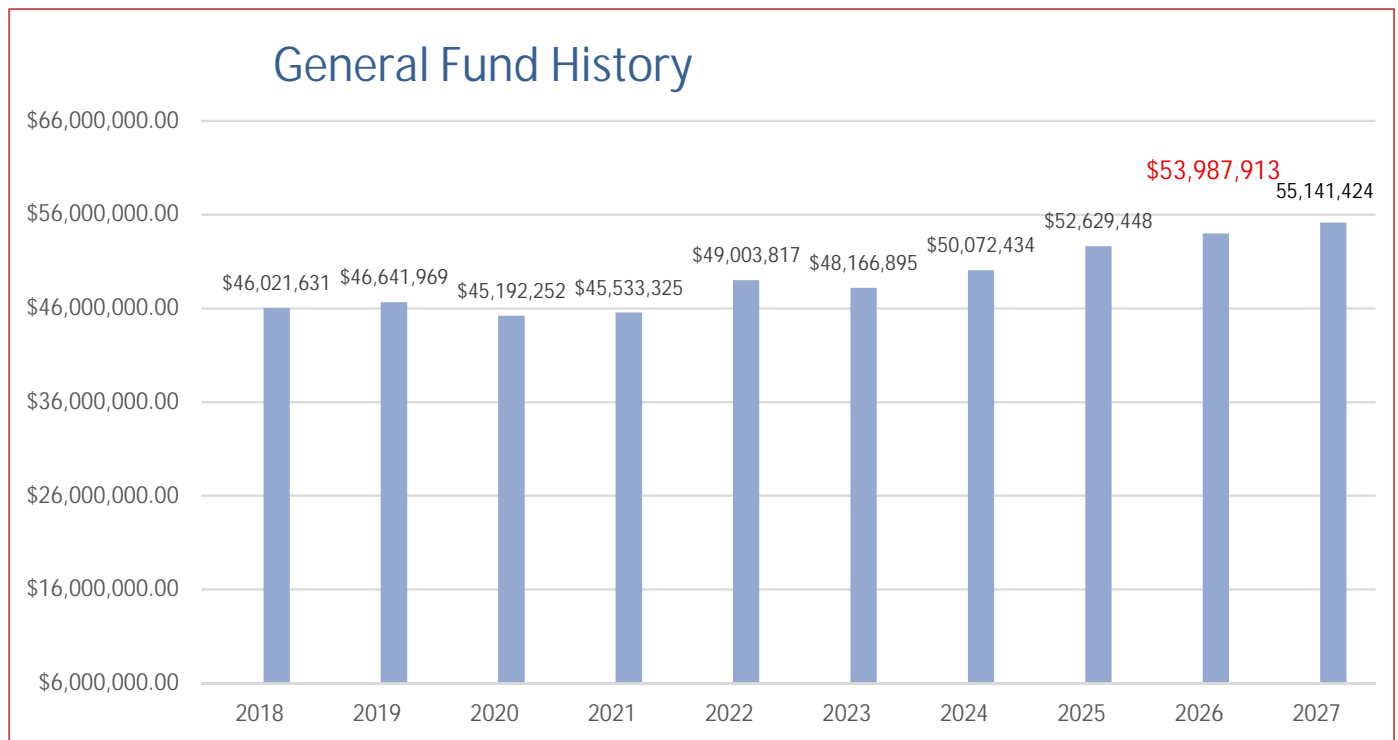


General Fund Budget History

The following graph shows actual expenditures for years 2018-2024 and budget for 2025-2027 for Jackson County. The recommended budget for Fiscal Year 2026 is \$53,987,913 which is a slight increase from the amended 2025 Budget.

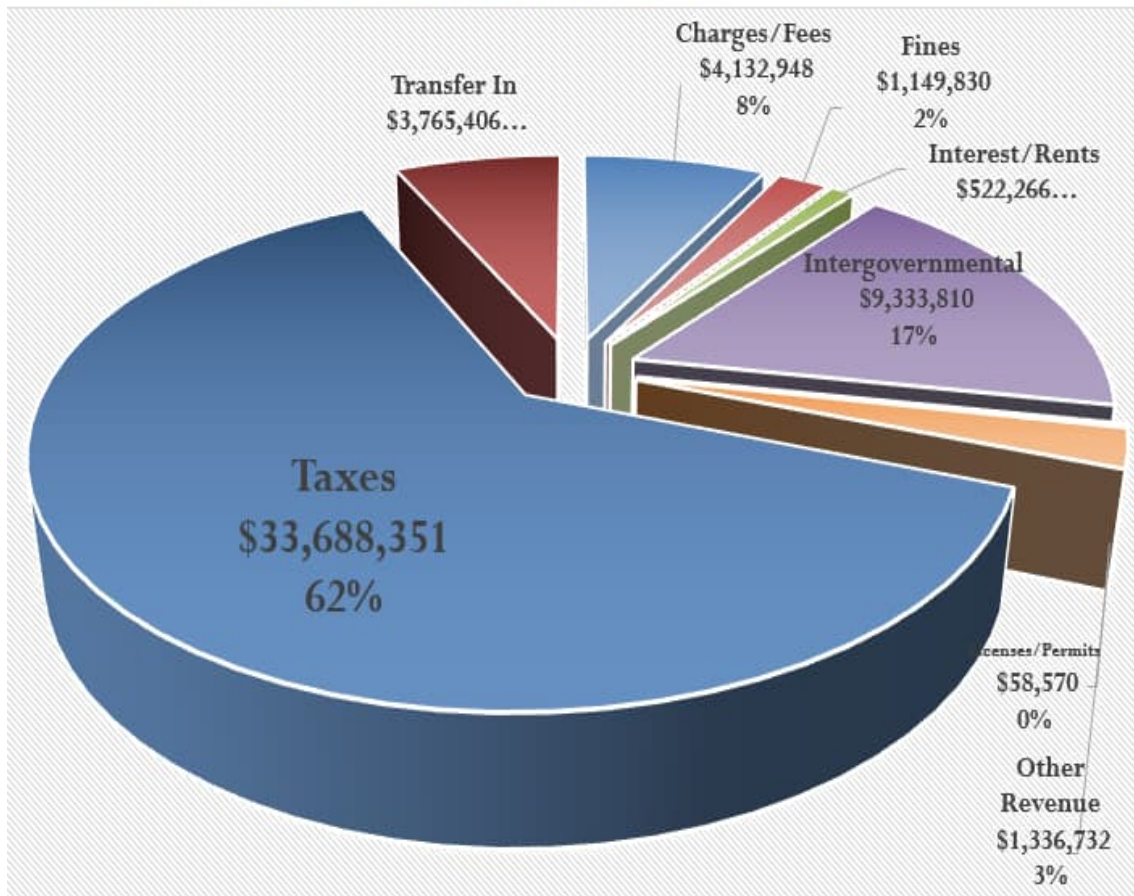


The county continues to maintain a strong fund balance consistent with the guidelines established by the Board of Commissioners. Board policy defines the fund balance as the percent of the annual audited expenditures and transfers out of the previous fiscal year that is undesignated and unreserved. The projected fund balance at the end of 2026 is 23.00%, which is within Board policy of a fund balance between 18% and 24%. A strong fund balance is appropriate for two reasons. First, property taxes for the current fiscal year are not collected by the county until several months after the fiscal year starts. Consequently, a high fund balance ensures adequate cash flow. Second, a strong fund balance helps the county respond to a rapidly changing economic environment. The county maintains a strong bond rating of AA- with a stable outlook from Standards and Poor and an Aa3 with Moody's investor service.

Revenues

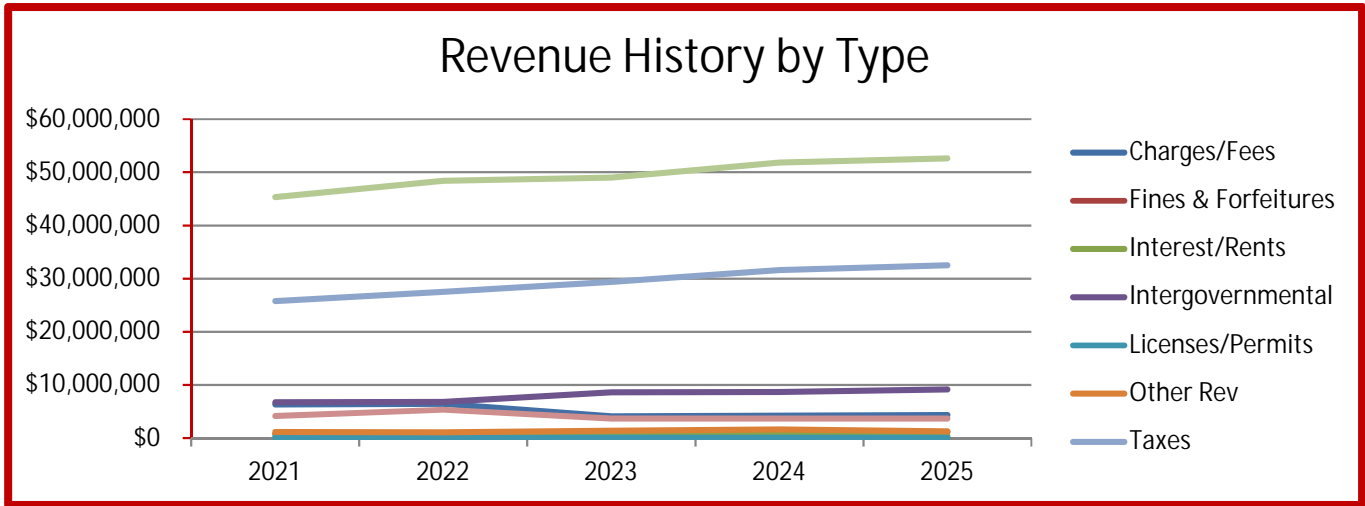
As can be seen below, Jackson County is primarily reliant on real and personal property taxes for over half of its revenue. As such, the county budget is extremely vulnerable to market real estate fluctuations. The 2026 budget has a 3.0% increase in property taxes.

2026 Revenues



Total
General Fund
\$53,987,913

The following chart shows a 6-year history of revenues by the type of revenue.



Property Tax

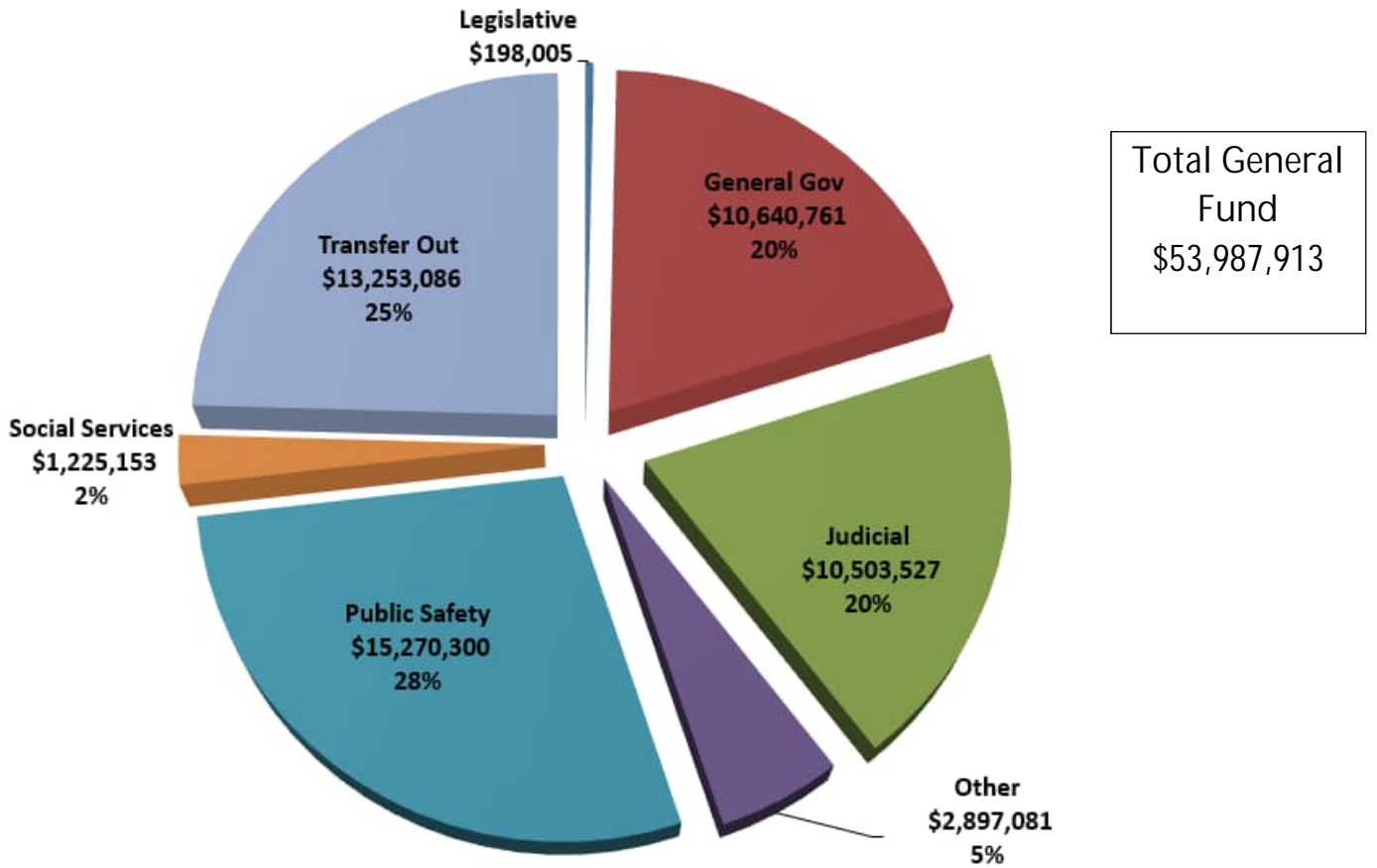
The Equalization Director provides an estimate of the increase in property tax that is used by the Finance Director in the budget.

The taxable values for FY 2025 increased by 6.06%, but according to The Headlee Amendment of 1978, the increase is limited to the lesser of Consumer Price index or 5.00% unless the property is sold or there is any new construction. The approved inflation rate multiplier by the State Tax Commission that will be used for 2026 will be 2.7%.

Expenditures

The following chart shows 2026 budget expense by group. Groups are defined by the State of Michigan and are defined in more detail below the graph. Public Safety, which primarily includes law enforcement, consumes 28% of the budgeted expenses. Judicial services includes the circuit and district court programs and their costs are 20% of the budget.

2026 Expenditures by Group



Expenditure Groups

Public Safety - Sheriff, Road Patrol, Lawnet, Marine Law Enforcement, County Jail, Chanter Road Jail, Community Corrections, Emergency Management, Truancy Grant

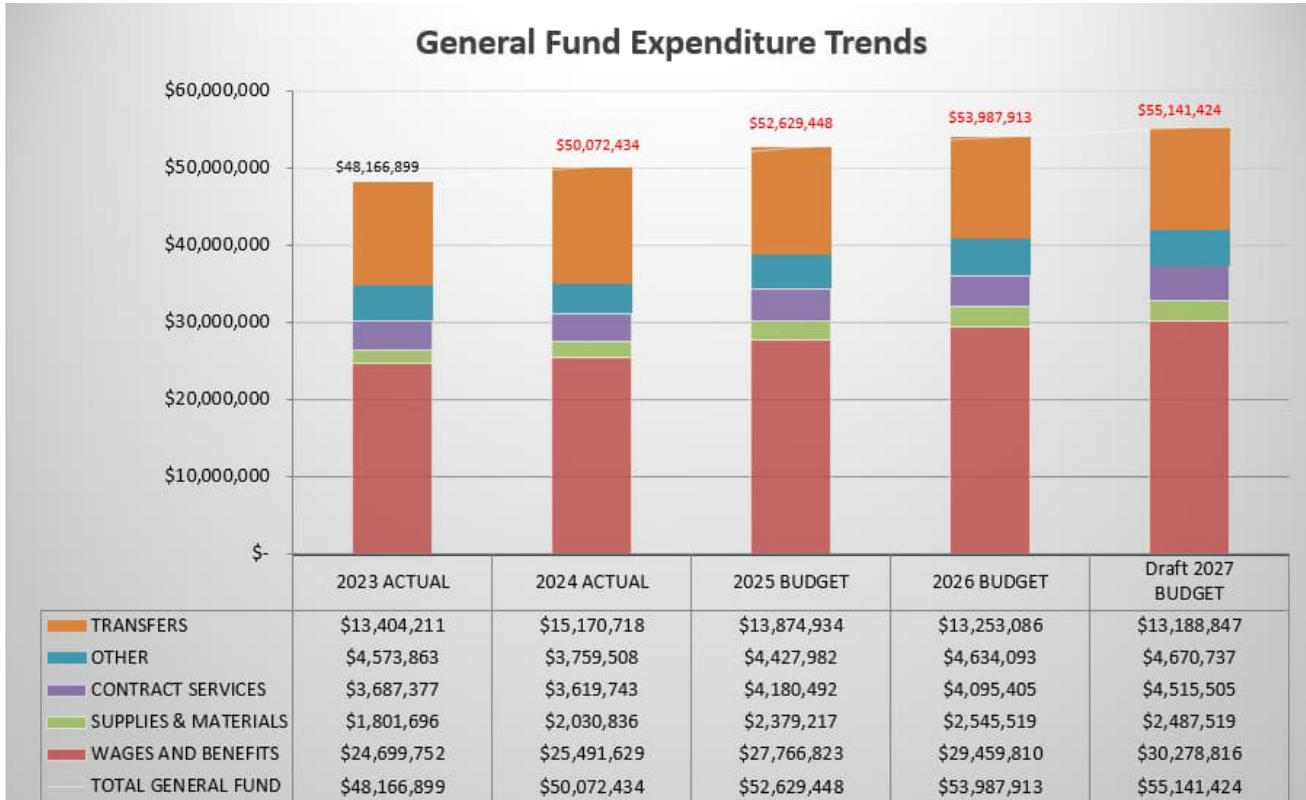
General Government - Public Elections, Administrator/ Controller, Clerk, GIS, Administrative Services, Equalization, Register of Deeds, Remonumentation, Treasurer, MSU Extension, Information Technology, Maintenance, Fleet, Drain Commissioner

Judicial - Circuit Court, Jury Commission, 12th District Court, Circuit Court Probation, Prosecuting Attorney, Public Defender, Prosecuting Attorney Family Division, Prosecuting Attorney Victims Rights, District Court Intensive Probation

Legislative - Board of Commissioners

Social Services - Abstinence Program, Medical Examiner, Veterans Burial, Veterans Affairs

Expenses can also be viewed, as shown below, by category. The personnel costs category accounts for the largest portion of the county budget. Jackson County negotiates wages and benefits with ten collective bargaining units. Non-union employee wages and benefits are set by the Board of Commissioners.





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