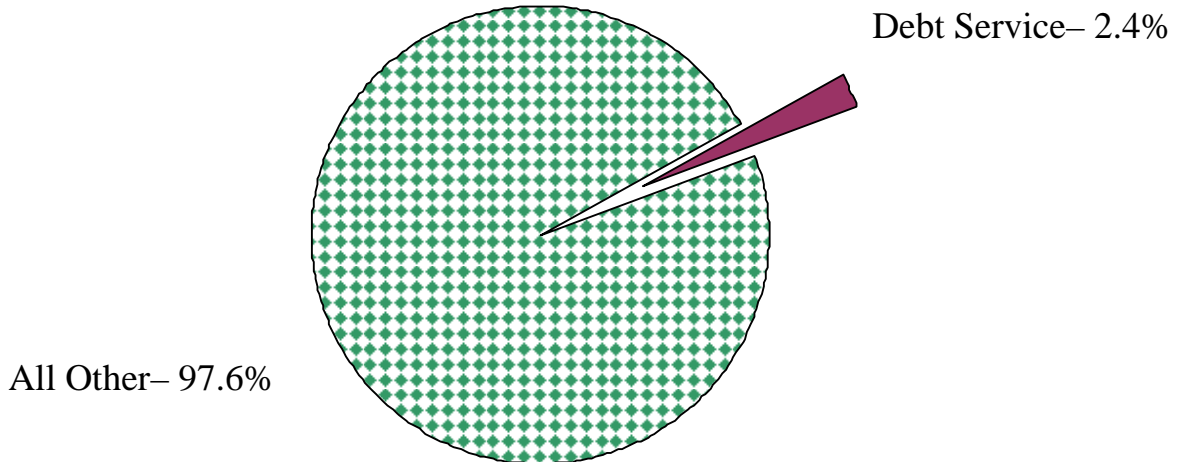


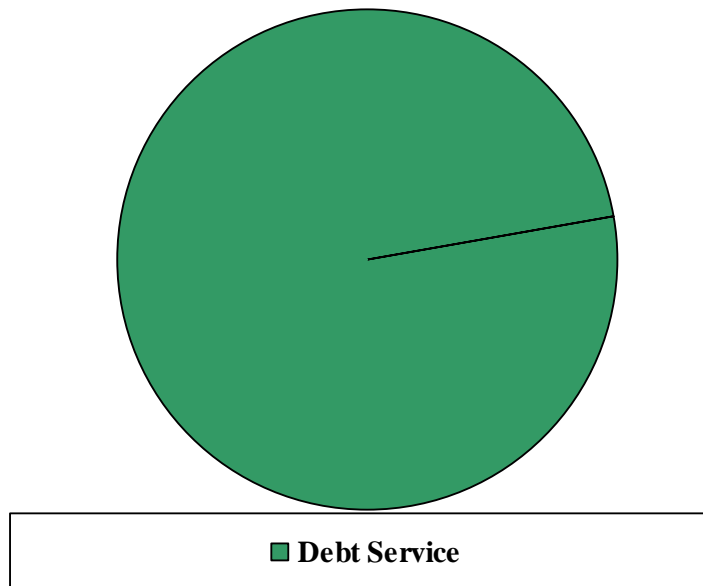
Debt Service Functions

Total County Budget Perspective *



* Graph does not reflect operating transfers out since these expenditures are already reflected in the other expenditure categories

Debt Service Expenditures by Fund Type



**COUNTY OF OTTAWA
DEBT SERVICE FUND (5690-5695)**

Building Authority Fund (5690-5695) - This Fund was established to account for the accumulation resources for payment of principal and interest on bonds issued to finance building projects for the County of Ottawa. Bonds have been issued for the following projects: 1990-Ottawa County Central Dispatch Authority; 1992-Probate Court/Jail Complex; 1997-Jail addition and Sheriff Administrative Annex; 2005 - Holland District Court Building; Grand Haven Courthouse - 2007. The 1990 bonds were refunded during 2003 and 2005, and a portion of the 1992 bonds were refinanced during 2006. A portion of the 1997 bonds were refunded during 2005. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa or other identified payment mechanisms.

Resources

Personnel

No personnel has been allocated to this department.

Funding

	2004 Actual	2005 Actual	2006 Actual	2007 Current Year Estimated	2008 Adopted by Board
Revenues					
Charges for Services					
Interest and Rents	\$4,573	\$13,975	\$7,539	\$640	\$5,300
Rents	\$2,243,461	\$2,008,656	\$2,439,503	\$2,977,797	\$3,525,923
Other Revenue					
Other Financing Sources		\$10,562,974			
Total Revenues	\$2,248,034	\$12,585,605	\$2,447,042	\$2,978,437	\$3,531,223
Expenditures					
Debt Service	\$2,299,902	\$2,299,621	\$2,453,395	\$2,977,797	\$3,525,923
Other Financing Uses		\$10,792,190			
Total Expenditures	\$2,299,902	\$13,091,811	\$2,453,395	\$2,977,797	\$3,525,923

County of Ottawa Debt Information

The County of Ottawa assumes debt to provide funding for the construction of water and sewage disposal systems, drains, buildings, and to refund previously issued bonds. Under the State of Michigan Constitution of 1963, Article VII, Section 11, "No County shall incur indebtedness which shall increase its total debt beyond 10% of its assessed valuation." Consequently, Ottawa County, with a 2007 assessed value of \$11,719,793,894 is limited to no more than \$1,171,979,389 of debt. The County's total debt at the statement date is \$133,972,073, or approximately 1% of the assessed value - well below the legal limit. The graph below illustrates the additional legal debt capacity of the County of Ottawa.

**County of Ottawa Legal Debt Limit and Debt
Outstanding**



Ottawa County has obtained a AAA rating from Fitch on General Obligation Limited Tax Bonds. Moody's Bond Rating is Aa1 for General Obligation Unlimited and Limited Tax Bonds. Standard and Poor's Bond Rating is AA for General Obligation Unlimited and Limited Tax Bonds.

Bonds:

The County principally uses general obligation bonds to provide funds for these projects. The majority of the general obligation bonds, \$101,883,533, were issued by the Ottawa County Public Utilities System, a component unit of Ottawa County, for water and sewer projects. The principal and interest payments on these water and sewer project issues are repaid generally from funds received from local municipalities in the County. The interest rate on these issues ranges from 2.5% to 7.6% percent.

In addition, \$326,500 is estimated for inter-county drainage projects. Principal and interest is paid from drain assessments levied. The interest rate on these issues ranges from 4.5% to 7.0% percent.

Last, \$29,680,000 is estimated debt outstanding at 12/31/07 for five Ottawa County Building Authority projects. These five projects include:

- E-911 Central Dispatch operation
- Probate Court/Jail facility
- Sheriff and Administrative Annex and additional Jail pod
- Holland District Court facility
- Grand Haven Courthouse Project

The E-911 issue was refunded during 1993. The Probate Court/Jail facility was refunded in 1997 in conjunction with the issue for the Sheriff and Administrative Annex and additional Jail pod. The unrefunded portion of the E-911 bonds and the Sheriff and Administrative Annex and additional jail pod were refunded during 2005. The Building Authority makes the principal and interest payments with revenues collected from lease agreements with the County. The interest rate on these issues ranges from 3.0% to 5.05% percent.

The County has pledged its full faith and credit for payment on the above obligations.

Other Bonds:

In November 2001, the Ottawa County Road Commission issued Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The estimated balance of these bonds at 12/31/07 is \$1,800,000. The borrowing will be paid from State revenues allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

Notes Payable:

The Drain Commissioner has issued two small notes to provide funding for drainage projects in Ottawa County. The notes total \$253,200, and the County did not pledge its full faith and credit for the above notes.

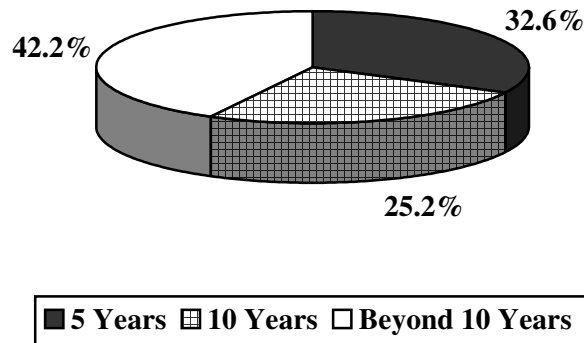
Land Contracts:

Ottawa County has \$28,840 in land contracts. The land contract was made to secure land purchases for the Ottawa County Parks system. The principal and interest payments will be made from the voted parks millage and recorded in the Parks and Recreation Special Revenue fund. The final payment on the land contract will be made during 2008.

Debt Retirements:

The percentage of debt to be retired in five, ten, and beyond ten years indicates how fast the County is retiring its debt. Rating agencies expect 50% of the debt to be retired within ten years. The graph that follows shows that Ottawa County, scheduled to retire 57.8% of its debt within ten years, is retiring debt within established standards.

County of Ottawa Debt Retirements



Debt per Capita

Ottawa County has experienced high growth in the last several years. Consequently, debt has been issued to fund the required infrastructure. Listed below is the debt per capita information for the last ten years.

Year	Population	Net Bonded Debt per Capita (Direct Debt)
1997	220,403	\$114
1998	224,357	107
1999	230,261	99
2000	238,314	91
2001	243,571	84
2002	245,913	78
2003	249,391	71
2004	252,351	65
2005	255,406	91
2006	257,671	84

The schedule that follows details the principal and interest payments by year.

County of Ottawa

Schedule of Debt Service Requirements

OTTAWA COUNTY - PRIMARY GOVERNMENT					OTTAWA COUNTY - COMPONENT UNITS				REPORTING ENTITY
Budget Year	Amount Outstanding Beginning of Year	Principal Retirements	Interest Requirements	Total Requirements	Amount Outstanding Beginning of Year	Principal Retirements	Interest Requirements	Total Requirements	Total Requirements
General Obligation Bonds (Non-major Funds):					General Obligation Bonds:				
2008	\$29,680,000	\$2,235,000	\$1,301,434	\$3,536,434	\$104,010,033	\$8,032,767	\$4,623,542	\$12,656,309	\$16,192,743
2009	27,445,000	2,335,000	1,206,246	3,541,246	95,977,266	6,693,767	3,993,432	10,687,199	14,228,445
2010	25,110,000	2,035,000	1,114,332	3,149,332	89,283,499	7,321,766	3,734,896	11,056,662	14,205,994
2011	23,075,000	2,110,000	1,033,868	3,143,868	81,961,733	5,756,767	3,471,947	9,228,714	12,372,582
2012	20,965,000	1,635,000	949,794	2,584,794	76,204,966	5,263,767	3,249,891	8,513,658	11,098,452
2013	19,330,000	1,690,000	887,519	2,577,519	70,941,199	5,410,766	3,035,798	8,446,564	11,024,083
2014	17,640,000	1,775,000	807,019	2,582,019	65,530,433	5,361,767	2,812,870	8,174,637	10,756,656
2015	15,865,000	1,860,000	722,419	2,582,419	60,168,666	4,328,767	2,613,440	6,942,207	9,524,626
2016	14,005,000	1,950,000	629,419	2,579,419	55,839,899	4,528,766	2,432,385	6,961,151	9,540,570
2017	12,055,000	2,045,000	536,469	2,581,469	51,311,133	4,740,767	2,247,519	6,988,286	9,569,755
2018-2022	10,010,000	5,025,000	1,778,358	6,803,358	46,570,366	18,105,366	8,677,251	26,782,617	33,585,975
2023-2027	4,985,000	4,985,000	614,896	5,599,896	28,465,000	13,880,000	5,319,702	19,199,702	24,799,598
2028-2032					14,585,000	14,480,000	2,084,159	16,564,159	16,564,159
2033-2036					105,000	105,000	8,073	113,073	113,073
Parks and Recreation Land Contracts (Major Fund):					Notes Payable*:				
2008	28,840	28,840	2,668	31,508	253,200	107,600	7,961	115,561	147,069
2009					145,600	107,600	6,467	114,067	114,067
2010					38,000	7,600	1,737	9,337	9,337
2011					30,400	7,600	1,389	8,989	8,989
2012					22,800	7,600	1,045	8,645	8,645
2013					15,200	7,600	695	8,295	8,295
2014					7,600	7,600	347	7,947	7,947
2015									
		\$29,708,840	\$11,584,441	\$41,293,281		\$104,263,233	\$48,324,546	\$152,587,779	\$193,881,060

All figures are as of 11/20/07

*Notes payable of the component unit are not guaranteed by the County.