42,520)</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>(7,480)</b>	<b>(7,480)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(7,480)</b>	<b>(7,480)</b>
<b>Fund balances, beginning of year</b>	<b>7,480</b>	<b>7,480</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 7,480</b>	<b>\$ -</b>	<b>\$ (7,480)</b>

Airport			Joint Narcotics		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,250	14,651	(2,599)	-	-	-
4,850	-	(4,850)	-	6,747	6,747
19,950	21,269	1,319	-	-	-
-	-	-	120,000	54,433	(65,567)
-	-	-	1,680	3,723	2,043
298,384	278,751	(19,633)	-	-	-
-	-	-	-	-	-
25,900	25,080	(820)	-	-	-
<u>366,334</u>	<u>339,751</u>	<u>(26,583)</u>	<u>121,680</u>	<u>64,903</u>	<u>(56,777)</u>
-	-	-	65,688	65,688	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
560,570	559,036	(1,534)	-	-	-
-	-	-	-	-	-
<u>560,570</u>	<u>559,036</u>	<u>(1,534)</u>	<u>65,688</u>	<u>65,688</u>	<u>-</u>
<u>(194,236)</u>	<u>(219,285)</u>	<u>(25,049)</u>	<u>55,992</u>	<u>(785)</u>	<u>(56,777)</u>
292,956	318,210	25,254	-	38,550	38,550
(98,720)	(98,718)	(2)	(55,990)	(55,990)	-
-	-	-	-	-	-
<u>194,236</u>	<u>219,492</u>	<u>25,256</u>	<u>(55,990)</u>	<u>(17,440)</u>	<u>38,550</u>
-	207	207	2	(18,225)	(18,227)
4,855	4,855	-	261,112	261,112	-
<u>\$ 4,855</u>	<u>\$ 5,062</u>	<u>\$ 207</u>	<u>\$ 261,114</u>	<u>\$ 242,887</u>	<u>\$ (18,227)</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2018

	Community Development Block Grant		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	60,000	154,480	94,480
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	-	-	-
<b>Total revenues</b>	<u>60,000</u>	<u>154,480</u>	<u>94,480</u>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	60,000	147,157	87,157
Fair	-	-	-
<b>Total expenditures</b>	<u>60,000</u>	<u>147,157</u>	<u>87,157</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>7,323</u>	<u>7,323</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(7,323)	7,323
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(7,323)</u>	<u>(7,323)</u>
<b>Net change in fund balances</b>	-	-	-
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Register of Deeds Automation			Child Care		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	3,543,187	3,177,048	(366,139)
148,500	133,895	(14,605)	100,071	100,071	-
-	-	-	-	-	-
500	6,430	5,930	-	-	-
-	-	-	202,685	202,685	-
-	-	-	-	-	-
-	-	-	26,115	26,863	748
<u>149,000</u>	<u>140,325</u>	<u>(8,675)</u>	<u>3,872,058</u>	<u>3,506,667</u>	<u>(365,391)</u>
-	-	-	877,000	201,658	(675,342)
149,000	113,828	(35,172)	-	-	-
-	-	-	3,080,515	3,002,052	(78,463)
-	-	-	2,538,227	2,542,605	4,378
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>149,000</u>	<u>113,828</u>	<u>(35,172)</u>	<u>6,495,742</u>	<u>5,746,315</u>	<u>(749,427)</u>
-	26,497	26,497	(2,623,684)	(2,239,648)	384,036
-	-	-	2,621,981	2,621,981	-
-	-	-	(426,670)	(426,667)	(3)
-	-	-	-	-	-
-	-	-	2,195,311	2,195,314	3
-	26,497	26,497	(428,373)	(44,334)	384,039
<u>393,166</u>	<u>393,166</u>	<u>-</u>	<u>1,963,110</u>	<u>1,963,110</u>	<u>-</u>
<u>\$ 393,166</u>	<u>\$ 419,663</u>	<u>\$ 26,497</u>	<u>\$ 1,534,737</u>	<u>\$ 1,918,776</u>	<u>\$ 384,039</u>

continued...

COUNTY OF JACKSON, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2018

	Golf Courses		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	611,089	531,147	(79,942)
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>611,089</b>	<b>531,147</b>	<b>(79,942)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	495,711	459,039	(36,672)
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>495,711</b>	<b>459,039</b>	<b>(36,672)</b>
<b>Revenues over (under) expenditures</b>	<b>115,378</b>	<b>72,108</b>	<b>(43,270)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	27,200	27,200
Transfers out	(92,500)	(92,500)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>(92,500)</b>	<b>(65,300)</b>	<b>27,200</b>
<b>Net change in fund balances</b>	<b>22,878</b>	<b>6,808</b>	<b>(16,070)</b>
<b>Fund balances, beginning of year</b>	<b>44,198</b>	<b>44,198</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 67,076</b>	<b>\$ 51,006</b>	<b>\$ (16,070)</b>

Fair			Health Department		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	337,867	327,431	(10,436)
-	-	-	3,249,670	3,062,864	(186,806)
1,374,036	1,236,331	(137,705)	461,000	327,119	(133,881)
-	-	-	-	-	-
500	407	(93)	315	-	(315)
-	-	-	-	-	-
-	-	-	2,950,050	2,448,369	(501,681)
93,090	21,900	(71,190)	15,525	20,163	4,638
<u>1,467,626</u>	<u>1,258,638</u>	<u>(208,988)</u>	<u>7,014,427</u>	<u>6,185,946</u>	<u>(828,481)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,392,670	6,670,933	(721,737)
-	-	-	-	-	-
-	-	-	-	-	-
1,443,476	1,405,798	(37,678)	-	-	-
<u>1,443,476</u>	<u>1,405,798</u>	<u>(37,678)</u>	<u>7,392,670</u>	<u>6,670,933</u>	<u>(721,737)</u>
<u>24,150</u>	<u>(147,160)</u>	<u>(171,310)</u>	<u>(378,243)</u>	<u>(484,987)</u>	<u>(106,744)</u>
-	301,910	301,910	219,701	219,697	(4)
(24,150)	(154,991)	130,841	(225,000)	(225,000)	-
-	-	-	-	-	-
<u>(24,150)</u>	<u>146,919</u>	<u>171,069</u>	<u>(5,299)</u>	<u>(5,303)</u>	<u>(4)</u>
-	(241)	(241)	(383,542)	(490,290)	(106,748)
380	380	-	1,934,324	1,934,324	-
<u>\$ 380</u>	<u>\$ 139</u>	<u>\$ (241)</u>	<u>\$ 1,550,782</u>	<u>\$ 1,444,034</u>	<u>\$ (106,748)</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2018

	Senior Services Millage		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ 1,100,000	\$ 1,079,081	\$ (20,919)
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	2,837	7,615	4,778
Rental	-	-	-
Reimbursements	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>1,102,837</b>	<b>1,086,696</b>	<b>(16,141)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	11	11	-
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>11</b>	<b>11</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>1,102,826</b>	<b>1,086,685</b>	<b>(16,141)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(1,195,488)	(1,195,488)	-
Proceeds from sale of capital assets	11	2,135	2,124
<b>Total other financing sources (uses)</b>	<b>(1,195,477)</b>	<b>(1,193,353)</b>	<b>2,124</b>
<b>Net change in fund balances</b>	<b>(92,651)</b>	<b>(106,668)</b>	<b>(14,017)</b>
<b>Fund balances, beginning of year</b>	<b>215,277</b>	<b>215,277</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 122,626</b>	<b>\$ 108,609</b>	<b>\$ (14,017)</b>

Falling Waters Trail			Medical Care Facility Millage		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 1,075,000	\$ 1,077,580	\$ 2,580
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	19,322	19,322
-	-	-	-	-	-
-	-	-	-	-	-
129,000	-	(129,000)	-	-	-
<u>129,000</u>	<u>-</u>	<u>(129,000)</u>	<u>1,075,000</u>	<u>1,096,902</u>	<u>21,902</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	612,500	212,383	(400,117)
194,243	45,080	(149,163)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>194,243</u>	<u>45,080</u>	<u>(149,163)</u>	<u>612,500</u>	<u>212,383</u>	<u>(400,117)</u>
<u>(65,243)</u>	<u>(45,080)</u>	<u>20,163</u>	<u>462,500</u>	<u>884,519</u>	<u>422,019</u>
-	-	-	-	-	-
-	-	-	(2,662,500)	(3,084,302)	421,802
-	-	-	-	-	-
-	-	-	(2,662,500)	(3,084,302)	(421,802)
(65,243)	(45,080)	20,163	(2,200,000)	(2,199,783)	217
65,243	65,243	-	2,200,242	2,200,242	-
<u>\$ -</u>	<u>\$ 20,163</u>	<u>\$ 20,163</u>	<u>\$ 242</u>	<u>\$ 459</u>	<u>\$ 217</u>

continued...

# COUNTY OF JACKSON, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2018

	Parks Millage		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	-	79	79
<b>Total revenues</b>	<u>-</u>	<u>79</u>	<u>79</u>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>79</u>	<u>79</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	79	79
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 79</u>



Animal Shelter Millage			LifeWays Millage		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40	40	-	79	79
<hr/>					
-	40	40	-	79	79
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>					
-	-	-	-	-	-
-	40	40	-	79	79
<hr/>					
-	-	-	-	-	-
<hr/>					
\$ -	\$ 40	\$ 40	\$ -	\$ 79	\$ 79

continued...

COUNTY OF JACKSON, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2018

	911 Service Fund		
	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Licenses, fees, taxes and permits	-	-	-
Intergovernmental	8,500	4,336	(4,164)
Charges for services	2,346,223	2,274,447	(71,776)
Fines and forfeitures	-	-	-
Investment earnings	-	-	-
Rental	-	-	-
Reimbursements	-	-	-
Other	-	-	-
<b>Total revenues</b>	<b>2,354,723</b>	<b>2,278,783</b>	<b>(75,940)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	1,932,450	1,844,905	(87,545)
Health and welfare	-	-	-
Recreation and culture	-	-	-
Community development	-	-	-
Fair	-	-	-
<b>Total expenditures</b>	<b>1,932,450</b>	<b>1,844,905</b>	<b>(87,545)</b>
<b>Revenues over (under) expenditures</b>	<b>422,273</b>	<b>433,878</b>	<b>11,605</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(422,273)	(292,849)	(129,424)
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>(422,273)</b>	<b>(292,849)</b>	<b>129,424</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>141,029</b>	<b>141,029</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 141,029</b>	<b>\$ 141,029</b>

Jail Millage			Concealed Pistol Licenses		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ 2,100,000	\$ 2,092,456	\$ (7,544)	\$ -	\$ -	\$ -
-	-	-	75,974	76,402	428
-	-	-	-	-	-
-	-	-	-	-	-
-	14,184	14,184	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,100,000</u>	<u>2,106,640</u>	<u>6,640</u>	<u>75,974</u>	<u>76,402</u>	<u>428</u>
-	-	-	14,438	14,485	47
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	14,438	14,485	47
<u>2,100,000</u>	<u>2,106,640</u>	<u>6,640</u>	<u>61,536</u>	<u>61,917</u>	<u>381</u>
-	-	-	-	-	-
(2,100,000)	(2,186,912)	86,912	(75,000)	(75,000)	-
-	-	-	-	-	-
<u>(2,100,000)</u>	<u>(2,186,912)</u>	<u>(86,912)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
-	(80,272)	(80,272)	(13,464)	(13,083)	381
82,470	82,470	-	70,340	70,340	-
<u>\$ 82,470</u>	<u>\$ 2,198</u>	<u>\$ (80,272)</u>	<u>\$ 56,876</u>	<u>\$ 57,257</u>	<u>\$ 381</u>

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COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Debt Service Funds  
 December 31, 2018

	Series 2015C Airport	Series 2015A Energy	Series 2015B LifeWays	Series 2017B Radios	Series 2018B Fair	Series 2017 Pension	Total
<b>Assets</b>							
Cash and pooled investments	\$ -	\$ -	\$ 15,926	\$ -	\$ -	\$ -	\$ 15,926
<b>Fund balances</b>							
Restricted	\$ -	\$ -	\$ 15,926	\$ -	\$ -	\$ -	\$ 15,926

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2018

	Series 2015C Airport	Series 2015A Energy	Series 2015B LifeWays	Series 2017B Radios	Series 2018B Fair	Series 2017 Pension	Total
<b>Revenues</b>							
Charges for services	\$ -	\$ -	\$ 98,250	\$ -	\$ -	\$ -	\$ 98,250
Investment earnings	-	-	415	1,893	-	-	2,308
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>98,665</b>	<b>1,893</b>	<b>-</b>	<b>-</b>	<b>100,558</b>
<b>Expenditures</b>							
<b>Debt service:</b>							
Principal	405,000	100,000	55,000	420,000	-	1,750,000	2,730,000
Interest	84,970	69,381	46,400	219,199	56,978	2,339,201	2,816,129
<b>Total expenditures</b>	<b>489,970</b>	<b>169,381</b>	<b>101,400</b>	<b>639,199</b>	<b>56,978</b>	<b>4,089,201</b>	<b>5,546,129</b>
Revenues under expenditures	(489,970)	(169,381)	(2,735)	(637,306)	(56,978)	(4,089,201)	(5,445,571)
<b>Other financing sources</b>							
Transfers in	427,414	169,381	-	542,217	56,978	4,089,201	5,285,191
<b>Net change in fund balances</b>	<b>(62,556)</b>	<b>-</b>	<b>(2,735)</b>	<b>(95,089)</b>	<b>-</b>	<b>-</b>	<b>(160,380)</b>
Fund balances, beginning of year	62,556	-	18,661	95,089	-	-	176,306
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,926</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,926</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 December 31, 2018

	Equipment/ Replacement	Sheriff Department Equipment	Public Improvement and Building	Airport Runway Project	Fair	Total
<b>Assets</b>						
Cash and pooled investments	\$ 1,105,782	\$ -	\$ 1,362,887	\$ -	\$ 3,550,768	\$ 6,019,437
Accounts receivable, net	-	659,594	2,207	17,077	-	678,878
Prepaid items	95,874	-	-	-	-	95,874
<b>Total assets</b>	<b>\$ 1,201,656</b>	<b>\$ 659,594</b>	<b>\$ 1,365,094</b>	<b>\$ 17,077</b>	<b>\$ 3,550,768</b>	<b>\$ 6,794,189</b>
<b>Liabilities</b>						
Negative equity in cash and pooled investments	\$ -	\$ 598,869	\$ -	\$ 17,077	\$ -	\$ 615,946
Accounts payable	78,779	1,200	292,175	-	115,063	487,217
<b>Total liabilities</b>	<b>78,779</b>	<b>600,069</b>	<b>292,175</b>	<b>17,077</b>	<b>115,063</b>	<b>1,103,163</b>
<b>Fund balances</b>						
Nonspendable	95,874	-	-	-	-	95,874
Committed	1,027,003	59,525	1,072,919	-	3,435,705	5,595,152
<b>Total fund balances</b>	<b>1,122,877</b>	<b>59,525</b>	<b>1,072,919</b>	<b>-</b>	<b>3,435,705</b>	<b>5,691,026</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,201,656</b>	<b>\$ 659,594</b>	<b>\$ 1,365,094</b>	<b>\$ 17,077</b>	<b>\$ 3,550,768</b>	<b>\$ 6,794,189</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, 2018

	Equipment/ Replacement	Sheriff Department Equipment	Public Improvement and Building	Airport Runway Project	Fair	Total
<b>Revenues</b>						
Intergovernmental	\$ 44,474	\$ -	\$ -	\$ 5,608	\$ -	\$ 50,082
Investment earnings	-	-	22,036	-	-	22,036
Telephone surcharge	-	2,726,742	-	-	-	2,726,742
Other	-	187,720	22,878	-	-	210,598
<b>Total revenues</b>	<b>44,474</b>	<b>2,914,462</b>	<b>44,914</b>	<b>5,608</b>	<b>-</b>	<b>3,009,458</b>
<b>Expenditures</b>						
<b>Debt service:</b>						
Principal	38,521	-	-	-	-	38,521
Interest	8,184	-	-	-	44,542	52,726
Issuance costs	-	-	-	-	51,320	51,320
Capital outlay	829,740	2,425,826	2,585,518	5,608	512,242	6,358,934
<b>Total expenditures</b>	<b>876,445</b>	<b>2,425,826</b>	<b>2,585,518</b>	<b>5,608</b>	<b>608,104</b>	<b>6,501,501</b>
Revenues over (under) expenditures	(831,971)	488,636	(2,540,604)	-	(608,104)	(3,492,043)
<b>Other financing sources (uses)</b>						
Proceeds from issuance of long-term debt	165,862	-	-	-	3,810,000	3,975,862
Premium on issuance of long-term debt	-	-	-	-	233,809	233,809
Transfers in	658,356	-	1,838,965	-	-	2,497,321
Transfers out	-	(814,753)	(338,675)	-	-	(1,153,428)
Proceeds from sale of capital assets	52,761	-	-	-	-	52,761
<b>Total other financing sources (uses)</b>	<b>876,979</b>	<b>(814,753)</b>	<b>1,500,290</b>	<b>-</b>	<b>4,043,809</b>	<b>5,606,325</b>
Net change in fund balances	45,008	(326,117)	(1,040,314)	-	3,435,705	2,114,282
Fund balances, beginning of year	1,077,869	385,642	2,113,233	-	-	3,576,744
<b>Fund balances, end of year</b>	<b>\$ 1,122,877</b>	<b>\$ 59,525</b>	<b>\$ 1,072,919</b>	<b>\$ -</b>	<b>\$ 3,435,705</b>	<b>\$ 5,691,026</b>

# COUNTY OF JACKSON, MICHIGAN

## Combining Balance Sheet

Nonmajor Permanent Funds

December 31, 2018

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
<b>Assets</b>				
Cash and pooled investments	\$ 75,496	\$ 104,052	\$ 6,099	\$ 185,647
<b>Fund balances</b>				
Nonspendable	\$ -	\$ 1,117	\$ 721	\$ 1,838
Restricted	75,496	102,935	5,378	183,809
<b>Total fund balances</b>	<b>\$ 75,496</b>	<b>\$ 104,052</b>	<b>\$ 6,099</b>	<b>\$ 185,647</b>

## COUNTY OF JACKSON, MICHIGAN

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

Nonmajor Permanent Funds

For the Year Ended December 31, 2018

	Department on Aging Endowment	Preston Endowment	Cemetery Trust	Total
Revenues				
Donations	\$ 24,571	\$ -	\$ -	\$ 24,571
Other	-	1,797	-	1,797
Total revenues	24,571	1,797	-	26,368
Expenditures				
Health and welfare	23,266	-	-	23,266
Net change in fund balances	1,305	1,797	-	3,102
Fund balances, beginning of year	74,191	102,255	6,099	182,545
Fund balances, end of year	\$ 75,496	\$ 104,052	\$ 6,099	\$ 185,647

# COUNTY OF JACKSON, MICHIGAN

## Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2018

	Resource Recovery	Personal Property Tax	Foreclosure Tax Administration	Total
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 63,997	\$ 257,954	\$ -	\$ 321,951
Due from other funds	-	-	2,163,386	2,163,386
<b>Total current assets</b>	<b>63,997</b>	<b>257,954</b>	<b>2,163,386</b>	<b>2,485,337</b>
Noncurrent assets:				
Restricted cash and investments	783,191	-	-	783,191
Advance to component unit	-	-	100,000	100,000
Land held for resale	-	-	1,767,394	1,767,394
<b>Total noncurrent assets</b>	<b>783,191</b>	<b>-</b>	<b>1,867,394</b>	<b>2,650,585</b>
<b>Total assets</b>	<b>847,188</b>	<b>257,954</b>	<b>4,030,780</b>	<b>5,135,922</b>
<b>Liabilities</b>				
Current liabilities:				
Negative equity in cash and pooled investments	-	-	588,958	588,958
Accounts payable	11,039	7,175	-	18,214
Accrued payroll	960	-	-	960
Current portion of estimated closure and postclosure monitoring costs	90,000	-	-	90,000
<b>Total current liabilities</b>	<b>101,999</b>	<b>7,175</b>	<b>588,958</b>	<b>698,132</b>
Noncurrent liabilities -				
Estimated closure and postclosure monitoring costs , net of current portion	575,000	-	-	575,000
<b>Total liabilities</b>	<b>676,999</b>	<b>7,175</b>	<b>588,958</b>	<b>1,273,132</b>
<b>Net position</b>				
Unrestricted	\$ 170,189	\$ 250,779	\$ 3,441,822	\$ 3,862,790

# COUNTY OF JACKSON, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended December 31, 2018

	Resource Recovery	Personal Property Tax	Foreclosure Tax Administration	Total
Operating revenues				
Interest on taxes	\$ -	\$ 27,631	\$ -	\$ 27,631
Charges for services	100	10,569	575,917	586,586
<b>Total operating revenues</b>	<b>100</b>	<b>38,200</b>	<b>575,917</b>	<b>614,217</b>
Operating expenses				
Personnel services	57,768	-	-	57,768
Cost of services	12,148	-	-	12,148
Administration	58,341	2,292	876,567	937,200
<b>Total operating expenses</b>	<b>128,257</b>	<b>2,292</b>	<b>876,567</b>	<b>1,007,116</b>
Operating income (loss)	(128,157)	35,908	(300,650)	(392,899)
Nonoperating revenues				
Investment earnings	6,368	4,600	-	10,968
Net income (loss) before transfers	(121,789)	40,508	(300,650)	(381,931)
Transfers out	(6,930)	(2,500)	-	(9,430)
Change in net position	(128,719)	38,008	(300,650)	(391,361)
Net position, beginning of year	298,908	212,771	3,742,472	4,254,151
Net position, end of year	\$ 170,189	\$ 250,779	\$ 3,441,822	\$ 3,862,790

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2018

	Resource Recovery	Personal Property Tax	Foreclosure Tax Administration	Total
<b>Cash flows from operating activities</b>				
Cash received from customers, residents and users	\$ 100	\$ 21,832	\$ 903,731	\$ 925,663
Cash paid to employees	(57,578)	(2,292)	-	(59,870)
Cash paid to suppliers	(98,738)	-	-	(98,738)
Payments for interfund services used	(58,341)	-	(1,415,465)	(1,473,806)
<b>Net cash provided by (used in) operating activities</b>	<b>(214,557)</b>	<b>19,540</b>	<b>(511,734)</b>	<b>(706,751)</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds	(6,930)	(2,500)	-	(9,430)
<b>Cash flows from investing activities</b>				
Interest earnings on investments	6,368	4,600	-	10,968
<b>Net change in cash and pooled investments</b>	<b>(215,119)</b>	<b>21,640</b>	<b>(511,734)</b>	<b>(705,213)</b>
Cash and pooled investments, beginning of year	1,062,307	236,314	(77,224)	1,221,397
<b>Cash and pooled investments, end of year</b>	<b>\$ 847,188</b>	<b>\$ 257,954</b>	<b>\$ (588,958)</b>	<b>\$ 516,184</b>
<b>Statement of Net Position Classification</b>				
Cash and pooled investments	\$ 63,997	\$ 257,954	\$ -	\$ 321,951
Restricted cash	783,191	-	-	783,191
Negative equity in cash and pooled investments	-	-	(588,958)	(588,958)
<b>Total</b>	<b>\$ 847,188</b>	<b>\$ 257,954</b>	<b>\$ (588,958)</b>	<b>\$ 516,184</b>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Year Ended December 31, 2018

	Resource Recovery	Personal Property Tax	Foreclosure Tax Administration	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (128,157)	\$ 35,908	\$ (300,650)	\$ (392,899)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in:				
Due from other funds	-	-	(538,898)	(538,898)
Land held for resale	-	-	327,814	327,814
Accounts payable	3,410	(16,368)	-	(12,958)
Accrued payroll	190	-	-	190
Estimated closure and postclosure monitoring costs	(90,000)	-	-	(90,000)
Net cash provided by (used in) operating activities	<u>\$ (214,557)</u>	<u>\$ 19,540</u>	<u>\$ (511,734)</u>	<u>\$ (706,751)</u>

concluded

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Net Position**  
 Internal Service Funds  
 December 31, 2018

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
<b>Current assets</b>					
Cash and pooled investments	\$ 80,726	\$ -	\$ 23,662	\$ 3,771	\$ 108,159
Prepaid items	88,178	173,110	-	-	261,288
<b>Total assets</b>	<b>168,904</b>	<b>173,110</b>	<b>23,662</b>	<b>3,771</b>	<b>369,447</b>
<b>Liabilities</b>					
Negative equity in cash and pooled investments	-	136,889	-	-	136,889
Accounts payable	-	16,534	-	-	16,534
Estimated claims payable	81,064	19,265	-	-	100,329
<b>Total liabilities</b>	<b>81,064</b>	<b>172,688</b>	<b>-</b>	<b>-</b>	<b>253,752</b>
<b>Net position</b>					
Unrestricted	\$ 87,840	\$ 422	\$ 23,662	\$ 3,771	\$ 115,695

COUNTY OF JACKSON, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2018

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
Operating revenues					
Charges for services	\$ 164,853	\$ 10,218,904	\$ -	\$ -	\$ 10,383,757
Operating expenses					
Cost of services	-	6,951,256	-	-	6,951,256
Administration	193,409	5,042,829	-	-	5,236,238
Total operating expenses	193,409	11,994,085	-	-	12,187,494
Operating loss	(28,556)	(1,775,181)	-	-	(1,803,737)
Nonoperating revenues					
Investment earnings	2,593	-	-	-	2,593
Net loss before transfers	(25,963)	(1,775,181)	-	-	(1,801,144)
Transfers in	-	1,099,570	-	-	1,099,570
Transfers out	(18,500)	(35,900)	-	-	(54,400)
Change in net position	(44,463)	(711,511)	-	-	(755,974)
Net position, beginning of year	132,303	711,933	23,662	3,771	871,669
Net position, end of year	\$ 87,840	\$ 422	\$ 23,662	\$ 3,771	\$ 115,695

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COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Cash Flows**  
Internal Service Funds  
For the Year Ended December 31, 2018

	Self-Insured Workers Compensation	Self-Funded Managed Care Insurance	Land Use Planning	Graphic Information Systems	Total
<b>Cash flows from operating activities</b>					
Cash received from customers, residents and users	\$ 86,327	\$ 11,876,808	\$ -	\$ -	\$ 11,963,135
Cash paid to suppliers and claimants	(192,318)	(12,329,868)	-	-	(12,522,186)
<b>Net cash used in operating activities</b>	<b>(105,991)</b>	<b>(453,060)</b>	<b>-</b>	<b>-</b>	<b>(559,051)</b>
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	-	1,099,570	-	-	1,099,570
Transfers to other funds	(18,500)	(35,900)	-	-	(54,400)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(18,500)</b>	<b>1,063,670</b>	<b>-</b>	<b>-</b>	<b>1,045,170</b>
<b>Cash flows from investing activities</b>					
Interest earnings on investments	2,593	-	-	-	2,593
<b>Change in cash and pooled investments</b>	<b>(121,898)</b>	<b>610,610</b>	<b>-</b>	<b>-</b>	<b>488,712</b>
Cash and cash pooled investments, beginning of year	202,624	(747,499)	23,662	3,771	(517,442)
<b>Cash and pooled investments, end of year</b>	<b>\$ 80,726</b>	<b>\$ (136,889)</b>	<b>\$ 23,662</b>	<b>\$ 3,771</b>	<b>\$ (28,730)</b>
<b>Statement of Net Position Classification</b>					
Cash and pooled investments	\$ 80,726	\$ -	\$ 23,662	\$ 3,771	\$ 108,159
Negative equity in cash and pooled investments	-	(136,889)	-	-	(136,889)
<b>Total</b>	<b>\$ 80,726</b>	<b>\$ (136,889)</b>	<b>\$ 23,662</b>	<b>\$ 3,771</b>	<b>\$ (28,730)</b>
<b>Reconciliation of operating loss to net cash used in operating activities</b>					
Operating loss	\$ (28,556)	\$ (1,775,181)	\$ -	\$ -	\$ (1,803,737)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Change in:					
Accounts receivable, net	-	602,229	-	-	602,229
Prepaid items	(78,526)	1,055,675	-	-	977,149
Accounts payable	-	(20,892)	-	-	(20,892)
Estimated claims payable	1,091	(314,891)	-	-	(313,800)
<b>Net cash used in operating activities</b>	<b>\$ (105,991)</b>	<b>\$ (453,060)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (559,051)</b>

COUNTY OF JACKSON, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**  
 All Agency Funds  
 December 31, 2018

	Trust and Agency	Library	District Court Bonds	Circuit Court Trust
<b>Assets</b>				
Cash and pooled investments	\$ 1,938,543	\$ 83,664	\$ 117,623	\$ 262,045
<b>Liabilities</b>				
Undistributed receipts	\$ 1,725,198	\$ -	\$ -	\$ 234,076
Due to other governments	184,191	83,664	-	-
Bonds payable	29,154	-	92,842	22,700
Escrow payable	-	-	24,781	5,269
<b>Total liabilities</b>	<u>\$ 1,938,543</u>	<u>\$ 83,664</u>	<u>\$ 117,623</u>	<u>\$ 262,045</u>



LifeWays	Sheriff Canteen	Total
\$ 17,695	\$ 85,348	\$ 2,504,918

\$ -	\$ 85,348	\$ 2,044,622
17,695	-	285,550
-	-	144,696
-	-	30,050

<u>\$ 17,695</u>	<u>\$ 85,348</u>	<u>\$ 2,504,918</u>
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COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>Trust and agency fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 1,700,059	\$ 60,780,064	\$ 60,541,580	\$ 1,938,543
<b>Liabilities</b>				
Undistributed receipts	\$ 1,429,926	\$ 26,391,837	\$ 26,096,565	\$ 1,725,198
Due to other governments	240,979	34,388,227	34,445,015	184,191
Bonds payable	29,154	-	-	29,154
<b>Total liabilities</b>	<b>\$ 1,700,059</b>	<b>\$ 60,780,064</b>	<b>\$ 60,541,580</b>	<b>\$ 1,938,543</b>
<b>Library fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 109,677	\$ 665,105	\$ 691,118	\$ 83,664
<b>Liabilities</b>				
Due to other governments	\$ 109,677	\$ 665,105	\$ 691,118	\$ 83,664
<b>District court bonds</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 103,667	\$ 451,294	\$ 437,338	\$ 117,623
<b>Liabilities</b>				
Bonds payable	\$ 91,449	\$ 353,145	\$ 351,752	\$ 92,842
Escrow payable	12,218	98,149	85,586	24,781
<b>Total liabilities</b>	<b>\$ 103,667</b>	<b>\$ 451,294</b>	<b>\$ 437,338</b>	<b>\$ 117,623</b>
<b>Circuit court trust fund</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 320,616	\$ 1,432,981	\$ 1,491,552	\$ 262,045
<b>Liabilities</b>				
Undistributed receipts	\$ 243,368	\$ 1,382,356	\$ 1,391,648	\$ 234,076
Bonds payable	71,979	50,625	99,904	22,700
Escrow payable	5,269	-	-	5,269
<b>Total liabilities</b>	<b>\$ 320,616</b>	<b>\$ 1,432,981</b>	<b>\$ 1,491,552</b>	<b>\$ 262,045</b>

continued...

COUNTY OF JACKSON, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>LifeWays</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 17,695	\$ 827,694	\$ 827,694	\$ 17,695
<b>Liabilities</b>				
Due to other governments	\$ 17,695	\$ 827,694	\$ 827,694	\$ 17,695
<b>Sheriff Canteen</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 64,442	\$ 1,624,302	\$ 1,603,396	\$ 85,348
<b>Liabilities</b>				
Undistributed receipts	\$ 64,442	\$ 1,624,302	\$ 1,603,396	\$ 85,348
<b>Totals-all agency funds</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 2,316,156	\$ 65,781,440	\$ 65,592,678	\$ 2,504,918
<b>Liabilities</b>				
Undistributed receipts	\$ 1,737,736	\$ 29,398,495	\$ 29,091,609	\$ 2,044,622
Due to other governments	368,351	35,881,026	35,963,827	285,550
Bonds payable	192,582	403,770	451,656	144,696
Escrow payable	17,487	98,149	85,586	30,050
<b>Total liabilities</b>	<b>\$ 2,316,156</b>	<b>\$ 65,781,440</b>	<b>\$ 65,592,678</b>	<b>\$ 2,504,918</b>

concluded

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position

Land Bank Authority Component Unit

December 31, 2018

### Assets

Cash and pooled investments	\$ 338,560
Loans receivables	17,426
Land held for resale	<u>67,299</u>

### Total assets

423,285

### Liabilities

Accrued liabilities	5,455
Advance from primary government	<u>100,000</u>

### Total liabilities

105,455

### Net position

Unrestricted	<u><u>\$ 317,830</u></u>
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# COUNTY OF JACKSON, MICHIGAN

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

Land Bank Authority Component Unit  
For the Year Ended December 31, 2018

Operating revenues	
Property taxes	\$ 2,100
Charges for services	<u>200</u>
Total operating revenues	2,300
Operating expenses	
Community development	<u>9,597</u>
Operating loss	(7,297)
Nonoperating revenue	
Investment earnings	<u>1,399</u>
Change in net position	(5,898)
Net position, beginning of year	<u>323,728</u>
Net position, end of year	<u><u>\$ 317,830</u></u>

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# COUNTY OF JACKSON, MICHIGAN

## Statement of Cash Flows

Land Bank Authority Component Unit  
For the Year Ended December 31, 2018

Cash flows from operating activities	
Cash received from customers, residents and users	\$ 2,401
Cash paid to employees, suppliers and claimants	<u>(9,327)</u>
Net cash used in operating activities	(6,926)
Cash flows from investing activities	
Interest earnings on investments	<u>1,399</u>
Net change in cash and pooled investments	(5,527)
Cash and pooled investments, beginning of year	<u>344,087</u>
Cash and pooled investments, end of year	<u>\$ 338,560</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (7,297)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in:	
Loans receivable	101
Accounts payable	(295)
Accrued liabilities	<u>565</u>
Net cash used in operating activities	<u>\$ (6,926)</u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Funds Balance Sheet

Drain Commission Component Unit

December 31, 2018

	Capital Project Funds		
	Spring Arbor Water Project	Drain Districts	Drain Revolving
<b>Assets</b>			
Cash and pooled investments	\$ 3,418	\$ 1,159,014	\$ 34,526
Special assessments receivable, net	-	78,840	-
Due from other funds	-	-	165,736
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<u>\$ 3,418</u>	<u>\$ 1,237,854</u>	<u>\$ 200,262</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 1,000	\$ 114
Due to other funds	-	166,133	-
Advance from primary government	-	-	200,000
<b>Total liabilities</b>	-	167,133	200,114
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	78,840	-
<b>Fund balances</b>			
Restricted for construction	<u>3,418</u>	<u>991,881</u>	<u>148</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 3,418</u>	<u>\$ 1,237,854</u>	<u>\$ 200,262</u>
<b>Net position</b>			
Net investment in capital assets Restricted for capital projects			
<b>Total net position</b>			

Capital Project Funds				
Lake Level Districts	Lake Level Revolving	Total Governmental Funds	Adjustments	Statement of Net Position
\$ 45,775	\$ 8,095	\$ 1,250,828	\$ -	\$ 1,250,828
649	-	79,489	-	79,489
-	7,023	172,759	(172,759)	-
-	-	-	2,685,781	2,685,781
<u>\$ 46,424</u>	<u>\$ 15,118</u>	<u>\$ 1,503,076</u>	<u>\$ 2,513,022</u>	<u>4,016,098</u>
\$ -	\$ 1,238	\$ 2,352	\$ -	2,352
6,626	-	172,759	(172,759)	-
-	10,000	210,000	-	210,000
6,626	11,238	385,111	(172,759)	212,352
649	-	79,489	(79,489)	-
39,149	3,880	1,038,476	(1,038,476)	-
<u>\$ 46,424</u>	<u>\$ 15,118</u>	<u>\$ 1,503,076</u>		
			2,685,781	2,685,781
			1,117,965	1,117,965
			<u>\$ 3,803,746</u>	<u>\$ 3,803,746</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Drain  
Commission Component Unit  
December 31, 2018

Fund balances - governmental funds	\$ 1,038,476
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,685,781
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Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds	<u>79,489</u>
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Net position of governmental activities	<u><u>\$ 3,803,746</u></u>
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# 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, 2018

	Capital Project Funds		
	Spring Arbor Water Project	Drain Districts	Drain Revolving
Revenues			
Intergovernmental revenue	\$ -	\$ 198,850	\$ -
Investment earnings	59	21,801	2
<b>Total revenues</b>	<b>59</b>	<b>220,651</b>	<b>2</b>
Expenditures/expenses			
Current operations -			
Public works	-	180,256	71,875
Depreciation expense	-	-	-
<b>Total expenditures/expenses</b>	<b>-</b>	<b>180,256</b>	<b>71,875</b>
Change in fund balance/net position	59	40,395	(71,873)
Fund balances/net position			
Beginning of year	3,359	951,486	72,021
End of year	\$ 3,418	\$ 991,881	\$ 148

Capital Project Funds				
Lake Level Districts	Lake Level Revolving	Total Governmental Funds	Adjustments	Statement of Activities
\$ 3,162	\$ -	\$ 202,012	\$ (72)	\$ 201,940
964	-	22,826	-	22,826
<u>4,126</u>	<u>-</u>	<u>224,838</u>	<u>(72)</u>	<u>224,766</u>
4,199	-	256,330	-	256,330
-	-	-	155,187	155,187
<u>4,199</u>	<u>-</u>	<u>256,330</u>	<u>155,187</u>	<u>411,517</u>
(73)	-	(31,492)	(155,259)	(186,751)
<u>39,222</u>	<u>3,880</u>	<u>1,069,968</u>	<u>2,920,529</u>	<u>3,990,497</u>
<u>\$ 39,149</u>	<u>\$ 3,880</u>	<u>\$ 1,038,476</u>	<u>\$ 2,765,270</u>	<u>\$ 3,803,746</u>

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## COUNTY OF JACKSON, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Drain  
Commission Component Unit  
For the Year Ended December 31, 2018

Net change in fund balances - governmental funds	\$ (31,492)
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	(155,187)
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 receivable	<u>(72)</u>
Change in net position of governmental activities	<u><u>\$ (186,751)</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Statement of Net Position and Governmental Fund Balance Sheet Brownfield Redevelopment Authority Component Unit December 31, 2018

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
<b>Current assets</b>			
Cash and pooled investments	\$ 170,689	\$ -	\$ 170,689
Accounts receivable	35,991	-	35,991
Loans receivable	500,476	-	500,476
<b>Total assets</b>	<u>\$ 707,156</u>	<u>\$ -</u>	<u>707,156</u>
<b>Liabilities</b>			
Accounts payable	\$ 9,327	\$ -	9,327
Advance from primary government	117,500	-	117,500
<b>Total liabilities</b>	126,827	-	126,827
<b>Fund balances</b>			
Restricted	580,329	(580,329)	-
<b>Total liabilities and fund balances</b>	<u>\$ 707,156</u>		
<b>Net position</b>			
Restricted for loans		\$ 580,329	\$ 580,329

# 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, 2018**

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Contributions	\$ 202,117	\$ -	\$ 202,117
Investment earnings	419	-	419
<b>Total revenues</b>	<b>202,536</b>	<b>-</b>	<b>202,536</b>
Expenditures/expenses			
Current operations - Public works	191,393	-	191,393
<b>Net change in fund balances</b>	<b>11,143</b>	<b>11,143</b>	<b>-</b>
<b>Change in net position</b>		<b>(11,143)</b>	<b>11,143</b>
Fund balances/net position			
Beginning of year	569,186	-	569,186
End of year	\$ 580,329	\$ -	\$ 580,329

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet  
 Board of Public Works Component Unit  
 December 31, 2018

	Debt Service Funds				
	Village of Springport Wastewater	Village of Springport	Spring Arbor Water Project	Village of Brooklyn	Clark Lake
<b>Assets</b>					
Cash and pooled investments	\$ 685	\$ 249	\$ 602	\$ 165	\$ 109
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<u>\$ 685</u>	<u>\$ 249</u>	<u>\$ 602</u>	<u>\$ 165</u>	<u>\$ 109</u>
<b>Deferred outflows of resources</b>					
Deferred charges on refunding					
<b>Liabilities</b>					
Negative equity in cash and pooled investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Long-term debt:					
Due in one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	-	-	-	-
<b>Fund balances</b>					
Restricted for debt service	685	249	602	165	109
Restricted for construction	-	-	-	-	-
<b>Total fund balances</b>	<u>685</u>	<u>249</u>	<u>602</u>	<u>165</u>	<u>109</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 685</u>	<u>\$ 249</u>	<u>\$ 602</u>	<u>\$ 165</u>	<u>\$ 109</u>



Debt Service Funds						
Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Village of Parma - Revolving	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B
\$ 1,916	\$ 561	\$ 3,663	\$ -	\$ 3,495	\$ -	\$ 3,763
-	-	-	-	-	-	-
<u>250,000</u>	<u>-</u>	<u>2,460,000</u>	<u>270,000</u>	<u>440,000</u>	<u>675,000</u>	<u>175,000</u>
<u>\$ 251,916</u>	<u>\$ 561</u>	<u>\$ 2,463,663</u>	<u>\$ 270,000</u>	<u>\$ 443,495</u>	<u>\$ 675,000</u>	<u>\$ 178,763</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>250,000</u>	<u>-</u>	<u>2,460,000</u>	<u>270,000</u>	<u>440,000</u>	<u>675,000</u>	<u>175,000</u>
1,916	561	3,663	-	3,495	-	3,763
-	-	-	-	-	-	-
<u>1,916</u>	<u>561</u>	<u>3,663</u>	<u>-</u>	<u>3,495</u>	<u>-</u>	<u>3,763</u>
<u>\$ 251,916</u>	<u>\$ 561</u>	<u>\$ 2,463,663</u>	<u>\$ 270,000</u>	<u>\$ 443,495</u>	<u>\$ 675,000</u>	<u>\$ 178,763</u>

continued...

COUNTY OF JACKSON, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Board of Public Works Component Unit

December 31, 2018

	Debt Service Funds				
	Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater
<b>Assets</b>					
Cash and pooled investments	\$ 1,372	\$ 10,479	\$ -	\$ 519	\$ -
Accounts receivable, net	-	-	208,650	-	-
Due from other governments	1,500,000	900,000	2,500,000	645,250	1,781,598
<b>Total assets</b>	<b>\$ 1,501,372</b>	<b>\$ 910,479</b>	<b>\$ 2,708,650</b>	<b>\$ 645,769</b>	<b>\$ 1,781,598</b>
<b>Deferred outflows of resources</b>					
Deferred charges on refunding					
<b>Liabilities</b>					
Negative equity in cash and pooled investments	\$ -	\$ -	\$ 208,352	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Long-term debt:					
Due in one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>208,352</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue	1,500,000	900,000	2,500,000	645,250	1,781,598
<b>Fund balances</b>					
Restricted for debt service	1,372	10,479	298	519	-
Restricted for construction	-	-	-	-	-
<b>Total fund balances</b>	<b>1,372</b>	<b>10,479</b>	<b>298</b>	<b>519</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,501,372</b>	<b>\$ 910,479</b>	<b>\$ 2,708,650</b>	<b>\$ 645,769</b>	<b>\$ 1,781,598</b>

Net position

Capital Projects Funds						
Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Total	Adjustments	Statement of Net Position
\$ 417	\$ 139	\$ 1,387	\$ 64	\$ 29,585	\$ -	\$ 29,585
-	-	-	-	208,650	-	208,650
-	-	-	-	11,596,848	24,931	11,621,779
<u>\$ 417</u>	<u>\$ 139</u>	<u>\$ 1,387</u>	<u>\$ 64</u>	<u>\$ 11,835,083</u>	<u>24,931</u>	<u>11,860,014</u>
					<u>77,566</u>	<u>77,566</u>
\$ -	\$ -	\$ -	\$ -	\$ 208,352	\$ -	208,352
-	-	-	-	-	132,380	132,380
-	-	-	-	-	1,990,000	1,990,000
-	-	-	-	-	9,606,848	9,606,848
-	-	-	-	208,352	11,729,228	11,937,580
-	-	-	-	11,596,848	(11,596,848)	-
-	-	-	-	27,876	(27,876)	-
417	139	1,387	64	2,007	(2,007)	-
417	139	1,387	64	29,883	(29,883)	-
<u>\$ 417</u>	<u>\$ 139</u>	<u>\$ 1,387</u>	<u>\$ 64</u>	<u>\$ 11,835,083</u>		
					<u>\$ -</u>	<u>\$ -</u>

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# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Board of  
Public Works Component Unit  
December 31, 2018

Fund balances - governmental Funds	\$ 29,883
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Bonds payable of various municipalities are to be repaid by the municipality, and the amount due is not reported as receivable in the funds	24,931
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	11,596,848
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Bonds payable	(11,596,848)
Interest payable	(132,380)
Deferred charges on refunding	77,566
	<hr/>
Net position of governmental activities	\$ -

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, 2018**

	Debt Service Funds				
	Village of Springport Wastewater	Village of Springport	Spring Arbor Water Project	Village of Brooklyn	Clark Lake
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	12	4	10	2	2
<b>Total revenues</b>	<b>12</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>2</b>
Expenditures/expenses					
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures/expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>12</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>2</b>
Change in net position					
Fund balances/net position					
Beginning of year	673	245	592	163	107
<b>End of year</b>	<b>\$ 685</b>	<b>\$ 249</b>	<b>\$ 602</b>	<b>\$ 165</b>	<b>\$ 109</b>



Debt Service Funds						
Wolf Lake Section	Napoleon Village Section	Lake Columbia Section	Village of Parma - Revolving	Village of Parma - LDFA	Grass Lake Revolving	Grass Lake Section SER 2002B
\$ 275,550	\$ -	\$ 494,450	\$ 67,500	\$ 143,915	\$ 143,438	\$ 39,828
489	10	679	-	787	-	412
<u>276,039</u>	<u>10</u>	<u>495,129</u>	<u>67,500</u>	<u>144,702</u>	<u>143,438</u>	<u>40,240</u>
255,000	-	395,000	60,000	130,000	125,000	30,000
20,700	-	99,450	7,500	13,915	18,438	9,978
<u>275,700</u>	<u>-</u>	<u>494,450</u>	<u>67,500</u>	<u>143,915</u>	<u>143,438</u>	<u>39,978</u>
339	10	679	-	787	-	262
<u>1,577</u>	<u>551</u>	<u>2,984</u>	<u>-</u>	<u>2,708</u>	<u>-</u>	<u>3,501</u>
<u>\$ 1,916</u>	<u>\$ 561</u>	<u>\$ 3,663</u>	<u>\$ -</u>	<u>\$ 3,495</u>	<u>\$ -</u>	<u>\$ 3,763</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, 2018

	Debt Service Funds				
	Vineyard Lake Area Section	Round/ Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Village of Parma Wastewater
Revenues					
Intergovernmental	\$ 382,910	\$ -	\$ 423,225	\$ 116,574	\$ 176,165
Investment earnings	503	266,863	250	145	-
Total revenues	<u>383,413</u>	<u>266,863</u>	<u>423,475</u>	<u>116,719</u>	<u>176,165</u>
Expenditures/expenses					
Debt service:					
Principal	310,000	225,000	300,000	94,000	130,000
Interest and fiscal charges	73,010	41,000	123,225	22,444	46,165
Total expenditures/expenses	<u>383,010</u>	<u>266,000</u>	<u>423,225</u>	<u>116,444</u>	<u>176,165</u>
Net change in fund balances	403	863	250	275	-
Change in net position					
Fund balances/net position					
Beginning of year	<u>969</u>	<u>9,616</u>	<u>48</u>	<u>244</u>	<u>-</u>
End of year	<u>\$ 1,372</u>	<u>\$ 10,479</u>	<u>\$ 298</u>	<u>\$ 519</u>	<u>\$ -</u>

Capital Projects Funds						
Vineyard Lake Area Section	Round/Farewell Lake Section	Southern Regional Interceptor	Rives Sanitary Sewer	Total	Adjustments	Statement of Activities
\$ -	\$ -	\$ -	\$ -	\$ 2,263,555	\$ (2,053,950)	\$ 209,605
8	3	24	1	270,204	-	270,204
8	3	24	1	2,533,759	(2,053,950)	479,809
-	-	-	-	2,054,000	(2,054,000)	-
-	-	-	-	475,825	3,984	479,809
-	-	-	-	2,529,825	(2,050,016)	479,809
8	3	24	1	3,934	(3,934)	-
409	136	1,363	63	25,949	(25,949)	-
\$ 417	\$ 139	\$ 1,387	\$ 64	\$ 29,883	\$ (29,883)	\$ -

concluded

# COUNTY OF JACKSON, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Board of  
Public Works Component Unit  
For the Year Ended December 31, 2018

Net change in fund balances - governmental funds	\$	3,934
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report payments received by other municipalities for principal debt service as revenue, but the statement of activities does not.		
Debt assessments received in the current year		(2,053,950)
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		(3,984)
Repayment of debt principal is an expenditure in the funds but not in the statement of activities.		
Bond principal payments		<u>2,054,000</u>
Change in net position of governmental activities	\$	<u><u>-</u></u>

# COUNTY OF JACKSON, MICHIGAN

## Statistical Section (Unaudited)

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

CONTENTS	<u>Page</u>
<b>Financial Trends (schedules 1 thru 5)</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	182
<b>Revenue Capacity (schedules 6 thru 10)</b>	
These schedules contain information to help the reader assess the government's most significant local sources: property taxes, State shared revenues and water and wastewater usage fees.	192
<b>Debt Capacity (schedules 11 thru 13)</b>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	199
<b>Demographic and Economic Information (schedules 14 and 15)</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	204
<b>Operating Information (schedules 16 thru 18)</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	206

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)*

	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 16,533,573	\$ 15,130,221	\$ 15,172,343	\$ 14,381,796	\$ 82,006,055
Restricted	2,398,320	2,970,238	17,220,863	15,477,619	12,690,046
Unrestricted (deficit)	27,949,778	28,418,753	14,863,873	13,990,332	13,284,484
<b>Total governmental activities net position</b>	<b>\$ 46,881,671</b>	<b>\$ 46,519,212</b>	<b>\$ 47,257,079</b>	<b>\$ 43,849,747</b>	<b>\$ 107,980,585</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 12,124,522	\$ 13,178,355	\$ 13,901,502	\$ 15,663,869	\$ 3,419,014
Restricted	-	-	-	-	-
Unrestricted	23,646,148	24,406,603	25,585,370	25,095,420	23,997,521
<b>Total business-type activities net position</b>	<b>\$ 35,770,670</b>	<b>\$ 37,584,958</b>	<b>\$ 39,486,872</b>	<b>\$ 40,759,289</b>	<b>\$ 27,416,535</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 28,658,095	\$ 28,308,576	\$ 29,073,845	\$ 30,045,665	\$ 85,425,069
Restricted	2,398,320	2,970,238	17,220,863	15,477,619	12,690,046
Unrestricted (deficit)	51,595,926	52,825,356	40,449,243	39,085,752	37,282,005
<b>Total primary government net position</b>	<b>\$ 82,652,341</b>	<b>\$ 84,104,170</b>	<b>\$ 86,743,951</b>	<b>\$ 84,609,036</b>	<b>\$ 135,397,120</b>

Notes:

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.

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

GASB Statement No. 75 was implemented for the fiscal year ended December 31, 2018. This resulted in presentation of the County's net other postemployment benefit ("OPEB") liability on the statement of net position. Prior years were not restated.

Source: Jackson County Finance Department

Schedule 1  
Unaudited

2014	2015	2016	2017	2018
\$ 85,235,379	\$ 80,763,955	\$ 75,849,154	\$ 102,545,547	\$ 107,550,702
11,852,828	16,954,611	18,778,078	19,893,219	27,513,421
7,656,588	(43,192,276)	(52,963,576)	(63,436,135)	(175,381,280)
<u>\$ 104,744,795</u>	<u>\$ 54,526,290</u>	<u>\$ 41,663,656</u>	<u>\$ 59,002,631</u>	<u>\$ (40,317,157)</u>
\$ 4,078,658	\$ 3,412,622	\$ 4,428,475	\$ 4,746,956	\$ 8,482,719
-	-	-	9,834,247	10,378,037
22,567,600	33,682,508	32,545,842	18,975,759	2,693,483
<u>\$ 26,646,258</u>	<u>\$ 37,095,130</u>	<u>\$ 36,974,317</u>	<u>\$ 33,556,962</u>	<u>\$ 21,554,239</u>
\$ 89,314,037	\$ 84,176,577	\$ 80,277,629	\$ 107,292,503	\$ 116,033,421
11,852,828	16,954,611	18,778,078	29,727,466	37,891,458
30,224,188	(9,509,768)	(20,417,734)	(44,460,376)	(172,687,797)
<u>\$ 131,391,053</u>	<u>\$ 91,621,420</u>	<u>\$ 78,637,973</u>	<u>\$ 92,559,593</u>	<u>\$ (18,762,918)</u>

# COUNTY OF JACKSON, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Revenue</b>					
Governmental activities:					
Program revenues:					
Charges for services	\$ 9,855,124	\$ 9,597,688	\$ 9,515,532	\$ 10,060,336	\$ 11,874,779
Operating grants and contributions	16,131,328	16,857,973	17,845,207	18,373,243	30,792,988
Capital grants and contributions	-	-	382,293	4,025	2,583,837
General revenues:					
Property taxes	26,383,232	25,542,916	24,779,304	24,605,780	24,038,899
Unrestricted state shared revenue	1,236,701	2,361,911	3,297,426	2,577,616	3,629,709
Other	1,177,816	741,905	1,504,285	567,758	(2,143,041)
Transfers	1,122,574	1,233,954	960,559	792,659	1,718,754
Total governmental activities revenues	<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>
Business-type activities:					
Program revenues:					
Charges for services	30,569,896	29,535,470	29,741,712	31,129,191	26,247,095
Operating grants and contributions	-	-	-	-	4,748,424
General revenues:					
Other	234,205	54,945	157,095	143,494	-
Transfers	(1,123,027)	(1,225,023)	(948,952)	(873,240)	(1,656,210)
Special items					
Impairment loss on capital assets	-	-	-	-	(11,573,914)
Loss on write-down of inventory	-	-	-	-	(1,604,251)
Total business-type activities revenues	<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>
Total primary government revenues	<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>
<b>Expenses</b>					
Governmental activities:					
Judicial	-	-	-	-	-
General government	23,650,817	22,366,906	22,951,626	25,607,190	27,844,444
Public safety	18,196,223	18,336,839	18,882,372	18,745,790	18,748,028
Public works	-	-	-	-	12,432,981
Health and welfare	9,521,311	10,487,852	10,664,522	10,734,927	15,170,502
Recreation and cultural	3,188,894	2,843,700	2,844,926	2,910,341	1,733,043
Community development	1,463,740	1,033,799	2,006,522	1,795,363	5,418,245
Interest on long-term debt	803,914	1,156,503	443,479	595,138	604,922
Total governmental activities expenses	<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>
Business-type activities:					
Delinquent tax revolving	560,542	345,126	490,959	325,312	1,035,957
Medical care facility	16,060,347	16,681,276	17,816,002	18,151,367	18,391,888
Resource recovery	8,991,113	8,893,948	8,242,890	8,960,431	8,377,360
Personal property tax	66,998	66,631	35,350	63,054	9,493
Foreclosure tax administration	426,210	494,072	462,740	1,626,864	1,338,751
Total business-type activities expenses	<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>
Total primary government expenses	<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>
Change in net position	2,657,740	1,995,087	2,393,073	(2,134,915)	(22,448,545)
Net position, beginning of year, as restated	79,994,601	82,109,083	84,350,878	86,743,951	157,845,665
Net position, end of year	<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>

Source: Jackson County Finance Department

Schedule 2  
Unaudited

2014	2015	2016	2017	2018
\$ 12,297,064	\$ 14,265,623	\$ 12,464,814	\$ 13,834,598	\$ 13,920,594
35,206,928	37,314,600	37,337,694	46,133,784	58,357,306
2,212,368	1,143,175	2,013,993	29,253,340	3,625,507
24,982,710	25,555,482	25,634,598	26,277,253	27,087,232
4,034,788	4,549,491	4,030,817	4,049,764	4,087,077
2,644,025	823,063	105,984	366,463	416,134
2,073,417	2,175,219	3,714,080	3,281,306	850,501
<u>83,451,300</u>	<u>85,826,653</u>	<u>85,301,980</u>	<u>123,196,508</u>	<u>108,344,351</u>
19,431,181	20,899,090	19,962,409	18,263,271	17,909,249
4,631,877	4,295,869	5,649,772	3,813,233	4,833,488
-	-	-	-	-
(1,909,080)	(2,225,180)	(3,936,177)	(3,188,675)	(422,066)
-	-	-	-	-
-	-	-	-	-
<u>22,153,978</u>	<u>22,969,779</u>	<u>21,676,004</u>	<u>18,887,829</u>	<u>22,320,671</u>
105,605,278	108,796,432	106,977,984	142,084,337	130,665,022
3,845,425	3,704,190	3,974,952	4,683,821	3,565,922
26,660,739	24,853,910	27,468,022	28,793,948	29,309,335
20,578,254	19,761,116	20,053,033	22,968,477	22,423,866
17,643,349	18,498,264	24,231,602	22,754,594	33,203,536
12,362,735	13,801,527	16,541,687	18,191,270	15,673,497
2,242,769	2,162,591	2,363,668	3,511,322	2,652,375
2,818,220	3,377,913	2,894,354	2,855,259	1,592,328
535,599	769,992	637,296	2,098,842	4,731,872
<u>86,687,090</u>	<u>86,929,503</u>	<u>98,164,614</u>	<u>105,857,533</u>	<u>113,152,731</u>
939,727	2,191,806	1,020,128	1,383,260	836,356
18,865,612	19,075,813	19,706,896	20,197,137	20,531,079
1,911,434	126,738	147,612	117,391	128,257
1,614	1,565	2,392	3,150	2,292
1,205,868	876,550	919,789	604,246	876,567
<u>22,924,255</u>	<u>22,272,472</u>	<u>21,796,817</u>	<u>22,305,184</u>	<u>22,374,551</u>
109,611,345	109,201,975	119,961,431	128,162,717	135,527,282
(4,006,067)	(405,543)	(12,983,447)	13,921,620	(4,862,260)
135,397,120	92,026,963	91,621,420	78,637,973	(13,900,658)
<u>\$ 131,391,053</u>	<u>\$ 91,621,420</u>	<u>\$ 78,637,973</u>	<u>\$ 92,559,593</u>	<u>\$ (18,762,918)</u>

COUNTY OF JACKSON, MICHIGAN

**Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

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

2014	2015	2016	2017	2018
\$ 931,458	\$ 889,529	\$ 1,034,492	\$ 947,593	\$ 1,544,320
469,482	-	-	-	-
1,320,167	705,443	1,275,869	624,014	-
10,365,563	10,278,607	7,328,672	8,000,271	7,327,676
-	-	-	-	-
-	-	-	-	-
<u>\$ 13,086,670</u>	<u>\$ 11,873,579</u>	<u>\$ 9,639,033</u>	<u>\$ 9,571,878</u>	<u>\$ 8,871,996</u>
\$ 1,957,267	\$ 2,052,590	\$ 2,260,062	\$ 2,232,363	\$ 5,466,999
10,037,650	15,015,207	16,561,231	35,931,194	20,856,397
2,331,517	4,103,415	3,390,613	4,747,404	6,354,763
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>14,326,434</u>	<u>21,171,212</u>	<u>22,211,906</u>	<u>42,910,961</u>	<u>32,678,159</u>
<u>\$ 27,413,104</u>	<u>\$ 33,044,791</u>	<u>\$ 31,850,939</u>	<u>\$ 52,482,839</u>	<u>\$ 41,550,155</u>

COUNTY OF JACKSON, MICHIGAN

**Changes in Fund Balances - Governmental Funds**

Last Ten Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Revenues</b>					
Property taxes	\$ 26,383,232	\$ 25,541,044	\$ 24,779,305	\$ 24,606,997	\$ 24,038,899
Licenses, fees, taxes and permits	437,296	471,432	459,766	464,860	629,992
Intergovernmental	13,904,984	15,498,755	17,817,486	17,413,440	31,565,444
Charges for services	7,589,130	7,920,575	7,603,096	7,802,940	10,304,110
Fines and forfeitures	1,021,582	987,318	929,517	884,085	894,326
Investment earnings (loss)	1,548,242	1,136,906	1,759,834	975,110	(2,146,321)
Rental, donations, and other	4,181,788	3,871,363	4,300,043	4,366,326	5,510,816
<b>Total revenues</b>	<b>55,066,254</b>	<b>55,427,393</b>	<b>57,649,047</b>	<b>56,513,758</b>	<b>70,797,266</b>
<b>Expenditures</b>					
<b>Current:</b>					
Judicial	-	-	-	-	3,997,148
General government	20,540,737	19,928,198	19,954,588	20,594,967	16,116,914
Public safety	14,871,330	15,132,380	15,434,422	15,720,974	16,763,410
Public works	-	-	-	-	10,743,885
Health and welfare	14,871,330	15,132,380	15,434,422	15,720,974	11,589,346
Recreation and cultural	2,448,636	2,112,047	1,985,441	2,175,564	1,335,362
Community development	1,290,775	919,684	1,775,957	1,586,540	2,125,453
Fair	-	-	-	-	995,116
Other functions	7,061,789	1,950,462	4,278,569	4,258,056	7,539,934
<b>Debt service:</b>					
Principal	700,000	775,000	905,000	895,000	1,071,085
Interest	809,331	779,925	421,334	600,133	581,230
Issuance costs	-	-	-	-	-
<b>Capital outlay</b>	<b>917,416</b>	<b>5,932,361</b>	<b>5,769,282</b>	<b>6,400,349</b>	<b>8,189,363</b>
<b>Total expenditures</b>	<b>63,511,344</b>	<b>62,662,437</b>	<b>65,959,015</b>	<b>67,952,557</b>	<b>81,048,246</b>
<b>Revenues under expenditures</b>	<b>(8,445,090)</b>	<b>(7,235,044)</b>	<b>(8,309,968)</b>	<b>(11,438,799)</b>	<b>(10,250,980)</b>
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	10,100,000	-	-	-
Payment to refunding bond escrow agent	-	(10,018,468)	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-
Transfers in	14,747,892	13,543,829	12,695,160	11,001,852	8,150,845
Transfers out	(13,809,630)	(12,215,610)	(11,696,532)	(10,168,939)	(6,396,191)
Proceeds from sale of capital assets	-	-	-	-	5,635
<b>Total other financing sources (uses)</b>	<b>938,262</b>	<b>1,409,751</b>	<b>998,628</b>	<b>832,913</b>	<b>1,760,289</b>
<b>Net change in fund balances</b>	<b>\$ (7,506,828)</b>	<b>\$ (5,825,293)</b>	<b>\$ (7,311,340)</b>	<b>\$ (10,605,886)</b>	<b>\$ (8,490,691)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.41%</b>	<b>2.74%</b>	<b>2.20%</b>	<b>2.43%</b>	<b>2.30%</b>

Source: Jackson County Finance Department

Schedule 4  
Unaudited

2014	2015	2016	2017	2018
\$ 24,982,710	\$ 25,555,482	\$ 25,634,598	\$ 26,277,253	\$ 27,087,232
553,195	631,450	635,428	607,896	599,918
34,424,635	35,162,155	36,520,651	40,969,848	54,475,737
10,937,860	10,850,745	11,189,247	12,040,633	13,920,594
913,977	1,456,750	651,421	938,047	579,271
2,621,077	812,505	94,678	587,809	790,313
6,418,398	7,669,019	8,227,171	10,768,863	8,320,888
<u>80,851,852</u>	<u>82,138,106</u>	<u>82,953,194</u>	<u>92,190,349</u>	<u>105,773,953</u>
3,845,425	3,737,954	3,902,705	4,191,727	3,462,360
17,407,601	17,239,021	18,153,632	17,827,675	17,775,916
17,703,355	17,681,048	18,005,725	17,792,184	17,161,661
11,891,655	12,341,964	23,653,781	31,375,125	42,433,637
11,842,417	12,658,535	15,454,312	13,798,980	12,909,641
1,690,424	1,822,130	1,633,829	2,621,599	1,894,131
1,098,819	1,065,995	791,815	685,379	706,193
1,067,215	1,309,611	1,418,233	1,456,247	1,405,798
6,221,610	6,650,035	6,583,834	5,960,345	5,110,704
1,116,444	1,289,064	1,920,479	2,775,000	7,171,253
544,479	854,075	581,304	1,714,378	4,859,143
69,662	139,792	-	63,506	51,320
10,425,090	11,029,567	11,156,420	16,632,443	13,046,907
<u>84,924,196</u>	<u>87,818,791</u>	<u>103,256,069</u>	<u>116,894,588</u>	<u>127,988,664</u>
<u>(4,072,344)</u>	<u>(5,680,685)</u>	<u>(20,302,875)</u>	<u>(24,704,239)</u>	<u>(22,214,711)</u>
5,010,000	8,935,000	15,190,000	40,725,000	11,095,862
(4,920,000)	-	-	-	-
-	147,286	61,174	1,261,836	325,938
(20,338)	-	-	-	-
11,469,347	12,238,395	15,307,436	15,540,157	17,146,462
(9,360,030)	(10,027,276)	(11,477,456)	(12,222,951)	(17,341,131)
30,268	18,967	27,869	32,097	54,896
<u>2,209,247</u>	<u>11,312,372</u>	<u>19,109,023</u>	<u>45,336,139</u>	<u>11,282,027</u>
<u>\$ (1,863,097)</u>	<u>\$ 5,631,687</u>	<u>\$ (1,193,852)</u>	<u>\$ 20,631,900</u>	<u>\$ (10,932,684)</u>
<u>2.28%</u>	<u>2.60%</u>	<u>2.90%</u>	<u>3.84%</u>	<u>13.05%</u>

COUNTY OF JACKSON, MICHIGAN

**Changes in Fund Balances - General Fund**

Last Ten Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Revenues</b>					
Property taxes	\$ 22,553,464	\$ 21,700,151	\$ 21,109,245	\$ 21,043,608	\$ 20,482,195
Licenses, fees, taxes and permits	156,335	175,006	171,086	156,443	207,230
Intergovernmental	6,141,528	7,862,620	8,968,474	8,287,347	8,539,239
Charges for services	5,079,399	5,491,690	5,208,296	5,564,361	5,542,454
Fines and forfeitures	732,132	728,241	700,521	728,655	751,820
Investment earnings (loss)	1,205,421	869,110	1,374,972	617,042	(2,137,379)
Rental	-	-	-	-	183,840
Other	580,749	525,441	631,080	710,319	2,240,661
<b>Total revenues</b>	<b>36,449,028</b>	<b>37,352,259</b>	<b>38,163,674</b>	<b>37,107,775</b>	<b>35,810,060</b>
<b>Expenditures</b>					
General government	15,908,581	15,835,320	15,626,331	16,241,246	16,058,391
Public safety	12,531,637	12,925,272	13,105,635	13,386,637	13,533,400
Health and welfare	2,602,846	2,601,208	2,611,342	2,653,476	3,017,394
Other functions	5,051,238	5,497,645	5,007,331	5,663,549	7,526,066
<b>Total expenditures</b>	<b>36,094,302</b>	<b>36,859,445</b>	<b>36,350,639</b>	<b>37,944,908</b>	<b>40,135,251</b>
Revenues over (under) expenditures	354,726	492,814	1,813,035	(837,133)	(4,325,191)
<b>Other financing sources (uses)</b>					
Transfers in	7,780,600	5,646,699	4,515,983	4,576,289	3,737,376
Transfers out	(5,510,959)	(5,591,401)	(5,550,456)	(4,392,109)	(2,213,052)
<b>Total other financing sources (uses)</b>	<b>2,269,641</b>	<b>55,298</b>	<b>(1,034,473)</b>	<b>184,180</b>	<b>1,524,324</b>
<b>Net change in fund balance</b>	<b>\$ 2,624,367</b>	<b>\$ 548,112</b>	<b>\$ 778,562</b>	<b>\$ (652,953)</b>	<b>\$ (2,800,867)</b>

Source: Jackson County Finance Department

Schedule 5  
Unaudited

2014	2015	2016	2017	2018
\$ 21,411,937	\$ 21,882,537	\$ 21,861,653	\$ 22,115,685	\$ 22,838,115
177,025	176,633	110,735	95,219	66,425
9,119,267	9,845,236	10,493,103	10,736,570	10,484,282
5,479,044	5,634,251	5,577,341	5,726,892	5,629,027
724,427	680,240	632,107	582,324	513,877
2,586,554	804,259	63,411	305,663	339,815
191,734	203,379	190,627	192,207	207,421
2,124,084	1,897,529	1,825,893	2,228,910	1,500,388
<u>41,814,072</u>	<u>41,124,064</u>	<u>40,754,870</u>	<u>41,983,470</u>	<u>41,579,350</u>
17,169,311	17,099,912	18,088,676	17,634,708	17,662,088
14,485,381	14,563,759	14,973,279	14,633,635	12,259,662
3,216,354	3,302,188	3,418,765	3,499,499	3,423,963
6,203,489	6,618,646	6,559,160	5,960,345	5,110,704
<u>41,074,535</u>	<u>41,584,505</u>	<u>43,039,880</u>	<u>41,728,187</u>	<u>38,456,417</u>
<u>739,537</u>	<u>(460,441)</u>	<u>(2,285,010)</u>	<u>255,283</u>	<u>3,122,933</u>
4,108,649	4,254,545	5,671,618	5,250,032	3,742,381
(4,427,339)	(5,007,195)	(5,621,154)	(5,572,470)	(7,565,196)
<u>(318,690)</u>	<u>(752,650)</u>	<u>50,464</u>	<u>(322,438)</u>	<u>(3,822,815)</u>
<u>\$ 420,847</u>	<u>\$ (1,213,091)</u>	<u>\$ (2,234,546)</u>	<u>\$ (67,155)</u>	<u>\$ (699,882)</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		
2009	\$ 3,152,609	\$ 594,997	\$ 242,768	\$ 183,178	\$ 6,973	\$ 370,891
2010	3,010,501	593,343	217,483	181,464	5,667	364,718
2011	2,918,037	585,050	212,279	183,094	4,647	375,068
2012	2,841,876	553,113	205,194	187,167	4,125	385,366
2013	2,844,162	539,221	194,597	188,802	3,718	411,501
2014	2,872,372	537,330	147,001	190,837	3,386	418,119
2015	2,915,486	524,771	149,366	193,463	3,129	530,649
2016	2,947,731	533,023	147,960	193,871	3,333	450,796
2017	3,015,927	543,997	148,052	193,097	2,368	458,389
2018	3,117,251	561,923	152,353	198,949	2,166	455,219

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

Schedule 6  
Unaudited

Total	Assessed State Equalized Value	Industrial Facilities Taxable Value	Total Direct Tax Rate
\$ 4,551,416	\$ 5,604,766	\$ -	5.9909
4,373,176	5,225,510	120,563	5.9909
4,278,175	4,971,653	108,419	5.9909
4,176,841	4,772,886	111,961	5.9936
4,182,001	4,754,803	129,410	5.9936
4,249,045	4,843,654	167,171	5.9936
4,316,864	4,985,868	193,803	5.9936
4,276,714	5,144,216	71,794	6.1038
4,361,830	5,327,136	25,827	6.1038
4,487,861	5,466,480	26,556	7.3538

COUNTY OF JACKSON, MICHIGAN

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

	2009	2010	2011	2012	2013
<b>County direct rates</b>					
Operating	5.1187	5.1187	5.1187	5.1187	5.1187
Medical Care Facility	0.1398	0.1398	0.1398	0.1398	0.1398
Jail	0.4851	0.4851	0.4851	0.4851	0.4851
Senior services	0.2473	0.2473	0.2473	0.2500	0.2500
LifeWays	-	-	-	-	-
Parks	-	-	-	-	-
Animal shelter	-	-	-	-	-
<b>Total direct rate</b>	<b>5.9909</b>	<b>5.9909</b>	<b>5.9909</b>	<b>5.9936</b>	<b>5.9936</b>
<b>Overlapping rates</b>					
Cities -					
Jackson	15.8089	15.3589	15.8389	16.1389	16.0889
Townships (average)	1.7709	1.8980	1.9418	1.9367	1.9445
Villages (average)	10.9535	10.7720	10.7496	11.0929	10.8634
School districts (average)	22.3737	22.3737	22.8728	21.8281	23.0342
Intermediate school district (average)	5.9528	5.9528	5.9692	6.0600	6.0612
Community College:	1.1446	1.1446	1.1446	1.1446	1.1446
District library	1.2593	1.2593	1.2593	1.2593	1.2593

Operating Tax Rate Limitations

	2008-2011		2012 - 2015	
	Millage Authorized	Maximum Allowable after Rollback	Millage Authorized	Maximum Allowable after Rollback

Operating	5.9500	5.1187	5.9500	5.1187
Medical Care Facility	0.1500	0.1398	0.1500	0.1398
Jail debt	0.5000	0.4851	0.5000	0.4851
Senior services	0.2500	0.2473	0.2500	0.2500

	2016 - 2017		2018	
	Millage Authorized	Maximum Allowable after Rollback	Millage Authorized	Maximum Allowable after Rollback

Operating	5.9500	5.1187	5.9500	5.1187
Medical Care Facility	0.2500	0.2500	0.2500	0.2500
Jail debt	0.5000	0.4851	0.5000	0.4851
Senior services	0.2500	0.2500	0.2500	0.2500
LifeWays	-	-	0.5000	0.5000
Parks	-	-	0.5000	0.5000
Animal shelter	-	-	0.2500	0.2500

Source: Jackson County Equalization Department

Schedule 7  
Unaudited

2014	2015	2016	2017	2018
5.1187	5.1187	5.1187	5.1187	5.1187
0.1398	0.1398	0.2500	0.2500	0.2500
0.4851	0.4851	0.4851	0.4851	0.4851
0.2500	0.2500	0.2500	0.2500	0.2500
-	-	-	-	0.5000
-	-	-	-	0.5000
-	-	-	-	0.2500
<u>5.9936</u>	<u>5.9936</u>	<u>6.1038</u>	<u>6.1038</u>	<u>7.3538</u>

16.9789      16.0329      18.0389      18.1889      18.3389

2.0500      2.0468      2.0734      2.2992      2.4933

13.0162      12.9995      12.9614      13.2439      10.2941

23.4993      23.4993      23.2770      23.1699      22.9873

6.0612      6.0612      6.3073      6.3006      6.3001

1.1446      1.1446      1.1446      1.1446      1.1446

1.2593      1.2593      1.2593      1.7593      1.7593

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

Taxpayer	2018			2009		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Consumers Energy	\$ 294,241,886	1	6.56%	156,917,752	1	3.53%
Enbride	57,367,417	2	1.28%			
Michigan Electric Transmission	26,600,239	3	0.59%			
Ramco Jackson LTD	17,074,339	4	0.38%	17,131,805	5	0.38%
MACI	16,531,432	5	0.37%	63,242,515	3	1.42%
Meijer Inc.	12,082,769	6	0.27%	14,369,867	7	0.32%
John Ganton	11,981,005	7	0.27%			
Vista Grande Villa	11,748,163	8	0.26%			
Wal-mart Stores Inc.	11,158,464	9	0.25%	13,037,678	9	0.29%
West Bay Exploration	10,821,991	10	0.24%			
Kinder Morgan Michigan LLC				93,590,186	2	2.10%
Gerdau MAC Steel				46,172,000	4	1.04%
TAC Manufacturing Inc.				17,347,931	6	0.39%
Llyod Ganton				14,118,988	8	0.32%
Wolverine Tech/Certainteed				12,415,050	10	0.28%
	<u>\$ 469,607,705</u>		<u>10.47%</u>	<u>\$ 448,343,772</u>		<u>10.07%</u>

Source: Jackson County Equalization Department

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2009	\$ 25,772,909	\$ 23,450,825	90.99%	\$ 1,699,356	\$ 25,150,181	97.58%
2010	24,776,520	22,980,074	92.75%	1,568,371	24,548,445	99.08%
2011	24,191,799	22,635,414	93.57%	1,460,958	24,096,372	99.61%
2012	23,838,450	22,426,460	94.08%	1,361,990	23,788,450	99.79%
2013	24,076,501	22,603,314	93.88%	1,473,188	24,076,502	100.00%
2014	24,486,531	23,097,727	94.33%	1,388,805	24,486,532	100.00%
2015	25,036,427	23,738,308	94.82%	1,298,120	25,036,428	100.00%
2016	25,362,592	24,098,873	95.02%	1,263,720	25,362,593	100.00%
2017	25,868,879	24,567,953	94.97%	1,300,927	25,868,880	100.00%
2018	29,974,335	28,394,731	94.73%	1,579,603	29,974,334	100.00%

■ State Revenue Sharing Payments  
Last Ten Years

Fiscal Year Ended	Revenue Sharing Payments
2009	\$ 523,936
2010	2,361,911
2011	3,297,426
2012	2,577,416
2013	2,611,765
2014	2,906,904
2015	3,366,891
2016	3,382,698
2017	3,415,941
2018	3,445,116

Source: Jackson County Finance Department

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

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2009	\$ 17,495,000	\$ 224,805	\$ 13,254,295	\$ 5,775,000	\$ 36,749,100	7.80%	\$ 229.93
2010	17,195,000	196,692	12,822,645	4,445,000	34,659,337	7.35%	216.29
2011	16,290,000	167,823	12,341,085	2,695,000	31,493,908	8.96%	196.53
2012	15,395,000	137,072	11,864,481	905,000	28,301,553	7.94%	176.54
2013	14,355,000	105,987	11,309,481	-	25,770,468	7.18%	160.69
2014	13,339,662	74,543	11,425,000	-	24,839,205	4.74%	167.00
2015	21,163,643	45,479	10,225,000	-	31,434,122	5.71%	197.09
2016	34,530,214	-	10,620,432	-	45,150,646	7.77%	284.93
2017	137,948,369	3,225,000	10,041,830	-	151,215,199	24.90%	953.20
2018	142,261,588	3,059,609	9,443,228	-	154,764,425	25.48%	1,001.58

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
2009	\$ 30,749,295	\$ -	\$ 30,749,295	6.52%	0.68%	\$ 192.39
2010	30,017,645	-	30,017,645	6.37%	0.69%	187.32
2011	28,631,085	-	28,631,085	8.14%	0.67%	178.67
2012	27,259,481	-	27,259,481	7.65%	0.65%	170.04
2013	25,664,481	-	25,664,481	7.15%	0.61%	160.03
2014	24,764,662	-	24,764,662	4.73%	0.58%	167.00
2015	32,342,677	-	32,342,677	5.87%	0.75%	195.99
2016	34,530,214	-	34,530,214	5.95%	0.81%	217.91
2017	147,990,199	95,089	147,895,110	24.35%	3.39%	932.87
2018	151,704,816	-	151,704,816	25.12%	3.38%	923.16

Source: Jackson County Finance Department

**Computation of Net Direct and Overlapping Debt**  
December 31, 2018

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
<b>Direct debt</b>			
General obligation bonds	\$ 136,730,000	\$ 4,930,000	\$ 131,800,000
Michigan Transportation Bonds	12,560,000	12,560,000	-
Leases	3,059,609	-	3,059,609
Issuance discount	(13,558)	(13,558)	-
Issuance premium	2,428,374	2,428,374	-
<b>Net direct debt</b>	<b>\$ 154,764,425</b>	<b>\$ 19,904,816</b>	<b>\$ 134,859,609</b>

	Gross	County Share	Net Amount Outstanding
<b>Overlapping debt</b>			
City of Jackson	\$ 48,728,000	100.00%	\$ 48,728,000
Blackman Township	2,125,000	100.00%	2,125,000
Columbia Township	3,140,893	100.00%	3,140,893
Grass Lake Township	233,175	100.00%	233,175
Hanover Township	713,160	100.00%	713,160
Henrietta Township	1,735,000	100.00%	1,735,000
Leoni Township	2,500,000	100.00%	2,500,000
Liberty Township	186,840	100.00%	186,840
Napoleon Township	868,825	100.00%	868,825
Norvell Township	744,243	100.00%	744,243
Rives Township	950,000	100.00%	950,000
Spring Arbor Township	7,735,000	100.00%	7,735,000
Summit Township	22,503,579	100.00%	22,503,579
Brooklyn Village	1,328,165	100.00%	1,328,165
Concord Village	390,000	100.00%	390,000
Grass Lake Village	1,165,000	100.00%	1,165,000
Parma Village	2,871,598	100.00%	2,871,598
Springport Village	82,868	100.00%	82,868
Addison School District	13,395,000	0.06%	8,037
Chelsea School District	32,209,828	4.37%	1,407,569
Columbia School District	28,185,000	79.01%	22,268,969
Concord School District	6,510,000	100.00%	6,510,000
East Jackson School District	21,451,645	100.00%	21,451,645
Grass Lake School District	23,505,513	99.29%	23,338,624
Hanover-Horton School District	1,035,000	86.51%	895,379

continued...

**Computation of Net Direct and Overlapping Debt**  
December 31, 2018

	Gross	County Share	Net Amount Outstanding
<b>Overlapping debt (Continued)</b>			
Homer School District	\$ 17,786,367	1.28%	\$ 227,665
Jackson School District	112,735,000	100.00%	112,735,000
Jonesville School District	19,722,080	0.66%	130,166
Leslie School District	8,852,097	13.52%	1,196,802
Manchester School District	37,178,624	0.69%	256,533
Marshall School District	42,275,000	1.90%	801,368
Michigan Center School District	9,830,000	100.00%	9,830,000
Napoleon School District	14,995,000	99.95%	14,987,503
North Adams-Jerome School District	190,000	0.85%	1,615
Northwest School District	37,515,000	99.76%	37,424,964
Springport School District	10,569,069	67.79%	7,164,772
Stockbridge School District	23,150,000	16.64%	3,852,160
Vandercook Lake School district	5,165,000	100.00%	5,165,000
Western School District	35,997,101	100.00%	35,997,101
Ingham Intermediate School district	1,336,000	1.27%	16,967
Jackson Intermediate School District	665,000	94.74%	630,021
Jackson College	33,285,000	100.00%	33,285,000
<b>Total overlapping debt</b>	<b>\$ 635,539,670</b>		<b>\$ 437,584,206</b>
<b>Net direct and overlapping debt</b>			<b>\$ 572,443,815</b>

concluded.

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

**Legal Debt Margin**  
Last Ten Years

Legal debt margin calculation for 2018

Assessed value	<u>\$ 5,802,613,125</u>
Debt limit (10% of state equalized value)	\$ 580,261,313
Debt applicable to limit - gross direct bonds	<u>(160,886,848)</u>
 Legal debt margin	 <u>\$ 419,374,465</u>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit As % of Debt Limit Ratio
2009	\$ 560,476,600	\$ 73,033,008	\$ 487,443,592	13.03%
2010	522,551,000	68,521,552	454,029,448	13.11%
2011	497,165,300	62,576,592	434,588,708	12.59%
2012	477,288,600	54,015,443	423,273,157	11.32%
2013	475,480,300	47,970,215	427,510,085	10.09%
2014	484,365,400	46,521,973	437,843,427	9.60%
2015	498,586,785	49,116,940	449,469,845	9.85%
2016	532,713,624	59,694,848	473,018,776	11.21%
2017	546,648,071	159,385,848	387,262,223	29.16%
2018	580,261,313	160,886,848	419,374,465	27.73%

Source: Jackson County Finance Department

Demographic and Economic Statistics  
Last Ten Years

Fiscal Year	Population	Labor Force	Employment	Unemployment	Unemployment Rate	Total Personal Income (000's)	Per Capita Income
2009	159,828	76,470	66,162	10,308	13.5%	\$ 4,713,086	\$ 29,488
2010	160,248	72,338	65,106	7,232	10.0%	4,713,086	29,411
2011	160,248	71,890	65,680	6,210	8.6%	3,516,693	21,945
2012	160,309	69,851	64,240	5,611	8.0%	3,563,188	22,227
2013	160,369	69,678	64,115	5,563	8.0%	3,590,341	22,388
2014	159,741	72,300	68,600	3,700	5.1%	5,237,323	32,786
2015	159,494	73,020	69,836	3,184	4.4%	5,509,407	34,543
2016	158,460	73,700	70,600	3,100	4.2%	5,807,699	36,651
2017	158,640	74,530	71,460	3,070	4.1%	6,073,885	38,287
2018	158,640	73,125	70,525	2,600	3.6%	6,039,314	38,069

Source: Jackson County Finance Department

**Principal Employers**

Current Year and Nine Years Ago

Employer	2018			2009		
	Total Employees	Rank	% of Total County Labor Force	Total Employees	Rank	% of Total County Labor Force
Henry Ford Allegiance Health System	4,100	1	5.50%	3,146	1	4.23%
Consumers Energy	2,400	2	3.22%	2,026	3	2.72%
Michigan Department of Corrections	2,040	3	2.74%	2,040	2	2.74%
Great Lakes Home Health/Hospice	1,118	4	1.50%			
Michigan Automotive Compressor (MACI)	1,100	5	1.48%	784	5	1.05%
TAC Manufacturing	990	6	1.33%	590	10	0.79%
Local Government	870	7	1.17%	870	4	1.17%
Jackson Public Schools	782	8	1.05%	782	6	1.05%
Meijer Inc.	755	9	1.01%	755	8	1.01%
Eaton Corporation	700	10	0.94%			
Jackson College				767	7	1.03%
Wal-Mart Inc.				598	9	0.80%
	<u>14,855</u>		<u>19.93%</u>	<u>12,358</u>		<u>16.59%</u>

Source: The Enterprise Group, Jackson County.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Legislative:										
Board of Commissioners	12.0	12.0	12.0	12.0	9.0	9.0	9.0	9.0	9.0	9.0
Judicial:										
Circuit court	29.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.2
District court	54.5	51.0	49.0	49.0	49.5	49.5	49.5	49.5	49.5	46.0
Friend of the court	44.5	43.5	44.0	44.0	44.0	44.0	44.0	44.0	44.0	43.0
General government and elections:										
*County Administration	3.0	3.5	2.5	2.5	2.5	2.5	2.5	2.5	3.5	4.0
Finance	7.5	6.5	3.5	3.6	3.5	3.5	3.5	3.5	3.5	3.5
Information & Tech Systems	7.0	9.0	9.0	9.0	9.0	9.0	11.0	11.0	11.0	10.0
*Human Resources	-	-	4.8	4.5	5.8	5.8	5.8	5.8	5.8	5.7
Equalization	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0
GIS	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities Management	20.5	17.0	14.8	14.8	14.8	14.8	15.8	15.8	15.8	19.0
Clerk	21.0	20.0	19.3	18.8	18.8	18.8	18.8	18.8	18.8	20.2
Register of Deeds	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Treasurer	1.5	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5
MSU Extension	2.5	2.5	2.5	2.0	2.0	1.0	1.0	1.0	1.0	1.2
Drain Commissioner	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Retirement Board	1.3		-	-	-	-	-	-	-	-
Public safety:										
Prosecuting attorney	27.5	25.6	25.6	25.6	25.6	25.6	25.6	25.6	25.6	24.5
Sheriff	59.0	54.0	55.0	58.0	58.0	57.0	58.0	58.0	58.0	53.0
Emergency dispatch	20.0	19.0	19.0	19.0	19.0	19.0	19.0	22.0	22.0	23.0
Jail	55.0	54.0	54.0	54.0	54.0	54.0	54.0	53.0	53.0	55.0
Animal control	4.0	3.0	3.0	3.0	3.0	-	-	-	-	-
Youth center	35.8	32.4	32.4	32.3	32.3	32.3	32.3	32.3	32.3	29.0
Health and welfare:										
Environmental Health	8.3	8.0	8.0	8.0	8.2	8.2	8.2	8.2	8.2	9.0
Public Health	41.8	40.2	41.5	43.5	44.0	44.0	45.5	45.5	45.5	46.6
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	28.8	28.6	27.7	27.7	27.7	27.7	27.7	27.7	27.7	29.0
Veterans Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
**Animal Shelter	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	5.0
Cultural and recreation:										
Parks & Recreation	8.0	6.0	6.0	6.0	6.0	5.7	5.7	5.7	5.7	9.0
Golf Course	4.0	2.6	2.8	2.8	2.8	2.8	2.8	2.8	2.8	1.8
***Fair	-	2.5	1.0	1.0	1.0	1.3	1.3	1.3	1.3	1.0
Other:										
Airport	3.5	3.5	3.5	3.7	3.5	3.5	3.5	3.5	3.5	3.7
Transportation	-	-	-	-	75.0	75.0	75.0	79.0	120.0	116.0
Enterprise funds	8.5	6.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5
<b>Total</b>	<b>533.5</b>	<b>501.9</b>	<b>499.4</b>	<b>503.3</b>	<b>577.5</b>	<b>572.5</b>	<b>578.0</b>	<b>584.0</b>	<b>626.0</b>	<b>622.4</b>

Source: Jackson County Finance Department

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

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

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

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public safety</b>										
Sheriff:										
Complaints	33,034	30,069	39,448	35,654	36,076	36,480	29,563	32,199	28,520	27,625
Dispatches	146,669	138,673	149,663	152,808	141,157	132,512	129,036	132,981	143,454	139,458
Arrests	1,551	1,506	1,335	2,328	2,305	2,010	2,175	2,277	1,837	1,829
Bookings	9,543	11,104	10,779	8,182	8,309	7,190	7,047	7,364	7,238	7,317
<b>Health</b>										
Public health:										
Immunizations administered	7,133	14,921	10,052	9,247	7,576	5,965	5,609	5,629	4,713	5,669
WIC participants	5,687	5,725	5,485	5,401	5,361	5,445	5,442	5,150	4,903	4,620
Vision/hearing screenings	10,472	16,392	17,597	18,671	18,330	17,741	22,321	17,936	18,325	17,497
<b>Cultural and recreation</b>										
Parks and recreation:										
Special events participation	220,000	220,000	220,000	225,000	225,000	230,000	240,000	229,000	215,000	237,377
Cascades Falls participation	29,750	29,750	29,750	31,425	23,964	26,895	27,307	32,222	35,857	31,108
Rounds of golf	33,700	33,400	33,400	32,248	25,000	22,500	28,000	34,188	35,000	32,650
Camper participation	15,550	33,700	33,700	14,740	2,400	1,635	10,742	11,601	8,590	2,600

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

# COUNTY OF JACKSON, MICHIGAN

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

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

Source: Jackson County Finance Department

Schedule 18  
Unaudited



2014	2015	2016	2017	2018
426	426	426	426	426
34	35	35	35	38
-	-	-	-	-
16	16	16	16	16
1,086	1,086	1,086	1,086	1,086
17	17	17	17	17
1	1	1	1	1
1	1	1	1	1
15	15	15	15	15
4	4	4	4	4
12	12	12	12	12
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
10	10	10	10	10
8	8	8	8	8
2	2	2	2	2
544	544	544	544	547
811	811	811	811	792
229	229	229	229	244

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