

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA

Grand Haven, Michigan

For the Year Ended December 31, 2006

BOARD OF COMMISSIONERS

2006

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COUNTY OF OTTAWA

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2006

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June 2, 2007

Members of the Board and the Citizens of the County of Ottawa:

The Comprehensive Annual Financial Report of the County of Ottawa, Michigan, for the fiscal year ended December 31, 2006, is submitted herewith. The financial statements included in this report have been audited by Rehmann Robson, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds.

The independent audit of the financial statements of the County of Ottawa was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Ottawa's separately issued Single Audit Report.

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 Ottawa's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY AND ITS SERVICES

Named for the Ottawa Indians who hunted and fished the area's forests and streams, Ottawa County was established in 1837. The County began operation in December of 1837, and the U.S. Census of 1840 listed only 208 people in all of Ottawa County. The estimated 2006 population is 257,671 with growth expected in the years ahead. Ottawa County, encompassing an area of approximately 565 square miles, is located in the southwestern portion of Michigan's lower peninsula having over 30 miles of Lake Michigan shoreline. The County is comprised of six cities, one village, and seventeen townships. Ottawa County is the eighth largest county in Michigan in terms of total population. The County is bordered by the City of Muskegon to the Northwest and the City of Grand Rapids to the East.

The topography of the County is flat to gently rolling, with approximately half of its land area being devoted to agricultural purposes. The County enjoys a healthy mix of tourism, industrial, commercial, and agricultural uses within its confines.

The County's legislative body is an eleven-member Board of Commissioners which is elected from single-member districts, determined by population, on a partisan basis for two-year terms. The Board annually elects from within its ranks a Chairman and Vice-Chairman by majority vote.

The financial reporting entity of Ottawa County includes all the funds and capital assets of the primary government (i.e., Ottawa County, as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services that are either mandated by State statute or authorized by the County Board of Commissioners. These services include legislative, judicial, public safety, public works, health, welfare, recreational, capital improvements and general administrative services.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Ottawa County Building Authority is separated into the appropriate categories of Debt Service, Capital Projects, Capital Assets and Long-term Debt and the Ottawa County, Michigan Insurance Authority is reported as an internal service fund. Discretely presented component units are reported separately in the government wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Ottawa County Road Commission, the Ottawa County Central Dispatch Authority, the Ottawa County Public Utilities System, and the Ottawa County Drain Commission are reported as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

National and State Economy

The changes in employment for the nation and the State of Michigan have taken different paths. Between November of 2005 and November 2006, the U.S. gained almost 1.8 million jobs, whereas employment in Michigan fell by more than 27,000 jobs. The national job growth was experienced in all sectors of the economy, except manufacturing, retail trade and information. In Michigan, job losses over this period were concentrated in manufacturing, retail trade and the construction industry. The services sector in Michigan grew, but it was not enough to offset the loss of more than 40,000 manufacturing jobs. Michigan's manufacturing employment losses accounted for 70 percent of the total nationwide decline in manufacturing employment over that period.

The State of Michigan is in a long-term phase of change and adaptation due to the shrinking domestic automotive industry which historically has been the main driver of the State's economy. Unlike the other states in the U.S., Michigan is challenged by an ailing economy because of its concentration of employment in automotive manufacturing and the continuing effects of globalization.

Ottawa County Economy

It is important to note that the economy in Ottawa County is far different from that of the State as a whole. Ottawa County is continuing to grow in population and employment and is experiencing significant new investments in its largest economic sector—manufacturing.

Employment

Both for 2004 and 2005, Ottawa County had identical annual average unemployment rates as the nation at 5.5% and 5.1%, respectively. The Michigan average rates were significantly higher at 7.0% and 6.8%, respectively. Although the unemployment rate for Ottawa County increased slightly in 2006, it remains far lower than the State average.

Year	Ottawa County	Michigan	National
2004	5.5%	7.0%	5.5%
2005	5.1%	6.8%	5.1%
2006	5.2%	6.9%	4.6%

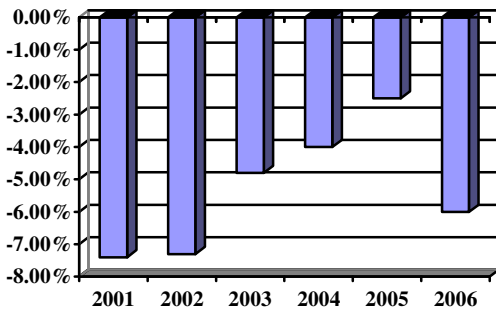
At the start of 2007 (for January), Ottawa County had a civilian labor force of 137,356. Of that total, 129,291 persons were employed and 8,065 unemployed. The unemployment rate was 5.9 percent. This rate compared to a national unemployment rate of 5.0 percent and a Michigan average of 7.7 percent. It is important to note that Ottawa County had the second lowest unemployment rate among the State's 17 labor market areas at the start of this year. In addition, it should be noted that since 2002, the annual

average total employment has been growing in Ottawa County. Over the four-year period (2002 to 2006), the collective increase in total employment has been 8,920 jobs.

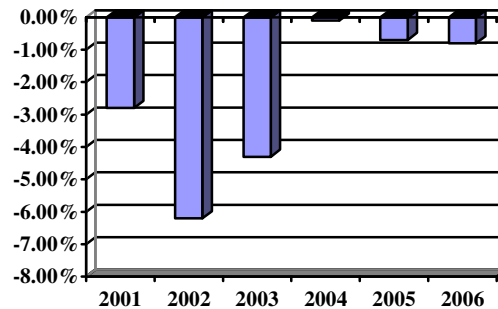
Composition of the Ottawa County Workforce

Ottawa County’s workforce is heavily tied to manufacturing. In 2006, approximately 36.1% of all private sector workers in Ottawa County worked in manufacturing (37,241 workers). This compared to a State of Michigan average of 17.6%. Since 2000, manufacturing employment levels have been steadily sliding in Michigan. Michigan lost 248,637 manufacturing jobs since 2000 - a decrease of 28%. By comparison, Ottawa County also experienced a steady decrease in its manufacturing workforce, but the pace of decline has been much less. Over this same period, Ottawa County lost 6,116 manufacturing jobs for a 14.1% decline.

% Decrease in Manufacturing Jobs – Michigan

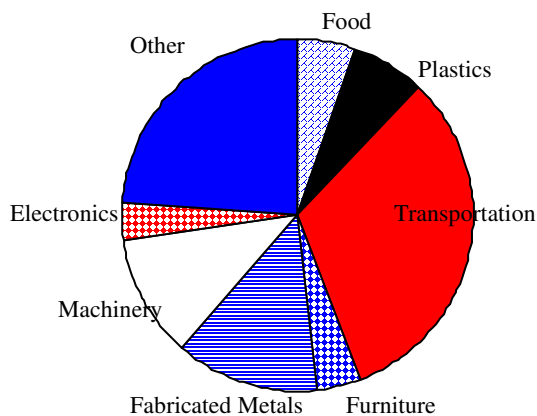


% Decrease in Manufacturing Jobs – Ottawa County

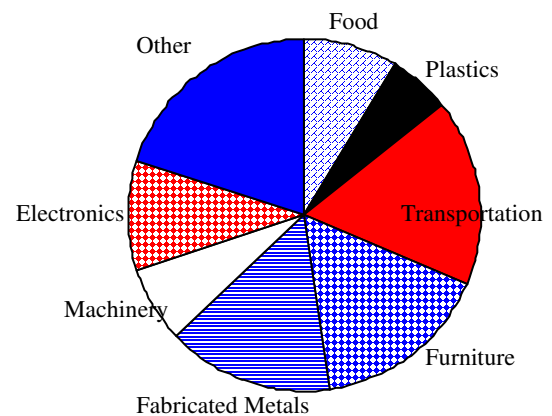


The reason Ottawa County’s economy is better as a whole and the percentage of manufacturing jobs lost in Ottawa County is lower than the State is because manufacturing is more diversified in Ottawa County. There are seven large industry groups within Ottawa County’s manufacturing sector. In rank order they are as follows: transportation equipment, furniture, fabricated metals, electronic products, food processing, machinery and plastics. The largest group, transportation equipment manufacturing, accounted for about 17.3% of the workforce. The next largest group, furniture manufacturing, accounted for nearly the same share at 16.5%. Collectively, workers in these seven industry groups accounted for 80% of the total private sector manufacturing employment in Ottawa County. In contrast, for the State as a whole, transportation equipment accounts for 32.4% of the manufacturing base. The graphs that follow reflect the better diversity of the manufacturing sector in Ottawa County.

State of Michigan Manufacturing by Industry



Ottawa County Manufacturing by Industry



Although employment within the transportation equipment industry group in Ottawa County has fallen, other segments are showing improvement. Specifically, in the furniture industry, after consistent employment reductions between 2000 and 2005, this segment slightly increased employment in 2006. The County believes this increase signals recovery in the office furniture industry with a period of expansion to follow.

Ottawa County's manufacturing diversity can also be seen from examining the employment counts of the ten largest manufacturing employers. For 2007, the top ten companies represented five different industry groups- office furniture, automotive components, plastics, food processing and boat building. Collectively, these top ten firms, in terms of total employment employed 17,552 workers in early 2007. By comparison, the top ten non-manufacturing firms in Ottawa County during this current year collectively employed 11,910 persons. These firms include higher education, education, health care, retailing and county government.

Economic Outlook for 2007-2008

State Outlook

There are a number of forecast uncertainties including energy prices, consumer and household finances, the housing market and Michigan's motor vehicle industry. According to the most recent economic forecast from the University of Michigan (released April 5, 2007), the restructuring of the domestic auto industry will continue well into the future. As in 2006, it is anticipated that about 52,100 jobs will be lost in Michigan during 2007 and about half as many again (24,000) lost in 2008. Manufacturing jobs will account for 70% of the net job losses. The only job gains will be in education and health services. Modest job growth is expected until 2009.

According to the (Michigan) House Fiscal Agency's forecast (prepared in January 2007), the national unemployment rate is forecast to be 4.6% in 2007 and 4.7% in 2008. Michigan's unemployment rate is forecast to be 7.4% in 2007 and 7.8% in 2008.

In Michigan, the personal income growth of 3.1% posted for 2006 will slow to 2.2% in 2007, reflecting a weaker economy due to further reductions in the high-wage auto sector. However, personal income is projected to increase slightly to 2.6% in 2008.

Last, a major unknown affecting the State, and by extension county and local governments, is the State's current fiscal crisis both for 2007 and into 2008. The State's weak economic performance has resulted in weak business tax, sales tax and real estate transfer tax collections. Presently, there is an estimated deficit for the current fiscal year of \$686 million and an anticipated \$1 billion dollar deficit for fiscal year 2008. Compounding the problem is the scheduled end of the Single Business Tax at the end of 2007. To date, no replacement funding has been identified. Consequently, spending cuts are expected in State programs and services, affecting local governments, universities and public schools. Although some of the deficit may be alleviated by various proposed tax increases, significant spending reductions appear unavoidable.

Ottawa County Outlook

According to a forecast by the W.E. Upjohn Institute (dated January 9, 2007), total employment in Ottawa County will increase over the 2006 level by 0.5 percent in 2007 and 1.0 percent in 2008. The main contributors to the job growth in both years will be the service providing industries. Employment in the goods providing industries and government will decrease slightly in 2007, but then rebound slightly in 2008. Consequently, assuming Ottawa County's economy continues to perform as it has in the recent past, Ottawa County's unemployment rate will be no higher than 5.7% in 2007 and 6.1% in 2008. These rates are significantly better than the State's projected unemployment rates of 7.4% in 2007 and 7.8% in 2008.

Still, Michigan's changing auto industry will continue to impact a number of the automotive components manufacturers in Ottawa County. One of the largest impacts which is now being realized is the closure of the former Delphi Corporation fuel injector manufacturing plant in the City of Coopersville. In the first quarter of 2007, this operation was permanently downsized with the machinery and equipment moved to other Delphi plants and the workforce eliminated through early buyouts/retirement, transfers and layoffs. In the second quarter of 2007, it is anticipated that this former automotive components manufacturing plant of 287,000 square feet located on a 135 acres site will become available for a new owner/tenant.

Other large automotive manufacturing operations in Ottawa County that are in the midst of potential change include Hydro Automotive Structures in the City of Holland (for sale), ASIMCO in Grand Haven Township (in bankruptcy) and Johnson Controls, Inc. in the City of Holland and Holland Township (an operational change). Specifically, a JCI automotive interiors operation in the City of Holland was purchased by Plastech Engineered Products of Dearborn. Plastech, a firm which specializes in plastic injection molding, will acquire about 700 former JCI workers. Currently, Johnson Controls is the second largest manufacturing employer in Ottawa County with over 3,000 employees, so changes at JCI/Plastech have the potential for significant impacts all across the community.

However, there is encouraging news for Ottawa County despite the challenges just discussed. The County is also experiencing growth in several areas that suggests a far different economic outlook for the County than the State of Michigan.

Growth in Population

Ottawa County continues to experience population growth. According to the Census Bureau, with an estimated 257,671 residents in 2006, Ottawa County is the eighth largest county in Michigan, in terms of total population. Between 2000 and 2006, Ottawa County's total population grew by 8.1%, which exceeded the growth rates of the seven other larger counties. Of all the 83 counties in Michigan, Ottawa County's population growth rate in the most recent year (between 2005 and 2006) of 1% ranked Ottawa County the third fastest growing county in the State. By comparison, the State of Michigan had a 1.6 percent gain in population over the six-year period and a 0.2 percent decline over that one year.

Growth in Housing

There has been a mixed performance in terms of recent housing construction in Ottawa County. The number of single family housing unit starts in 2006 was down to 628 from 1,123 in 2005. However, as for multiple family unit starts, there was a healthy total of 561 starts in 2006. More than half of those starts occurred in Allendale Township in the vicinity of Grand Valley State University, which continues to experience increasing enrollments. The annual average number of multi-family unit starts over the preceding five-years in Ottawa County was about 327 starts. Thus, the 2006 level was 72% more than that average.

Growth in the Manufacturing Sector

In terms of current and short-term projected expansion activity within Ottawa County's manufacturing sector, there were 80 manufacturing firms located throughout the County that applied for and received P.A. 198 industrial facilities tax abatements in 2006. This number represents the second largest number of certificates issued by a county in the State of Michigan last year. In terms of the collective value of these private sector investments in new plants, plant additions and the acquisitions of new machinery, equipment, furniture & fixtures, Ottawa County ranked the third county in Michigan with \$ 257.7 million. Collectively, all of these expansion projects are expected to create at least 888 new jobs over the next two years.

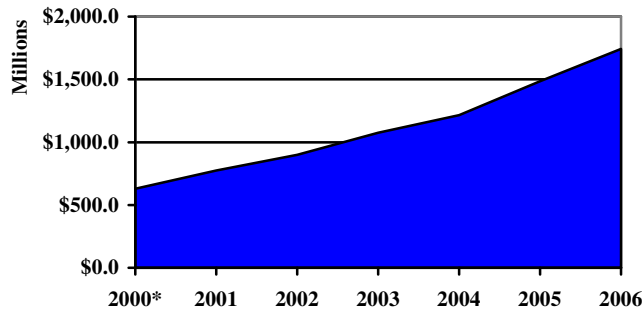
Some of the larger industrial expansion projects in terms of investments (of \$5 million or more) include the following:

Company	Project	\$ Investment	Projected Job Growth
Leprino Foods	Plant Expansion	\$97.6 million	53
Gentex	New Manufacturing & Technology Center	35.6 million	100
Sara Lee	Machinery & Equipment	12.4 million	24
NPR Manufacturing	Plant Expansion	8.1 million	10
Meridian	Machinery & Equipment	7.1 million	14
Magna Donnelly	Machinery & Equipment	6.6 million	57
Metal Flow	Plant Expansion	6.3 million	32
J.B. Laboratories	Plant Expansion	5.9 million	10

There were also five P.A. 198 industrial expansions last year in the portion of the City of Holland that lies within Allegan County. The collective value of those projects was \$13.2 million.

These 2006 investments reflect the ongoing trend of investment in Ottawa County. In fact, since 2001, over \$1.7 billion in new investments in facilities and technology have collectively been made by manufacturers located in Ottawa County to stay competitive in the global marketplace.

Total Investments in Real & Personal Property – P.A. 198 Projects



*2000 includes a \$429.2 million investment for the Southern Energy/MIRANT natural gas fired electric generating plant in the City of Zeeland

In addition, going into 2007 and beyond, there are a number of other manufacturing firms in Ottawa County with expansions currently underway or planned. Details on the significant known expansions follow:

Company	Project	\$ Investment	Projected Job Growth
Gentex	Plant Expansion	\$11 million	130
Lamar Construction	New Facility	6.3 million	63
Plascore	New Facility	2.8 million	50
PowerQuest Boats	New Operation	1.7 million	34
Pac CNC	Building Addition	905,000	2
Environ Solution	Machinery & Equipment	763,875	20
Industrial Woodworking	Building Addition	478,034	2

Growth in Utilities Capacity

A major new utility project will go under construction in southeast Ottawa County and southern Kent County this year. DTE Energy is proposing to build the 13-mile long Jamestown Gas Pipeline at an estimated cost of \$70 million. This new pipeline will increase the supply of natural gas and improve the deliverability/reliability of natural gas in these growing parts of Ottawa and Kent counties.

Growth in the Commercial Sector

There are also several large commercial development projects currently under construction or scheduled to begin in the near future. Those new projects include a 178,590 square foot Wal-Mart Super Store in Grand Haven Township, a \$1.75 million West Shore Mall renovation in Holland Township, a 225,000 square foot Menards store in the City of Holland, a \$15 million Meijer shopping center in Jamestown Township and the Grand Landings in the City of Grand Haven. Grand Landings is located on the south shore of the Grand River and along U.S. 31. This project will include residential condominiums, stores, cafes, restaurants, and a hotel/convention center. When built-out, this village development project will be valued at approximately \$70 million.

Growth in the Agricultural Sector

Another proposed project promising significant future benefits to the agricultural industry in southwest Ottawa County and northwest Allegan County is the construction of a \$2.5 million regional anaerobic digester. This facility would alleviate an animal waste disposal problem by converting the liquid wastes into methane gas that can then be utilized as an energy source. Federal funding assistance has been applied for this area-wide project.

Ottawa County's agricultural base could also be strengthened with advances resulting from a research and development effort currently underway at Zeeland Farm Services (ZFS). ZFS was awarded \$1 million grant from the State of Michigan under the 21st Century Jobs Fund Program to research better ways that soybean oil products could replace conventional petroleum-based products. The research is being conducted in cooperation with Michigan State University.

It is important to note that several economic sectors in Ottawa County have significant projects planned or underway, enhancing the diversity of the County's economy. Moreover, these projects are taking place not just in one geographic area of the County, but are interspersed throughout the County. In addition to the larger investments highlighted, many modest investments continue to develop in the County. Both the multitude and magnitude of investment in the County are indicative of the confidence that the private sector has in Ottawa County. With its strengths in entrepreneurship, pro-business attitudes, local governmental cooperation, innovation, and strong work ethic, Ottawa County will be stable in the years ahead.

Long Term Financial Planning/ Financial Policies

In addition to the local economy, the actions the County Board takes also affect the financial outlook for the County. As a part of its budget process, the County projects financial results for five years for the General Fund. Beginning with the 2005 budget cycle, the projections showed that expenditures would continue to outpace revenues, eating up the County's fund balance rather quickly. It became clear that some of the negative revenue trends were not just temporary setbacks, but were permanent operating deficits.

The Ottawa County Operating Budget Policy requires that the operating budget should be supported by ongoing, recurring operating revenues, rather than through bonds or one-time dollars. This protects the County from fluctuating service levels and avoids crisis when onetime revenues are reduced or removed. Consequently, a five year deficit reduction plan was developed and implemented. Specifically, the County planned the following strategies to reduce the operational deficit:

- Raise the operating millage levy .1 mill in 2005, 2006, and 2007.
- General Fund hiring freeze for new full-time positions in 2006
- Increase employee health insurance co-pay from 3% to 10%
- Improve disease prevention and management to reduce health care costs
- Review and rank discretionary services for possible reductions

As a result of the tax levy shift from December to July, additional tax revenues were realized that made the .1 mill increase unnecessary for 2006. A .1 mill increase has been approved for 2007. No new, locally funded positions were added with the 2006 budget process, and employee health insurance co-pay will steadily be increased over the next three years to 10% of the actuarially determined cost.

The strategy to review and rank discretionary services for possible reductions was directed by the County's fiscal policy which charges the Board to establish priorities and funding mechanisms which allow the County to respond to local and regional economic trauma, changes in service requirements, changes in State and Federal priorities and funding as they affect the County's residents. Currently, County services have been categorized as mandatory, discretionary but necessary, or discretionary. During 2007, the County Board will rank the discretionary items to establish the priorities.

The above strategies as well as other operating budget and fiscal policies guided the 2006 budget and, by extension, the financial results for 2006. As indicated in the Management Discussion and Analysis, a significant portion of the net change in net assets and fund balance is due to unused contingency. The amount budgeted for contingency is directed by the fiscal policy which requires a budget of not less than 1% and not more than 2% of the General Fund's actual expenditures for the most recently completed audit.

In addition, County fiscal policies direct the County to establish an undesignated fund balance in the general fund to pay expenditures caused by unforeseen emergencies, for cash short-falls caused by revenue declines and to eliminate any short-term borrowing. The undesignated fund balance shall be maintained at an amount which represents a minimum of 10% and up to 15% of the General Fund actual expenditures for the most recently completed audit but not more than the equivalent of three months of operations of the planned budget year. 2005 audited General Fund expenditures were \$55,323,466 which produces a target undesignated fund balance range of \$5.5 million to just under \$8.3 million. The 2006 undesignated fund balance was \$10,208,039, so in 2007 the Board will allocate the \$1.9 million above the 15% ceiling to the following

\$1.1 million for Buildings and Improvements
\$397,000 to the Stabilization Fund
\$412,000 for the Remonumentation Program.

The first two allocation decisions also reflect the direction guided by the fiscal policies. The operating budget policy states that cash balances should be used only for one time expenditures, such as capital equipment and improvements, or contingency accounts. In addition, the fiscal policies direct the County to support efforts which reduce future operating costs. The County will strive to fully fund the County's financing tools (including the Stabilization Fund) to benefit all current and future residents of Ottawa County.

With financial forecasting, the creation of long-term financing tools, and strict adherence to budget and fiscal policies, the County has positively impacted all future financial decisions and the County's financial stability. These tools permit the County to maintain low property tax rates, lower costs to departments, and provide services needed by County citizens.

MAJOR INITIATIVES

The Ottawa County Board of Commissioners initiated and/or completed a number of major initiatives in 2006 designed to enhance Ottawa County residents' quality of life and increase the effectiveness of County government. The following identifies the major initiative areas and the specific initiatives embarked upon or completed in each area.

Strategic Planning

During 2006, the County Board approved a completely re-written strategic plan to guide the County in 2006/2007 and lay the foundation for the future.

OUTCOME-BASED PROGRAM EVALUATIONS

One of the identified goals of the strategic plan is for County departments to use outcome-based performance measurements to make management decisions. Specifically, the evaluation process is used to measure processes, effectiveness and efficiency of County programs. The Planning and Grants Department continues to assist in the development of strategic outlines and evaluations for County programs. In 2006, the Department completed program evaluations for the following programs:

- 58th District Court Sobriety Court
- 20th Circuit Court Adult Drug Treatment Court
- Juvenile Drug Treatment Court
- Sentenced Work Abatement Program (SWAP)
- Gatekeeper Program (adult jail alternative initiative)
- Community Mental Health (CMH) Funding report
- Convention Facility Tax funding report

In addition, during the annual budget process, the Fiscal Services department provided individual training both with staff and a consultant to assist departments in developing goals, objectives, and outcome-based performance measures. Major progress has been made on this initiative, and positive feedback has been received on the results to date. In 2007, the department plans to further refine the outcome measures.

Land Use Planning

Land use figures prominently in the strategic plan as well. Specifically, the plan directs staff to investigate opportunities to impact the negative consequences of development. The following initiatives have been developed to address that goal.

BUILD-OUT ANALYSIS

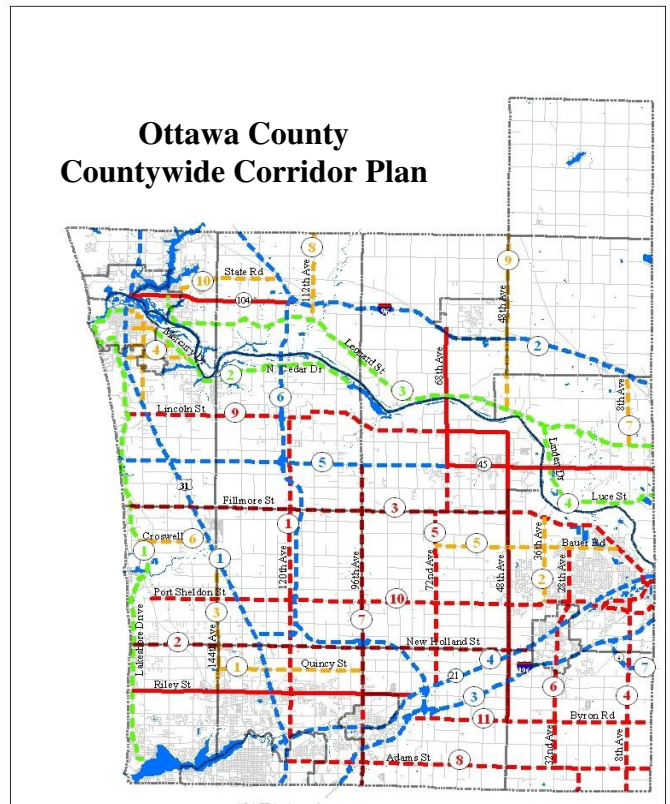
The Ottawa County Planning and Grants Department started an initiative in June 2006 to develop a County-Wide Build-Out Analysis utilizing a Geographic Information System (GIS). A build-out analysis calculates the amount of vacant and partially built acres and the maximum number of structures that could be constructed on that land given the current zoning ordinance, master plan and environmental constraints. This analysis then permits development impacts to be calculated. These impacts include: population projections, infrastructure capacity, cost of public services, tax revenue, and traffic volumes. A build-out analysis can be utilized by local officials to evaluate the potential outcomes of current land use regulations and assist in better future planning decisions.

The Planning Department initiated the project by conducting a build-out analysis for the City of Ferrysburg. In addition, an industrial build-out analysis of the north-west quadrant of the County has also been initiated. The results of the industrial analysis will be presented at the Building Competitive Communities Conference.

COUNTYWIDE CORRIDOR PLAN

In 2006, the final draft of the Ottawa County Countywide Corridor Plan was completed. The Plan was created in an effort to provide a framework from which to comprehensively plan for future traffic demand in the County and to preserve the aesthetic character of the County's overall roadway system. Studies will be completed on each corridor identified in the Countywide Corridor Plan to accomplish these goals. The Plan focuses on four types of transportation corridors: cross-county corridors (in red), aesthetic preservation corridors (in blue), legacy corridors (in green), and local corridors (in orange).

The Planning Department is currently working to codify the recommendations of two major corridor studies, the North-South Corridor Study and the M-104 Corridor Study (noted in solid red lines on map), into each community's local zoning ordinance. The ordinances will address access management standards (driveway spacing, service drives, etc), building setbacks, landscaping, and other aesthetic elements. Work is also underway for the New Holland Street Corridor Study. The Planning Department will be drafting an ordinance for the communities to review which would address access management standards and building setbacks. This action will be considered to preserve the corridor for future expansion and improvements if it is ever needed. The communities also requested that the Planning Department assess Port Sheldon Street to determine if that corridor should also undergo similar planning efforts.



Technology

There are three main technology initiatives underway in the County: Imaging, Webpage/web-based technology and the wireless network.

IMAGING

The largest technology initiative underway is the imaging project for the court system. In January 2006, Ottawa County began its implementation of a Justice Document Management Information System (JDMIS). When the system is fully implemented, the County estimates a savings of approximately \$400,000 per year due to the reduction of paper file usage and management, and automation of document processing. The software which includes core capabilities in document imaging, workflow and records management will ultimately be used by more than 450 users across multiple departments, including: Friend of the Court, County Clerk (both Circuit Court Records and Vital Records), Circuit Court, Sheriff's Office, District Court, Juvenile Services, Probate Court, Family Court and the Prosecuting Attorney's Office. Over the past

several years, the County's Justice Imaging committee evaluated the number of documents they created, their legal retention period and how these documents flow between several departments. The results of this analysis provided the basis for defining the requirements of the new system and its functionality.

The project replaced two existing document imaging systems and significantly enhances the imaging capability of the County. In addition to storing and retrieving documents, the imaging project will support the automated processing of documents within and between departments. As of April, 2007, the County has spent \$715,000 on hardware, software, and backfile imaging. Currently, Probate Court and the Vital Records division of the County Clerk have completed implementation. The chart below shows the progress made in the effected County departments. Current projections are that the system will be fully implemented by early 2008.

Department	Backfile	Day Forward Scanning	Workflow Narrative Draft	Workflow Narrative Reviewed	Functional Specifications Draft	Functional Specification Review	Functional Specification Signed Off	Workflow Implemented	Issues
Circuit Court Records (CCR)	X	X	X	X	X	X	X	P	Domestic Workflow Live 05/08/2007
Vital Records	X	X	X	X	X	X	X	NA	Implementation Complete – CM Document Migration Sign-off on 05/04/2007
Friend of Court	X	X	X	X	X	X	X	P	Workflow In testing
Prosecuting Attorney	1	1	X	X	X	X	X	P	Workflow in implementation/Testing
District Court	X	X	X	X	P				Holland DC training conducted 01/10/2007 to improve imaging system usage. Two additional scanners & software ordered on 01/10/2007. ImageSoft to deliver design specification.
Sheriff	X	X	X	X	P				Final “catch-up” backfile documents loaded on 04/30/2007. ImageSoft working on draft design specification document.
District Court Probation	NA	2	P						Additional scanner ordered on 01/10/2007. IT staff preparing design specification document (non ImageSoft workflow implementation).
Circuit Court	NA	NA	3						Investigating Workflow requirements in 20 th Circuit Court for development by IT
Probate Court	X	X	X	X	NA	NA	NA	NA	All backfile documents loaded on 03/09/2007. No workflows needed in this department. Implementation completed.
Family Division	NA	1	X	X	P				No backfile scanning since primary source is CCR. ImageSoft to deliver design specifications document.

1 = Day forward scanning when workflows development is complete. Backfile scanning will be handled in-house.

2 = Requirement change: scanning was not originally planned since majority of documents are from District Court.

3 = Part of Circuit Court Records Workflows: Domestic, Civil and Criminal. Trial workflow to be developed by Ottawa County Information Technology.

P = In Process

X = Completed

WEB PAGE/WEB-BASED TECHNOLOGY

In late 2005, the County engaged an outside consultant to develop and maintain a new County website. The arrangement has allowed the County to provide a variety of online services to citizens. During 2006, the following new services became available on the County website (www.miOttawa.org):

- Delinquent tax search
- Dog license renewal
- Online Circuit Court payments
- Prescription drug plan enrollment
- Restaurant inspection reports
- Several court forms and meeting minutes are now uploaded to the web page

COUNTYWIDE WIRELESS NETWORK

In an effort to provide high-speed, internet access to urban and rural residents in the County, an agreement was established with Broadbreeze Communications, a Grand Rapids-based, wireless broadband provider. In March 2006, Broadbreeze deployed a pilot project in Jamestown Township to test the performance and functionality of a third-generation (3G) wireless technology. A second pilot project was anticipated to occur in Allendale Township in the fall of 2006 and, ultimately, countywide wireless broadband coverage would be available by the end of 2007.

However, to the surprise of Ottawa County and many of its local units of government, the licensed wireless spectrum owned by Broadbreeze Communications was purchased by Clearwire, a multi-national communications company, in February 2007. In lieu of the agreement with Broadbreeze, a proposed business model was developed to provide countywide coverage through a partnership with Clearwire. A similar business model has also been discussed with several other multi-national wireless broadband providers. Discussions with these companies to expedite the deployment of a countywide network are on-going.

In regards to customers of the Jamestown Township pilot project, Broadbreeze Communications agreed to contract with Michwave Technologies, a local wireless broadband provider, to continue service to those existing customers. Michwave Technologies will utilize a traditional, point-to-point wireless technology that requires “line-of-sight” in order for customers to receive service.

Quality of Life

RECREATION

10 Year Parks Millage Renewal: Renewal of the 0.33 mill, 10 year (2007-2016) parks and open space millage in August, 2006 was a significant accomplishment for the Parks and Recreation Commission. Although the Commission maintains a diversified funding base including fee revenues, grants and donations, the dedicated millage is key to the

progress which has been achieved in expanding the park and open space system in recent years. The renewal passed with support from 67% of the voters compared to 53.5% support in 1996.

Land Acquisition and Improvements: The Parks Commission acquired 135 total acres in 2006, they are as follows:

Bur Oak Landing Acquisition – An 86 acre site on the Grand River in Polkton Township was acquired in 2006. The Parks Commission also secured options on two adjacent riverfront properties and submitted applications to the state for funding assistance which were recommended for approval late in the year. Acquisition of the additional parcels is expected in the fall of 2007 which will provide a 261 acre park site with 1.4 miles of riverfront.

Pigeon River Property Donation – In late 2006, the Ottawa County Board of Commissioners accepted the donation of 22 acres of land on the Pigeon River as part of the Pigeon River Greenway initiative. The property, located on the south side of the Pigeon River immediately east of US 31, is adjacent to 8 acres donated in 2005. Combined, the donated parcels encompass nearly one-half mile of the Pigeon River and include a combination of upland forest, wooded wetlands and meadow.

Upper Macatawa Conservation Area Expansion and Improvements – Two riverfront parcels were acquired in 2007 to expand the Upper Macatawa Conservation Area. They include a 22 acre piece on 76th Avenue which is important for a new entrance and parking area planned in 2007 plus a 5 acre piece important for the future riverfront trail.

A large second phase wetland restoration project on the conservation area was also begun in 2006. This project is funded with a \$500,000 grant from the Michigan Department of Environmental Quality's Clean Michigan Initiative, \$100,000 in private dollars donated through the Macatawa Greenway Partnership, plus park millage dollars. A section of the previously straightened river has been re-meandered and extensive shallow water wetlands are being established with a goal to improve water quality by filtering out excess nutrients including phosphorous.

Health and Welfare

SUPPORTED HOUSING DEVELOPMENTS

Community Mental Health of Ottawa County and the other members of the Supported Housing Consortium (SHC), a sub-group of the Ottawa Area Housing Coalition (OAHC), received confirmation in late Fall, 2006 that the financing plan for the construction of three supported housing developments in Ottawa County was approved by State and Federal authorities. The SHC has been working for over five years to develop supported housing apartment projects in the county. The project will consist of a nine unit apartment building in Grand Haven, a twelve unit site in Zeeland, and a twenty-four unit site in Holland Township. The apartments will provide supported residences to persons served by the various community agencies that are members of the SHC/OAHC, such as persons with a severe and persistent mental illness, developmental disability, physical disability, or

survivor of domestic violence. The project will be funded by state, federal, and private financing, with ground breaking expected to occur in early 2007.

ECONOMIC DEVELOPMENT

Ottawa County Michigan Works! has been very active in two new regional workforce and economic development initiatives. Workforce Innovation for Regional Economic Development (WIRED) is an initiative of the U.S. Department of Labor (USDOL) and is being implemented through the West Michigan Strategic Alliance, which received one of thirteen \$15 million grants given by USDOL. The focus of WIRED is preventing jobs from leaving the state, proactively addressing plant closings and layoffs, and creating regional teams to assist in the transition to new markets, jobs and skills. In addition, the County is utilizing the SHARE Network that identifies volunteer access points in community and faith-based organizations that can refer people in need of Michigan Works! services who might otherwise have a difficult time accessing the Michigan Works! service centers or who may not know of the service centers.

Public Health

OTTAWA COUNTY WELLNESS COALITION: Obesity contributes to several of the top causes of death, such as heart disease and diabetes. In Ottawa County, approximately 20% of adults are obese, and considerably more are overweight. Recognizing the need to address obesity collaboratively, the health department led efforts to develop the Ottawa County Wellness Coalition. During the past year the coalition worked toward its mission of empowering residents to adopt sustainable, healthy lifestyles by building a wellness trail in the City of Holland. The walking trail has three routes, ranging from ½ mile to 1 mile in length. There are also exercise stations located along each route for stretching and strength training. Routes begin at various points in Holland and are equipped with way finding signs to make the trails user friendly. Projects such as walking parks endure long after program funding subsides and create opportunities for residents to be physically active.



COMMUNITY ASSESSMENT: A comprehensive assessment of Ottawa County health attitudes, behaviors and services is imperative to public health. Information from citizen surveys, community resource assessments and client encounters tells us where we have been, what impact we have made and where we need to go in the future. Collaboration of assessment maximizes public and non-profit dollars and encourages the community to utilize the research to lead their organizations in the right direction. In 2006, the Ottawa County Health Department, often partnering with other human service providers, conducted multiple coordinated assessments including:

- The Community Health Profile
- The Youth Assessment Survey
- The School Reproductive Health Survey
- The Community Survey of Tobacco Issues

These studies will be used to develop and refine public health programs to address the issues identified by the assessments.

PANDEMIC INFLUENZA PREPAREDNESS: In April 2006, the Public Health Preparedness program began a community Pandemic Flu Coalition at the health department. With the rapid spread of avian flu across the world and the increasing number of bird and human deaths, we are at a critical time for planning a response to a potential pandemic in our community. Throughout 2006 the coalition has focused on both the medical and socio-economic impact that a pandemic could have on our community. Planning has ranged from identifying local and regional response partners to the development of a “surge capacity” management plan. The goal of the coalition is to help organizations collectively plan how to respond and prepare for what might be experienced in the event of a pandemic.

Environment

ROAD SALT MANAGEMENT PLAN: In May of 2004, the Ottawa County Planning Commission appointed a Road Salt Commission to identify strategies that could be used to modify the Ottawa County Road Commission’s winter road maintenance practices in order to prevent further environmental impacts related to the application of road salt. The program just completed its second year of implementation and initial results indicate that the Road Salt Management Plan has been effective at lowering sodium and chloride levels at a majority of test sites. However, continued testing is necessary to substantiate the initial findings. In 2006, the Planning and Grants Department has met with researchers from



Michigan State University (MSU) Extension and on-campus researchers at MSU to identify opportunities to improve the monitoring program. Based on the input obtained at those meetings, the Department has created a plan to implement slight changes to improve the monitoring program. This plan is being reviewed by the MSU researchers and may be implemented as soon as spring of 2007.

COUNTYWIDE WATER RESOURCES STUDY & ANALYSIS: Groundwater is widely used as a source of water for residences and businesses that are not served by systems that supply Lake Michigan surface water. In recent years, some areas of the County have experienced a noticeable decline in groundwater levels; in fact, some residences in the County are unable to consistently obtain groundwater.

The County strategic plan identified the need for a county-wide groundwater inventory. The Planning and Grants Department is currently working with the United States Geological Survey (USGS) to identify appropriate work elements. Once those work elements have been identified, the Department will request that



USGS provide cost estimates for each of the work elements. The Planning and Grants Department will then meet again with stakeholders to determine whether to move forward with the study with USGS, or to request bids from private firms.

SURFACE WATER QUALITY: The Environmental Health division collaborated with organizations to study and protect surface water quality. Participating with the National Oceanic and Atmospheric Administration research project, staff collected daily water samples near the mouth of the Grand River in order to assess the effect of the Grand River on Lake Michigan's water quality. The division also worked with the Environmental Protection Agency to use beach sanitary surveys to identify common indicators of poor water quality. It is hoped that these research projects will help identify and respond to environmental health hazards before they threaten human health.

Environmental health staff also collaborated with local units of government, environmental advocacy groups and citizens to address the threat posed to our surface waters by excess algae resulting from phosphorus pollution. Excess algae harms the ecology of our surface waters, but it also threatens public health due to the toxins which some species of algae exude. As a result, in 2006 a phosphorus fertilizer ordinance was supported and passed by the Ottawa County Board of Commissioners.

TREE LEGACY COMMITTEE

In order to maintain the aesthetic beauty of County roads with existing tree canopies, and to create tree canopies over and along roads which do not currently have them, the Ottawa County Planning and Parks and Recreation Commissions have jointly appointed a 'Tree Legacy Committee.' The Tree Legacy Committee has been tasked with making recommendations to maintain and improve the aesthetic beauty of tree canopies and tree lines in Ottawa County. The Committee is comprised of representatives of: Consumers Energy, Grand Haven Board of Light & Power, Holland Board of Public Works, Local Government within Ottawa County, Ottawa County Parks and Recreation Commission, Ottawa County Planning Commission, Ottawa County Road Commission, and interested citizens.



The Planning and Grants Department is working with the Tree Legacy Committee to develop the **Ottawa Tree Planting & Replanting Guidebook**. The Guidebook will offer suggestions for tree selection, placement, and care. In addition to this document, the Committee has expressed an interest in developing a model tree preservation ordinance and a standard site plan review process, both of which could be implemented by local units of government to ensure that during development, trees are preserved and/or planted whenever possible.

Law Enforcement and Emergency Management

TASER PROGRAM: In 2006 the Ottawa County Sheriff's Office initiated the Taser program. Two units were purchased and placed into the field. Taser devices use proprietary technology to quickly incapacitate dangerous, combative or high-risk subjects who pose a risk to law enforcement officers, innocent citizens or themselves. Taser electronic control devices utilize compressed nitrogen to project two small probes up to 15, 21, 25 and 35 feet (citizens can only buy the 15-foot Air Cartridge) at a speed of over 160 feet per second. These probes are connected to the taser system by insulated wire. An electrical signal is transmitted through the wires to where the probes make contact with the body or clothing, resulting in an immediate loss of the person's neuromuscular control and the ability to perform coordinated action for the duration of the impulse while allowing an instant recovery once the cycle ceases. This effect is a state-of-the-art Neuro-Muscular Incapacitation (NMI) technology that temporarily overrides the nervous system, taking over muscular control. This NMI technology temporarily debilitates even the toughest individuals with minimal risk of injury.

CITY OF HUDSONVILLE POLICING

In 2006 the City of Hudsonville authorities approached the County of Ottawa and the Sheriff's Office to begin researching the possibility of contracting law enforcement services. A contract was established, and the employees of the Hudsonville City Police Department were placed into positions within the Sheriff's Office effective July 1, 2006.

Facility and Related Improvements

DISTRICT COURT IN HOLLAND: The County Building Authority contracted with Landmark Design (Architects) and Erhardt Construction (Construction Managers) to design and

construct this new \$8 million Court facility. Work began in November 2004, the Holland District Court, Probation, and the Prosecutor's Holland office moved into the new facility in early June 2006. The project



was completed in September 2006, with the new landscaping, sidewalks along 8th Street, asphalt top coating and a parking lot over the footprint of the old Court building.

Grand Haven Courthouse: The forty-year-old, 67,000 square-foot County building in Grand Haven will be demolished and a new 120,000 square-foot Courthouse will be constructed on the historical County Courthouse site. The new Courthouse will suit the style and vision of the City of Grand Haven's Hilltop Neighborhood and signals a commitment to Grand Haven as the County seat well into the future. Prominent features of the proposed design include improved safety and better access to County services.



All court-related functions presently located in Grand Haven remain in Grand Haven, which maintains the link between local businesses and the court system. A resolution was adopted by the Board on June 27, 2006 authorizing the County Building Authority to move forward with the planning of an \$18 million Courthouse in Grand Haven. Final project costs and design options will be presented to the Board for approval before construction is scheduled to begin in August of 2007.

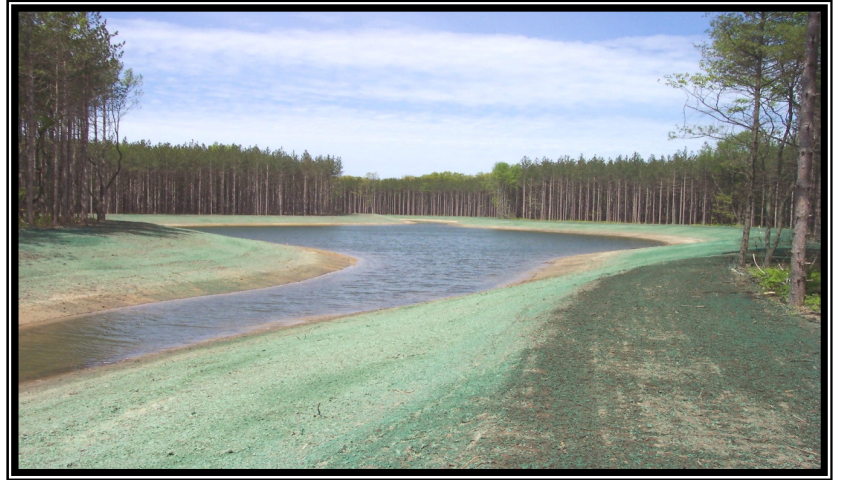
West Olive Addition: In conjunction with the new Grand Haven facility, a 37,000 square-foot expansion of the Administration Building on Fillmore Street was also



approved during 2006. The new addition along with some renovation to existing space will accommodate the following staff originally housed in Grand Haven: Cooperative Extension, the Treasurer, Clerk vital records, Drain Commissioner and the Register of Deeds. The move will consolidate operational staff that work together on a daily basis

and allow citizens easier access to some services that are now available only in Grand Haven. The project is estimated to cost \$6 million, and the Board will review final project costs and design options before construction begins.

Southwest Ottawa Landfill Clean-up: A \$4.2 million upgrade to the SouthWest Ottawa Landfill (closed) is underway. The upgrades to the Landfill and clean up efforts are divided in three categories: upgrades to the filtration plant/equipment, new piping/wells and the reshaping, recapping and venting of the landfill. The plan is to cap the landfill, put down new purge wells, close down gradient ineffective wells and install new treatment technology. The recapped landfill has been sculpted as to provide new recreational opportunities for the Riley Trails, our newest addition to the Parks System. The top of landfill has been shaped to allow sledding and hiking. The low land pond (shown above) will provide a natural flora and fauna habitat. The \$2 million capping effort was completed in October 2006; the remainder of the work will be completed by the end of 2008.



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to Ottawa County for its comprehensive annual financial report for the fiscal year ended December 31, 2005. The County has received this prestigious award for twenty three consecutive years.

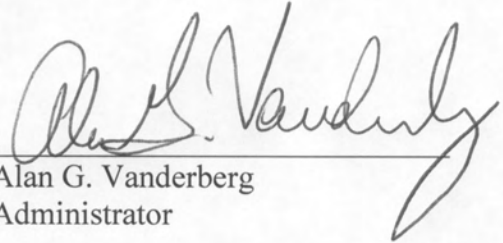
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is granted for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

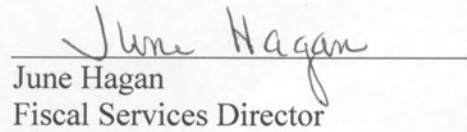
ACKNOWLEDGMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Fiscal Services Department. We would like to express our gratitude to all members of the Ottawa County Board of Commissioners for their interest and support in planning and conducting financial operations of the County of Ottawa in a responsible and progressive manner.

Sincerely,



Alan G. Vanderberg
Administrator



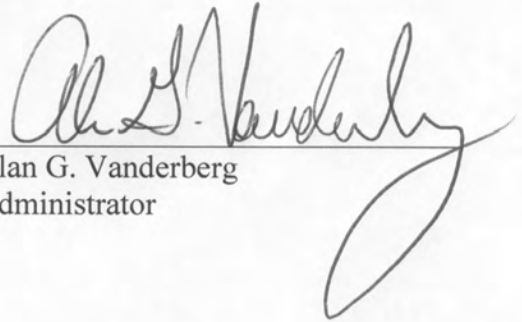
June Hagan
Fiscal Services Director

**STATEMENT OF MANAGEMENT'S
RESPONSIBILITY FOR FINANCIAL STATEMENTS**

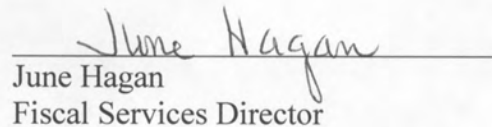
Responsibility for the integrity of the financial data presented rests with the County. We believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county government and State statutes.

The County maintains a system of internal controls to provide reasonable assurance that the books and records reflect authorized transactions of the County.

Rehmann Robson, independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Rehmann Robson's report is included in the financial section of this report.



Alan G. Vanderberg
Administrator



June Hagan
Fiscal Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ottawa
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

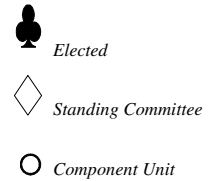
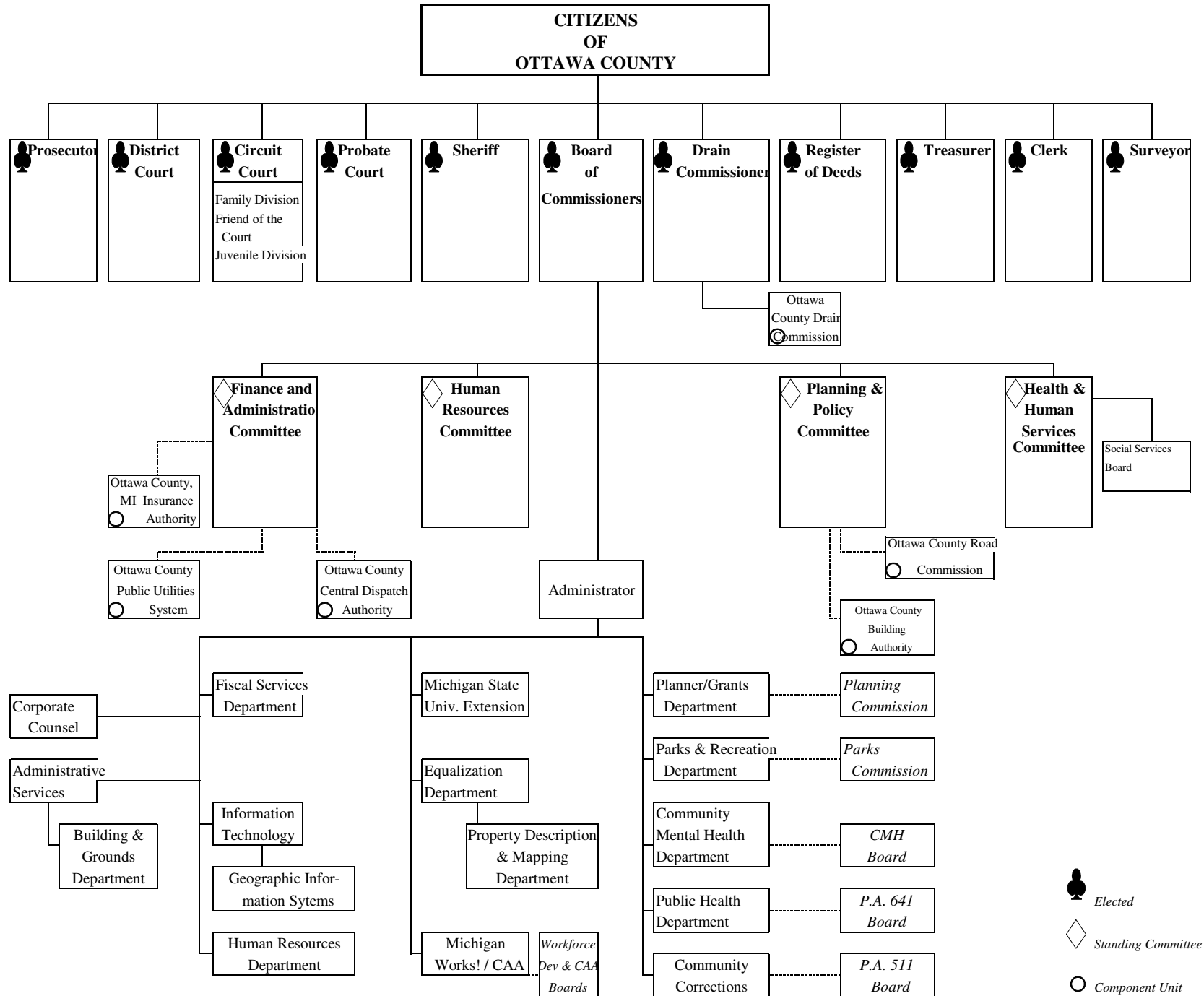
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

2006 ORGANIZATIONAL CHART





INDEPENDENT AUDITORS' REPORT

June 6, 2007

Board of Commissioners
County of Ottawa
West Olive, Michigan

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 Ottawa, Michigan, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Ottawa, Michigan. Our responsibility is to express opinions on these financial statements based on our audit.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 Ottawa, Michigan as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for each major governmental fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note IV (H), to the financial statements, the County has retroactively reported major general infrastructure assets, as allowed by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended and interpreted, as of December 31, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2007 on our consideration of the County of Ottawa's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-19 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ottawa's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the County of Ottawa's basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

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

Management's Discussion and Analysis

As management of the *County of Ottawa*, 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, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-xxiii of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$203,665,925 (*net assets*). Of this amount, \$85,033,346 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$15,903,234.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$79,705,604, an increase of \$6,771,852 in comparison with the prior year. Approximately 51 percent of this total amount, or \$40,363,332, is *available for spending* at the government's discretion (*unreserved and undesignated fund balance*).
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$10,208,039 or 18 percent of total General Fund expenditures (including transfers).
- The County's total bonded debt (including component units) decreased by \$6,807,000 during the current fiscal year. Ottawa County Public Utilities, a component unit, issued \$2,605,000 of debt for the construction of water and sewer systems and \$2,345,000 of debt for advanced refunding purposes.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

Both of the government-wide financial statements distinguish functions of Ottawa 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 legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and culture and recreation. The business-type activities include the administration of the delinquent property tax system.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also four legally separate entities: Ottawa County Road Commission, Ottawa County Central Dispatch Authority (911), Ottawa County Public Utilities, and the Ottawa County Drain Commissioner. Financial information for the *component units* are reported separately from the financial information presented for the primary government itself. The Ottawa County Building Authority and the Ottawa County, Michigan Insurance Authority, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 21 - 23 of this report.

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

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

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

The County maintains 46 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Parks and Recreation, Health, Mental Health, Public Improvement and Revenue Sharing Reserve funds, each of which is considered to be a major fund.

Data from the other 40 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, special revenue, debt service, capital projects and permanent funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 24-33 of this report.

Proprietary funds. The County maintains two types of proprietary funds. Enterprise funds report the same functions as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Delinquent Tax Revolving Fund (5160).

The County maintains *internal service funds* to account for and allocate costs internally among the County's various functions. The County uses 12 internal service funds to account for the following functions: management information services, duplicating, telecommunications, equipment pool, and protected self-funded insurances (both liability and employee fringe benefit insurances to employees). Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

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 statements 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.

The basic fiduciary fund financial statements can be found on page 38 of this report.

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. The notes to the financial statements can be found on pages 39-85 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This is limited to combining statements and schedules and statistical information. Combining and individual fund statements and schedules can be found on pages 92-164 of this report, and the statistical information can be found on pages 165-184.

Government-wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Ottawa, assets exceeded liabilities by \$203,665,925 at the close of the most recent fiscal year.

County of Ottawa's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$132,113,670	\$134,477,062	\$24,234,117	\$24,339,321	\$156,347,787	\$158,816,383
Capital assets	100,131,070	97,746,555	4,049	5,423	100,135,119	97,751,978
Total assets	232,244,740	232,223,617	24,238,166	24,344,744	256,482,906	256,568,361
Long-term liabilities						
outstanding	23,244,328	24,249,473			23,244,328	24,249,473
Other liabilities	29,570,926	44,554,692	1,727	1,505	29,572,653	44,556,197
Total liabilities	52,815,254	68,804,165	1,727	1,505	52,816,981	68,805,670
Net assets:						
Invested in capital assets, net						
of related debt	78,519,838	74,348,852	4,049	5,423	78,523,887	74,354,275
Restricted	40,108,692	35,040,583			40,108,692	35,040,583
Unrestricted	60,800,956	54,030,017	24,232,390	24,337,816	85,033,346	78,367,833
Total net assets	\$179,429,486	\$163,419,452	\$24,236,439	\$24,343,239	\$203,665,925	\$187,762,691

The largest portion of the County's net assets (42 percent) is unrestricted. *Unrestricted net assets* may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, representing 39 percent of total net assets, includes land, buildings, vehicles and equipment less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt should be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities. Capital assets increased in 2006 mostly due to the completion of construction on the new Holland District Court facility and land purchases made by Parks and Recreation.

In addition to the net assets invested in capital assets, net of debt, certain other restrictions on the use of net assets apply due primarily to legal guidelines. These restricted net assets total \$40,108,692. The 2006 balance is higher due to an increase in the Revenue Sharing Reserve fund which is restricted by State law. This balance of this restriction will decrease beginning in 2007.

Statement of Activities

County of Ottawa's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenue:						
Charges for services	\$22,593,666	\$21,984,416	\$1,291,853	\$1,095,241	\$23,885,519	\$23,079,657
Operating grants and contributions	46,999,986	47,211,640			46,999,986	47,211,640
Capital grants and contributions	850,262	9,250,395			850,262	9,250,395
General revenues:						
Property taxes	49,182,314	44,867,713			49,182,314	44,867,713
Grants and contributions not						
Restricted to specific programs	24,657	31,374			24,657	31,374
Investment earnings	5,007,679	2,514,383	844,786	440,423	5,852,465	2,954,806
Other	261,156	307,525			261,156	307,525
Total revenues	124,919,720	126,167,446	2,136,639	1,535,664	127,056,359	127,703,110
Expenses:						
Legislative	520,618	548,532			520,618	548,532
Judicial	12,605,344	11,987,986			12,605,344	11,987,986
General government	15,175,102	13,962,772			15,175,102	13,962,772
Public safety	24,441,981	23,328,246			24,441,981	23,328,246
Public works	(1,437,838)	(508,530)			(1,437,838)	(508,530)
Health and welfare	54,270,351	51,784,416			54,270,351	51,784,416
Community and economic						
development	605,805	555,485			605,805	555,485
Culture and recreation	1,994,991	1,830,849			1,994,991	1,830,849
Interest on long-term debt	741,070	709,485			741,070	709,485
Business-type activities			2,243,439	1,789,661	2,243,439	1,789,661
Total expenses	108,917,424	104,199,241	2,243,439	1,789,661	111,160,863	105,988,902
Increase in net assets before transfers						
to other funds	16,002,296	21,968,205	(106,800)	(253,997)	15,895,496	21,714,208
Transfers	7,738	618,987		(630,202)	7,738	(11,215)
Increase (decrease) in net assets	16,010,034	22,587,192	(106,800)	(884,199)	15,903,234	21,702,993
Net assets, beginning of year	163,419,452	140,832,260	24,343,239	25,227,438	187,762,691	166,059,698
Net assets, end of year	\$179,429,486	\$163,419,452	\$24,236,439	\$24,343,239	\$203,665,925	\$187,762,691

Governmental Activities

The preceding table shows that the primary government's net assets increased by \$15.9 million during 2006. Changes occurred in several funds:

<u>Fund</u>	<u>Effect on Net Assets</u>
General Fund (1010)	\$2,180,000
Parks and Recreation (2081)	2,500,000
Solid Waste Clean-up (2271)	2,391,000
Revenue Sharing Reserve (2855)	5,347,000
Internal Service Funds	3,572,000

The financial results for the General Fund were actually more favorable than the table above indicates. When the 2006 budget was adopted, there was a planned *undesignated* fund balance use of \$1,211,000. Since the General Fund shows an increase of \$1,978,000, it actually came out \$3.19 million better than anticipated. There were four main factors affecting the financial outcome. First, the increase in the 2005 taxable value was more than anticipated, bringing in an additional \$244,000. Also on the revenue side, investment income was better than anticipated due to improved fair value amounts at year end (\$217,000).

The majority of the positive General Fund financial results is due to lower than anticipated expenditures. Specifically, only a small portion of contingency was used in 2006 as the County continued to tighten its hold on spending. Unused contingency amounted to \$961,000. In addition, personnel services expenses were lower than anticipated by \$655,000 due to vacancies and employees opting out of health insurance coverage. The Survey and Remonumentation program was underspent by \$412,000 due to a contract issue with the State of Michigan. The remainder of the difference between the original budget and actual results is spread across several departments and accounts.

The Parks and Recreation fund (2081) has a ten-year levy for land acquisition and park development (capital costs). Capital expenditures of \$1.9 million in the Parks and Recreation fund were subtracted at the government wide level. In addition, the County received \$150,000 in land donations in 2006. Consequently, at the government wide level, the park activities increased net assets (net of depreciation and debt principal) by \$2.5 million.

Solid Waste Clean-up fund (2271) net assets increased by \$2.1 million due mainly to a reduction in the Landfill reclamation liability of \$2.2 million. Work began on the Landfill during 2006, so the amount remaining as the liability is reduced.

The Revenue Sharing Reserve fund (2855) increased net assets by \$5.3 million in 2006. 2006 represents the last year of payments into the fund. Beginning in 2007, the net assets will decrease by \$4 million to \$5 million per year until it is depleted (anticipated in 2011). The payments out of this fund represent the State Revenue Sharing payments the County would have received had they not been discontinued by the State on September 30, 2004.

The financial results of the internal service funds also increased net assets. For all internal service funds combined, net assets increased by \$3.3 million before transfers. The majority of this increase is in the Ottawa County, Michigan Insurance Authority fund (6780). In a previous year, a liability had been established in connection the SouthWest Ottawa Landfill. This fund, along with the Landfill Cleanup fund (discussed previously), are paying all the costs of remediation. As with the Landfill Cleanup fund, the liability attributed to the Authority also decreased in 2006 based on the work completed during the year.

Revenues:

Revenues essentially stayed the same in 2006, decreasing slightly by .5% in total. However, there are some significant fluctuations within the revenue categories.

Program charges for services

Program charges for services increased 3.5% in 2006. This increase is spread across several sources of program charges for services. Some of the more significant variations include increased rent payments to the Ottawa County Building Authority (a blended component unit) in connection with debt service payments on the new Holland District Court bond issue. In addition, in July of 2006, the Sheriff's department contracted with the City of Hudsonville to provide policing services. Payment for these services is found in program charges for services.

Program operating grants and contributions:

Program grants decreased slightly by \$212,000 or .4%. Listed below are significant fluctuations in this category.

<u>Fund</u>	<u>Increase (decrease) in Program Operating Grants</u>
General Fund (1010)	(\$1,119,000)
Health (2210)	(405,000)
Mental Health (2220)	943,000
Solid Waste Cleanup (2271)	(278,000)
Child Care - Circuit Court (2920)	727,000

During 2005, the County's General Fund spent the majority (\$1.2 million) of its Homeland Security grants. In 2006, the program was moved to the 9/30 Sheriff Grants fund (2609), and 2006 revenue totaled \$313,000. The County received \$414,000 fewer Medicaid cost settlement funds in the Health fund (2210). Based on the preliminary findings of an audit performed by the Centers for Medicare and Medicaid Services, the methodology used by the State of Michigan for reimbursement calculations was flawed, resulting in disallowed costs. Although the State continues to vigorously dispute their findings, conservative accounting requires the County to establish a liability related to payments received in prior years, and to eliminate accrued revenue for the current year.

Grant revenue in the Mental Health fund increased by \$943,000 due primarily to increases in Medicaid funding. The increases were the result of increase in both cost and in participants. Specifically, six additional children were added to the Medicaid Waiver program. In addition, Mental Health received a higher allocation from the State of Michigan.

In 2005, the County received a one-time grant from the State of Michigan under the Municipal Landfill Cost Share grant. Since there were no additional grant dollars for 2006, this revenue is down by \$278,000.

Last, revenue in the Child Care – Circuit Court fund increased by \$727,000 due mostly to new programming. The State pays 50% of all eligible costs. By implementing certain program adjustments, some of the costs previously covered by local dollars became eligible for the State funding.

Program capital grants and contributions

These revenues vary depending on the number and scope of capital improvement projects, mainly in the Parks and Recreation fund (2081). In 2005, Parks and Recreation received capital grants for three park improvement projects totaling over \$6.7 million. The largest of these was the North

Ottawa Dunes project which allowed for the acquisition of a 500 acre dune park. The County received \$3.9 million from the Michigan Natural Resources Trust fund and more than \$750,000 in individual donations. The previous owner of the property also agreed to sell the property at \$2.5 million below the appraised value.

In addition to the North Ottawa Dunes project, in 2005 the County received \$1.2 million for restoration work at the Upper Macatawa green space land and \$823,000 for the purchase of Connor Bayou. Grant revenue in 2006 was more limited (\$850,000) based both on the projects undertaken and the availability of State of Michigan grant dollars. More than half of this total, \$490,000, relates to additional donations for the North Ottawa Dunes project.

Property taxes

Taxes increased over \$4.3 million or 9.6%. Taxable value increased 6.06% from 2004 to 2005, and 6.15% from 2005 to 2006. In addition to the increase in taxable value, taxes increased due to a change in the property tax levy system made by the State of Michigan. The tax base to which the levy is applied is moving from the prior year tax base to the budget year tax base. Until the entire levy is in place for two consecutive years, taxes will be increasing in excess of the growth in taxable value. After that, the increases should be in line with growth in taxable value. 2005 tax revenue was based 2/3 on the 2004 taxable value (prior year) and 1/3 on the 2005 taxable value (budget year). 2006 revenue was based 1/3 on 2005 taxable value (prior year) and 2/3 on the 2006 taxable value (budget year). The table below shows the effect of the change in the taxable value year for the County’s operating levy of 3.5 mills.

Year	Taxable Value	Levy (mills)	2005 Revenue	2006 Revenue
2004 (Prior Year)	\$8,017,866,823	2.3333	\$18,708,089	
2005 (Budget Year)	\$8,503,766,076	1.1667	9,921,344	
2005 (Prior Year)	\$8,503,766,076	1.1667		\$9,921,344
2006 (Budget Year)	\$9,027,094,310	2.3333		21,062,919
			28,629,433	30,984,263
	Difference			\$2,354,830

The remainder of the increase relates to increases in taxable value on the other tax levies, namely the levy for the Ottawa County Central Dispatch Authority, Parks, and the Revenue Sharing Reserve fund.

Investment earnings

The fair value of several of the County’s investments increased significantly in 2006 due to more favorable market conditions. Overall, including actual interest receipts, the return on the County’s investment pool increased from 2.15% to 4.37%.

Expenses:

Expenses as a whole increased 4.9%. Part of the reason the increase in expenditures was modest is the reduction in the landfill liability. There are also significant increases in some of the other categories.

Judicial

Judicial expenses increased just over \$617,000 or 5.1%. As a result of programmatic changes, certain Juvenile Court employees were reassigned to the Child Care fund (Health & Welfare expenses). In fact, expenditures in the Juvenile Court fell by \$305,000. However, salaries and fringe benefits account for \$194,000 of the increase (the chargeback rate for health insurance increased by 12%). In addition, costs for indigent legal services increased by \$111,000 due to increasing caseloads and fewer defendants with the means to pay for their own counsel. Last, costs for indirect administration increased by \$160,000 due mainly to new/renovated building space provided to the courts.

General government

General government expenses increased by \$1.2 million or 8.7%. In the Infrastructure fund, a one time payment of \$600,000 was made to the Ottawa County Road Commission in connection with a bridge project in the City of Holland. In addition, during 2006, the Community Haven facility was leveled to make way for a new County park. The building was not fully depreciated, so the County sustained a loss on disposal which increased expenses by \$568,000. 2006 was also an election year, so election expenses increased by \$246,000. Other general government expenses in the General Fund (1010) increased across several departments. Specifically, Buildings & Grounds increased by \$187,000 due to higher utility costs and higher costs at the new Holland District Court facility which opened during 2006.

However, the Survey and Remonumentation grant was delayed due to a contract issue with the State of Michigan. Consequently, \$258,000 less was spent in 2006 than 2005. In addition, the majority of the backfile imaging project in the Register of Deeds office was completed in 2005, so 2006 expenditures are down approximately \$350,000.

Public safety

Public safety expenses increased \$1.1 million or 4.8%. However, 2005 included over \$887,000 more in Homeland Security expenses, so the effective increase is closer to 8.6%. In 2005, the Ottawa County Insurance Authority (Internal Service fund 6780) reported net operating income of \$1.9 million. In 2006, the Authority reported net operating income of \$951,000. This decrease in net operating income resulted in the allocation of \$335,000 more in 2006 expenses to public safety. Also in July of 2006, the Sheriff's department began a contractual arrangement with the City of Hudsonville to provide police services. This new contract resulted in \$245,000 in additional expenses. In late 2005 and early 2006, 37 vehicles were purchased for the Sheriff's department out of the Equipment Pool fund. These vehicles are charged back over three years, so rental charges in 2006 increase by \$102,000. The remainder of the increase is mainly in personnel services costs spread across several departments and the costs associated with greater jail occupancy.

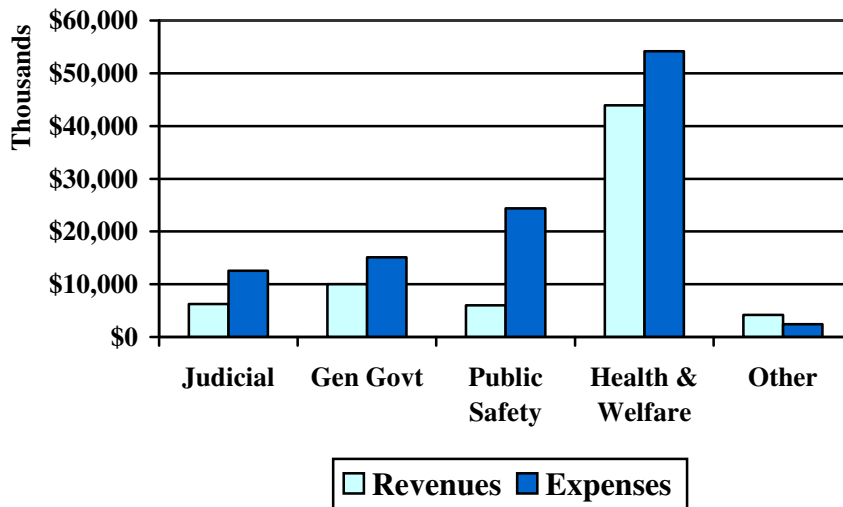
Public works

These expenses can vary significantly by year. During 2006, significant progress was made in the remediation efforts of the SouthWest Ottawa Landfill. Accordingly, the liability for the landfill decreased significantly (\$2.2 million). As a result, 2006 expenditures are negative since the remaining public works expenditures were under \$2.2 million.

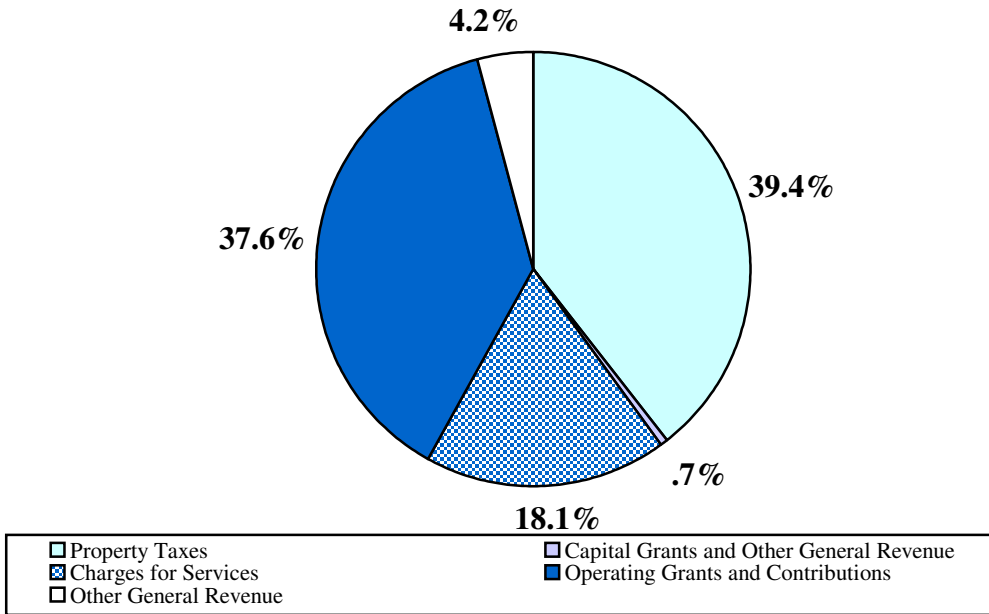
Health and Welfare

Health and Welfare programs increased by \$2.5 million or 4.8% in 2006. Mental Health is the largest health and welfare fund, and approximately 45% of their budget is for contractual care for residential placement, respite, and personal care of their clients. In 2006, these expenses increased by \$1.1 million due to overall inflationary increases, the expansion of community living services and new placements. In addition, as discussed under judicial functions, expenditures in the Child Care fund (Special Revenue fund 2920) are increasing significantly as more costs are moved to this fund from the judicial function of the General fund (\$305,000). As the County continues to move youths out of State Institutions, its private institutions costs and residential alternative programs grow. Specifically, these programs grew by \$466,000 in 2006. Last, as with public safety functions, the decrease in the net operating income of the Ottawa County Insurance Authority (Internal Service fund 6780) resulted in the allocation of \$354,000 more in 2006 expenses to health and welfare.

Program Revenues and Expenses - Governmental Activities



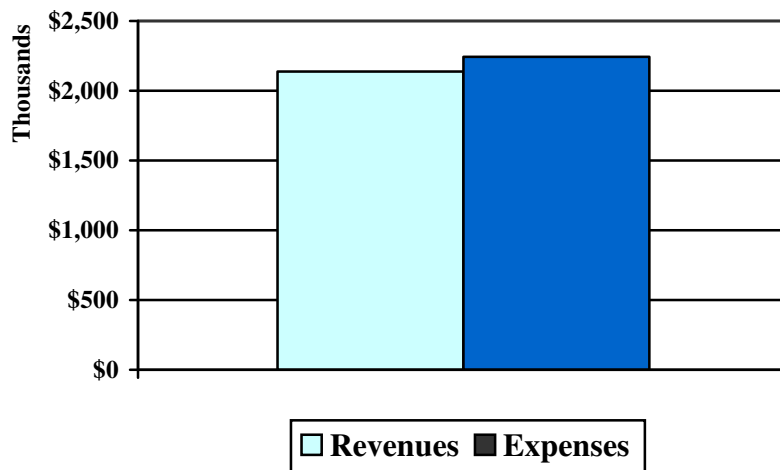
Revenues by Source - Governmental Activities



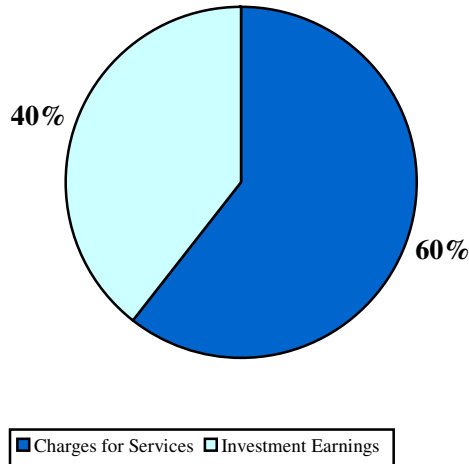
Business-type Activities

Business-type activities decreased the County’s net assets by \$106,800. The decrease was anticipated due to planned payments to the Ottawa County Building Authority to cover debt service payments. Investment earnings nearly doubled because the fair value of several of the County’s investments recovered nicely from the prior year’s fall. The majority of the expenditures represent rent payments to the Ottawa County Building Authority (blended component unit). 2006 includes the first full year of payments on the Holland District Court building for which bonds were issued in 2005. As a result, expenses increased by 25%.

Program Revenues and Expenses - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the Government'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, *unreserved 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 \$79,705,604, an increase of nearly \$6.8 million in comparison with the prior year. Approximately 65% percent of this total amount (\$51.9 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) due to legal restrictions (\$25,010,651), 2) to pay debt service (\$10,381), 3) to generate income to pay for perpetual cemetery care (\$5,770), 4) to provide a long term advance to component units and other funds (\$325,000) or 5) for other restricted purposes (\$2,466,689).

The General Fund (1010) is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,503,887, while total fund balance was \$19,863,626. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 31 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by nearly \$2 million during the current fiscal year. As indicated in the government wide section earlier, this increase in fund balance is especially impressive because the County had budgeted to *use* \$1.2 million of undesignated, unreserved fund balance in 2006. Although there were positive, unanticipated results in the County's taxable value and in the fair value of its investments at year end, the main reason for the excellent financial results is low expenditures.

Like most governments, the County's resources are becoming more scarce. As a result, the County board is increasingly conservative in regards to funding new initiatives and expansions, allowing the County to essentially maintain its service levels without interruption. One example of this conservatism is that of the \$1.03 million budgeted for contingencies, only \$68,000 was used in 2006. In addition, personnel vacancies and employees opting out of health insurance also provided approximately \$655,000 at year end.

The Parks and Recreation fund (2081) has a total fund balance of \$6.8 million, which is an increase of \$934,000. The Parks and Recreation department is undergoing a period of growth and development with the help of a .33 mill approved for park acquisition and development. Accordingly, the fund balance of the fund will vary from year to year with land acquisitions and capital improvement projects. In 2006, the department made \$887,000 in land purchases and another \$1.1 million in capital improvements to County parks. Some of these were partially grant funded.

The fund balance of the Health fund (2210) increased by \$62,000. Both intergovernmental revenue and supplies are over budget because the County received a \$670,000 donation of vaccines from the State of which \$549,000 was used. These vaccines had not been budgeted. After this is factored out, expenditures are significantly under budget overall.

The fund balance of the Mental Health fund (2220) decreased \$417,000, or 27%. The results of activities can vary substantially by year because Mental Health is under a managed care system. However, in 2006, client care expenditures increased due to cost of living increases and the expansion of community living support services. These increases were not matched by increased Medicaid revenue.

The fund balance of the Public Improvement fund (2450) increased \$565,000. Furniture was purchased in connection with the Holland District Court Building, but that was the only significant construction project paid by this fund in 2006. Consequently, the rent collections and interest far outpaced the expenditures.

As anticipated, the fund balance of the Revenue Sharing Reserve fund (2855) increased by \$5.3 million. 2006 is the last year the fund received tax dollars under the State's plan to move the operating levy from December to July. In 2007 and beyond, the fund balance will gradually decrease until depleted. Upon depletion, estimated in 2011, the State is legally obligated to reinstate the State revenue sharing dollars that were eliminated.

General Fund Budgetary Highlights

The original revenue and expenditure budgets for the General Fund (1010) were \$57,445,086 and \$60,803,867 respectively. The amended revenue budget was \$59,405,222, and the amended expenditure budget was \$57,150,555.

The revenue budget increased 3.3% during the year. The largest amendment to the General Fund was to reflect a higher than anticipated increase in taxable value. The County had budgeted a 5% increase in taxable value, but the actual increase was 6.15%. As a result, the tax revenue budget was increased by \$627,000. However, after year end, corrected estimates were provided that proved the revised estimate was overly optimistic. Consequently, tax revenue was underbudget by \$329,000 or .1%.

In addition, the budget for investment revenue was increased by \$370,000 or 25%. 2006 was a much better year for County investments with the average return rate essentially doubling from 2005. This strong of an improvement was not anticipated when the budgets were originally established. However, the effect of the changing cash flows due to the move of the levy from the December of the previous year to July of the current year was underestimated, causing the account to be under budget by \$153,000, or 8%.

The budget for intergovernmental revenue was increased for two reasons. First, the County entered into a contractual arrangement with the City of Hudsonville to provide police services effective July 1, 2006. The City reimburses the County for all direct costs incurred. As a result, the intergovernmental budget was increased by \$257,000. Second, the remainder of the Federal Emergency Management Agency grant for a drain floodplain study was added to the 2006 budget in the amount of \$120,000. The remainder of the intergovernmental adjustments is spread across several departments.

The budget for charges for services revenue was increased \$367,000 to reflect the additional court costs generated by the increased caseloads. The remaining increase is spread across several departments. Last, although the budget for rental income did not change significantly, it was under budget by \$224,000. Most of this income comes from charges made to departments for building space. The budgets are based on the building and grounds budgets which are quite conservative. Since the building related expenditures were under budget, the revenue is also under budget.

The budget for expenditures decreased \$3.65 million in total. The original budget, formulated in early 2005, included \$2.3 million out of designated fund balance for an operating transfer to the Public Improvement fund in connection with the Holland District Court. Later in 2005, however, the County opted to bond for this project to take advantage of favorable rates, so the transfer was not made, and the budget was adjusted. However, there were also increases in the operating transfers affecting the final numbers. Specifically, based on the 2005 financial results, \$444,000 was allocated to the Information Technology Fund (Internal Service Fund 6360) to cover data conversion costs in connection with the court imaging initiative. Also based on 2005 financial results, \$269,000 was allocated to the Stabilization Fund (Special Revenue Fund 2570) to bring the balance up to the legal maximum. The other significant adjustment to the transfers was to the Child Care – Circuit Court (Special Revenue Fund 2920) was increased by \$207,000 to reflect expenditures transferred there to take advantage of State funding opportunities.

Under Other governmental functions, as mentioned previously, the \$1.03 million budgeted for contingencies was not used, and budget was adjusted for that as well. The budget for General Government expenditures was reduced by \$530,000 in the Survey and Remonumentation program. The State of Michigan, who partially funds the program, took issue with the accuracy standards of the three dimensional coordinates of Public Land Survey Corners developed by the Ottawa County Remonumentation Committee. The County was unwilling to go forward with the remonumentation work until it was assured the State would consider these to be eligible expenditures of the grant agreement. The issue was not resolved until late in 2006, so much of the budget was unspent and adjusted accordingly.

The Public Works budget was decreased \$154,000 because certain drainage projects for which the County had a partial obligation were not started in 2006. Specifically, the drainage projects on Jackson Street in Grand Haven and Chicago Drive in Holland/Zeeland were not started in 2006 as anticipated. Last, personnel services budgets were reduced by \$763,000 to reflect position vacancies and employees who opted out of the County's health insurance plan. These adjustments affected Judicial, General Government and Public Safety functions of the General Fund.

Capital Asset and Debt Administration

Capital assets. The County's (primary government) investment in capital assets as of December 31, 2006, amounted to \$100,135,119 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and park facilities. The total increase in the County's investment in capital assets for the current fiscal year is 2.4%.

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

- Over \$1.04 million was spent on various land acquisitions for the Park system. The County has a dedicated millage for park land acquisition and development. In addition to the actual cash outlay, the County also received \$150,000 in land donations. The county also spent \$1.06 million on various park improvement projects.
- Construction on the Holland District Court facility was completed during 2006 (\$2.2 million).
- The Community Haven facility was demolished during 2006 to make way for a County park project. The book value of the facility was in excess of \$500,000.

County of Ottawa's Capital Assets (net of depreciation)

	2006
Land	\$36,605,908
Land improvements	7,410,698
Buildings and improvements	50,755,070
Construction in progress	60,985
Machinery and equipment	5,302,458
	<u>\$100,135,119</u>

Additional information on the County's capital assets can be found in note III.D on pages 61-64 of this report.

Long-term debt. At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$92,015,533. Of this amount, \$89,765,533 of the bonds are backed by the County's full faith and credit.

County of Ottawa's Outstanding Debt
General Obligation Bonds

	Primary Government	Component Units	Total
General obligation bonds	\$9,100,000	\$35,725,000	\$44,825,000
General obligation bonds - Refunding	12,410,000	34,780,533	47,190,533
Total	\$21,510,000	\$70,505,533	\$92,015,533

The County's total general obligation bonded debt decreased by \$6,807,000 (6.9 percent) during the current fiscal year. This amount is net of new issuances from Ottawa County Public Utilities System, a component unit, in the amount of \$4,950,000.

In addition, the County has two land contracts for which it has pledged its full faith and credit. The balance on the land contracts decreased by \$66,471, and no new land contracts were issued.

The Ottawa County Drain Commissioner has various notes payable for which the benefiting drainage district has pledged its full faith and credit. The balance on the notes payables decreased by \$7,600.

The County has 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.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current (2006) debt limitation for the County is \$1,102,822,199, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.G on pages 70-73 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2007 fiscal year:

- The County's tax base continues to grow despite the economic difficulties of the State. Specifically, the County's taxable value grew by 6.19 percent in 2007 which translates to an additional \$2.4 million in tax revenue. The County's operating levy is 3.6 mills which represents a .1 mill increase. Nevertheless, the County's millage rate is one of the lowest county millages in the State of Michigan. In fact, the County does not levy its maximum authorized levy to alleviate taxpayer burden. The County still has a cushion of .665 mills which provides an additional \$6.4 million the County may access with a vote of the Board of Commissioners.

- The unemployment rate for the County was 5.2 percent for 2006, which is a slight increase from 5.1 percent in 2005, but lower than the 2004 rate of 5.5%. The County's unemployment is much lower than the State's average unemployment rate of 6.9 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the 2007 budget are as follows:

- Reduction in the tax levy of 16% over the maximum allowable levy
- Includes no new, locally funded permanent positions as part of our 5 year deficit reduction plan
- Includes \$1.8 million in new equipment
- Includes contingency of \$553,000
- No one time transfers from other funds were used to balance the budget
- The budget reflects a small fund balance use. However, based on historical results, no fund balance use is expected.
- The County continues to meet its financial goal of maintaining a General Fund undesignated fund balance that is at least 10% of the prior year's audited expenditures. Currently, fund balance is kept at the maximum of the County adopted policy of 15%.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fiscal Services Director, 12220 Fillmore Street, Room 331, West Olive, Michigan, 49460.

**County of Ottawa
Statement of Net Assets
December 31, 2006**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Office of the Drain Commissioner
ASSETS							
Current assets:							
Cash and pooled investments	\$84,990,143	\$16,734,476	\$101,724,619	\$340,820	\$3,777,737	\$527,745	\$1,247,583
Investments	17,909,943		17,909,943	2,057,831	3,045,869	5,028,252	
Receivables (net of allowance for estimated uncollectibles):							
Taxes	16,299,003	5,959,147	22,258,150				
Accrued interest and penalties on delinquent taxes		613,173	613,173				
Accounts	1,760,907	1,355	1,762,262	375,922		1,851,242	
Accrued interest on investments	943,053		943,053				
Internal balances	(725,038)	844,786	119,748				
Advances to component units	325,000		325,000				
Due from other governmental units	5,094,054		5,094,054	4,138,861	144,812	64,437,617	455,540
Due from component units		81,180	81,180				12,055
Inventory of supplies	306,497		306,497	865,473			
Prepaid expenses	564,271		564,271	332,134	123,787		
Total current assets	<u>127,467,833</u>	<u>24,234,117</u>	<u>151,701,950</u>	<u>8,111,041</u>	<u>7,092,205</u>	<u>71,844,856</u>	<u>1,715,178</u>
Noncurrent assets:							
Net pension asset	1,965,237		1,965,237				
Loans receivable from other governments	1,710,952		1,710,952				
Unamortized bond issuance and deferred refunding costs	969,648		969,648			694,206	
Unamortized bond discount						691,188	
Capital assets not being depreciated	36,666,893		36,666,893	1,367,182			
Capital assets being depreciated, net	63,464,177	4,049	63,468,226	147,115,704	1,817,712		21,464,423
Total noncurrent assets	<u>104,776,907</u>	<u>4,049</u>	<u>104,780,956</u>	<u>148,482,886</u>	<u>1,817,712</u>	<u>1,385,394</u>	<u>21,464,423</u>
Total assets	<u>232,244,740</u>	<u>24,238,166</u>	<u>256,482,906</u>	<u>156,593,927</u>	<u>8,909,917</u>	<u>73,230,250</u>	<u>23,179,601</u>
LIABILITIES							
Current liabilities							
Accounts payable	15,480,346	40	15,480,386	1,533,377	103,123	2,229,082	114,902
Interest payable	162,695		162,695			536,715	2,817
Due to primary government						81,180	
Due to component units				12,055		198,117	
Due to other governmental units	376,459	1,687	378,146				
Current portion of long-term debt	5,562,285		5,562,285	656,217		6,907,000	32,600
Advances from primary government						150,000	175,000
Advances from other governmental units	319,099		319,099	539,776			
Unearned revenue	7,670,042		7,670,042			12,190	
Total current liabilities	<u>29,570,926</u>	<u>1,727</u>	<u>29,572,653</u>	<u>2,741,425</u>	<u>103,123</u>	<u>10,114,284</u>	<u>325,319</u>
Noncurrent liabilities:							
Unamortized bond premiums	636,123		636,123				
Noncurrent portion of long-term obligations	22,608,205		22,608,205	3,240,448		61,083,533	293,200
Total noncurrent liabilities	<u>23,244,328</u>		<u>23,244,328</u>	<u>3,240,448</u>		<u>61,083,533</u>	<u>293,200</u>
Total liabilities	<u>52,815,254</u>	<u>1,727</u>	<u>52,816,981</u>	<u>5,981,873</u>	<u>103,123</u>	<u>71,197,817</u>	<u>618,519</u>
NET ASSETS							
Invested in capital assets, net of related debt	78,519,838	4,049	78,523,887	145,471,525	1,817,712		21,138,623
Restricted	40,108,692		40,108,692	2,959,323		1,899,952	540,096
Unrestricted	60,800,956	24,232,390	85,033,346	2,181,206	6,989,082	132,481	882,363
Total net assets	<u>\$179,429,486</u>	<u>\$24,236,439</u>	<u>\$203,665,925</u>	<u>\$150,612,054</u>	<u>\$8,806,794</u>	<u>\$2,032,433</u>	<u>\$22,561,082</u>

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

**County of Ottawa
Statement of Activities
For the Year Ended December 31, 2006**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
Legislative	\$517,888	\$2,730				(\$520,618)
Judicial	11,353,399	1,251,945	\$3,799,831	\$2,430,128		(6,375,385)
General government	22,797,896	(7,622,794)	7,828,177	2,206,666		(5,140,259)
Public safety	22,985,141	1,456,840	5,048,970	986,283		(18,406,728)
Public works	(1,458,663)	20,825	446,501	138,354		2,022,693
Health and welfare	51,493,637	2,776,714	2,717,256	41,231,173		(10,321,922)
Community and economic development	603,429	2,376	23,770	7,382		(574,653)
Culture and recreation	1,991,851	3,140	289,658		\$850,262	(855,071)
Interest on long-term debt	741,070		2,439,503			1,698,433
Total governmental activities	<u>111,025,648</u>	<u>(2,108,224)</u>	<u>22,593,666</u>	<u>46,999,986</u>	<u>850,262</u>	<u>(38,473,510)</u>
Business-type activities:						
Delinquent tax collection	162,548	2,080,891	1,291,853			(951,586)
Total primary government	<u>\$111,188,196</u>	<u>(\$27,333)</u>	<u>\$23,885,519</u>	<u>\$46,999,986</u>	<u>\$850,262</u>	<u>(\$39,425,096)</u>
Component units						
Ottawa County Road Commission	\$21,651,745		\$3,794,270	\$16,084,489	\$6,099,238	\$4,326,252
Ottawa County Central Dispatch Authority	3,574,434		3,774	4,024,263		453,603
Ottawa County Public Utilities	16,580,754		15,911,237			(669,517)
Ottawa County Office of the Drain Commissioner	1,527,445				1,479,246	(48,199)
Total component units	<u>\$43,334,378</u>		<u>\$19,709,281</u>	<u>\$20,108,752</u>	<u>\$7,578,484</u>	<u>\$4,062,139</u>

(Continued on next page)

**County of Ottawa
Statement of Activities (Concluded)
For the Year Ended December 31, 2006**

	<u>Primary Government</u>			<u>Component Units</u>			
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Ottawa County Road Commission</u>	<u>Ottawa County Central Dispatch Authority</u>	<u>Ottawa County Public Utilities</u>	<u>Ottawa County Office of the Drain Commissioner</u>
Primary Government:							
Changes in net assets:							
Net (expense) revenue	(\$38,473,510)	(\$951,586)	(\$39,425,096)	\$4,326,252	\$453,603	(\$669,517)	(\$48,199)
General Revenues:							
Property taxes, levied for general purposes	42,674,425		42,674,425				
Property taxes, levied for park development	2,720,185		2,720,185				
Property taxes, levied for debt service	3,787,704		3,787,704				
Grants and contributions not restricted to specific programs	24,657		24,657				
Investment earnings	5,007,679	844,786	5,852,465	107,388	328,873	32,279	60,411
Miscellaneous	261,156		261,156	287,792		767,188	
Transfers - internal activities	7,738		7,738				
Total general revenues and transfers	<u>54,483,544</u>	<u>844,786</u>	<u>55,328,330</u>	<u>395,180</u>	<u>328,873</u>	<u>799,467</u>	<u>60,411</u>
Change in net assets	16,010,034	(106,800)	15,903,234	4,721,432	782,476	129,950	12,212
Net assets - beginning of year, as restated	<u>163,419,452</u>	<u>24,343,239</u>	<u>187,762,691</u>	<u>145,890,622</u>	<u>8,024,318</u>	<u>1,902,483</u>	<u>22,548,870</u>
Net assets - end of year	<u>\$179,429,486</u>	<u>\$24,236,439</u>	<u>\$203,665,925</u>	<u>\$150,612,054</u>	<u>\$8,806,794</u>	<u>\$2,032,433</u>	<u>\$22,561,082</u>

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

(Concluded)

**County of Ottawa
Balance Sheet
Governmental Funds
December 31, 2006
(with comparative totals for December 31, 2005)**

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds	
								2006	2005
ASSETS									
Cash and pooled investments	\$21,179,592	\$6,493,221	\$1,888,284	\$1,707,668	\$5,512,033	\$8,054,923	\$24,100,543	\$68,936,264	\$57,103,435
Investments							293,816	293,816	2,728,886
Receivables (net of allowance for estimated uncollectibles):									
Taxes	4,334,246	2,831,650				9,133,107		16,299,003	25,335,268
Accounts	219,485	8,272	136,262	1,179,599			1,888,128	3,431,746	2,997,979
Accrued interest on investments	816,282							816,282	710,629
Due from other funds		285,583		45,933	231,670	232,547	553,593	1,349,326	644,021
Interfund receivable	1,142,648							1,142,648	960,949
Advances to component units	325,000							325,000	325,000
Due from other governmental units	1,605,158	121,110	138,447	138,933			3,090,406	5,094,054	9,494,990
Inventory of supplies	13,577		195,709	41,758			19,595	270,639	191,542
Prepaid expenditures	32,851	54,501	17,611	217,975			22,925	345,863	234,299
Total assets	\$29,668,839	\$9,794,337	\$2,376,313	\$3,331,866	\$5,743,703	\$17,420,577	\$29,969,006	\$98,304,641	\$100,726,998
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$1,584,794	\$114,574	\$465,683	\$2,102,425	\$2,705		\$1,643,476	\$5,913,657	\$6,143,126
Due to other governmental units			177,625	107,263			11,184	296,072	357,918
Due to other funds	2,712,842							2,712,842	1,339,847
Interfund payable							1,002,818	1,002,818	699,493
Advances from other governmental units	126,296						192,803	319,099	277,608
Interest payable									280,924
Deferred revenue	5,381,281	2,910,628	59,668				2,972	8,354,549	18,694,330
Total liabilities	9,805,213	3,025,202	702,976	2,209,688	2,705		2,853,253	18,599,037	27,793,246
Fund balances:									
Reserved - General	2,359,739							2,359,739	1,914,675
Reserved - Special Revenue		54,501	213,320	259,733	5,740,998	\$17,420,577	1,753,472	25,442,601	19,561,561
Reserved - Debt Service									16,734
Reserved - Permanent							5,770	5,770	5,770
Unreserved:									
Designated - General	7,295,848							7,295,848	7,480,799
Designated - Special Revenue		580		741,282			3,232,356	3,974,218	4,272,917
Designated - Capital Projects							253,715	253,715	2,374,153
Undesignated - General	10,208,039							10,208,039	8,490,117
Undesignated - Special Revenue		6,714,054	1,460,017	121,163			21,860,059	30,155,293	28,816,695
Undesignated - Debt Service							10,381	10,381	
Undesignated - Permanent Fund									331
Total fund balances	19,863,626	6,769,135	1,673,337	1,122,178	5,740,998	17,420,577	27,115,753	79,705,604	72,933,752
Total liabilities and fund balances	\$29,668,839	\$9,794,337	\$2,376,313	\$3,331,866	\$5,743,703	\$17,420,577	\$29,969,006	\$98,304,641	\$100,726,998

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

County of Ottawa
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2006

Fund balances - total governmental funds \$79,705,604

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

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

Add: capital assets used in the operation of governmental funds	124,494,743
Subtract: accumulated depreciation	(27,951,031)

The net pension asset, a long term asset, is not recorded in the funds. 1,965,237

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	28,289,461
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Certain revenue that was earned and accrued in the current period but not received after 60 days is not recognized in the fund statement but recognized under full accrual. 925,132

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(21,510,000)
Subtract: landfill reclamation	(3,564,940)
Subtract: land contracts	(101,232)
Subtract: compensated absences	(2,994,318)
Subtract: accrued interest payable	(162,695)

Amortization of bond issue costs and premiums are not recorded in the governmental funds, but are netted against long term liabilities on the Statement of Net Assets

Subtract: unamortized bond premium	(636,123)
Add: unamortized bond issuance costs	969,648

Net assets of governmental activities	\$179,429,486
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The accompanying notes are an integral part of the financial statements.

County of Ottawa
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds 2006	2005
Revenues									
Taxes	\$37,095,829	\$2,720,185				\$9,354,173	\$12,127	\$49,182,314	\$44,867,713
Intergovernmental revenues	4,637,820	210,522	\$3,247,492	\$28,033,326			15,323,287	51,452,447	56,055,124
Charges for services	6,650,680	251,008	833,085	547,468			1,364,454	9,646,695	9,795,022
Fines and forfeits	1,047,692						6,500	1,054,192	1,076,449
Interest on investments	1,717,019	285,583		45,933	\$231,670	232,547	671,757	3,184,509	1,561,657
Licenses and permits	289,351		385,459					674,810	745,950
Rental income	2,511,754	21,584		147,593	878,423		2,439,503	5,998,857	5,442,363
Other	362,827	506,806	181,924	72,864			708,170	1,832,591	2,189,691
Total revenue	54,312,972	3,995,688	4,647,960	28,847,184	1,110,093	9,586,720	20,525,798	123,026,415	121,733,969
Expenditures									
Current expenditures:									
Legislative	524,438							524,438	549,673
Judicial	8,754,182						3,969,403	12,723,585	12,124,762
General government	11,367,177				477,009		969,100	12,813,286	15,999,861
Public safety	20,869,732						3,764,835	24,634,567	24,080,645
Public works	59,187						766,500	825,687	668,004
Health and welfare	602,634		10,232,844	29,741,073			14,654,710	55,231,261	51,334,254
Community and economic development	566,182						39,136	605,318	555,363
Culture and recreation		3,591,522						3,591,522	11,708,474
Other governmental functions	163,642							163,642	119,565
Debt service							2,453,395	2,453,395	2,758,259
Capital projects							2,251,029	2,251,029	3,044,672
Total expenditures	42,907,174	3,591,522	10,232,844	29,741,073	477,009		28,868,108	115,817,730	122,943,532
Revenues over (under) expenditures	11,405,798	404,166	(5,584,884)	(893,889)	633,084	9,586,720	(8,342,310)	7,208,685	(1,209,563)
Other financing sources (uses)									
Transfers from other funds	4,239,536	530,000	5,646,605	476,500			6,701,264	17,593,905	21,046,183
Transfers to other funds	(13,667,299)				(68,161)	(4,239,536)	(55,742)	(18,030,738)	(19,880,952)
Issuance of bonds									7,865,000
Refunding bonds issued									10,005,000
Premium on bonds issued									690,972
Payment to refunding bond escrow agent									(10,424,650)
Total other financing sources (uses)	(9,427,763)	530,000	5,646,605	476,500	(68,161)	(4,239,536)	6,645,522	(436,833)	9,301,553
Net change in fund balances	1,978,035	934,166	61,721	(417,389)	564,923	5,347,184	(1,696,788)	6,771,852	8,091,990
Fund balance, beginning of year	17,885,591	5,834,969	1,611,616	1,539,567	5,176,075	12,073,393	28,812,541	72,933,752	64,841,762
Fund balance, end of year	\$19,863,626	\$6,769,135	\$1,673,337	\$1,122,178	\$5,740,998	\$17,420,577	\$27,115,753	\$79,705,604	\$72,933,752

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

(Continued on next page)

County of Ottawa
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2006

Net change in fund balances - total governmental funds \$6,771,852

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.

Add: capital outlay	5,140,660
Subtract: depreciation expense	(2,961,384)
Subtract: net book value of disposed capital assets	(530,438)

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

Add: principal payments on long term liabilities	1,786,471
Add: decrease in landfill reclamation liability	2,159,805
Subtract: increase in compensated absences liability	(107,861)

Accrued interest expense on bonds and the amortization of bond issuance costs, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes net assets.

Add: decrease in accrued interest payable	14,440
Subtract: amortization of bond issue costs and deferred refunding loss	(76,964)
Add: amortization of premiums on bonds	54,849

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

Subtract: net change in Health department revenues	(11,031)
Subtract: net change in Survey and Remonumentation expedited program	(68,834)

Inventory used during the current year but contributed in previous years and not recorded on the fund statements is not recorded in the fund statements (34,489)

Changes in the net pension asset are not recorded in the fund statements

Subtract: decrease in the net pension asset	(53,223)
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Donated land is not recorded as revenue on the fund statements. 150,000

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.

Add: net increase in net assets from the governmental activities accounted for in internal service funds	3,776,181
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Change in net assets of governmental activities	\$16,010,034
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COUNTY OF OTTAWA

**GENERAL FUND (1010) - STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006

(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$36,798,185	\$37,424,999	\$37,095,829	(\$329,170)	\$32,858,275
Intergovernmental revenues	4,269,882	4,712,241	4,637,820	(74,421)	5,962,079
Charges for services	6,260,354	6,694,114	6,650,680	(43,434)	6,830,820
Fines and forfeits	1,069,100	1,056,500	1,047,692	(8,808)	1,069,949
Interest on investments	1,500,000	1,870,000	1,717,019	(152,981)	866,449
Licenses and permits	302,025	296,325	289,351	(6,974)	299,828
Rental income	2,723,019	2,735,517	2,511,754	(223,763)	2,397,103
Other	303,505	375,990	362,827	(13,163)	346,904
Total revenues	<u>53,226,070</u>	<u>55,165,686</u>	<u>54,312,972</u>	<u>(852,714)</u>	<u>50,631,407</u>
Expenditures:					
Current operations:					
Legislative	564,656	526,269	524,438	1,831	549,673
Judicial	8,783,856	8,794,382	8,754,182	40,200	8,554,677
General government	12,318,566	11,592,838	11,367,177	225,661	11,151,521
Public safety	21,113,743	21,017,807	20,869,732	148,075	20,583,603
Public works	240,100	58,360	59,187	(827)	28,066
Health and welfare	629,554	644,607	602,634	41,973	554,908
Community and economic development	629,270	601,912	566,182	35,730	541,400
Other governmental functions	1,417,200	163,642	163,642		119,565
Total expenditures	<u>45,696,945</u>	<u>43,399,817</u>	<u>42,907,174</u>	<u>492,643</u>	<u>42,083,413</u>
Revenues over expenditures	<u>7,529,125</u>	<u>11,765,869</u>	<u>11,405,798</u>	<u>(360,071)</u>	<u>8,547,994</u>
Other Financing Sources (Uses):					
Transfers from other funds	4,219,016	4,239,536	4,239,536		5,275,345
Transfers to other funds	(15,106,922)	(13,750,738)	(13,667,299)	83,439	(13,240,053)
Total other financing sources (uses)	<u>(10,887,906)</u>	<u>(9,511,202)</u>	<u>(9,427,763)</u>	<u>83,439</u>	<u>(7,964,708)</u>
Net change in fund balance	(3,358,781)	2,254,667	1,978,035	(276,632)	583,286
Fund balance, beginning of year	<u>17,885,591</u>	<u>17,885,591</u>	<u>17,885,591</u>		<u>17,302,305</u>
Fund balance, end of year	<u>\$14,526,810</u>	<u>\$20,140,258</u>	<u>\$19,863,626</u>	<u>(\$276,632)</u>	<u>\$17,885,591</u>

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

COUNTY OF OTTAWA

**PARKS AND RECREATION SPECIAL REVENUE FUND (2081) -
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$2,729,373	\$2,731,878	\$2,720,185	(\$11,693)	\$2,610,437
Intergovernmental revenues	534,370	534,370	210,522	(323,848)	5,952,143
Charges for services	250,700	251,600	251,008	(592)	252,634
Interest on investments	100,000	100,000	285,583	185,583	165,891
Rental income	34,100	36,940	21,584	(15,356)	45,908
Other	100,000	506,870	506,806	(64)	756,552
Total revenues	3,748,543	4,161,658	3,995,688	(165,970)	9,783,565
Expenditures:					
Current operations:					
Personnel services	1,075,464	1,057,914	1,058,957	(1,043)	936,611
Supplies	136,140	157,640	154,747	2,893	129,045
Other services and charges	384,344	378,144	346,619	31,525	360,569
Debt service	81,510	81,510	81,508	2	81,508
Capital outlay	2,476,000	2,034,500	1,949,691	84,809	10,200,741
Total expenditures	4,153,458	3,709,708	3,591,522	118,186	11,708,474
Revenues over (under) expenditures	(404,915)	451,950	404,166	(47,784)	(1,924,909)
Other financing sources (uses):					
Transfers in (out):					
General Fund	530,000	530,000	530,000		530,000
Total other financing sources (uses)	530,000	530,000	530,000		530,000
Net change in fund balance	125,085	981,950	934,166	(47,784)	(1,394,909)
Fund balance, beginning of year	5,834,969	5,834,969	5,834,969		7,229,878
Fund balance, end of year	<u>\$5,960,054</u>	<u>\$6,816,919</u>	<u>\$6,769,135</u>	<u>(\$47,784)</u>	<u>\$5,834,969</u>

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

COUNTY OF OTTAWA
HEALTH SPECIAL REVENUE FUND (2210) -
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$2,690,642	\$2,862,625	\$3,247,492	\$384,867	\$2,982,671
Charges for services	895,278	838,963	833,085	(5,878)	871,642
Licenses and permits	453,445	389,168	385,459	(3,709)	446,122
Rental income					750
Other	168,474	196,029	181,924	(14,105)	155,441
Total revenues	4,207,839	4,286,785	4,647,960	361,175	4,456,626
Expenditures:					
Current operations:					
Personnel services	6,494,909	6,063,769	6,012,192	51,577	6,114,813
Supplies	880,354	883,841	1,313,319	(429,478)	757,772
Other services and charges	2,737,967	2,897,611	2,788,215	109,396	2,635,535
Capital outlay		121,262	119,118	2,144	26,653
Total expenditures	10,113,230	9,966,483	10,232,844	(266,361)	9,534,773
Revenues over (under) expenditures	(5,905,391)	(5,679,698)	(5,584,884)	94,814	(5,078,147)
Other financing sources (uses):					
Transfers in (out):					
General Fund	5,638,088	5,646,605	5,646,605		5,645,922
Total other financing sources (uses)	5,638,088	5,646,605	5,646,605		5,645,922
Net change in fund balance	(267,303)	(33,093)	61,721	94,814	567,775
Fund balance, beginning of year	1,611,616	1,611,616	1,611,616		1,043,841
Fund balance, end of year	<u>\$1,344,313</u>	<u>\$1,578,523</u>	<u>\$1,673,337</u>	<u>\$94,814</u>	<u>\$1,611,616</u>

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

COUNTY OF OTTAWA

**MENTAL HEALTH SPECIAL REVENUE FUND (2220) -
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$28,501,858	\$29,023,862	\$28,033,326	(\$990,536)	\$27,089,931
Charges for services	373,366	548,617	547,468	(1,149)	398,265
Interest on investments		45,934	45,933	(1)	23,943
Rental income	243,801	147,594	147,593	(1)	187,936
Other	82,715	73,031	72,864	(167)	65,818
Total revenues	29,201,740	29,839,038	28,847,184	(991,854)	27,765,893
Expenditures:					
Current operations:					
Personnel services	11,644,654	11,064,741	11,049,665	15,076	11,066,582
Supplies	368,179	529,374	529,232	142	453,006
Other services and charges	17,840,599	18,176,160	18,162,176	13,984	16,706,285
Capital outlay					50,000
Total expenditures	29,853,432	29,770,275	29,741,073	29,202	28,275,873
Revenues over (under) expenditures	(651,692)	68,763	(893,889)	(962,652)	(509,980)
Other financing sources (uses):					
Transfers in (out):					
General Fund	476,500	476,500	476,500		476,500
Total other financing sources (uses)	476,500	476,500	476,500		476,500
Net change in fund balance	(175,192)	545,263	(417,389)	(962,652)	(33,480)
Fund balance, beginning of year	1,539,567	1,539,567	1,539,567		1,573,047
Fund balance, end of year	<u>\$1,364,375</u>	<u>\$2,084,830</u>	<u>\$1,122,178</u>	<u>(\$962,652)</u>	<u>\$1,539,567</u>

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

COUNTY OF OTTAWA

**PUBLIC IMPROVEMENT SPECIAL REVENUE FUND (2450) -
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Charges for services					
Interest on investments	\$13,852	\$13,852	\$231,670	\$217,818	\$101,039
Rental income	913,231	863,000	878,423	15,423	802,010
Other					97,705
Total revenues	927,083	876,852	1,110,093	233,241	1,000,754
Expenditures:					
Current operations:					
Supplies		401,035	400,612	423	422,086
Other services and charges	5,582	7,972	5,887	2,085	30,590
Capital outlay	8,000,000	148,965	70,510	78,455	3,618,876
Total expenditures	8,005,582	557,972	477,009	80,963	4,071,552
Revenues over (under) expenditures	(7,078,499)	318,880	633,084	314,204	(3,070,798)
Other financing sources (uses):					
Transfers in (out):					
General Fund	2,267,706				
Delinquent Tax Revolving Fund					372,742
Ottawa County Building Authority - Capital Projects Fund		(600,000)	(68,161)	\$531,839	2,169,258
Total other financing sources (uses)	2,267,706	(600,000)	(68,161)	531,839	2,542,000
Net change in fund balance	(4,810,793)	(281,120)	564,923	846,043	(528,798)
Fund balance, beginning of year	5,176,075	5,176,075	5,176,075		5,704,873
Fund balance, end of year	<u>\$365,282</u>	<u>\$4,894,955</u>	<u>\$5,740,998</u>	<u>\$846,043</u>	<u>\$5,176,075</u>

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

COUNTY OF OTTAWA

**REVENUE SHARING RESERVE SPECIAL REVENUE FUND (2855) -
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$9,354,173	\$9,354,173	\$9,354,173		\$9,354,173
Interest on investments		147,300	232,547	\$85,247	62,361
Total revenues	<u>9,354,173</u>	<u>9,501,473</u>	<u>9,586,720</u>	<u>85,247</u>	<u>9,416,534</u>
Expenditures:					
Current operations:					
Total expenditures					
Revenues over (under) expenditures	<u>9,354,173</u>	<u>9,501,473</u>	<u>9,586,720</u>	<u>85,247</u>	<u>9,416,534</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	(4,219,016)	(4,235,432)	(4,239,536)	(4,104)	(4,104,101)
Total other financing sources (uses)	<u>(4,219,016)</u>	<u>(4,235,432)</u>	<u>(4,239,536)</u>	<u>(4,104)</u>	<u>(4,104,101)</u>
Net change in fund balance	5,135,157	5,266,041	5,347,184	81,143	5,312,433
Fund balance, beginning of year	<u>12,073,393</u>	<u>12,073,393</u>	<u>12,073,393</u>		<u>6,760,960</u>
Fund balance, end of year	<u><u>\$17,208,550</u></u>	<u><u>\$17,339,434</u></u>	<u><u>\$17,420,577</u></u>	<u><u>\$81,143</u></u>	<u><u>\$12,073,393</u></u>

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

**County of Ottawa
Statement of Net Assets
Proprietary Funds
December 31, 2006**

	Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund	Governmental Activities- Internal Service Funds
<u>ASSETS</u>		
Current assets:		
Cash and pooled investments	\$16,734,476	\$16,053,879
Investments		17,616,127
Receivables:		
Delinquent taxes receivable	5,959,147	
Accrued interest and penalties on delinquent taxes	613,173	
Accounts	1,355	40,113
Accrued interest on investments		126,771
Due from other funds	844,786	4,315,172
Due from component units	81,180	
Inventory of supplies		35,858
Prepaid expenses		218,408
	<u>24,234,117</u>	<u>38,406,328</u>
Total current assets		
Noncurrent assets:		
Capital assets:		
Office furniture and equipment	58,443	3,882,243
Copy machines		125,395
Telephone equipment		2,443,955
Vehicles		3,811,008
Less accumulated depreciation	(54,394)	(6,675,243)
	<u>4,049</u>	<u>3,587,358</u>
Net capital assets		
Total assets	<u>24,238,166</u>	<u>41,993,686</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	40	9,566,689
Interfund payable		139,830
Due to other funds		3,676,694
Due to other governmental units	1,687	80,387
Unearned revenue		240,625
	<u>1,727</u>	<u>13,704,225</u>
Total current liabilities		
<u>NET ASSETS</u>		
Investment in capital assets	4,049	3,587,358
Restricted for managed care risk exposure		2,046,147
Unrestricted	<u>24,232,390</u>	<u>22,655,956</u>
Total net assets	<u>\$24,236,439</u>	<u>\$28,289,461</u>

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

County of Ottawa
Statement of Revenue, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating revenues:		
Charges for services	\$141,926	\$17,029,424
Penalties and interest in delinquent taxes	1,149,927	
Other revenue		9,866
Total operating revenues	<u>1,291,853</u>	<u>17,039,290</u>
Operating expenses:		
Personnel services		1,953,284
Contractual services	71,476	2,510,993
Supplies	13,932	195,529
Depreciation	1,374	1,104,632
Building and equipment rental	2,156,657	57,790
Claims and legal		9,079,897
Miscellaneous		417,797
Total operating expenses	<u>2,243,439</u>	<u>15,319,922</u>
Operating income (loss)	<u>(951,586)</u>	<u>1,719,368</u>
Nonoperating revenues (expenses):		
Interest on investments	844,786	1,280,740
Net change in the fair value of investments		542,430
Gain (loss) on retirement of capital assets		(210,928)
Total nonoperating revenues	<u>844,786</u>	<u>1,612,242</u>
Income (loss) before transfers	<u>(106,800)</u>	<u>3,331,610</u>
Transfers in (out):		
General fund		444,571
Public Improvement		
Protected Self-Funded Health		135,855
Protected Self-Funded Dental		(107,583)
Protected Self-Funded Vision		(28,272)
Total transfers		<u>444,571</u>
Change in net assets	(106,800)	3,776,181
Total net assets, beginning of year	24,343,239	24,513,280
Total net assets, end of year	<u>\$24,236,439</u>	<u>\$28,289,461</u>

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

**County of Ottawa
Statement of Cash Flows
Proprietary Funds**

For the Year Ended December 31, 2006

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided		\$17,500,189
Cash receipts from customers	\$8,965,095	
Cash received from penalties and interest on delinquent taxes	1,033,966	
Cash payments to suppliers for goods and services	(2,241,921)	(2,737,167)
Cash payments for self-funded insurance claims		(10,918,115)
Cash payments to employees for services		(1,953,284)
Purchase of delinquent tax rolls	<u>(11,972,298)</u>	
Net cash provided by (used for) operating activities	<u>(4,215,158)</u>	<u>1,891,623</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from other funds		572,978
Transfers out to other funds		<u>(250,033)</u>
Net cash provided by (used for) noncapital financing activities		<u>322,945</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets		<u>(2,025,581)</u>
Net cash used for capital and related financing activities		<u>(2,025,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(22,864,075)
Interest on investments	440,423	769,262
Proceeds on sale of investments		<u>22,345,220</u>
Net cash provided by investing activities	<u>440,423</u>	<u>250,407</u>
Net increase (decrease) in cash and pooled investments	(3,774,735)	439,394
Cash and pooled investments, beginning of year	<u>20,509,211</u>	<u>15,614,485</u>
Cash and pooled investments, end of year	<u><u>\$16,734,476</u></u>	<u><u>\$16,053,879</u></u>

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

(Continued on next page)

**County of Ottawa
Statement of Cash Flows
Proprietary Funds**

For the Year Ended December 31, 2006

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(\$951,586)	\$1,719,368
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,374	1,104,632
Change in assets and liabilities not affecting cash provided by (used for) operating activities:		
(Increase) decrease in receivables	(3,265,167)	(28,022)
(Increase) decrease in advances to other funds		9,721
(Increase) decrease in inventory		2,818
(Increase) decrease in prepaid expenses		29,121
Increase (decrease) in unpaid claims liability		(1,757,527)
Increase (decrease) in unearned revenue		240,625
Increase (decrease) in accounts payable	40	340,982
Increase (decrease) in due to other funds		229,905
Increase (decrease) in due to other governmental units	181	
Net cash provided by (used for) operating activities	<u>(\$4,215,158)</u>	<u>\$1,891,623</u>

(Concluded)

Noncash investing activities:

The change in fair value of investments for the internal service funds was \$542,430.

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

COUNTY OF OTTAWA

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2006

(with comparative totals for December 31, 2005)

	<u>Agency Funds</u>	
	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and pooled investments	\$4,305,788	\$3,509,114
Receivables:		
Accounts	177,406	582,401
Due from other governmental units	81,099	261,498
Total assets	<u>\$4,564,293</u>	<u>\$4,353,013</u>
LIABILITIES		
Liabilities:		
Due to other governmental units:		
Due to State of Michigan	\$2,514,277	\$1,314,614
Fines and fees due to local libraries	452,852	459,984
Agency deposits	1,597,164	2,578,415
Total liabilities	<u>\$4,564,293</u>	<u>\$4,353,013</u>

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ottawa, Michigan (the "County") was incorporated in 1837 and covers an area of approximately 565 square miles with the County seat located in the City of Grand Haven. The County operates under an elected Board of Commissioners (11 members) and provides services to its estimated 257,671 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the County have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental 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.

A. Reporting entity

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, so 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 government-wide financial statements to emphasize they are legally separate from the County.

Blended Component Units

The Building Authority is governed by a three-member board appointed by the Ottawa County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the appropriate fund categories of Debt Service and Capital Projects and has a December 31 year-end. A separate report is not prepared for the Building Authority.

The Ottawa County, Michigan Insurance Authority is a separate legal entity organized for the purpose of providing insurance coverage and risk management and related services to public entities in the County of Ottawa, Michigan pursuant to State of Michigan Act No. 36 of the Public Acts of 1988. The governing board consists of one appointed and four elected officials of the County and one appointed official from each other participating public entity. The County and the Building Authority are currently the only participating entities. The Insurance Authority is reported in an internal service fund and has a December 31 year-end.

Complete financial statements for the Insurance Authority can be obtained from:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

Fiscal Services Director
Ottawa County
12220 Fillmore Street, Room 331
West Olive, MI 49460

Discretely Presented Component Units

The Ottawa County Road Commission was established pursuant to the County Road Law (MCL 224.1). The governing board is appointed by the Ottawa County Board of Commissioners. The Road Commission deposits receipts with and has investments through the County. It may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, Road Commission taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported in the Road Commission Fund. The Road Commission has a September 30 year-end.

The Ottawa County Central Dispatch Authority is governed by an eight-member board with two members appointed by the County's Board of Commissioners. It is financially accountable to the County as a result of fiscal dependency. It cannot levy taxes or issue bonded debt without approval of the County. It operates in facilities and with equipment financed through the Building Authority. Additional equipment and software has been financed through lease agreements. The services provided cover all County residents and the County levies a property tax of up to one-half mill to finance the operations of the Dispatch Authority. The Dispatch Authority has a December 31 year-end.

The Ottawa County Public Utilities System's governing board is appointed by the Ottawa County Board of Commissioners. The Public Utilities System deposits receipts with and invests through the County. It is fiscally dependent upon the County because the County Board must approve debt issuances of Public Act 342 bonds. The Ottawa County Public Utilities System has a December 31 year-end.

Complete financial statements for the Road Commission and the Public Utilities System can be obtained from:

Finance Director
Ottawa County Road Commission
P.O. Box 73940
Grand Haven, MI 49417

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

Complete financial statements for the Dispatch Authority can be obtained from:

Director
Ottawa County Central Dispatch Authority
15 North 6th Street
Grand Haven, MI 49417

Ottawa County Office of the Drain Commissioner 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 Office of the Drain Commissioner is considered to be a component unit of the County because the County has the ability to significantly influence operations and has accountability for fiscal matters. Specifically, the County Board of Commissioners formally approves the Drain Commissioner's budget (as submitted) and all financial management functions are performed by the County. The statutory drainage board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the Board of Commissioners. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The Drain Commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 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.

Complete financial statements for the Office of the Drain Commissioner can be obtained from:

Fiscal Services Director
Ottawa County
12220 Fillmore Street, Room 331
West Olive, MI 49460

B. Funds with Other Year Ends

The financial statements of the Friend of the Court, 9/30 Judicial Grants, Health, Mental Health, Transportation System, Prosecuting Attorney Grants, Sheriff 9/30 Grant Programs, COPS Universal, Sheriff Road Patrol, Workforce Investment Act - 9/30 Grant Programs, Grant Programs - Pass Thru, Emergency Feeding, Federal Emergency Management Agency, Community Corrections,

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Funds with Other Year Ends (continued)

Community Action Agency, Child Care – Circuit Court and Child Care - Social Services funds (included with Governmental Funds and reflecting total assets and revenues of 9.75% and 35.77%, respectively, of the Governmental Fund totals) and the Protected Self-Funded Insurance-Mental Health Fund (included with Internal Service Funds and reflecting total assets and revenues of 5.33% and .43%, respectively, of the related fund type totals) have been included in the accompanying 2006 financial statements using their fiscal year ended September 30, 2006.

The financial statements of the Workforce Investment Act – Administrative Cost Pool, Workforce Investment Act - Youth, Workforce Investment Act – Adult, and Workforce Investment Act - 6/30 Grant Programs funds (included with Governmental Funds and reflecting total assets and revenues of .74% and 2.29%, respectively, of the Governmental Fund totals) have been included in the accompanying 2006 financial statements using their fiscal year ended June 30, 2006.

The financial statements of the Weatherization and the Workforce Investment Act-3/31 Grant Programs funds (included with Governmental Funds and reflecting assets and revenues of .06% and .28%, respectively, of the Governmental Fund totals) has been included in the accompanying 2006 financial statements using their fiscal year ended March 31, 2006.

Interfund balances, due to/from account balances, indirect expense allocations, as well as transfers, do not agree across all funds due to the different year ends reported in these funds.

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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 legally separate *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. *Indirect expenses* are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and fund financial statements (continued)

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.

D. 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 statements. The fiduciary fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when 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. After March 1 of the following year, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception exists for certain grant revenues that have been earned but not necessarily received within 60 days in order to match revenues with the corresponding expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, landfill closure costs and compensated absences are recorded only when payment is due.

Intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The County considers these to be available if received within 180 days of year end. 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. However, if the special assessment is

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

for the succeeding year's debt service expenditures, the revenue is also accrued. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Parks and Recreation Fund (2081) – This fund was established for the development, maintenance, and operation of Ottawa County parks. Funding is provided by General Fund appropriations, State grants, and user charges. A millage of .33 mills for ten years beginning with the December 1, 1997 levy was approved by the County electorate to finance this activity on November 5, 1996.

Health Fund (2210) – This fund is used to account for monies received from Federal, State, and local grants and County appropriations. These monies are utilized in providing a variety of health-related services to County residents.

Mental Health Fund (2220) – This fund is used to account for monies to provide mental health services within the County. Monies are provided by Federal, State, and County appropriations, contributions, and charges for services.

Public Improvement Fund (2450) – This fund is used for earmarked revenues set aside for public improvements. Funding is provided from General Fund appropriations and building rentals.

Revenue Sharing Reserve Fund (2855) - Public Act 357 of 2004 provides a funding mechanism to serve as a substitute for state revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally, requires the establishment of a restricted fund to be known as the Revenue Sharing Reserve Fund.

The County reports the following major proprietary fund:

Delinquent Tax Revolving Fund (5160) – This Enterprise Fund is used to pay each local governmental unit, including the County General Fund, the respective amount of delinquent taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Funds are used to account for revenue from specific revenue sources (other than fiduciary or major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for construction projects of the Building Authority. Currently, the fund has limited activity.

The *Permanent Fund* is used to record the activity of the Cemetery Trust which provides funds for perpetual care of cemetery lots.

Internal Service Funds account for data processing, equipment purchases, and insurance coverage provided to County departments on a cost reimbursement basis.

Agency Funds are used to account for assets held on behalf of outside parties, including other governments. The majority of the balances in the Agency funds represent payments collected on behalf of the State of Michigan and other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 Delinquent Tax Revolving enterprise fund are interest and penalties on delinquent taxes. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise fund include depreciation on capital assets and rent payments for certain County facilities designed to pay the debt obligations of the related bond issue. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Assets, liabilities, and net assets or equity

1. Cash and pooled investments

For purposes of the statement of cash flows, the County considers all assets held in the cash and investment pool to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at anytime, similar to a demand deposit account. The County's investments consist primarily of U.S. treasuries, U.S government agency securities, commercial paper, certificates of deposit, local government investment pools, and mutual funds.

Investments of the Insurance Authority consist of U.S. government and U.S. government agency securities and corporate securities. All investments are recorded at fair value.

2. Receivables, payables and loans

During the course of operations, numerous transactions occur between individual funds and/or between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as "due from other funds/component units" or "due to other funds/component units" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Any residual balances outstanding between the governmental activities and business-type activity are reported in the government-wide financial statements as "internal balances."

Beginning in 2005, property taxes are levied as of December 1 and July 1 on property values assessed as of the same date. The levy has begun a three year transition which will gradually move up the entire County levy to July. In July of 2006, counties levied two thirds of their millage for use in 2006. The remaining third was levied December 1, 2005. The taxes levied December 1 are due on February 14 of the following year and taxes levied July 1 are due on September 14 after which the applicable property is subject to lien, and penalties and interest are assessed.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

2. *Receivables, payables and loans (continued)*

Other accounts receivable is shown net of the allowance for estimated uncollectibles. For the Mental Health receivables, an allowance of \$398,000 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$646,000 has been established.

During 2006, the County provided \$500,000 to Coopersville Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid in 10 years, at 3% interest, with the Township's obligated funds from major roads.

During 2005, the County provided \$950,000 to Tallmadge Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid in 10 years, at 3% interest, with the Township's Water and Sewer Fund dollars.

During 2004, the County provided \$705,000 in loans to Allendale Township for two infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. The loan for \$365,000 will be repaid in 5 years, at 3% interest, with the Township's captured Downtown Development Authority revenues. The loan for \$340,000 will be repaid in 5 years, at 3% interest, with the Township's Water and Sewer Fund dollars. These loans are recorded in the non major special revenue Infrastructure fund (2444). As of December 31, 2006, the gross amount of these outstanding loans for governmental type funds was \$1,710,952. No allowance has been established for these loans.

3. *Advances to other funds*

Noncurrent portions of long-term interfund loans receivable in governmental funds are reported as advances and are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

4. *Inventories and prepaid items*

Inventories are valued at cost on the first-in / first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid items in both government-wide and fund financial statements.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

5. *Restricted Net Assets*

The net assets of the Parks and Recreation Fund (Special Revenue Fund 2081) are comprised mainly of unused revenue from a specially designated tax levy. Hence, the entire \$6,769,135 is restricted. In addition, Under Act 136, Public Acts of 1956 (Sections 141.261-141.263, Compiled Laws of 1979), the net assets of the Public Improvement Fund (Special Revenue Fund 2450) in the amount of \$5,740,998 are restricted for statutory Public Improvement. In the Capital Projects fund, the remaining bond proceeds for capital projects are restricted for the completion of those projects (\$253,715).

Under Act 30, Public Acts of 1978, the use of the net assets of the Stabilization Fund (Special Revenue Fund 2570) in the amount of \$7,872,350 are restricted to 1) cover a deficit, 2) prevent a reduction in the level of public services or number of employees in the current or next fiscal year, or 3) cover expenses arising from a natural disaster.

The net assets of the Revenue Sharing Reserve Fund (Special Revenue Fund 2855) in the amount of \$17,420,577 are restricted in compliance with Public Act 357 of 2005.

The use of the \$ 5,770 in net assets of the Cemetery Trust are restricted to the perpetual care of certain cemetery lots.

The net assets of the Protected Self-Funded Insurance – Mental Health (Internal Service Fund 6782) are restricted for mental health programs (\$2,046,147).

It is the County's policy to spend restricted resources first if it meets the criteria of the restricted net asset and use unrestricted resources when the restricted funds are depleted.

The discretely presented component units also have certain restrictions on net assets. Specifically, the Ottawa County Road Commission has restricted \$2,959,323 for primary and local road construction and maintenance. The Drain Commissioner has restricted \$63,309 for debt service, \$430,002 for capital projects, and \$46,785 for general drain maintenance. Last, Ottawa County Public Utilities has restricted \$1,385,394 for debt service and \$514,558 for equipment, training, and future projects.

6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

6. Capital assets (continued)

government-wide financial statements. For the County, infrastructure exists in the Road Commission and the Drain Commission component units. The capitalization threshold ranges from \$1,000 - \$25,000. Capital assets are defined by the primary government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair market value on the date received. The amount reported for infrastructure includes assets acquired or constructed since 1980.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	25
Buildings	25 - 30
Office furniture and equipment	5 - 20
Vehicles	3 - 10
Public domain infrastructure	50
System infrastructure	30

7. Self-insurance claims incurred but not reported

At December 31, 2006 the County has several Internal Service funds which account for various uninsured risks. The County is self-insured up to certain limits, which vary by type of risk, and purchases reinsurance to cover claims in excess of those limits. The County records estimates of self-insurance claims incurred but not reported as of December 31 based on historical trend information and claims reported subsequent to year-end. Such estimates are included in accounts payable.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

8. *Compensated absences*

Substantially all County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is fully vested when earned and accrued in the government-wide financial statements. Employees are granted varying amounts of sick days annually and may accumulate up to a maximum of 15 days. Unused sick leave accumulated under the current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

Employees who accumulated sick days under the County's prior sick leave policy before moving into the current plan have been allowed to bank up to 120 hours of their sick days accumulated under the prior plan in a holding account at the pay rate in effect when they entered the current plan. Employees' accounts earn interest annually at the average rate earned by the County Treasurer. Employees with at least ten years of continuous service are paid for accumulated sick days in full upon death or retirement and at the rate of 50% of accumulated benefits upon termination for reasons other than death or retirement.

A liability for this amount is accrued and reported in the government-wide financial statements. The County estimates that the maximum liability for unpaid and unused sick leave would be approximately \$766,314 at December 31, 2006 if all employees who accumulated sick leave under the prior plan retired. Only the portion of this liability that has matured is recognized as a current liability. An actuarial estimate of the amount payable to employees upon retirement at December 31, 2006 is \$754,548 and is funded in the Compensated Absences Fund, a Special Revenue Fund, with a corresponding designated fund balance. On the government wide statements, however, it is included in the non-current portion of long-term obligations.

The County has fully funded the vacation liability. The vacation expenditure/expense was recorded in each fund, and this amount was transferred and recorded in the Compensated Absences Fund, a Special Revenue Fund, with a corresponding designated fund balance. An adjustment was made at December 31, 2006 to reflect the change in the balance to \$2,239,771.

Only the matured portion of compensated absences for the Road Commission discrete component unit is accrued for the fund financial statements (general fund balance sheet and general fund statement of revenues, expenditures and changes in fund balance) and the long-term portion is recorded as an adjustment to the fund financial statements which results in the government-wide statements including both short and long-term portions of this liability.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

8. *Compensated absences (continued)*

Vacation leave is payable upon termination up to specific limits while 25% of sick leave is payable upon retirement up to a maximum of 25% of 1,120 hours.

The Dispatch Authority's accumulated unpaid vacation is recorded as a liability only in the government-wide statement of the Authority, as it has not matured. Accumulated unpaid sick pay is not recorded in the financial statements as it does not vest.

9. *Deferred compensation plan*

The County, the Road Commission and the Dispatch Authority offer to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County and Dispatch Authority employees with various options depending on which bargaining unit the employee is a member. All plans permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County employee contributions for 2006 were \$1,649,168 and the County match was \$325,280.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and their beneficiaries.

Investments are managed by the plans' trustees, under one of several investment options, or combination thereof. The choice of the investment option(s) is made by the participants or the investment manager at the option of the employee. As the assets of the trust are managed by the plans trustees, the plan assets are not recorded in the financial statements of the County.

10. *Employee Retirement Plans*

The County, the Road Commission and the Dispatch Authority have contributory pension plans covering substantially all of their employees. The plans are funded through annual contributions to the Michigan Municipal Employees' Retirement System in amounts sufficient to fund the normal cost of the plans and to amortize prior service cost over 30 years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

11. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the 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 assets. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

12. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Details on these reservations and designations follow:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

12. Fund equity (continued)

	General Fund	Parks and Recreation Fund	Health Fund	Mental Health Fund	Public Improvement Fund	Revenue Sharing Reserve Fund	Other Governmental Funds
Reserved:							
Long-term advances to other funds and component units	\$325,000						
Inventories and prepaids	46,428	\$54,501	\$213,320	\$259,733			\$42,520
Convention facilities tax money	1,849,076						
Public Improvement Revenue Sharing Reserve					\$5,740,998	\$17,420,577	
Infrastructure loans							1,710,952
Program costs							
Jail booking fees	139,235						
Perpetual care							5,770
Total Reserved	\$2,359,739	\$54,501	\$213,320	\$259,733	\$5,740,998	\$17,420,577	\$1,759,242
Designated:							
Voting machines	\$42,288						
Planning	201,740						
Grants	163,586						
Mental Health	649,204			\$741,282			
Parks/Open Space		\$580					
Aerial survey	794,082						
Building Improvements	4,485,749						
Computer technology	34,153						
Reserve for budget	925,046						
Register of Deeds technology							\$238,038
Compensated absences							2,994,318
Capital projects							253,175
Total Designated	\$7,295,848	\$580	\$0	\$741,282	\$0	\$0	\$3,485,531

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, liabilities, and net assets or equity (continued)

13. Comparative data/reclassifications

Presentation of comparative total data for the prior year have been presented when available in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds are under formal budgetary control.

Formal budgetary integration is employed as a management control device during the year for governmental funds. Formal budgetary integration is not employed for other funds; however, informational summaries are prepared and presented to the Board for consideration for proprietary fund types. The County adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget. Budgets, as presented for these funds in the accompanying financial statements, were prepared on the modified accrual basis of accounting. The County does not use encumbrances in its accounting system.

Budgets for the succeeding fiscal year are presented to the County Administrator for review each July. The Administrator meets with the various department heads submitting budgets to discuss the content and revenue/expenditure levels contained in their budgets. During September, the Administrator submits the budgets with recommendations to the Finance Committee of the County Board of Commissioners. The Finance Committee then makes a budget recommendation to the County Board of Commissioners in October. A public hearing is held in October to provide any County resident the opportunity to discuss the budget with the Board. The budget, and an appropriation ordinance implementing it, is then adopted in October. A separate budget report is then made available to the public.

Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations are presented to the Finance Committee and the Board for their action. The Board amends the general appropriation act as soon as it becomes apparent this action is necessary. The budgetary information as

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary information (continued)

presented herein has been amended by official actions of the Finance Committee and/or County Board of Commissioners.

Transfers of any unexpended balance, or any portion thereof, to any other appropriation account may not be made without approval by the Finance Committee with certain exceptions. The Board has delegated authority to the Administrator and Fiscal Services Director to approve transfers within a fund if the amount to be transferred does not exceed \$50,000.

Budgetary control over expenditures is maintained on a line item basis by department, which is the legal level of control. A separate budgetary report is prepared which demonstrates compliance at the legal level of control and is available to the public in the County Clerk's office. Expenditures may not legally exceed budgeted amounts and certain Special Revenue Funds expenditures must be in accordance with the respective agreements with Federal and State grantor agencies.

All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.

B. Excess of expenditures over appropriations

Supplies expenditures in the Health fund exceeded appropriations. In kind vaccines donated from the State were recorded after year end. Matching donated revenue was also recorded. The Holland District Court and Grand Haven/ West Olive building authority funds exceeded appropriations due to the advanced timing of the projects in comparison to the forecasted schedule.

Certain nonmajor funds also experienced overages, all of which were immaterial. These expenditures were permitted either because the County was assured of reimbursement from an outside party (grants) or because the fund had sufficient fund balance to cover the overage. The Emergency Feeding fund was also affected by the in kind commodities.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash and cash equivalents consist primarily of various short-term investments with an original maturity of three months or less and are carried at cost, which approximates fair value.

A reconciliation of deposit and investment balances at year end follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

	Primary Government	Component Units	Total
Cash on hand	\$19,013		\$19,013
Carrying amount of checking and savings accounts	7,229,364	\$5,893,885	13,123,249
Carrying amount of certificates of deposit	24,027,700		24,027,700
Carrying amount of investments	75,048,146	10,131,952	85,180,098
Carrying amount of investments - Ottawa County Insurance Authority	17,616,127		17,616,127
Total	\$123,940,350	\$16,025,837	\$139,966,187
Statement of net assets			
Cash and pooled investments	\$101,724,619	\$16,025,837	\$117,750,456
Investments	17,909,943		17,909,943
Statement of fiduciary assets and liabilities			
Cash and pooled investments	4,305,788		4,305,788
Total	\$123,940,350	\$16,025,837	\$139,966,187

The County's investments are stated at fair value which is determined as follows: (a) securities are priced by FTI, an on-line pricing service, as of the end of each business day and (b) investments that do not have established market values are reported at estimated fair value.

Michigan statutes authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificate of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper, bankers' acceptances of United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. The County's investment policy, last amended in April of 2000, allows for all of these types of investments.

The Ottawa County Insurance Authority investment policy allows for all of the investment types authorized for the County as well as investment grade fixed income securities and common stock of U.S. companies.

The Ottawa County Insurance Authority's investments and restricted investments are stated at fair value which is determined as follows: (a) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates and (b) investments that do not have established

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

market values are reported at estimated fair value. The investments of the Ottawa County Road Commission, Ottawa County Public Utilities and Central Dispatch Authority were in money market mutual funds.

The majority of the County departments participate in the internal investment pool. However, the following programs/organizations maintain separate cash and/or investments:

Ottawa County Insurance Authority
Ottawa County Road Commission
Ottawa County Central Dispatch Authority
Ottawa County Building Authority
Ottawa County Drain Commission Vincent Drain Debt Service
Spring Lake Special Assessment District (recorded with the Inland Lake Improvement Fiduciary fund)
Cemetery Trust

The County chooses to disclose its investments by Weighted Average Maturity. As of December 31, 2006, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
Certificates of Deposit	\$24,027,700	N/A
Money Market Fund	11,551,346	N/A
Agency - FHLB	12,004,358	3.0093
Agency - FNMA	8,519,694	1.7761
Agency - FHLMC	10,419,506	2.8992
Treasury Strip	2,632,824	N/A
Treasury Note	29,920,418	N/A
	<u>\$99,075,846</u>	
Portfolio Weighted Average Maturity		2.6353

In addition, as of December 31, 2006, the Ottawa County Insurance Authority had the following investments and maturities in debt securities (none of which are callable):

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over 10</u>
2006						
U.S. treasuries	\$ 2,116,811	\$ 2,100,128	\$ 620,169	\$ 553,074	\$ 926,885	\$ -
U.S. agencies:						
Mortgage-backed	949,137	944,043	125,039	194,876	-	624,128
Discount notes	633,361	634,122	634,122	-	-	-
Corporate bonds	1,158,130	1,133,586	151,120	426,937	555,529	-
	<u>\$ 4,857,439</u>	<u>\$ 4,811,879</u>	<u>\$ 1,530,450</u>	<u>\$ 1,174,887</u>	<u>\$ 1,482,414</u>	<u>\$ 624,128</u>
Equities						
Common Stock	4,138,202	4,963,783				
Mutual Funds:						
Domestic Equity	\$ 1,719,739	\$ 1,698,936				
International Equity	1,608,729	1,757,743				
	<u>12,324,109</u>	<u>13,232,341</u>				
Pending Trades	<u>\$ (626,477)</u>	<u>\$ (626,477)</u>				
Total investments held by the Authority	<u><u>11,697,632</u></u>	<u><u>12,605,864</u></u>				

In 1998, to comply with Michigan Insurance Bureau regulations, the Ottawa County Insurance Authority transferred certain investments – i.e., U.S. Treasury Notes – to the Michigan Department of Treasury as security for the benefit of the Authority’s policyholders. As these investments mature, they are replaced with comparable investments to maintain a face value balance of \$5.0 million. Such investments held by the State Treasurer as of December 31, 2006 and 2005, are as summarized:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Fair Value</u>	
				<u>2006</u>	<u>2005</u>
U.S. Treasury Notes	02/15/2007	6.250%	\$ 485,000	\$ 485,756	\$ 494,588
U.S. Treasury Notes	05/15/2007	4.375%	1,400,000	1,396,444	1,399,454
U.S. Treasury Notes	08/15/2007	6.125%	1,675,000	1,685,804	1,720,543
U.S. Treasury Notes	11/15/2008	4.750%	1,100,000	1,098,845	1,111,220
U.S. Treasury Notes	02/15/2012	4.875%	340,000	343,414	349,391
			<u>\$5,000,000</u>	<u>\$5,010,263</u>	<u>\$5,075,196</u>

The Ottawa County Central Dispatch Authority, Ottawa County Public Utilities and the Ottawa County Road Commission, discretely presented component units, choose to disclose their investments by specifically identifying them:

Ottawa County Road Commission:	
Checking/savings accounts	\$340,820
Money market accounts	2,057,831
Total Ottawa County Road Commission	<u>\$2,398,651</u>
Ottawa County Central Dispatch Authority:	
Bank deposits	\$3,777,737
MBIA Class Investment Pool	3,045,869
Total Ottawa County Central Dispatch Authority	<u>\$6,823,606</u>
Ottawa County Public Utilities	
Bank deposits	\$527,745
Money Market Mutual Funds	5,028,252
Total Ottawa County Public Utilities	<u>\$5,555,997</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to the County. It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third party sources. The County policy also places maximum limits on percent of portfolio, per issuer and duration. The County places concentration limits on banks based on creditworthiness analysis. As of December 31, 2006, \$29,499,234 of the County's bank balance (including certificates of deposit) of \$30,600,853 was uninsured and uncollateralized. Deposits of the Ottawa County Road Commission, Ottawa County

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (*continued*)

Public Utilities and Ottawa County Drain commission are pooled with the County's (primary government) deposits, and the amount of federal depository insurance is not separately identified.

The Ottawa County Insurance Authority's cash in the amount of \$1,170 at December 31, 2006 was FDIC insured. In addition, as of December 31, 2006, \$3,702,892 of the Ottawa County Central Dispatch Authority's bank balance of \$3,802,892 was uninsured and uncollateralized. As of September 30, 2006, \$2,018,794 of the Ottawa County Road Commission's bank balance of \$2,118,794 was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that investment securities be held in third-party safekeeping by an institution designated as primary agent. The policy further states that safekeeping agent follows the procedure of delivery vs. payment. As of December 31, 2006, the County's \$63,496,800 in treasury investments was held in third-party safekeeping in the County's name.

The County also invests in money market funds that have their securities safe kept with a third party selected by the counter party. However, the pool's securities are held in trust for the participants of the fund and are not available to the counter party if the counter party should happen to fail. The County believes this arrangement satisfies the County's investment policy's safekeeping requirement.

The Ottawa County Insurance Authority's short-term investments in money market funds amounting to \$207,395 and \$879,419 at December 31, 2006 and 2005, respectively, are not subject to custodial risk categorization. At December 31, 2006 and 2005, the Authority did not have any custodial credit risk on its investments.

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations with a maximum maturity of 270 days. The County's investment policy further limits its investment choices by limiting the maturity to A-1 90 days and A-2 60 days. As of December 31, 2006, the County had no investments in commercial paper. The two money market bank investment pools used by the County are rated Aaa by Moody's. One of the two external money market funds used by the County is rated Aaa by Moody's, the other external money market funds used by the County is not rated. The County's investment policy is silent on the use of rated vs. unrated money market funds. In addition, there is no rating level requirement for those money market funds that are rated.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

As of December 31, 2006, the Ottawa County Insurance Authority's investments in the mortgage-backed bonds of U.S. agencies were rated AAA by Standard & Poor's (S&P); the discount notes of U.S. agencies were rated A-1 by S&P. The Authority's investments in corporate bonds were rated by S&P as follows:

AAA	\$ 175,717
AA	212,021
A	676,484
BBB	<u>69,364</u>
	<u><u>\$ 1,133,586</u></u>

Concentration of Credit Risk. The County's investment policy specifies a plan to diversify and set concentration limits to further manage credit risk. The policy sets maximum percentages of the pooled portfolio by investment type with additional maximums by issuer. A minimum of 15% is to be invested in U.S. Treasuries. The policy sets a maximum of 50% in U.S. agencies with a maximum of 20% in any one issuer. Certificates of deposit have a 50% maximum with concentration limits set at 5% of the issuer's net worth. More than 5% of the County's investments were in FHLB (12.1%), FHLMC (10.5%), and FNMA (8.6%), however, they do not exceed the County's policy. No other issuer of investments exceeded 5%.

Interest Rate Risk. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy sets the maximum maturity by specific type of security and by specific issuer with the maximum of 10 years. The average maturity of the portfolio as a whole may not exceed three years.

C. Deferred/Unearned Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. The governmental activities column of the statement of net assets reports unearned revenue for resources that have been received, but not yet earned as well as property taxes which have been levied as of year end for use in the next fiscal year.

D. Capital assets

Capital asset activity for the year ended December 31, 2006 was as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

Primary Government:

Governmental activities:	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year</u>
Capital assets, not being depreciated:				
Land	\$35,568,877	\$1,037,031		\$36,605,908
Construction in progress	5,550,977	60,985	(\$5,550,977)	60,985
Total capital assets, not being depreciated	<u>41,119,854</u>	<u>1,098,016</u>	<u>(5,550,977)</u>	<u>36,666,893</u>
Capital assets, being depreciated:				
Land Improvements	10,597,305	1,212,498	(17,932)	11,791,871
Buildings	59,052,736	7,930,680	(1,090,308)	65,893,108
Machinery and equipment	20,512,103	2,501,680	(2,608,311)	20,405,472
Total assts, being depreciated	<u>90,162,144</u>	<u>11,644,858</u>	<u>(3,716,551)</u>	<u>98,090,451</u>
Less accumulated depreciation for:				
Land Improvements	(3,829,066)	(563,153)	11,046	(4,381,173)
Buildings	(13,939,377)	(1,827,256)	628,595	(15,138,038)
Machinery and equipment	(15,767,000)	(1,675,607)	2,335,544	(15,107,063)
Total accumulated depreciation	<u>(33,535,443)</u>	<u>(4,066,016)</u>	<u>2,975,185</u>	<u>(34,626,274)</u>
Net capital assets, being depreciated	<u>56,626,701</u>	<u>7,578,842</u>	<u>(741,366)</u>	<u>63,464,177</u>
Net governmental activites capital assets	<u>\$97,746,555</u>	<u>\$8,676,858</u>	<u>(\$6,292,343)</u>	<u>\$100,131,070</u>

Business-type activities:	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year</u>
Capital assets, being depreciated:				
Machinery and equipment	\$58,443			\$58,443
Less: accumulated depreciation for:				
Machinery and equipment	(53,020)	(\$1,374)		(54,394)
Net business-type activities capital assets	<u>\$5,423</u>	<u>(\$1,374)</u>		<u>\$4,049</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Judicial	\$19,394
General government	1,844,826
Public safety	259,812
Public works	56,697
Health and Welfare	324,274
Culture and recreation	456,381

Capital assets held by the government's internal service funds
are charged to the various functions based on their usage
of the net assets

1,104,632

Total depreciation expense - governmental activities

\$4,066,016

Business-type activities:

Delinquent tax collection

\$1,374

Discretely Presented Component Units

Activity for the capital assets of the component units for the various years ended were as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land and improvements	\$1,367,182			\$1,367,182
Construction in progress	574,889	\$126,158	(\$701,047)	0
Total capital assets, not being depreciated	<u>1,942,071</u>	<u>126,158</u>	<u>(701,047)</u>	<u>1,367,182</u>
Capital assets, being depreciated:				
Buildings	10,478,303	701,047		11,179,350
Machinery and equipment	22,829,209	1,307,174	(660,714)	23,475,669
Infrastructure	221,157,542	12,369,338		233,526,880
Total assets, being depreciated	<u>254,465,054</u>	<u>14,377,559</u>	<u>(660,714)</u>	<u>268,181,899</u>
Less accumulated depreciation for:				
Buildings	(2,498,334)	(209,407)		(2,707,741)
Machinery and equipment	(17,058,282)	(1,965,173)	660,714	(18,362,741)
Infrastructure	(69,135,504)	(7,578,074)		(76,713,578)
Total accumulated depreciation	<u>(88,692,120)</u>	<u>(9,752,654)</u>	<u>660,714</u>	<u>(97,784,060)</u>
Net capital assets, being depreciated	<u>165,772,934</u>	<u>4,624,905</u>	<u>0</u>	<u>170,397,839</u>
Net component unit capital assets	<u>\$167,715,005</u>	<u>\$4,751,063</u>	<u>(\$701,047)</u>	<u>\$171,765,021</u>

Commitments

At December 31, 2006, the County has \$1.2 million in commitments for the construction of the Holland District Court facility and preliminary work for the Grand Haven facility. In addition, \$654,000 is committed for various park improvement projects.

The Ottawa County Public Utilities discrete component unit has commitments for various construction projects totaling approximately \$480,832. These commitments are being funded from bond proceeds issued in prior years.

As of September 30, 2006, the Ottawa County Road Commission had entered into contracts for construction of various projects and purchase of equipment for approximately \$371,463 and \$328,250, respectively.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2006, is as follows:

Amounts Due to and from Other Funds

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Primary Government:		
Major Governmental Funds:		
General Fund		\$2,712,842
Parks and Recreation	\$285,583	
Health		
Mental Health	45,933	
Public Improvement Fund	231,670	
Revenue Sharing Reserve Fund	232,547	
Major Enterprise Fund:		
Delinquent Tax Revolving	844,786	
Non-major Governmental Funds	553,593	
Internal Service Funds	4,315,172	3,676,694
	<u>\$6,509,284</u>	<u>\$6,389,536</u>
September 30 due from paid before December 31 year end		119,748
	<u><u>\$6,509,284</u></u>	<u><u>\$6,509,284</u></u>

Interfund balances primarily reflect the interest on investments that will be allocated from the General Fund. However, included in the Internal Services Funds is \$3,663,755 which represents funds from the Worker's Compensation program that are invested by the Ottawa County Insurance Authority. There are no plans to pay off this liability within the next year.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers (continued)

Due to and from Primary Government and Component Units

	Due from Component Units	Due to Primary Government
Major Enterprise Fund:		
Delinquent Tax Revolving	\$81,180	
Ottawa County Public Utilities System		\$81,180
Total	\$81,180	\$81,180

Due to and from Other Component Units

	Due from Other Component Units	Due to Other Component Units
Ottawa County Public Utilities		\$198,117
Ottawa County Road Commission		12,055
Ottawa County Drains	\$12,055	
	12,055	210,172
December 31 due from established after September 30 year end	198,117	
	\$210,172	\$210,172

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers (continued)

In addition, certain funds that are a part of the County's pooled cash report negative cash balances at year end. Accordingly, an interfund payable is established in the amount of the negative cash balance, and a corresponding interfund receivable is established in the General Fund.

Interfund Receivables and Payables

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$1,142,648	
Non-major Governmental Funds		\$1,002,818
Internal Service Funds		139,830
Total	<u>\$1,142,648</u>	<u>\$1,142,648</u>

Long-Term Advances to and from Primary Government and Component Units

	<u>Advances to Component Units</u>	<u>Advances from Primary Government</u>
Primary Government:		
Major Governmental Funds:		
General Fund	\$325,000	
Component Units:		
Ottawa County Public Utilities		\$150,000
Ottawa County Drain Commissioner		175,000
Total	<u>\$325,000</u>	<u>\$325,000</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers (continued)

Interfund transfers within the Primary Government

	<u>Transfer In</u>						9/30/2006 transfer in made after 12/31/2006 year end	Total
	General Fund	Parks and Recreation	Health	Mental Health	Non-major Governmental Funds	Internal Service Funds		
Transfer out:								
Major Funds:								
General Fund		\$530,000	\$5,646,605	\$476,500	\$6,577,361	\$444,571	(\$7,738)	\$13,667,299
Public Improvement					68,161			68,161
Revenue Sharing								
Reserve	\$4,239,536							4,239,536
Non-major Governmental								
Funds					55,742			55,742
Internal Service Funds						135,855		135,855
	<u>\$4,239,536</u>	<u>\$530,000</u>	<u>\$5,646,605</u>	<u>\$476,500</u>	<u>\$6,701,264</u>	<u>\$580,426</u>	<u>(\$7,738)</u>	<u>\$18,166,593</u>

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

F. Leases

Operating Leases

The County is committed under various leases for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended December 31, 2006 amounted to \$269,495. Future minimum lease payments for these leases are as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (continued)

<u>Year Ending</u>	<u>Amount</u>
2007	\$200,162
2008	79,663
2009	64,342
2010	45,791
2011	33,404
	<u>\$423,362</u>

In addition, the County is a lessor under various operating lease agreements for office space and marinas. The original cost of these assets was \$17,227,608 and the accumulated depreciation totals \$4,072,394 leaving a carrying value of \$13,155,214.

Lease revenue for the year ending December 31, 2006 was \$1,203,366. Future lease revenues for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2007	\$636,300
2008	\$636,300
2009	\$636,300
2010	\$636,300
2011	\$636,300
2012 - 2014	1,908,900
	<u>\$5,090,400</u>

Capital Leases

The Ottawa County Central Dispatch Authority, a component unit, has entered into a capital lease agreement for the purchase and installation of a mobile data system. The agreement provided financing of \$3,200,000 for this project. The final payment was made on this lease agreement during 2006.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (continued)

Changes in debt for the year are as follows:

	<u>Beginning Of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End Of Year</u>	<u>Due in One Year</u>
Leases Payable	<u>\$345,082</u>	<u>\$ - 0 -</u>	<u>\$345,082</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

G. Long-term debt

The County issues general obligation bonds to provide funds for the construction of water and sewage disposal systems, drains and buildings and to refund previously issued bonds. General obligations have been issued only for governmental activities and component units. The bonds are being repaid generally from funds received from local municipalities in the County, from drain assessments levied, and from lease revenues received by the Building Authority. Under the terms of the bond agreements, the local municipalities have pledged their full faith and credit to pay the County, each year, amounts sufficient to make principal and interest payments on the bonds.

In addition, the County has pledged its full faith and credit for payment on the bonds. The County has not established a reserve or sinking fund to cover defaults by property owners or local units. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year.

The original issue amount of the primary government's bonds is \$18,040,000. The original issue amount of the Drain Commissioner's and Ottawa County Public Utilities' bonds are \$925,000 and \$104,033,000, respectively.

In November 2001, the Ottawa County Road Commission issued \$4,500,000 in Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The borrowing will be paid from State revenue allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Primary Government	Component Units			Total Ottawa County
			Ottawa County Road Commission	Ottawa County Public Utilities System	Ottawa County Drain Commissioner	
Governmental activities	2.0 - 6.75%	\$9,100,000	\$2,250,000	\$33,210,000	\$265,000	\$44,825,000
Governmental activities - refunding	2.5 - 7.6%	12,410,000		34,780,533		47,190,533
		<u>\$21,510,000</u>	<u>\$2,250,000</u>	<u>\$67,990,533</u>	<u>\$265,000</u>	<u>\$92,015,533</u>

The annual debt service requirements (to maturity) for the bonds outstanding at year-end follow. Interest is payable on all bond obligations semi-annually. Principal payments are made annually.

Governmental Activities

Year Ending December 31	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2007	\$1,830,000	\$938,597	\$7,382,000	\$2,808,597
2008	1,910,000	863,721	7,917,000	2,539,981
2009	1,995,000	784,371	6,578,000	2,239,421
2010	1,680,000	707,757	6,476,000	1,981,157
2011	1,740,000	641,493	4,876,000	1,747,688
2012-2016	6,820,000	2,272,845	20,025,000	5,995,980
2017-2021	3,390,000	811,383	13,481,533	2,355,956
2022-2026	2,145,000	237,369	3,475,000	348,053
2027-2031			155,000	56,247
2032-2035			140,000	14,352
	<u>\$21,510,000</u>	<u>\$7,257,536</u>	<u>\$70,505,533</u>	<u>\$20,087,432</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Parks and Recreation Land Contracts. The Parks and Recreation department has engaged in two land contracts for the purpose of acquiring land for park development. The initial issuance amount was \$525,000. The interest rates range from 8.0% to 9.25%. Principal and interest requirements are as follows:

Year Ending December 31	Principal	Interest
2007	\$72,392	\$ 9,117
2008	28,840	2,668
	<u>\$101,232</u>	<u>\$11,785</u>

Current Year Advance Refundings. During fiscal year 2006 the Ottawa County Public Utilities System issued \$2,345,000 of Ottawa County general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$2,260,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$95,781, which resulted in an economic gain of \$80,965.

Prior Years Advance Refundings. In prior years, the Building Authority advance refunded certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding resulted in a defeasance of the bonds. As a result of these advance refundings, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At December 31, 2006, \$12,340,000 and \$12,710,000 of bonds are considered defeased for the Building Authority and the Ottawa County Public Utilities System, respectively.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Changes in Long-Term Liabilities. Long-term liability activity for the year ended December 31, 2006 was as follows:

Primary Government

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$23,230,000		\$1,720,000	\$21,510,000	\$1,830,000
Landfill reclamation	5,724,745		2,159,805	3,564,940	1,420,122
Compensated absences	2,886,457	\$261,156	153,295	2,994,318	2,239,771
Parks & Recreation land contracts	167,703		66,471	101,232	72,392
Total	<u>\$32,008,905</u>	<u>\$261,156</u>	<u>\$4,099,571</u>	<u>\$28,170,490</u>	<u>\$5,562,285</u>

The reporting entity's legal debt margin at December 31, 2006 is \$1,014,404,137.

For the governmental activities, compensated absences are generally liquidated by the Compensated Absences Special Revenue fund. Future payments for the land contracts are paid out of the Parks and Recreation Special Revenue fund.

Discretely Presented Component Units

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$75,592,533	\$4,950,000	\$10,037,000	\$70,505,533	\$7,382,000
Notes payable	68,400		7,600	60,800	7,600
Claims payable	105,121	162,547	133,250	134,418	
Compensated absences	687,861	610,655	547,630	750,886	122,374
Capital Leases/Installment Purchases	960,505	214,395	413,539	761,361	83,843
Total	<u>\$77,414,420</u>	<u>\$5,937,597</u>	<u>\$11,139,019</u>	<u>\$72,212,998</u>	<u>\$7,595,817</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Landfill reclamation

The County owns the Southwest Ottawa County Refuse Disposal Center ("SOCRDC") otherwise known as the Southwest Ottawa County Landfill. Waste Management operated the landfill from the early 1970's until it was closed in 1981. The landfill was closed per the terms of the "1981 closure agreement" between the County and the Department of Natural Resources (DNR). The agreement outlined a plan to cap the landfill and install a pump and carbon filtration system. Waste Management installed the cap in the mid 1980's; the pump and carbon filtration system was built by the County in 1987, as per the terms of the closure agreement. The County has been operating the pump and filter system 24 hours a day, 7 days a week since beginning operation in 1987.

The pump and filter system have not been effective in containing the plume of contaminants in the groundwater down gradient from the landfill. As a result, contaminants have escaped past the outer purge wells and are migrating southwest towards Lake Michigan. Even though the contaminated water meets drinking water standards, the County is providing municipal water to the property owners in the path of the plume, and is working with the local unit of government to place institutional controls on future users moving into the area. The County has completed negotiations with the Michigan Department of Environmental Quality (MDEQ), formerly known as the DNR, with a revised plan to clean up the contamination. The County will begin work in 2007 to recap the landfill. Enhancing the water filtration system started in 2006, costing \$90,138. The total cost of these enhancements could well exceed \$4.4 million dollars.

The County's estimate of annual operating and maintenance costs and capital improvements for the purge system is as follows:

<u>Year Ending</u>	<u>Estimated Cost</u>
2007	\$1,420,122
2008	902,318
2009	151,000
2010	160,500
2011	148,000
2012-2016	783,000
	<u>\$3,564,940</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION

A. Defined benefit pension plan

1. *Plan Description.* The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority have defined benefit pension plans which provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 North Canal Road, Lansing, Michigan, 48917 or by calling (800) 767-6377.
2. *Funding Policy.*

County of Ottawa:

The County is required to contribute at an actuarially determined rate; the current rate ranges from 4.90% to 22.43% as a percentage of annual covered payroll and varies by participating division. Certain employee groups are currently required to contribute to the Plan that ranges from 1% to 6.99% of their annual covered payroll. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the County, depending on the MERS contribution program adopted and/or negotiated by the County.

Ottawa County Road Commission:

The Road Commission is required to contribute at an actuarially determined rate of 13.69% to 37.56% as a percentage of annual covered payroll and varies by participating division. Employees are currently not required to contribute to the plan. The contribution requirements of the Road Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission, depending on the MERS contribution program adopted by the Road Commission.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Ottawa County Central Dispatch Authority:

The Dispatch Authority is required to contribute at an actuarially determined rate; the current rate ranges from 2.5% to 10.12% as a percentage of annual covered payroll and varies by participating division. Employees do not currently contribute to the plan. The contribution requirements of the Dispatch Authority are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Dispatch Authority, depending on the MERS contribution program adopted by the Dispatch Authority.

Annual Pension Cost - County of Ottawa:

For the year ended December 31, 2006, the County's annual pension cost of \$4,048,120 was greater than the County's required contribution of \$3,994,897. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit.

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years on an open basis. The remaining amortization period at December 31, 2005, the date of the latest actuarial valuation, was 30 years.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2004	\$3,476,737	98%	\$2,073,124
12/31/2005	3,743,136	99%	2,018,460
12/31/2006	4,048,120	99%	1,965,237

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2003	\$90,403,304	\$102,982,304	\$12,579,000	88%	\$34,289,985	37%
12/31/2004	98,134,649	115,966,795	17,832,146	85%	36,798,996	48%
12/31/2005	106,312,114	126,887,611	20,575,497	84%	38,259,539	54%

The County's Annual Pension Cost and Net Pension Asset for the current year are as follows:

Actuarially determined contribution	\$3,994,897
Interest on Net Pension Asset	161,477
Adjustment to actuarially determined contribution	(108,254)
Annual pension cost	<u>4,048,120</u>
Contributions made	<u>3,994,897</u>
Decrease in Net Pension Asset	(53,223)
Net Pension Asset at beginning of year	<u>2,018,460</u>
Net Pension Asset at end of year	<u><u>\$1,965,237</u></u>

Ottawa County Road Commission:

For the year ended September 30, 2006, the Road Commission's annual pension cost of \$850,700 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Road Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years on an open basis. The remaining amortization period at December 31, 2004, the date of the latest actuarial valuation, was 30 years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2004	\$590,747	100%	\$0
12/31/2005	682,372	100%	0
12/31/2006	850,700	100%	0

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2003	\$28,199,845	\$33,490,840	\$5,290,995	84%	\$6,300,356	84%
12/31/2004	28,971,985	35,450,480	6,478,495	82%	6,286,653	103%
12/31/2005	29,768,361	37,092,752	7,324,391	80%	6,478,421	113%

Ottawa County Central Dispatch Authority:

For the year ended December 31, 2006, the Dispatch Authority's annual pension expense of \$57,932 for MERS was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Dispatch Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years on an open basis. The remaining amortization period at December 31, 2005, the date of the latest actuarial valuation, was 30 years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Three Year Trend Information			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2004	\$50,231	100%	\$0
12/31/2005	59,077	100%	0
12/31/2006	57,932	100%	0

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2003	\$1,019,059	\$1,163,869	\$144,810	88%	\$635,846	23%
12/31/2004	1,165,248	1,285,826	120,578	91%	625,571	19%
12/31/2005	1,312,860	1,369,486	56,626	96%	538,217	11%

B. Defined contribution pension plan

The Ottawa County Central Dispatch Authority's defined contribution pension plan provides pension benefits for employees hired after January 1, 2000 who work 30 or more hours per week and those hired before January 1, 2000 electing participation in the defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately upon employment. The Authority contributes 2% of each participant's base salary to the plan. The Authority also matches employee contributions up to a total Authority contribution of 5%. Employees are required to contribute a minimum of 2% of base pay to the plans. The Authority's contributions are vested 100% upon hire. The plan provisions and contribution amounts were established by the Authority Board and may be amended by the Authority Board. The plan is administered by MERS and the ICMA.

The Authority and member contributions were \$43,261 and \$43,261, respectively, for the year ended December 31, 2006. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility rests with MERS and the ICMA.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance

The County is self-funded for liability, worker's compensation, health insurance, unemployment, dental insurance and vision insurance. The claims liabilities reported at December 31, 2006 are based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The Ottawa County, Michigan Insurance Authority (the "Insurance Authority") blended component unit accounts for the self-insurance program for municipal excess liability, law enforcement liability, professional liability, and property liability. The Insurance Authority's participating members include the County of Ottawa and the Ottawa County Building Authority blended component unit. The Insurance Authority purchases municipal excess liability, auto liability, professional liability and property coverage. Property coverage carries a \$50,000 deductible and the liability coverages attach above a \$1 million SIR for all other coverages. The liability policies in total provide layers of coverage of up to \$12 million which is equal to the coverage from the prior year for liability protection. In addition, the Ottawa County Insurance Authority, a blended component unit, provides coverage above the \$12 million for total aggregate coverage of \$20 million. The property coverage is \$95,620,563 which is \$4,196,704 more than the prior year. Coverage was adjusted to reflect updated property values and the completion of construction on the new Holland District Court facility.

The revenues for this fund's operation are reimbursements from various funds. The funds are charged based on the number of full time equivalents, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund. Administrative expenses are first paid from Internal Service fund 6770, Protected Self-Funded Insurance Programs and then invoiced to the Authority. The claim liability for known claims and incurred but not reported claims are determined by an actuary. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liability for the years ended December 31, 2005 and 2006 as recorded in the Insurance Authority blended component unit are as follows:

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2005	\$10,461,453	(\$977,380)	\$268,640	\$9,215,433
2006	9,215,433	231,861	1,989,388	7,457,906

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$13 million excess above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee.

The self-insurance program for health insurance including prescription coverage is accounted for in the Protected Self-Funded Health fund (Internal Service fund 6771). An independent administrator is contracted to process the daily claims. The County is responsible for claims up to \$200,000 per individual, and purchases specific excess reinsurance to a lifetime maximum of \$2 million. There is no aggregate limit on the claims for which the county is responsible. The deductible on the specific excess reinsurance is the same as it was for the prior year. The County is also responsible for paying administrative charges which are included in this fund. The revenues for this fund's operation are reimbursements from various funds, employee withholdings, and retiree co-payments. The liability at the end of the year is based on claims already incurred and not reported.

Settled claims have not exceeded insurance coverage in the history of the self-insurance program. The changes in the claims liability for the years ended December 31, 2005 and 2006 are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2005	\$670,954	\$7,870,571	\$7,756,890	\$784,635
2006	784,635	7,969,085	7,631,113	1,122,607

The self-insurance programs for unemployment, dental insurance and vision insurance are accounted for in the Protected Self-Funded Unemployment fund, Protected Self-Funded Dental Insurance fund

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

and Protected Self-Funded Vision Insurance fund (Internal Service funds 6772, 6776, and 6777, respectively). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually. An independent administrator is contracted to process the daily dental and vision claims. Benefits for the dental program stayed the same as the prior year and are capped at \$800 to \$1,400 per person annually, depending on bargaining unit and the dental plan chosen. Vision is capped at various dollar limits per person every two years for eye exams, frames, and lenses. During 2006, an interim vision benefit was added that will pay for an eye exam and new lenses if the participant's vision changed by a minimum amount. The County is also responsible for paying administrative charges which are included in these funds. The revenues for these fund's operations are paid from various funds, employee withholdings, and retiree co-payments. The liabilities at the end of the year are based on claims already incurred and reported. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liabilities for the years ended December 31, 2005 and 2006 are as follows:

	Beginning of Year Liability	Claims and Changes in Estimates	Claim Payments	End of Year Liability
2005	\$43,606	\$748,075	\$739,408	\$52,273
2006	52,273	791,630	791,950	51,953

Discretely Presented Component Units:

The Ottawa County Road Commission is exposed to lawsuits and claims made by individuals. In response to this exposure, the Ottawa County Road Commission participates in the Michigan County Road Commission Self-Insurance Pool (MCRCSIP). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members.

Due to the Road Commission's participation in this pool, the liability of the Ottawa County Road Commission relative to claims covered by the pool is limited to \$25,000 per occurrence.

The Road Commission's self-funded workers' compensation program contains stop-loss and coverage of \$300,000 per incident. This limits the Commissions' responsibility for payment to \$300,000 per workers' compensation claim.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Settled claims for the Road Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

The Road Commission's self-funded insurance claims that have been incurred through the end of the year include both those claims that have been reported as well as those that have not been reported. These estimates are recorded in the government-wide statements as they are not expected to be liquidated with available financial resources. Changes in the estimates are as follows:

	MCRCSIP Liability Plan	Workers' Compensation Plan	Total
Estimated liability - September 30, 2004		\$108,398	\$108,398
Estimated claims incurred including			
changes in estimates and re-insurance	\$28,277	119,472	147,749
Claims and premiums paid	(18,577)	(132,449)	(151,026)
Estimated liability – September 30, 2005	9,700	95,421	105,121
Estimated claims incurred including			
changes in estimates	81,517	81,030	162,547
Claims paid	(10,210)	(123,040)	(133,250)
Estimated liability – September 30, 2006	\$81,007	\$53,411	\$134,418

The Ottawa County Central Dispatch Authority is exposed to various risks of loss related to property loss, torts, errors and missions, and employee injuries, as well as medical benefits provided to employees. The Authority has purchased commercial insurance for the above risks of loss. Settled claims have not exceeded insurance coverage for the last three years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Ottawa County Public Utilities System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. In order to minimize its exposure to these risks, Ottawa County Public Utility System participates in the Michigan County Road Commission Self-Insurance Pool. Settled claims relating to participation in Michigan County Road Commission Self-Insurance Pool have not exceeded the amount of insurance coverage in any of the past three fiscal years.

D. Litigation

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted and unasserted claims and assessments. Although some actions have been brought, the County has not experienced significant losses or costs. The County administration is of the opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

E. Other post-employment benefits

In addition to the pension benefits described in Note IV. A., the County provides certain post retirement health care benefits to unclassified employees and employees of the Police Officers Association of Michigan and the Command Officers Association of Michigan in accordance with their contracts in which the County will credit the retiree \$4 - \$8 for each year of service, to a maximum of \$100 - \$200 per month, to be applied toward health coverage through the County for the retiree and spouse until age 65. Currently, twenty six retirees meet the eligibility requirements. A credit against the retiree's insurance premium is given each month that a retiree and or spouse qualify for the benefit. During the year, the County's expense for such credits given to retirees for health care benefits was \$58,188.

F. Related party transactions

The County (primary government) collects taxes related to a .4411 millage property tax to provide an operating grant to the Ottawa County Central Dispatch Authority. At December 31, 2006, the County's financial statements included taxes receivable of \$3,942,897 and deferred revenue of \$4,041,803 relating to such millage, which was levied for use in 2007. In addition, during the year ended December 31, 2006, Ottawa County provided operating grants of \$3,418,356 to the Ottawa County Central Dispatch Authority.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2006

IV. OTHER INFORMATION (CONTINUED)

F. Related party transactions (continued)

The Drains assess the Ottawa County Road Commission (a component unit of Ottawa County) and Ottawa County (the primary government of which the Drain Commissioner is a component unit) for drain projects. During 2006 the following assessments were paid to the Drain Commissioner by:

Ottawa County	<u>\$59,187</u>
Ottawa County Road Commission	<u>\$21,300</u>

Ottawa County Public Utilities (OCPU) incurred expenses of \$490,000 for services and labor provided by the Ottawa County Road Commission which also provides fiscal and managerial services to OCPU. At year end, OCPU owed the Ottawa County Road Commission \$178,056 for these goods and services.

G. Subsequent Events

In January of 2007 the Ottawa County Central Dispatch Authority contracted with New World Systems, Inc. for upgrades to its computer aided dispatching (CAD) system. Total cost of the project is estimated at \$350,000. In the first quarter of 2007, the Authority paid out approximately \$153,000 in conjunction with that contract.

H. Restatement of Prior Year

On the basic financial statements for the Ottawa County Office of the Drain Commissioner and the Ottawa County Road Commission, beginning net assets were increased by \$7,610,762 and \$72,950,359, respectively, as a result of reporting capital assets and accumulated depreciation for infrastructure assets constructed or acquired from 1980 – 2000.

In addition, on the basic financial statements for the Ottawa County Central Dispatch Authority, the beginning fund balance of the General fund and net assets of governmental activities were decreased by \$13,713 to reclassify MERS retirement contributions, attributable to the fourth quarter of the prior year, that were not properly accrued at December 31, 2005.

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**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2006

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Friend of the Court Fund (2160) - This Fund accounts for the operations of the Friend of the Court including the Co-op Reimbursement Grant, the Medical Support Enforcement Grant, and the 3% Friend of the Court incentive payments established under Act 297 of 1982, Section 2530.

9/30 Judicial Grants (2170) - This Fund accounts for miscellaneous grant revenue received from the State and other agencies for judicial programs.

Solid Waste Clean-Up Fund (2271) - This Fund was established to account for monies received from settlement of a claim. The monies are to be used exclusively for the clean-up of the Southwest Ottawa Landfill.

Landfill Tipping Fees Fund (2272) - This Fund was established to account for the County's share of the tipping fee surcharge of Ottawa County Farms landfill starting in 1991 in accordance with an agreement between Ottawa County, Sunset Waste System, Inc., and the Township of Polkton. The monies are to be used for implementation of the Solid Waste Management Plan.

Transportation System Fund (2320) - This Fund is used to account for a grant from the Michigan Department of Transportation to provide public transportation in concentrated areas for persons who are handicapped or who are sixty-five years of age or older.

Planning Commission Fund (2420) - This Fund was established by the County Board under MCLA 125. A planning commission was created to prepare and oversee a County Development Plan relative to the economic, social and physical development of the County.

Infrastructure Fund (2444) - This fund was established by the County Board to provide financial assistance to local units of government for water, sewer, road and bridge projects that are especially unique, non-routine, and out-of-the ordinary.

Homestead Property Tax (2550) – This fund was established as a result of the passage of Public Act 105 of 2003 which provides for the denial of homestead status by local governments, counties and/or State of Michigan. The County's share of interest on tax revenue collected under this statute is to be used solely for the administration of this program, and any unused funds remaining after a period of three years will lapse to the county general fund (MCL 211.7cc, as amended).

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

SPECIAL REVENUE FUNDS (CONTINUED)

Register of Deeds Technology Fund (2560) – This Fund was established under Public Act 698 of 2002 to account for newly authorized additional recording fees effective March 31, 2003. The revenue collected is to be spent on technology upgrades.

Stabilization Fund (2570) - This Fund was established to assure the continued solid financial condition of the County in case of an emergency.

Prosecuting Attorney Grants Fund (2601) - This Fund is used to account for monies granted to the County by the State for prosecution against drug offenders.

Community Oriented Policing Services (C.O.P.S.) Funds (2608 and 2610) - These Funds account for Federal monies granted to the townships who contract with the County to improve the long-term ability of local law enforcement agencies public safety through innovative crime prevention, including community policing.

Sheriff 9/30 Grant Programs Fund (2609) - This Fund accounts for miscellaneous grant revenue received by the Sheriff's department from the State for special purpose programs.

Emergency Medical Technician ("EMT") Holland-Park Township Fund (2640) - This Fund is used to account for monies received under contractual agreements with Holland and Park Townships. Ottawa County agrees to provide police protection and emergency medical services to the Townships on a cost-reimbursement basis.

Emergency Medical Technician ("EMT") Georgetown Township Fund (2650) - This Fund is used to account for monies received under contractual agreement with Georgetown Township. The County agrees to provide police protection and emergency medical services to the Township on a cost-reimbursement basis.

Sheriff Road Patrol Fund (2661) - This Fund accounts for monies granted to the County by the State for the purpose of providing additional police supervision of traffic safety and additional patrol of the roads and parks as described in Public Act 416 of 1978.

COUNTY OF OTTAWA

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

SPECIAL REVENUE FUNDS (CONTINUED)

Law Library Fund (2690) - This Fund is used to account for monies received from the Library Penal Fine Fund in accordance with Public Act 18 of 1982 and appropriations from the County for the purpose of maintaining the County's law library.

Workforce Investment Act Funds (2740, 2741, 2742, 2743, 2744, 2748, and 2749) - These Funds are used to account for Federal funds which are received by the County under the Workforce Investment Act. These Funds are targeted for training and employment programs for the under employed and economically disadvantaged citizens.

Grant Programs - Pass Thru Fund (2750) - This Fund is used to account for monies received from State and Federal grants which are passed on to outside agencies through contractual agreements to carry out the grants intended purpose.

Emergency Feeding Fund (2800) - This Fund is used to account for monies received from the State for the purpose of distributing surplus food to the impoverished residents of the County.

Federal Emergency Management Agency Fund (2810) - This Fund is used to account for monies received through the Emergency Food and Shelter National Board program for utility payments to prevent utility disconnection or heating source loss in households that have exhausted all other resources and do not qualify for other Community Action emergency funds.

Community Corrections Fund (2850) - This Fund is used to account for State monies and fees received to enhance the delivery of adult probation services in the County. This fund also receives money from the County for a Domestic Violence Intervention Program.

Community Action Agency Fund (2870) - This Fund is used to account for monies received from the State to be applied to various community programs for the impoverished residents of the County.

Weatherization Fund (2890) - This Fund is used to account for monies received through a State grant which aids in weatherizing homes of the disadvantaged, the elderly and people in the poverty zone.

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2006

SPECIAL REVENUE FUNDS (CONTINUED)

Family Independence Agency Fund (2900) - This Fund is used primarily to account for monies from State and local funding sources and to assist with the welfare program which offers aid to disadvantaged individuals of Ottawa County.

Child Care Funds (2920 and 2921) - These Funds are used to account for foster child care in the County. This encompasses the Ottawa County Detention Center, which is a facility that houses juveniles on a short-term basis. The primary funding comes from the State and a County appropriation which is used to aid children who require placement outside of their home.

Soldiers' and Sailors' Relief Fund (2930) - This Fund is used to account for monies earmarked for indigent veterans and is mandated by State Law.

Veterans Trust Fund (2940) - This fund was established under Section 35.607 of the Compiled laws of 1970. It is used to account for monies received by the State and distributed to needy veterans.

Compensated Absences Fund (2980) - This Fund is used to account for future payments of accumulated sick pay of County employees under the sick days/short and long-term disability plan. This fund is also used to accrue vacation pay.

DEBT SERVICE FUND

Building Authority Fund (5690-5695) - This Fund was established to account for the accumulation of 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: 1985-Life Consultation Center; 1990-Ottawa County Central Dispatch Authority; 1992-Probate Court/Jail Complex; 1997-Jail addition and Sheriff and Administrative Annex; 2005- Holland District Court. A portion of the 1985 and 1990 bonds were refunded during 1993. A portion of the 1992 bonds were refunded during 1997. 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.

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2006

CAPITAL PROJECTS FUND

Building Authority Fund (5690-5695) - This Fund was established to account for construction projects of the building authority. Financing is provided by bond proceeds, interest income, and occasionally State grants. This Fund records only those projects funded with bond proceeds. Other capital construction projects funded with cash are reported primarily in the Public Improvement Fund (Special Revenue Fund 2450). Projects at County park facilities are reported in the Parks and Recreation Fund (Special Revenue Fund 2081).

PERMANENT FUND

Cemetery Trust Fund (1500) - This Fund was established under State statute to care for cemetery plots of specific individuals who have willed monies in trust to the County for perpetual care of their gravesites.

COUNTY OF OTTAWA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2006

(with comparative totals for December 31, 2005)

	Special Revenue						
	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	Infrastructure (2444)
ASSETS							
Cash and pooled investments			\$7,537,271	\$1,120,398	\$25,787	\$166,274	\$712,501
Investments							
Receivables (net of allowance for estimated uncollectibles):							
Accounts				59,819			1,710,952
Due from other funds			335,869				46,748
Due from other governmental units	\$217,157	\$147,983			34,590		
Inventory of supplies							
Prepaid expenditures							
Total assets	\$217,157	\$147,983	\$7,873,140	\$1,180,217	\$60,377	\$166,274	\$2,470,201
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$40,781	\$6,486	\$8,090	\$22,731	\$34,590	\$1,517	
Due to other funds							
Due to other governmental units							
Due to component units							
Interfund payable	176,376	141,497					
Advances from other governmental units							
Interest payable							
Deferred revenue							
Advances from other funds							
Total liabilities	217,157	147,983	8,090	22,731	34,590	1,517	
Fund balances:							
Reserved for inventories and prepaids							
Reserved for debt service							
Reserved for perpetual care							
Reserved for infrastructure loans							\$1,710,952
Reserved for program costs							
Unreserved:							
Designated for construction							
Designated for register of deeds technology							
Designated for compensated absences							
Undesignated			7,865,050	1,157,486	25,787	164,757	\$759,249
Total fund balances			7,865,050	1,157,486	25,787	164,757	2,470,201
Total liabilities and fund balances	\$217,157	\$147,983	\$7,873,140	\$1,180,217	\$60,377	\$166,274	\$2,470,201

Special Revenue

Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	COPS Fast- Allendale (2608)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$108,486	\$237,684	\$7,872,350	\$5,447				\$13,051	
	8,199		22,127		\$121,239	\$20,785 161,666	79,316	106,886
<u>\$108,486</u>	<u>\$245,883</u>	<u>\$7,872,350</u>	<u>\$27,574</u>	<u>Closed</u>	<u>\$121,239</u>	<u>\$182,451</u>	<u>\$92,367</u>	<u>\$106,886</u>
	7,845		2,482		\$14,672	\$32,929	\$24,168	\$19,510
					106,567	100,936		32,858
						48,086	68,199	54,518
	<u>7,845</u>		<u>2,482</u>		<u>121,239</u>	<u>181,951</u>	<u>92,367</u>	<u>106,886</u>
	238,038							
<u>\$108,486</u>		<u>\$7,872,350</u>	<u>25,092</u>			<u>500</u>		
<u>108,486</u>	<u>238,038</u>	<u>7,872,350</u>	<u>25,092</u>			<u>500</u>		
<u>\$108,486</u>	<u>\$245,883</u>	<u>\$7,872,350</u>	<u>\$27,574</u>	<u>Closed</u>	<u>\$121,239</u>	<u>\$182,451</u>	<u>\$92,367</u>	<u>\$106,886</u>

(Continued on next page)

COUNTY OF OTTAWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006
(with comparative totals for December 31, 2005)

	Special Revenue					
	Sheriff Road Patrol (2661)	Law Library (2690)	Workforce Investment Act - ACP (2740)	Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)
ASSETS						
Cash and pooled investments		\$53,936				
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts						\$2,427
Due from other funds						
Due from other governmental units	\$44,678		\$4,924	\$147,135	\$58,786	486,917
Inventory of supplies						1,933
Prepaid expenditures		160				22,198
Total assets	<u>\$44,678</u>	<u>\$54,096</u>	<u>\$4,924</u>	<u>\$147,135</u>	<u>\$58,786</u>	<u>\$513,475</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$4,738	\$2,515	\$1,602	\$80,645	\$29,991	\$206,697
Due to other funds						
Due to other governmental units						4,835
Due to component units						
Interfund payable	39,940		2,374	66,490	28,284	179,478
Advances from other governmental units						
Interest payable						
Deferred revenue						
Advances from other funds						
Total liabilities	<u>44,678</u>	<u>2,515</u>	<u>3,976</u>	<u>147,135</u>	<u>58,275</u>	<u>391,010</u>
Fund balances:						
Reserved for inventories and prepaids		160				24,131
Reserved for debt service						
Reserved for perpetual care						
Reserved for infrastructure loans						
Reserved for program costs						
Unreserved:						
Designated for construction						
Designated for register of deeds technology						
Designated for compensated absences						
Undesignated		51,421	948		511	98,334
Total fund balances		<u>51,581</u>	<u>948</u>		<u>511</u>	<u>122,465</u>
Total liabilities and fund balances	<u>\$44,678</u>	<u>\$54,096</u>	<u>\$4,924</u>	<u>\$147,135</u>	<u>\$58,786</u>	<u>\$513,475</u>

Special Revenue

Workforce Investment Act - 12/31 Grant Programs (2744)	Workforce Investment Act- 9/30 Grant Programs (2748)	Workforce Investment Act- 3/31 Grant Programs (2749)	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)		
			\$12,878	\$2,521		\$198,597	\$84,818			
						78,369	3,000			
\$99,039	\$300,245	\$5,535	21,515			35,132	37,604	\$53,586		
	309			17,662						
<u>\$99,039</u>	<u>\$300,554</u>	<u>\$5,535</u>	<u>\$34,393</u>	<u>\$20,183</u>	<u>None</u>	<u>\$312,098</u>	<u>\$125,422</u>	<u>\$53,586</u>		
			\$4,887	\$228,325	\$3,564	\$34,393	\$2,412	\$17,032	\$30,243	\$13,844
	5,701				\$109		539			
48,652	38,877	915						39,574		
		1,056					1,916			
<u>53,539</u>	<u>272,903</u>	<u>5,535</u>	<u>34,393</u>	<u>2,521</u>		<u>17,032</u>	<u>32,698</u>	<u>53,418</u>		
	309			17,662						
<u>45,500</u>	<u>27,342</u>					<u>295,066</u>	<u>92,724</u>	<u>168</u>		
<u>45,500</u>	<u>27,651</u>			<u>17,662</u>		<u>295,066</u>	<u>92,724</u>	<u>168</u>		
<u>\$99,039</u>	<u>\$300,554</u>	<u>\$5,535</u>	<u>\$34,393</u>	<u>\$20,183</u>	<u>None</u>	<u>\$312,098</u>	<u>\$125,422</u>	<u>\$53,586</u>		

(Continued on next page)

COUNTY OF OTTAWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006
(with comparative totals for December 31, 2005)

	Special Revenue					
	Department of Human Services (2900)	Child Care - Circuit Court (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)
ASSETS						
Cash and pooled investments	\$693,934	\$1,309,316	\$73,350		\$1,488	\$3,791,599
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts	5,292	7,484				
Due from other funds						162,777
Due from other governmental units	16,224	887,146	976			
Inventory of supplies						
Prepaid expenditures		258				
Total assets	\$715,450	\$2,204,204	\$74,326	None	\$1,488	\$3,954,376
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$27,162	\$635,991			\$827	
Due to other funds						
Due to other governmental units						
Due to component units						
Interfund payable						
Advances from other governmental units	22,000					
Interest payable						
Deferred revenue						
Advances from other funds						
Total liabilities	49,162	635,991			827	
Fund balances:						
Reserved for inventories and prepaids		258				
Reserved for debt service						
Reserved for perpetual care						
Reserved for infrastructure loans						
Reserved for program costs						
Unreserved:						
Designated for construction						
Designated for register of deeds technology						
Designated for compensated absences						\$2,994,318
Undesignated	666,288	1,567,955	\$74,326		661	960,058
Total fund balances	666,288	1,568,213	74,326		661	3,954,376
Total liabilities and fund balances	\$715,450	\$2,204,204	\$74,326	None	\$1,488	\$3,954,376

Special Revenue	Debt Service Ottawa County Building Authority (5690-5695)	Capital Projects Ottawa County Building Authority (5690-5695)	Permanent Cemetery Trust (1500)	Total Nonmajor Governmental Funds	
				2006	2005
\$24,021,686	\$10,381	\$68,476 288,046	\$5,770	\$24,100,543 293,816	\$24,489,230 2,728,886
1,888,128				1,888,128	1,660,476
553,593				553,593	290,787
3,090,406				3,090,406	2,718,699
19,595				19,595	372
22,925				22,925	44
<u>\$29,596,333</u>	<u>\$10,381</u>	<u>\$356,522</u>	<u>\$5,770</u>	<u>\$29,969,006</u>	<u>\$31,888,494</u>
\$1,540,669		\$102,807		\$1,643,476	\$1,882,133
11,184				11,184	114
1,002,818				1,002,818	699,493
192,803				192,803	199,924
2,972				2,972	280,924
					13,365
<u>2,750,446</u>		<u>102,807</u>		<u>2,853,253</u>	<u>3,075,953</u>
42,520				42,520	44
					16,734
			\$5,770	5,770	5,770
1,710,952				1,710,952	2,054,057
					52,301
		253,715		253,715	2,374,153
238,038				238,038	108,878
2,994,318				2,994,318	2,886,456
21,860,059	\$10,381			21,870,440	21,314,148
<u>26,845,887</u>	<u>10,381</u>	<u>253,715</u>	<u>5,770</u>	<u>27,115,753</u>	<u>28,812,541</u>
<u>\$29,596,333</u>	<u>\$10,381</u>	<u>\$356,522</u>	<u>\$5,770</u>	<u>\$29,969,006</u>	<u>\$31,888,494</u>

(Concluded)

COUNTY OF OTTAWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	Special Revenue						
	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	Infrastructure (2444)
Revenues:							
Taxes							
Intergovernmental revenues	\$1,796,517	\$173,609			\$138,354	\$5,697	
Charges for services	245,204			\$434,626			\$31,133
Fines and forfeits							
Interest on investments			\$335,869				94,706
Rental income							
Other			5,803	16,084			
Total revenues	<u>2,041,721</u>	<u>173,609</u>	<u>341,672</u>	<u>450,710</u>	<u>138,354</u>	<u>5,697</u>	<u>125,839</u>
Expenditures:							
Current operations:							
Judicial	2,638,760	207,250					
General government							600,000
Public safety							
Public works			280,719	347,427	138,354		
Health and welfare							
Community and economic development						\$39,136	
Debt service							
Capital outlay							
Total expenditures	<u>2,638,760</u>	<u>207,250</u>	<u>280,719</u>	<u>347,427</u>	<u>138,354</u>	<u>39,136</u>	<u>600,000</u>
Revenues over (under) expenditures	<u>(597,039)</u>	<u>(33,641)</u>	<u>60,953</u>	<u>103,283</u>		<u>(33,439)</u>	<u>(474,161)</u>
Other financing sources (uses):							
Transfers in (out):							
General Fund	597,039	33,641				31,782	
Delinquent Tax Revolving							
Public Improvement							
Community Action Agency							
Workforce Investment Act 12/31 Grant Programs							
Issuance of bonds							
Refunding bonds issued							
Premium on bonds issued							
Payment to refunding bond escrow agent							
Total other financing sources (uses)	<u>597,039</u>	<u>33,641</u>				<u>31,782</u>	
Net change in fund balances			60,953	103,283		(1,657)	(474,161)
Fund balances, beginning of year			7,804,097	1,054,203	25,787	166,414	2,944,362
Fund balances, end of year	<u>None</u>	<u>None</u>	<u>\$7,865,050</u>	<u>\$1,157,486</u>	<u>\$25,787</u>	<u>\$164,757</u>	<u>\$2,470,201</u>

Special Revenue

Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	COPS Fast- Allendale (2608)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$12,127			\$139,000		\$379,837	\$1,414,883	\$768,903	\$658,011
	\$268,845							
	8,199							
			302			533		
<u>12,127</u>	<u>277,044</u>		<u>139,302</u>		<u>379,837</u>	<u>1,415,416</u>	<u>768,903</u>	<u>658,011</u>
500	147,884		177,525		381,831	1,620,208	768,903	658,011
<u>500</u>	<u>147,884</u>		<u>177,525</u>		<u>381,831</u>	<u>1,620,208</u>	<u>768,903</u>	<u>658,011</u>
<u>11,627</u>	<u>129,160</u>		<u>(38,223)</u>		<u>(1,994)</u>	<u>(204,792)</u>		
		\$268,790	38,223		1,994	205,093		
		<u>268,790</u>	<u>38,223</u>		<u>1,994</u>	<u>205,093</u>		
11,627	129,160	268,790				301		
<u>96,859</u>	<u>108,878</u>	<u>7,603,560</u>	<u>25,092</u>			<u>199</u>		
<u>\$108,486</u>	<u>\$238,038</u>	<u>\$7,872,350</u>	<u>\$25,092</u>	<u>None</u>	<u>None</u>	<u>\$500</u>	<u>None</u>	<u>None</u>

(Continued on next page)

COUNTY OF OTTAWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	Special Revenue Funds						
	Sheriff Road Patrol (2661)	Law Library (2690)	Workforce Investment Act - ACP (2740)	Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)	Workforce Investment Act - 12/31 Grant Programs (2744)
Revenues:							
Taxes							
Intergovernmental revenues	\$253,631		\$160,151	\$615,420	\$425,048	\$1,676,005	\$54,531
Charges for services							15,188
Fines and forfeits		\$6,500					
Interest on investments							
Rental income							
Other					530		68,689
Total revenues	<u>253,631</u>	<u>6,500</u>	<u>160,151</u>	<u>615,420</u>	<u>425,578</u>	<u>1,676,005</u>	<u>138,408</u>
Expenditures:							
Current operations:							
Judicial		26,708					
General government							
Public safety	277,234						
Public works							
Health and welfare			160,151	615,420	435,083	1,687,749	202,557
Community and economic development							
Debt service							
Capital outlay							
Total expenditures	<u>277,234</u>	<u>26,708</u>	<u>160,151</u>	<u>615,420</u>	<u>435,083</u>	<u>1,687,749</u>	<u>202,557</u>
Revenues over (under) expenditures	<u>(23,603)</u>	<u>(20,208)</u>			<u>(9,505)</u>	<u>(11,744)</u>	<u>(64,149)</u>
Other financing sources (uses):							
Transfers in (out):							
General Fund	23,603	33,125					
Delinquent Tax Revolving							
Public Improvement							
Community Action Agency							55,742
Workforce Investment Act 12/31 Grant Programs							
Issuance of bonds							
Refunding bonds issued							
Premium on bonds issued							
Payment to refunding bond escrow agent							
Total other financing sources (uses)	<u>23,603</u>	<u>33,125</u>					<u>55,742</u>
Net change in fund balances		12,917			(9,505)	(11,744)	(8,407)
Fund balances, beginning of year		38,664	948		10,016	134,209	53,907
Fund balances, end of year	<u>None</u>	<u>\$51,581</u>	<u>\$948</u>	<u>None</u>	<u>\$511</u>	<u>\$122,465</u>	<u>\$45,500</u>

Special Revenue

Workforce Investment Act - 9/30 Grant Programs (2748)	Workforce Investment Act - 3/31 Grant Programs (2749)	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)
\$1,299,846	\$39,847	\$135,978	\$197,292	\$20,000	\$299,325 209,519	\$477,256	\$306,793
<u>1,299,846</u>	<u>39,847</u>	<u>135,978</u>	<u>197,292</u>	<u>20,000</u>	<u>12,643</u> <u>521,487</u>	<u>36,917</u> <u>514,173</u>	<u>306,793</u>
1,328,334	39,847	100,000 58,648	179,630	20,000	996,685	506,601	306,793
<u>1,328,334</u>	<u>39,847</u>	<u>158,648</u>	<u>179,630</u>	<u>20,000</u>	<u>996,685</u>	<u>506,601</u>	<u>306,793</u>
<u>(28,488)</u>		<u>(22,670)</u>	<u>17,662</u>		<u>(475,198)</u>	<u>7,572</u>	
		22,670			458,726	29,000	
						(55,742)	
		<u>22,670</u>			<u>458,726</u>	<u>(26,742)</u>	
(28,488)			17,662		(16,472)	(19,170)	
<u>56,139</u>					<u>311,538</u>	<u>111,894</u>	<u>168</u>
<u>\$27,651</u>	<u>None</u>	<u>None</u>	<u>\$17,662</u>	<u>None</u>	<u>\$295,066</u>	<u>\$92,724</u>	<u>\$168</u>

(Continued on next page)

COUNTY OF OTTAWA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	Department of Human Services (2900)	Child Care - Circuit Court (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)
Revenues:						
Taxes						
Intergovernmental revenues	\$196,035	\$3,648,195	\$21,450		\$21,673	
Charges for services	44,856					\$115,083
Fines and forfeits						
Interest on investments						162,777
Rental income						
Other	565	566,104				
Total revenues	<u>241,456</u>	<u>4,214,299</u>	<u>21,450</u>		<u>21,673</u>	<u>277,860</u>
Expenditures:						
Current operations:						
Judicial						
General government						42,623
Public safety						
Public works						
Health and welfare	897,653	8,109,375	42,900	\$100,719	21,898	
Community and economic development						
Debt service						
Capital outlay						
Total expenditures	<u>897,653</u>	<u>8,109,375</u>	<u>42,900</u>	<u>100,719</u>	<u>21,898</u>	<u>42,623</u>
Revenues over (under) expenditures	<u>(656,197)</u>	<u>(3,895,076)</u>	<u>(21,450)</u>	<u>(100,719)</u>	<u>(225)</u>	<u>235,237</u>
Other financing sources (uses):						
Transfers in (out):						
General Fund	731,564	3,974,892	26,500	100,719		
Delinquent Tax Revolving						
Public Improvement						
Community Action Agency						
Workforce Investment Act 12/31 Grant Programs						
Issuance of bonds						
Refunding bonds issued						
Premium on bonds issued						
Payment to refunding bond escrow agent						
Total other financing sources (uses)	<u>731,564</u>	<u>3,974,892</u>	<u>26,500</u>	<u>100,719</u>		
Net change in fund balances	75,367	79,816	5,050		(225)	235,237
Fund balances, beginning of year	<u>590,921</u>	<u>1,488,397</u>	<u>69,276</u>		<u>886</u>	<u>3,719,139</u>
Fund balances, end of year	<u>\$666,288</u>	<u>\$1,568,213</u>	<u>\$74,326</u>	<u>None</u>	<u>\$661</u>	<u>\$3,954,376</u>

Special Revenue	Debt Service Ottawa County Building Authority (5690-5695)	Capital Projects Ottawa County Building Authority (5690-5695)	Permanent Cemetery Trust (1500)	Total Nonmajor Governmental Funds	
				2006	2005
\$12,127				\$12,127	\$44,828
15,323,287				15,323,287	14,068,300
1,364,454				1,364,454	1,441,661
6,500				6,500	6,500
601,551	\$7,539	\$62,430	\$237	671,757	341,974
	2,439,503			2,439,503	2,008,656
708,170				708,170	767,271
<u>18,016,089</u>	<u>2,447,042</u>	<u>62,430</u>	<u>237</u>	<u>20,525,798</u>	<u>18,679,190</u>
3,969,403				3,969,403	3,570,085
968,532			568	969,100	776,788
3,764,835				3,764,835	3,497,042
766,500				766,500	639,938
14,654,710				14,654,710	12,968,700
39,136				39,136	13,963
	2,453,395			2,453,395	2,758,259
		2,251,029		2,251,029	3,044,672
<u>24,163,116</u>	<u>2,453,395</u>	<u>2,251,029</u>	<u>568</u>	<u>28,868,108</u>	<u>27,269,447</u>
<u>(6,147,027)</u>	<u>(6,353)</u>	<u>(2,188,599)</u>	<u>(331)</u>	<u>(8,342,310)</u>	<u>(8,590,257)</u>
6,577,361				6,577,361	6,576,416
		68,161		68,161	(367,540)
55,742				55,742	(2,169,258)
(55,742)				(55,742)	
					7,865,000
					10,005,000
					690,972
					<u>(10,424,650)</u>
<u>6,577,361</u>		<u>68,161</u>		<u>6,645,522</u>	<u>12,175,940</u>
430,334	(6,353)	(2,120,438)	(331)	(1,696,788)	3,585,683
<u>26,415,553</u>	<u>16,734</u>	<u>2,374,153</u>	<u>6,101</u>	<u>28,812,541</u>	<u>25,226,858</u>
<u>\$26,845,887</u>	<u>\$10,381</u>	<u>\$253,715</u>	<u>\$5,770</u>	<u>\$27,115,753</u>	<u>\$28,812,541</u>

(Concluded)

COUNTY OF OTTAWA

**FRIEND OF THE COURT SPECIAL REVENUE FUND (2160) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,773,658	\$1,798,517	\$1,796,517	(\$2,000)	\$1,673,931
Charges for services	207,760	247,815	245,204	(2,611)	203,689
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	1,981,418	2,046,332	2,041,721	(4,611)	1,877,620
Expenditures:					
Current operations:					
Personnel services	2,163,358	2,191,297	2,128,068	63,229	2,014,447
Supplies	101,665	96,462	76,884	19,578	70,283
Other services and charges	431,028	448,170	433,808	14,362	353,218
Capital outlay					
Total expenditures	2,696,051	2,735,929	2,638,760	97,169	2,437,948
Revenues over (under) expenditures	(714,633)	(689,597)	(597,039)	92,558	(560,328)
Other financing sources (uses):					
Transfers in (out):					
General Fund	714,633	726,152	597,039	(129,113)	560,328
Total other financing sources (uses)	714,633	726,152	597,039	(129,113)	560,328
Net change in fund balance		36,555		(36,555)	
Fund balance, beginning of year					
Fund balance, end of year	None	\$36,555	None	(\$36,555)	None

COUNTY OF OTTAWA

**9/30 JUDICIAL GRANTS SPECIAL REVENUE FUND (2170) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$228,123	\$173,609	(\$54,514)	
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues		228,123	173,609	(54,514)	
Expenditures:					
Current operations:					
Personnel services		225,100	179,787	45,313	
Supplies		27,331	15,692	11,639	
Other services and charges		14,380	11,771	2,609	
Capital outlay					
Total expenditures		266,811	207,250	59,561	
Revenues over (under) expenditures		(38,688)	(33,641)	5,047	
Other financing sources (uses):					
Transfers in (out):					
General Fund		38,688	33,641	(5,047)	
Total other financing sources (uses)		38,688	33,641	(5,047)	
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**SOLID WASTE CLEAN-UP SPECIAL REVENUE FUND (2271) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					\$278,468
Charges for services					
Interest on investments	\$59,479	\$59,479	\$335,869	\$276,390	152,246
Licenses and permits					
Rental income					
Other		5,803	5,803		4,585
Total revenues	59,479	65,282	341,672	276,390	435,299
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	163,500	163,500	131,613	31,887	117,060
Capital outlay	1,898,000	1,898,000	149,106	1,748,894	106,650
Total expenditures	2,061,500	2,061,500	280,719	1,780,781	223,710
Revenues over (under) expenditures	(2,002,021)	(1,996,218)	60,953	2,057,171	211,589
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	(2,002,021)	(1,996,218)	60,953	2,057,171	211,589
Fund balance, beginning of year	7,804,097	7,804,097	7,804,097		7,592,508
Fund balance, end of year	\$5,802,076	\$5,807,879	\$7,865,050	\$2,057,171	\$7,804,097

COUNTY OF OTTAWA

**LANDFILL TIPPING FEES SPECIAL REVENUE FUND (2272) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$350,000	\$450,000	\$434,626	(\$15,374)	\$434,964
Interest on investments					
Licenses and permits					
Rental income					
Other	15,345	16,245	16,084	(161)	13,666
Total revenues	365,345	466,245	450,710	(15,535)	448,630
Expenditures:					
Current operations:					
Personnel services	236,098	187,462	188,119	(657)	192,318
Supplies	19,434	13,769	13,282	487	8,319
Other services and charges	268,202	177,643	138,818	38,825	163,374
Capital outlay		30,363	7,208	23,155	11,517
Total expenditures	523,734	409,237	347,427	61,810	375,528
Revenues over (under) expenditures	(158,389)	57,008	103,283	46,275	73,102
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	(158,389)	57,008	103,283	46,275	73,102
Fund balance, beginning of year	1,054,203	1,054,203	1,054,203		981,101
Fund balance, end of year	<u>\$895,814</u>	<u>\$1,111,211</u>	<u>\$1,157,486</u>	<u>\$46,275</u>	<u>\$1,054,203</u>

COUNTY OF OTTAWA

**TRANSPORTATION SYSTEM SPECIAL REVENUE FUND (2320) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$145,857	\$138,354	\$138,354		\$40,700
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>145,857</u>	<u>138,354</u>	<u>138,354</u>		<u>40,700</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	145,857	138,354	138,354		40,700
Capital outlay					
Total expenditures	<u>145,857</u>	<u>138,354</u>	<u>138,354</u>		<u>40,700</u>
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year	<u>25,787</u>	<u>25,787</u>	<u>25,787</u>		<u>25,787</u>
Fund balance, end of year	<u>\$25,787</u>	<u>\$25,787</u>	<u>\$25,787</u>	<u>None</u>	<u>\$25,787</u>

COUNTY OF OTTAWA

**PLANNING COMMISSION SPECIAL REVENUE FUND (2420) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$9,700	\$5,697	(\$4,003)	
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	\$20	20		(20)	
Total revenues	20	9,720	5,697	(4,023)	
Expenditures:					
Current operations:					
Personnel services	1,129	1,049	\$766	283	\$575
Supplies	9,161	6,060	4,366	1,694	7,362
Other services and charges	21,512	35,514	34,004	1,510	6,026
Capital outlay					
Total expenditures	31,802	42,623	39,136	3,487	13,963
Revenues over (under) expenditures	(31,782)	(32,903)	(33,439)	(536)	(13,963)
Other financing sources (uses):					
Transfers in (out):					
General Fund	31,782	31,782	31,782		29,267
Total other financing sources (uses)	31,782	31,782	31,782		29,267
Net change in fund balance		(1,121)	(1,657)	(536)	15,304
Fund balance, beginning of year	166,414	166,414	166,414		151,110
Fund balance, end of year	\$166,414	\$165,293	\$164,757	(\$536)	\$166,414

COUNTY OF OTTAWA

**INFRASTRUCTURE SPECIAL REVENUE FUND (2444) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$31,133	\$31,133	\$31,133		\$32,430
Interest on investments	63,919	63,919	94,706	\$30,787	65,020
Licenses and permits					
Rental income					
Other					
Total revenues	95,052	95,052	125,839	30,787	97,450
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges		600,000	600,000		
Capital outlay					
Total expenditures		600,000	600,000		
Revenues over (under) expenditures	95,052	(504,948)	(474,161)	30,787	97,450
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Infrastructure					
Total other financing sources (uses)					
Net change in fund balance	95,052	(504,948)	(474,161)	30,787	97,450
Fund balance, beginning of year	2,944,362	2,944,362	2,944,362		2,846,912
Fund balance, end of year	\$3,039,414	\$2,439,414	\$2,470,201	\$30,787	\$2,944,362

COUNTY OF OTTAWA

**HOMESTEAD PROPERTY TAX SPECIAL REVENUE FUND (2550) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$35,000	\$20,000	\$12,127	(\$7,873)	\$44,828
Intergovernmental revenues					
Charges for services					
Interest on investments	250				10,134
Licenses and permits					
Rental income					
Other					
Total revenues	35,250	20,000	12,127	(7,873)	54,962
Expenditures:					
Personnel services					
Supplies	500	500	500		500
Other services and charges					
Capital outlay					
Total expenditures	500	500	500		500
Revenues over (under) expenditures	34,750	19,500	11,627	(7,873)	54,462
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	34,750	19,500	11,627	(7,873)	54,462
Fund balance, beginning of year	96,859	96,859	96,859		42,397
Fund balance, end of year	\$131,609	\$116,359	\$108,486	(\$7,873)	\$96,859

COUNTY OF OTTAWA

**REGISTER OF DEEDS TECHNOLOGY SPECIAL REVENUE FUND (2560) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$325,000	\$325,000	\$268,845	(\$56,155)	\$323,750
Interest on investments	231	231	8,199	7,968	3,667
Licenses and permits					
Rental income					
Other					
Total revenues	325,231	325,231	277,044	(48,187)	327,417
Expenditures:					
Personnel services					
Supplies	1,000	1,000	836	164	
Other services and charges	324,626	324,626	147,048	177,578	514,532
Capital outlay					
Total expenditures	325,626	325,626	147,884	177,742	514,532
Revenues over (under) expenditures	(395)	(395)	129,160	129,555	(187,115)
Other financing sources (uses):					
Transfers in (out):					
General Fund					31,033
Total other financing sources (uses)					31,033
Net change in fund balance	(395)	(395)	129,160	129,555	(156,082)
Fund balance, beginning of year	108,878	108,878	108,878		264,960
Fund balance, end of year	\$108,483	\$108,483	\$238,038	\$129,555	\$108,878

COUNTY OF OTTAWA

**STABILIZATION SPECIAL REVENUE FUND (2570) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges					
Capital outlay					
Total expenditures					
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund		\$268,790	\$268,790		\$568,336
Total other financing sources (uses)		268,790	268,790		568,336
Net change in fund balance		268,790	268,790		568,336
Fund balance, beginning of year	\$7,603,560	7,603,560	7,603,560		7,035,224
Fund balance, end of year	<u>\$7,603,560</u>	<u>\$7,872,350</u>	<u>\$7,872,350</u>	None	<u>\$7,603,560</u>

COUNTY OF OTTAWA

**PROSECUTING ATTORNEY GRANTS SPECIAL REVENUE FUND (2601) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$139,000	\$139,000	\$139,000		\$142,600
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	425	425	302	(\$123)	425
Total revenues	139,425	139,425	139,302	(123)	143,025
Expenditures:					
Current operations:					
Personnel services	169,806	160,806	160,803	3	151,542
Supplies	14,281	14,250	13,082	1,168	13,638
Other services and charges	5,113	5,144	3,640	1,504	3,694
Capital outlay					
Total expenditures	189,200	180,200	177,525	2,675	168,874
Revenues over (under) expenditures	(49,775)	(40,775)	(38,223)	2,552	(25,849)
Other financing sources (uses):					
Transfers in (out):					
General Fund	49,775	40,775	38,223	(2,552)	25,849
Total other financing sources (uses)	49,775	40,775	38,223	(2,552)	25,849
Net change in fund balance					
Fund balance, beginning of year	25,092	25,092	25,092		25,092
Fund balance, end of year	<u>\$25,092</u>	<u>\$25,092</u>	<u>\$25,092</u>	<u>None</u>	<u>\$25,092</u>

COUNTY OF OTTAWA

**COPS FAST - ALLENDALE SPECIAL REVENUE FUND (2608) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$95,070				\$100,911
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	95,070				100,911
Expenditures:					
Current operations:					
Personnel services	84,607				89,994
Supplies	1,875				445
Other services and charges	8,588				10,472
Capital outlay					
Total expenditures	95,070				100,911
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**SHERIFF 9/30 GRANT PROGRAMS SPECIAL REVENUE FUND (2609) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$70,669	\$1,282,560	\$379,837	(\$902,723)	\$62,383
Charges for services					
Interest on investments					86
Licenses and permits					
Rental income					
Other					
Total revenues	70,669	1,282,560	379,837	(902,723)	62,469
Expenditures:					
Current operations:					
Personnel services	30,036	93,791	79,083	14,708	29,290
Supplies	32,133	520,657	193,875	326,782	26,993
Other services and charges		72,205	24,667	47,538	
Capital outlay	9,445	596,852	84,206	512,646	20,706
Total expenditures	71,614	1,283,505	381,831	901,674	76,989
Revenues over (under) expenditures	(945)	(945)	(1,994)	(1,049)	(14,520)
Other financing sources (uses):					
Transfers in (out):					
General Fund	945	945	1,994	1,049	14,520
Total other financing sources (uses)	945	945	1,994	1,049	14,520
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**COPS UNIVERSAL SPECIAL REVENUE FUND (2610) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,394,329	\$1,509,495	\$1,414,883	(\$94,612)	\$1,324,578
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other		533	533		200
Total revenues	1,394,329	1,510,028	1,415,416	(94,612)	1,324,778
Expenditures:					
Current operations:					
Personnel services	1,374,560	1,457,809	1,384,546	73,263	1,318,376
Supplies	43,605	48,165	36,851	11,314	27,388
Other services and charges	198,299	225,656	198,811	26,845	178,851
Capital outlay					
Total expenditures	1,616,464	1,731,630	1,620,208	111,422	1,524,615
Revenues over (under) expenditures	(222,135)	(221,602)	(204,792)	16,810	(199,837)
Other financing sources (uses):					
Transfers in (out):					
General Fund	222,135	222,135	205,093	(17,042)	199,520
Total other financing sources (uses)	222,135	222,135	205,093	(17,042)	199,520
Net change in fund balance		533	301	(232)	(317)
Fund balance, beginning of year	199	199	199		516
Fund balance, end of year	<u>\$199</u>	<u>\$732</u>	<u>\$500</u>	<u>(\$232)</u>	<u>\$199</u>

COUNTY OF OTTAWA

**EMT HOLLAND-PARK TOWNSHIP SPECIAL REVENUE FUND (2640) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$812,539	\$814,889	\$768,903	(\$45,986)	\$767,753
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	812,539	814,889	768,903	(45,986)	767,753
Expenditures:					
Current operations:					
Personnel services	738,809	742,143	705,171	36,972	702,615
Supplies	12,875	12,875	10,557	2,318	12,513
Other services and charges	60,855	59,871	53,175	6,696	52,625
Capital outlay					
Total expenditures	812,539	814,889	768,903	45,986	767,753
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

**EMT GEORGETOWN TOWNSHIP SPECIAL REVENUE FUND (2650) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$654,214	\$669,310	\$658,011	(\$11,299)	\$627,442
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	654,214	669,310	658,011	(11,299)	627,442
Expenditures:					
Current operations:					
Personnel services	560,148	560,948	557,832	3,116	536,841
Supplies	29,294	22,102	17,658	4,444	13,995
Other services and charges	64,772	86,260	82,521	3,739	76,606
Capital outlay					
Total expenditures	654,214	669,310	658,011	11,299	627,442
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**SHERIFF ROAD PATROL SPECIAL REVENUE FUND (2661) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$278,351	\$253,631	\$253,631		\$264,539
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>278,351</u>	<u>253,631</u>	<u>253,631</u>		<u>264,539</u>
Expenditures:					
Current operations:					
Personnel services	239,691	237,341	239,602	(\$2,261)	232,149
Supplies	3,450	1,944	1,866	78	3,220
Other services and charges	35,210	34,819	35,766	(947)	33,228
Capital outlay					
Total expenditures	<u>278,351</u>	<u>274,104</u>	<u>277,234</u>	<u>(3,130)</u>	<u>268,597</u>
Revenues over (under) expenditures		<u>(20,473)</u>	<u>(23,603)</u>	<u>(3,130)</u>	<u>(4,058)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund		20,473	23,603	3,130	4,058
Total other financing sources (uses)		<u>20,473</u>	<u>23,603</u>	<u>3,130</u>	<u>4,058</u>
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

**LAW LIBRARY SPECIAL REVENUE FUND (2690) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Fines and forfeits	\$6,500	\$6,500	\$6,500		\$6,500
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>		<u>6,500</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies	39,625	39,625	26,708	\$12,917	28,276
Other services and charges					
Capital outlay					
Total expenditures	<u>39,625</u>	<u>39,625</u>	<u>26,708</u>	<u>12,917</u>	<u>28,276</u>
Revenues over (under) expenditures	<u>(33,125)</u>	<u>(33,125)</u>	<u>(20,208)</u>	<u>12,917</u>	<u>(21,776)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	33,125	33,125	33,125		26,500
Total other financing sources (uses)	<u>33,125</u>	<u>33,125</u>	<u>33,125</u>		<u>26,500</u>
Net change in fund balance			12,917	12,917	4,724
Fund balance, beginning of year	<u>38,664</u>	<u>38,664</u>	<u>38,664</u>		<u>33,940</u>
Fund balance, end of year	<u><u>\$38,664</u></u>	<u><u>\$38,664</u></u>	<u><u>\$51,581</u></u>	<u><u>\$12,917</u></u>	<u><u>\$38,664</u></u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - ADMINISTRATIVE COST POOL SPECIAL REVENUE FUND (2740) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2006
(with comparative actual amounts for the year ended June 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$212,898	\$290,355	\$160,151	(\$130,204)	\$131,672
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	450	450		(450)	450
Total revenues	213,348	290,805	160,151	(130,654)	132,122
Expenditures:					
Current operations:					
Personnel services	153,809	147,825	84,678	63,147	87,114
Supplies	9,839	6,463	3,513	2,950	5,328
Other services and charges	49,700	136,517	71,960	64,557	39,234
Capital outlay					
Total expenditures	213,348	290,805	160,151	130,654	131,676
Revenues over (under) expenditures					446
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					446
Fund balance, beginning of year	948	948	948		502
Fund balance, end of year	<u>\$948</u>	<u>\$948</u>	<u>\$948</u>	<u>None</u>	<u>\$948</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - YOUTH SPECIAL REVENUE FUND (2741) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2006
(with comparative actual amounts for the year ended June 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$631,259	\$706,686	\$615,420	(\$91,266)	\$514,779
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	631,259	706,686	615,420	(91,266)	514,779
Expenditures:					
Current operations:					
Personnel services	91,484	94,197	94,265	(68)	70,068
Supplies	5,903	3,003	1,820	1,183	1,594
Other services and charges	533,872	609,486	519,335	90,151	443,117
Capital outlay					
Total expenditures	631,259	706,686	615,420	91,266	514,779
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - ADULT SPECIAL REVENUE FUND (2742) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2006
(with comparative actual amounts for the year ended June 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$418,764	\$487,776	\$425,048	(\$62,728)	\$422,199
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other		530	530		
Total revenues	418,764	488,306	425,578	(62,728)	422,199
Expenditures:					
Current operations:					
Personnel services	60,919	73,651	72,583	1,068	48,546
Supplies	3,935	2,203	1,634	569	15,689
Other services and charges	353,910	412,452	360,866	51,586	339,688
Capital outlay					8,771
Total expenditures	418,764	488,306	435,083	53,223	412,694
Revenues over (under) expenditures			(9,505)	(9,505)	9,505
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			(9,505)	(9,505)	9,505
Fund balance, beginning of year	10,016	10,016	10,016		511
Fund balance, end of year	<u>\$10,016</u>	<u>\$10,016</u>	<u>\$511</u>	<u>(\$9,505)</u>	<u>\$10,016</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - 6/30 GRANT PROGRAMS
SPECIAL REVENUE FUND (2743) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2006
(with comparative actual amounts for the year ended June 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,490,636	\$2,165,952	\$1,676,005	(\$489,947)	\$1,907,392
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	1,490,636	2,165,952	1,676,005	(489,947)	1,907,392
Expenditures:					
Current operations:					
Personnel services	197,890	144,843	124,210	20,633	199,186
Supplies	46,678	148,726	78,589	70,137	86,310
Other services and charges	1,246,068	1,872,383	1,484,950	387,433	1,503,483
Capital outlay					8,771
Total expenditures	1,490,636	2,165,952	1,687,749	478,203	1,797,750
Revenues over (under) expenditures			(11,744)	(11,744)	109,642
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			(11,744)	(11,744)	109,642
Fund balance, beginning of year	134,209	134,209	134,209		24,567
Fund balance, end of year	<u>\$134,209</u>	<u>\$134,209</u>	<u>\$122,465</u>	<u>(\$11,744)</u>	<u>\$134,209</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT - 12/31 GRANT PROGRAMS
SPECIAL REVENUE FUND (2744) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$282,000	\$316,600	\$54,531	(\$262,069)	\$252,273
Charges for services	15,000	16,000	15,188	(812)	15,980
Interest on investments					
Licenses and permits					
Rental income					
Other	50,500	70,500	68,689	(1,811)	90,144
Total revenues	347,500	403,100	138,408	(264,692)	358,397
Expenditures:					
Current operations:					
Personnel services	29,629	38,979	12,572	26,407	45,591
Supplies	1,967	2,967	1,628	1,339	1,355
Other services and charges	315,904	361,154	188,357	172,797	258,903
Total expenditures	347,500	403,100	202,557	200,543	305,849
Revenues over (under) expenditures			(64,149)	(64,149)	52,548
Other financing sources (uses):					
Transfers in (out):					
Community Action Agency			55,742	55,742	
Total other financing sources (uses)			55,742	55,742	
Net change in fund balance			(8,407)	(8,407)	52,548
Fund balance, beginning of year	53,907	53,907	53,907		1,359
Fund balance, end of year	<u>\$53,907</u>	<u>\$53,907</u>	<u>\$45,500</u>	<u>(\$8,407)</u>	<u>\$53,907</u>

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT-9/30 GRANT PROGRAMS
SPECIAL REVENUE FUND (2748) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$788,833	\$1,426,117	\$1,299,846	(\$126,271)	\$1,188,804
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	788,833	1,426,117	1,299,846	(126,271)	1,188,804
Expenditures:					
Current operations:					
Personnel services	164,104	246,309	214,053	32,256	140,492
Supplies	85,165	32,483	26,982	5,501	60,675
Other services and charges	539,564	1,147,325	1,087,299	60,026	939,199
Capital outlay					
Total expenditures	788,833	1,426,117	1,328,334	97,783	1,140,366
Revenues over (under) expenditures			(28,488)	(28,488)	48,438
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			(28,488)	(28,488)	48,438
Fund balance, beginning of year	56,139	56,139	56,139		7,701
Fund balance, end of year	\$56,139	\$56,139	\$27,651	(\$28,488)	\$56,139

COUNTY OF OTTAWA

**WORKFORCE INVESTMENT ACT-3/31 GRANT PROGRAMS
SPECIAL REVENUE FUND (2749) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended March 31, 2006
(with comparative actual amounts for the year ended March 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$41,700	\$41,700	\$39,847	(\$1,853)	\$22,454
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	41,700	41,700	39,847	(1,853)	22,454
Expenditures:					
Current operations:					
Personnel services	6,401	6,379	6,248	131	3,711
Supplies	4,834	4,512	3,746	766	79
Other services and charges	30,465	30,809	29,853	956	18,664
Capital outlay					
Total expenditures	41,700	41,700	39,847	1,853	22,454
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

**GRANT PROGRAMS - PASS THRU SPECIAL REVENUE FUND (2750)-
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$55,987	\$145,987	\$135,978	(\$10,009)	\$210,684
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	55,987	145,987	135,978	(10,009)	210,684
Expenditures:					
Current operations:					
Personnel services	72,784	72,597	60,717	11,880	53,864
Supplies	3,250	3,250	772	2,478	659
Other services and charges	7,528	97,715	97,159	556	176,212
Capital outlay					
Total expenditures	83,562	173,562	158,648	14,914	230,735
Revenues over (under) expenditures	(27,575)	(27,575)	(22,670)	4,905	(20,051)
Other financing sources (uses):					
Transfers in (out):					
General Fund	27,575	27,575	22,670	(4,905)	20,051
Total other financing sources (uses)	27,575	27,575	22,670	(4,905)	20,051
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**EMERGENCY FEEDING SPECIAL REVENUE FUND (2800) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$46,000	\$47,128	\$197,292	\$150,164	\$44,088
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	46,000	47,128	197,292	150,164	44,088
Expenditures:					
Current operations:					
Personnel services	22,498	17,781	17,602	179	21,128
Supplies	1,310	642	137,012	(136,370)	1,633
Other services and charges	22,192	28,705	25,016	3,689	21,327
Capital outlay					
Total expenditures	46,000	47,128	179,630	(132,502)	44,088
Revenues over (under) expenditures			17,662	17,662	
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			17,662	17,662	
Fund balance, beginning of year					
Fund balance, end of year	None	None	\$17,662	\$17,662	None

COUNTY OF OTTAWA

**FEDERAL EMERGENCY MANAGEMENT AGENCY SPECIAL REVENUE FUND (2810) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$20,000	\$20,000		\$5,000
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues		20,000	20,000		5,000
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges		20,000	20,000		5,000
Capital outlay					
Total expenditures		20,000	20,000		5,000
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**COMMUNITY CORRECTIONS SPECIAL REVENUE FUND (2850) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$314,170	\$324,025	\$299,325	(\$24,700)	\$314,041
Charges for services	179,415	153,348	209,519	56,171	260,834
Interest on investments					
Licenses and permits					
Rental income					
Other	10,000	10,896	12,643	1,747	9,573
Total revenues	503,585	488,269	521,487	33,218	584,448
Expenditures:					
Current operations:					
Personnel services	675,999	621,058	607,297	13,761	635,066
Supplies	37,900	35,150	31,703	3,447	26,623
Other services and charges	428,305	383,781	357,685	26,096	342,172
Capital outlay					
Total expenditures	1,142,204	1,039,989	996,685	43,304	1,003,861
Revenues over (under) expenditures	(638,619)	(551,720)	(475,198)	76,522	(419,413)
Other financing sources (uses):					
Transfers in (out):					
General Fund	469,618	458,727	458,726	(1)	409,352
Total other financing sources (uses)	469,618	458,727	458,726	(1)	409,352
Net change in fund balance	(169,001)	(92,993)	(16,472)	76,521	(10,061)
Fund balance, beginning of year	311,538	311,538	311,538		321,599
Fund balance, end of year	<u>\$142,537</u>	<u>\$218,545</u>	<u>\$295,066</u>	<u>\$76,521</u>	<u>\$311,538</u>

COUNTY OF OTTAWA

**COMMUNITY ACTION AGENCY SPECIAL REVENUE FUND (2870) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$349,494	\$623,946	\$477,256	(\$146,690)	\$406,965
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	11,400	39,250	36,917	(2,333)	18,992
Total revenues	360,894	663,196	514,173	(149,023)	425,957
Expenditures:					
Current operations:					
Personnel services	238,756	332,756	218,872	113,884	200,846
Supplies	18,774	85,079	70,060	15,019	32,425
Other services and charges	132,364	274,361	217,669	56,692	214,569
Capital outlay					
Total expenditures	389,894	692,196	506,601	185,595	447,840
Revenues over (under) expenditures	(29,000)	(29,000)	7,572	36,572	(21,883)
Other financing sources (uses):					
Transfers in (out):					
General Fund	29,000	29,000	29,000		29,000
Workforce Investment Act - 12/31 Grant Programs			(55,742)	(55,742)	
Total other financing sources (uses)	29,000	29,000	(26,742)	(55,742)	29,000
Net change in fund balance			(19,170)	(19,170)	7,117
Fund balance, beginning of year	111,894	111,894	111,894		104,777
Fund balance, end of year	<u>\$111,894</u>	<u>\$111,894</u>	<u>\$92,724</u>	<u>(\$19,170)</u>	<u>\$111,894</u>

COUNTY OF OTTAWA

**WEATHERIZATION SPECIAL REVENUE FUND (2890) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended March 31, 2006
(with comparative actual amounts for the year ended March 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$321,219	\$321,219	\$306,793	(\$14,426)	\$185,725
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	321,219	321,219	306,793	(14,426)	185,725
Expenditures:					
Current operations:					
Personnel services	77,674	84,744	82,991	1,753	34,830
Supplies	178,010	178,302	175,530	2,772	70,033
Other services and charges	65,535	58,173	48,272	9,901	80,862
Capital outlay					
Total expenditures	321,219	321,219	306,793	14,426	185,725
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Community Action Agency					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year	168	168	168		168
Fund balance, end of year	<u>\$168</u>	<u>\$168</u>	<u>\$168</u>	<u>None</u>	<u>\$168</u>

COUNTY OF OTTAWA

**DEPARTMENT OF HUMAN SERVICES SPECIAL REVENUE FUND (2900) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$270,000	\$270,000	\$196,035	(\$73,965)	\$225,581
Charges for services	34,020	34,020	44,856	10,836	35,658
Interest on investments					
Licenses and permits					
Rental income					
Other	460	1,025	565	(460)	300
Total revenues	304,480	305,045	241,456	(63,589)	261,539
Expenditures:					
Current operations:					
Personnel services	654,464	621,732	592,136	29,596	591,422
Supplies	262,506	263,021	188,859	74,162	221,826
Other services and charges	119,074	122,097	116,658	5,439	113,906
Capital outlay					
Total expenditures	1,036,044	1,006,850	897,653	109,197	927,154
Revenues over (under) expenditures	(731,564)	(701,805)	(656,197)	45,608	(665,615)
Other financing sources (uses):					
Transfers in (out):					
General Fund	731,564	731,564	731,564		702,578
Total other financing sources (uses)	731,564	731,564	731,564		702,578
Net change in fund balance		29,759	75,367	45,608	36,963
Fund balance, beginning of year	590,921	590,921	590,921		553,958
Fund balance, end of year	<u>\$590,921</u>	<u>\$620,680</u>	<u>\$666,288</u>	<u>\$45,608</u>	<u>\$590,921</u>

COUNTY OF OTTAWA

**CHILD CARE - CIRCUIT COURT SPECIAL REVENUE FUND (2920) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$3,309,953	\$3,685,704	\$3,648,195	(\$37,509)	\$2,912,947
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	556,775	569,775	566,104	(3,671)	599,894
Total revenues	3,866,728	4,255,479	4,214,299	(41,180)	3,512,841
Expenditures:					
Current operations:					
Personnel services	3,554,343	3,901,713	3,855,084	46,629	3,309,905
Supplies	214,216	209,351	204,716	4,635	177,962
Other services and charges	3,866,145	4,082,875	4,049,575	33,300	3,396,430
Capital outlay					
Total expenditures	7,634,704	8,193,939	8,109,375	84,564	6,884,297
Revenues over (under) expenditures	(3,767,976)	(3,938,460)	(3,895,076)	43,384	(3,371,456)
Other financing sources (uses):					
Transfers in (out):					
General Fund	3,767,976	3,974,892	3,974,892		3,846,024
Total other financing sources (uses)	3,767,976	3,974,892	3,974,892		3,846,024
Net change in fund balance		36,432	79,816	43,384	474,568
Fund balance, beginning of year	1,488,397	1,488,397	1,488,397		1,013,829
Fund balance, end of year	\$1,488,397	\$1,524,829	\$1,568,213	\$43,384	\$1,488,397

COUNTY OF OTTAWA

**CHILD CARE - SOCIAL SERVICES SPECIAL REVENUE FUND (2921) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2006
(with comparative actual amounts for the year ended September 30, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$21,000	\$21,000	\$21,450	\$450	\$18,583
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>21,450</u>	<u>450</u>	<u>18,583</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	47,500	47,500	42,900	4,600	37,220
Capital outlay					
Total expenditures	<u>47,500</u>	<u>47,500</u>	<u>42,900</u>	<u>4,600</u>	<u>37,220</u>
Revenues over (under) expenditures	<u>(26,500)</u>	<u>(26,500)</u>	<u>(21,450)</u>	<u>5,050</u>	<u>(18,637)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	26,500	26,500	26,500		20,000
Total other financing sources (uses)	<u>26,500</u>	<u>26,500</u>	<u>26,500</u>		<u>20,000</u>
Net change in fund balance			5,050	5,050	1,363
Fund balance, beginning of year	<u>69,276</u>	<u>69,276</u>	<u>69,276</u>		<u>67,913</u>
Fund balance, end of year	<u>\$69,276</u>	<u>\$69,276</u>	<u>\$74,326</u>	<u>\$5,050</u>	<u>\$69,276</u>

COUNTY OF OTTAWA

**SOLDIERS' AND SAILORS' RELIEF SPECIAL REVENUE FUND (2930) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006			2005 Actual
	Original Budget	Final Amended Budget	Actual	
Revenues:				
Intergovernmental revenues				
Charges for services				
Interest on investments				
Licenses and permits				
Rental income				
Other				
Total revenues				
Expenditures:				
Current operations:				
Personnel services				
Supplies				
Other services and charges	\$90,000	\$100,719	\$100,719	\$90,000
Capital outlay				
Total expenditures	90,000	100,719	100,719	90,000
Revenues over (under) expenditures	(90,000)	(100,719)	(100,719)	(90,000)
Other financing sources (uses):				
Transfers in (out):				
General Fund	90,000	100,719	100,719	90,000
Total other financing sources (uses)	90,000	100,719	100,719	90,000
Net change in fund balance				
Fund balance, beginning of year				
Fund balance, end of year	None	None	None	None

COUNTY OF OTTAWA

**VETERANS TRUST SPECIAL REVENUE FUND (2940) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$12,347	\$21,673	\$21,673		\$21,808
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	12,347	21,673	21,673		21,808
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	12,347	21,673	21,898	(\$225)	21,808
Capital outlay					
Total expenditures	12,347	21,673	21,898	(225)	21,808
Revenues over (under) expenditures			(225)	(225)	
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			(225)	(225)	
Fund balance, beginning of year	886	886	886		886
Fund balance, end of year	<u>886</u>	<u>886</u>	<u>\$661</u>	<u>(\$225)</u>	<u>886</u>

COUNTY OF OTTAWA

**COMPENSATED ABSENCES SPECIAL REVENUE FUND (2980) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$100,000	\$100,000	\$115,083	\$15,083	\$134,356
Interest on investments	\$36,000	36,000	162,777	126,777	77,042
Licenses and permits					
Rental income					
Other					
Total revenues	136,000	136,000	277,860	141,860	211,398
Expenditures:					
Current operations:					
Personnel services	134,425	134,425	42,623	91,802	92,882
Supplies					
Other services and charges					
Capital outlay					
Total expenditures	134,425	134,425	42,623	91,802	92,882
Revenues over (under) expenditures	1,575	1,575	235,237	233,662	118,516
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	1,575	1,575	235,237	233,662	118,516
Fund balance, beginning of year	3,719,139	3,719,139	3,719,139		3,600,623
Fund balance, end of year	<u>\$3,720,714</u>	<u>\$3,720,714</u>	<u>\$3,954,376</u>	<u>\$233,662</u>	<u>\$3,719,139</u>

COUNTY OF OTTAWA

**OTTAWA COUNTY BUILDING AUTHORITY DEBT SERVICE FUND (5690 - 5695) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$188	\$7,546	\$7,539	(\$7)	\$13,976
Rental income	2,459,796	2,443,527	2,439,503	(4,024)	2,008,656
Total revenues	2,459,984	2,451,073	2,447,042	(4,031)	2,022,632
Expenditures:					
Principal retirement	1,760,000	1,720,000	1,720,000		1,460,000
Interest and fiscal charges	699,796	734,454	733,395	1,059	701,297
Bond issuance costs					138,324
Total expenditures	2,459,796	2,454,454	2,453,395	1,059	2,299,621
Revenues over (under) expenditures	188	(3,381)	(6,353)	(2,972)	(276,989)
Other financing sources (uses):					
Transfers in (out)					
Delinquent Tax Revolving					(367,540)
Refunding bonds issued					10,005,000
Premium on refunding bonds					557,974
Payment to refunding bond escrow agent					(10,424,650)
Total other financing sources (uses)					(229,216)
Net change in fund balance	188	(3,381)	(6,353)	(2,972)	(506,205)
Fund balances, beginning of year	16,734	16,734	16,734		522,939
Fund balances, end of year	\$16,922	\$13,353	\$10,381	(\$2,972)	\$16,734

COUNTY OF OTTAWA

**OTTAWA COUNTY BUILDING AUTHORITY CAPITAL PROJECTS FUND (5690 - 5695) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2006
(with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$33,844	\$49,844	\$62,430	\$12,586	\$19,681
Other					29,042
Total revenues	<u>33,844</u>	<u>49,844</u>	<u>62,430</u>	<u>12,586</u>	<u>48,723</u>
Expenditures:					
Construction contracts	2,348,525	2,178,000	2,251,029	(73,029)	3,044,672
Bond issue costs					458,638
Total expenditures	<u>2,348,525</u>	<u>2,178,000</u>	<u>2,251,029</u>	<u>(73,029)</u>	<u>3,503,310</u>
Revenues over (under) expenditures	<u>(2,314,681)</u>	<u>(2,128,156)</u>	<u>(2,188,599)</u>	<u>(60,443)</u>	<u>(3,454,587)</u>
Other financing sources (uses):					
Transfers in (out):					
Public Improvement			68,161	\$68,161	(2,169,258)
Issuance of bonds					7,865,000
Premium on bonds issued					132,998
Total other financing sources (uses)			<u>68,161</u>	<u>68,161</u>	<u>5,828,740</u>
Net change in fund balance	(2,314,681)	(2,128,156)	(2,120,438)	7,718	2,374,153
Fund balances, beginning of year	\$2,374,153	2,374,153	2,374,153		
Fund balances, end of year	<u><u>\$59,472</u></u>	<u><u>\$245,997</u></u>	<u><u>\$253,715</u></u>	<u><u>\$7,718</u></u>	<u><u>\$2,374,153</u></u>

COUNTY OF OTTAWA

CEMETERY TRUST PERMANENT FUND (1500)
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2006
 (with comparative actual amounts for the year ended December 31, 2005)

	2006				2005 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments	\$60	\$266	\$237	(\$29)	\$122
Licenses and permits					
Rental income					
Other					
Total revenues	60	266	237	(29)	122
Expenditures:					
Personnel services					
Supplies					
Other services and charges		597	568	29	
Capital outlay					
Other					
Total expenditures		597	568	29	
Revenues over (under) expenditures	60	(331)	(331)		122
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	60	(331)	(331)		122
Fund balance, beginning of year	\$6,101	6,101	6,101		5,979
Fund balance, end of year	\$6,161	\$5,770	\$5,770	None	\$6,101

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of the governmental unit on a cost-reimbursement basis.

Information Technology Fund (6360) - The Information Technology Fund is used to account for revenues collected from user departments for service charges to cover the costs incurred in the operation of the department including computer processing time and programming time.

Duplicating Fund (6450) - The Duplicating Fund is used to account for revenues received from user departments and expenses incurred in providing copier services.

Telecommunications Fund (6550) - The Telecommunications Fund is used to account for revenues received from user departments and expenses incurred in providing telephone service.

Equipment Pool Fund (6641) - The Equipment Pool Fund is used to account for revenues collected from user departments for the equipment rental charges to cover the costs incurred to administer the equipment pool fund and depreciation of the equipment.

Protected Self-Funded Insurance Programs Fund (6770) - The Protected Self-Funded Insurance Programs Fund is used to account for the administrative costs associated with managing the self-insured portion of the vehicle protection program, the workers' compensation program, the liability protection program and the property and fire protection program.

Protected Self-Funded Health Fund (6771) - The Protected Self-Funded Health Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded health insurance program, third party administrative expenses and actual health claims paid.

Protected Self-Funded Unemployment Fund (6772) - The protected Self-Funded Unemployment Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded unemployment insurance program, third party administrative expenses and actual unemployment claims paid.

Long-Term Disability Insurance Fund (6775) - The Long-term Disability Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the long-term disability insurance program and insurance premiums paid.

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2006

Protected Self-Funded Dental Insurance Fund (6776) - The Protected Self-Funded Dental Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded dental insurance program, third party administrative expenses and actual dental claims paid.

Protected Self-Funded Vision Insurance Fund (6777) - The Protected Self-Funded Vision Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded dental insurance program, third party administrative expenses and actual vision claims paid.

Ottawa County, Michigan Insurance Authority Fund (6780) - The Ottawa County, Michigan Insurance Authority Fund is used to account for insurance coverage and risk management related services to participating public entities pursuant to State of Michigan Act No. 36 of the Public Acts of 1988.

Protected Self-Funded Insurance - Mental Health Fund (6782) - The Protected Self-Funded Insurance - Mental Health Fund is used to account for funds covering risk exposure under the Managed Care Specialty Services Program.

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2006
(with comparative totals for December 31, 2005)**

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
<u>ASSETS</u>			
Current assets:			
Cash and pooled investments	\$2,404,522	\$578,230	\$3,955,493
Investments			
Accounts receivable	175		17,583
Accrued interest on investments			
Due from other governmental units			
Due from other funds	101,112	25,163	165,254
Inventory of supplies	35,858		
Prepaid expenses	87,046		10,670
	<u>2,628,713</u>	<u>603,393</u>	<u>4,149,000</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Office furniture and equipment	43,000		
Copy machines		125,395	
Telephone equipment			2,443,955
Vehicles			
Less accumulated depreciation	(43,000)	(61,833)	(1,593,320)
	<u> </u>	<u>63,562</u>	<u>850,635</u>
Net capital assets			
Total assets	<u>2,628,713</u>	<u>666,955</u>	<u>4,999,635</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	54,462	479	4,388
Interfund payable			
Due to other funds			
Due to other governmental units			
Unearned revenue			240,625
	<u>54,462</u>	<u>479</u>	<u>245,013</u>
Total current liabilities			
<u>NET ASSETS</u>			
Investment in capital assets		63,562	850,635
Restricted for managed care risk exposure			
Unrestricted	2,574,251	602,914	3,903,987
	<u>2,574,251</u>	<u>602,914</u>	<u>3,903,987</u>
Total net assets	<u>\$2,574,251</u>	<u>\$666,476</u>	<u>\$4,754,622</u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$2,828,224		\$2,850,983	\$1,095,672	\$114,633	\$39,477	\$5,748
		22,355				
122,694	\$3,676,694	96,093	49,735	4,612		
			1,220			\$9,700
<u>2,950,918</u>	<u>3,676,694</u>	<u>2,969,431</u>	<u>1,146,627</u>	<u>119,245</u>	<u>39,477</u>	<u>15,448</u>
3,839,243						
3,811,008 (4,977,090)						
<u>2,673,161</u>						
<u>5,624,079</u>	<u>3,676,694</u>	<u>2,969,431</u>	<u>1,146,627</u>	<u>119,245</u>	<u>39,477</u>	<u>15,448</u>
71,463	751,394 139,830	1,150,250	21,306	116	39,477	15,448
			80,387			
<u>71,463</u>	<u>891,224</u>	<u>1,150,250</u>	<u>101,693</u>	<u>116</u>	<u>39,477</u>	<u>15,448</u>
2,673,161						
<u>2,879,455</u>	<u>2,785,470</u>	<u>1,819,181</u>	<u>1,044,934</u>	<u>119,129</u>		
<u>\$5,552,616</u>	<u>\$2,785,470</u>	<u>\$1,819,181</u>	<u>\$1,044,934</u>	<u>\$119,129</u>	<u>None</u>	<u>None</u>

(Continued on next page)

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2006
(with comparative totals for December 31, 2005)**

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2006	2005
<u>ASSETS</u>				
Current assets:				
Cash and pooled investments	\$208,565	\$1,972,332	\$16,053,879	\$15,614,485
Investments	17,616,127		17,616,127	16,554,842
Accounts receivable			40,113	12,091
Accrued interest on investments	126,771		126,771	145,200
Due from other governmental units				
Due from other funds		73,815	4,315,172	3,785,265
Inventory of supplies			35,858	38,676
Prepaid expenses	109,772		218,408	247,529
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	18,061,235	2,046,147	38,406,328	36,398,088
Noncurrent assets:				
Capital assets:				
Office furniture and equipment			3,882,243	4,070,469
Copy machines			125,395	139,261
Telephone equipment			2,443,955	2,748,013
Vehicles			3,811,008	3,771,159
Less accumulated depreciation			<u>(6,675,243)</u>	<u>(7,727,221)</u>
			<hr/>	<hr/>
Net capital assets			3,587,358	3,001,681
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	18,061,235	2,046,147	41,993,686	39,399,769
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	7,457,906		9,566,689	11,107,578
Interfund payable			139,830	261,456
Due to other funds	3,676,694		3,676,694	3,446,789
Due to other governmental units			80,387	70,666
Unearned revenue			240,625	
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	11,134,600		13,704,225	14,886,489
<u>NET ASSETS</u>				
Investment in capital assets			3,587,358	3,001,681
Restricted for managed care risk exposure		2,046,147	2,046,147	1,972,332
Unrestricted	6,926,635		22,655,956	19,539,267
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	<u>\$6,926,635</u>	<u>\$2,046,147</u>	<u>\$28,289,461</u>	<u>\$24,513,280</u>

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COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS**

For the Year Ended December 31, 2006

(with comparative totals for the year ended December 31, 2005)

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
Operating revenues:			
Charges for services	\$2,062,457	\$135,334	\$687,552
Other revenue			
Total operating revenues	<u>2,062,457</u>	<u>135,334</u>	<u>687,552</u>
Operating expenses:			
Personnel services	1,438,020	6,052	103,125
Contractual services	683,964	34,675	230,037
Supplies	109,901	41,937	21,699
Depreciation		24,447	108,475
Building and equipment rental	57,790		
Claims and legal			
Miscellaneous	<u>222,781</u>	<u>9,210</u>	<u>14,651</u>
Total operating expenses	<u>2,512,456</u>	<u>116,321</u>	<u>477,987</u>
Operating income (loss)	<u>(449,999)</u>	<u>19,013</u>	<u>209,565</u>
Nonoperating revenues (expenses):			
Interest on investments	101,112	25,163	165,254
Net change in the fair value of investments			
Gain (loss) on retirement of capital assets		<u>(765)</u>	
Total nonoperating revenues (expenses)	<u>101,112</u>	<u>24,398</u>	<u>165,254</u>
Income (loss) before transfers	<u>(348,887)</u>	<u>43,411</u>	<u>374,819</u>
Transfers in (out):			
General Fund	444,571		
Protected Self-Funded Dental Insurance			
Protected Self-Funded Vision Insurance			
Protected Self-Funded Health Insurance			
Total transfers	<u>444,571</u>		
Change in net assets	95,684	43,411	374,819
Total net assets, beginning of year	<u>2,478,567</u>	<u>623,065</u>	<u>4,379,803</u>
Total net assets, end of year	<u><u>\$2,574,251</u></u>	<u><u>\$666,476</u></u>	<u><u>\$4,754,622</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$1,009,953	\$398,434	\$9,894,247	\$103,506	\$147,114	\$565,370	\$112,035
<u>1,009,953</u>	<u>398,434</u>	<u>9,894,247</u>	<u>103,506</u>	<u>147,114</u>	<u>565,370</u>	<u>112,035</u>
25,626	174,743	108,764	52,050	3,684	20,611	20,609
62	47,179	574,920	15,576	140,482	36,961	15,675
971,710	1,734	20,196				
	78,212	7,969,085	80,387		611,076	100,167
<u>14,008</u>	<u>8,532</u>	<u>12,185</u>	<u>124,585</u>	<u>3,684</u>	<u>4,305</u>	<u>3,856</u>
<u>1,011,406</u>	<u>310,400</u>	<u>8,685,150</u>	<u>272,598</u>	<u>147,850</u>	<u>672,953</u>	<u>140,307</u>
<u>(1,453)</u>	<u>88,034</u>	<u>1,209,097</u>	<u>(169,092)</u>	<u>(736)</u>	<u>(107,583)</u>	<u>(28,272)</u>
122,694	243,132	96,093	49,735	4,612		
<u>(210,163)</u>						
<u>(87,469)</u>	<u>243,132</u>	<u>96,093</u>	<u>49,735</u>	<u>4,612</u>		
<u>(88,922)</u>	<u>331,166</u>	<u>1,305,190</u>	<u>(119,357)</u>	<u>3,876</u>	<u>(107,583)</u>	<u>(28,272)</u>
		(107,583)				
		(28,272)				
					107,583	28,272
		(135,855)			107,583	28,272
<u>(88,922)</u>	<u>331,166</u>	<u>1,169,335</u>	<u>(119,357)</u>	<u>3,876</u>		
5,641,538	2,454,304	649,846	1,164,291	115,253		
<u>\$5,552,616</u>	<u>\$2,785,470</u>	<u>\$1,819,181</u>	<u>\$1,044,934</u>	<u>\$119,129</u>	<u>None</u>	<u>None</u>

(Continued on next page)

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS**

For the Year Ended December 31, 2006

(with comparative totals for the year ended December 31, 2005)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2006	2005
Operating revenues:				
Charges for services	\$1,913,422		\$17,029,424	\$15,108,952
Other revenue	9,866		9,866	62,381
Total operating revenues	<u>1,923,288</u>		<u>17,039,290</u>	<u>15,171,333</u>
Operating expenses:				
Personnel services			1,953,284	1,899,716
Contractual services	731,524		2,510,993	2,078,442
Supplies			195,529	176,153
Depreciation			1,104,632	790,404
Building and equipment rental			57,790	33,993
Claims and legal	240,970		9,079,897	8,039,300
Miscellaneous			417,797	420,834
Total operating expenses	<u>972,494</u>		<u>15,319,922</u>	<u>13,438,842</u>
Operating income (loss)	<u>950,794</u>		<u>1,719,368</u>	<u>1,732,491</u>
Nonoperating revenues (expenses):				
Interest on investments	399,130	\$73,815	1,280,740	963,734
Net change in the fair value of investments	542,430		542,430	(40,050)
Gain (loss) on retirement of capital assets			(210,928)	(21,060)
Total nonoperating revenues (expenses)	<u>941,560</u>	<u>73,815</u>	<u>1,612,242</u>	<u>902,624</u>
Income (loss) before transfers	1,892,354	73,815	3,331,610	2,635,115
Transfers in (out):				
General Fund			444,571	(546,244)
Protected Self-Funded Dental Insurance			(107,583)	(134,389)
Protected Self-Funded Vision Insurance			(28,272)	(12,552)
Protected Self-Funded Health Insurance			135,855	146,941
Total transfers			<u>444,571</u>	<u>(546,244)</u>
Change in net assets	1,892,354	73,815	3,776,181	2,088,871
Total net assets, beginning of year	5,034,281	1,972,332	24,513,280	22,424,409
Total net assets, end of year	<u>\$6,926,635</u>	<u>\$2,046,147</u>	<u>\$28,289,461</u>	<u>\$24,513,280</u>

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COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	<u>Information Technology (6360)</u>	<u>Duplicating (6450)</u>	<u>Tele- communications (6550)</u>
Cash flows from operating activities:			
Cash received from interfund services provided	\$2,062,282	\$135,334	\$922,685
Cash payments to suppliers for goods and services	(1,062,691)	(87,139)	(268,753)
Cash payments for self-funded insurance claims			
Cash payments to employees for services	<u>(1,438,020)</u>	<u>(6,052)</u>	<u>(103,125)</u>
Net cash provided by (used for) operating activities	<u>(438,429)</u>	<u>42,143</u>	<u>550,807</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	444,571		
Transfers out to other funds			
Net cash provided by (used for) noncapital financing activities	<u>444,571</u>		
Cash flows from capital and related financing activities:			
Acquisition of capital assets		(26,674)	(224,413)
Proceeds from sale of equipment			
Net cash provided by (used for) capital and related financing activities		<u>(26,674)</u>	<u>(224,413)</u>
Cash flows from investing activities:			
Purchase of investments			
Interest on investments	51,291	11,573	79,970
Proceeds on sale of investments			
Net cash provided by (used for) investing activities	<u>51,291</u>	<u>11,573</u>	<u>79,970</u>
Net increase (decrease) in cash and pooled investments	57,433	27,042	406,364
Cash and pooled investments, beginning of year	<u>2,347,089</u>	<u>551,188</u>	<u>3,549,129</u>
Cash and pooled investments, end of year	<u><u>\$2,404,522</u></u>	<u><u>\$578,230</u></u>	<u><u>\$3,955,493</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$1,009,952	\$398,434	\$9,894,247	\$103,506	\$147,114	\$565,370	\$112,035
(14,069)	(57,445)	(607,301)	(156,672)	(144,161)	(41,266)	(21,131)
(25,626)	(65,295)	(7,628,854)	(70,666)	(3,684)	(624,525)	(85,371)
<u>970,257</u>	<u>(174,743)</u>	<u>(108,764)</u>	<u>(52,050)</u>		<u>(20,611)</u>	<u>(20,609)</u>
	100,951	1,549,328	(175,882)	(731)	(121,032)	(15,076)
	(114,178)	(135,855)			107,583	20,824
	<u>(114,178)</u>	<u>(135,855)</u>			<u>107,583</u>	<u>20,824</u>
(1,774,494)						
<u>(1,774,494)</u>						
75,938	13,227	30,016	28,278	2,280		
<u>75,938</u>	<u>13,227</u>	<u>30,016</u>	<u>28,278</u>	<u>2,280</u>		
(728,299)		1,443,489	(147,604)	1,549	(13,449)	5,748
<u>3,556,523</u>		<u>1,407,494</u>	<u>1,243,276</u>	<u>113,084</u>	<u>52,926</u>	
<u>\$2,828,224</u>	<u>None</u>	<u>\$2,850,983</u>	<u>\$1,095,672</u>	<u>\$114,633</u>	<u>\$39,477</u>	<u>\$5,748</u>

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COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	<u>Totals</u>	
			<u>2006</u>	<u>2005</u>
Cash flows from operating activities:				
Cash received from interfund services provided	\$2,149,230		\$17,500,189	\$15,180,824
Cash payments to suppliers for goods and services	(276,539)		(2,737,167)	(3,536,843)
Cash payments for self-funded insurance claims	(2,443,404)		(10,918,115)	(9,605,498)
Cash payments to employees for services			<u>(1,953,284)</u>	<u>(1,899,716)</u>
Net cash provided by (used for) operating activities	<u>(570,713)</u>		<u>1,891,623</u>	<u>138,767</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds			572,978	146,941
Transfers out to other funds			<u>(250,033)</u>	<u>(1,671,215)</u>
Net cash provided by (used for) noncapital financing activities			<u>322,945</u>	<u>(1,524,274)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(2,025,581)	(1,460,618)
Proceeds from sale of equipment				
Net cash provided by (used for) capital and related financing activities			<u>(2,025,581)</u>	<u>(1,460,618)</u>
Cash flows from investing activities:				
Purchase of investments	(22,864,075)		(22,864,075)	(11,083,560)
Interest on investments	417,559	59,130	769,262	2,083,212
Proceeds on sale of investments	<u>22,345,220</u>		<u>22,345,220</u>	<u>11,082,620</u>
Net cash provided by (used for) investing activities	<u>(101,296)</u>	<u>59,130</u>	<u>250,407</u>	<u>2,082,272</u>
Net increase (decrease) in cash and pooled investments	(672,009)	59,130	439,394	(763,853)
Cash and pooled investments, beginning of year	<u>880,574</u>	<u>1,913,202</u>	<u>15,614,485</u>	<u>16,378,338</u>
Cash and pooled investments, end of year	<u>\$208,565</u>	<u>\$1,972,332</u>	<u>\$16,053,879</u>	<u>\$15,614,485</u>

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COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2006

(with comparative totals for the year ended December 31, 2005)

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	(\$449,999)	\$19,013	\$209,565
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation		24,447	108,475
Change in assets and liabilities not affecting cash provided by (used for) operating activities:			
(Increase) decrease in receivables	(175)		(5,492)
(Increase) decrease in due from other funds			
(Increase) decrease in due from other governmental units			
(Increase) decrease in due from component units			
(Increase) decrease in inventory	2,818		
(Increase) decrease in prepaid expenses	24,676		(70)
Increase (decrease) in unpaid claims liability			
Increase (decrease) in unearned revenue			240,625
Increase (decrease) in accounts payable	(15,749)	(1,317)	(2,296)
Increase (decrease) in due to other funds	_____	_____	_____
Net cash provided by (used for) operating activities	(\$438,429)	\$42,143	\$550,807

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
(\$1,453)	\$88,034	\$1,209,097	(\$169,092)	(\$736)	(\$107,583)	(\$28,272)
971,710		(22,355)				
			9,721			(1,600)
	12,917	362,586	(16,511)	5	(13,449)	14,796
<u>\$970,257</u>	<u>\$100,951</u>	<u>\$1,549,328</u>	<u>(\$175,882)</u>	<u>(\$731)</u>	<u>(\$121,032)</u>	<u>(\$15,076)</u>

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COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2006
(with comparative totals for the year ended December 31, 2005)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2006	2005
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$950,794		\$1,719,368	\$345,014
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			1,104,632	756,415
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables			(28,022)	(97,442)
(Increase) decrease in due from other funds				
(Increase) decrease in due from other governmental units			9,721	
(Increase) decrease in due from component units				
(Increase) decrease in inventory			2,818	
(Increase) decrease in prepaid expenses	6,115		29,121	(18,640)
Increase (decrease) in unpaid claims liability	(1,757,527)		(1,757,527)	98,170
Increase (decrease) in unearned revenue			240,625	
Increase (decrease) in accounts payable			340,982	(143,069)
Increase (decrease) in due to other funds	229,905	None	229,905	39,178
Net cash provided by (used for) operating activities	(\$570,713)	None	\$1,891,623	\$979,626 <i>(Concluded)</i>

COUNTY OF OTTAWA

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

AGENCY FUNDS

Trust and Agency Fund (7010) - This Fund was established to account for monies received by the County for later distribution to other agencies or persons. Primarily the fund accounts for revenue received and later remitted to the State of Michigan.

Library Penal Fine Fund (7210) - This Fund was established under Act 236, Section 4351 to account for monies received from District Court fines which are allocated annually for operations of the County's libraries.

Imprest Payroll Fund (7040) - This Fund was established to account for the salaries and fringes of the County employees payroll. Money is disbursed from the Imprest Payroll Fund after being reimbursed by the benefiting funds.

Inland Lake Improvement (8725) – The Drain Commissioner serves on various inland lake boards that do not meet the requirements of a component unit. The Drain Commissioner also serves as the treasurer for these boards, so the financial activity is recorded on the County's general ledger. Accordingly, the County is recording this activity in an agency fund.

COUNTY OF OTTAWA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

December 31, 2006

(with comparative totals for December 31, 2005)

	Agency Funds				Total	
	Trust and Agency 7010	Library Penal Fine 7210	Imprest Payroll 7040	Inland Lake Improvement 8725	2006	2005
ASSETS						
Cash and pooled investments	\$3,069,774	\$452,852	\$602,011	\$181,151	\$4,305,788	\$3,509,114
Receivables:						
Accounts	177,406				177,406	582,401
Due from other governmental units	81,099				81,099	261,498
Total assets	<u>\$3,328,279</u>	<u>\$452,852</u>	<u>\$602,011</u>	<u>\$181,151</u>	<u>\$4,564,293</u>	<u>\$4,353,013</u>
LIABILITIES						
Liabilities:						
Due to other governmental units:						
Due to State of Michigan	\$2,389,091		\$125,186		\$2,514,277	\$1,314,614
Fines and fees due to local libraries		\$452,852			452,852	459,984
Agency deposits	939,188		476,825	\$181,151	1,597,164	2,578,415
Total liabilities	<u>\$3,328,279</u>	<u>\$452,852</u>	<u>\$602,011</u>	<u>\$181,151</u>	<u>\$4,564,293</u>	<u>\$4,353,013</u>

**COUNTY OF OTTAWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2006

	Balances January 1, 2006	Additions	Deductions	Balances December 31, 2006
<u>TRUST AND AGENCY FUND (7010)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$2,325,342	\$129,925,595	\$129,181,163	\$3,069,774
Accounts receivable	582,401	1,225,209	1,630,204	177,406
Due from other governmental units	261,498	310,796	491,195	81,099
Total assets	\$3,169,241	\$131,461,600	\$131,302,562	\$3,328,279
<u>LIABILITIES</u>				
Due to other taxing units		\$55,448,124	\$55,448,124	
Due to State of Michigan	\$1,188,089	64,972,423	63,771,421	\$2,389,091
Agency deposits	1,981,152	79,767,444	80,809,408	939,188
Total liabilities	\$3,169,241	\$200,187,991	\$200,028,953	\$3,328,279
 <u>LIBRARY PENAL FINE FUND (7210)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$459,984	\$985,493	\$992,625	\$452,852
Total assets	\$459,984	\$985,493	\$992,625	\$452,852
<u>LIABILITIES</u>				
Fines and fees due to local libraries	\$459,984	\$985,493	\$992,625	\$452,852
Agency deposits		978,188	978,188	
Total liabilities	\$459,984	\$1,963,681	\$1,970,813	\$452,852

(Continued on next page)

**COUNTY OF OTTAWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2006

	Balances January 1, 2006	Additions	Deductions	Balances December 31, 2006
<u>IMPREST PAYROLL FUND (7040)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$559,154	\$61,516,671	\$61,473,814	\$602,011
Accounts receivable		59,688,230	59,688,230	
Total assets	<u>\$559,154</u>	<u>\$121,204,901</u>	<u>\$121,162,044</u>	<u>\$602,011</u>
<u>LIABILITIES</u>				
Due to State of Michigan	\$126,525	\$1,587,050	\$1,588,389	\$125,186
Agency deposits	432,629	63,453,021	63,408,825	476,825
Total liabilities	<u>\$559,154</u>	<u>\$65,040,071</u>	<u>\$64,997,214</u>	<u>\$602,011</u>
<u>INLAND LAKE IMPROVEMENT (8725)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$164,634	\$551,764	\$535,247	\$181,151
Accounts receivable		31,887	31,887	
Total assets	<u>\$164,634</u>	<u>\$583,651</u>	<u>\$567,134</u>	<u>\$181,151</u>
<u>LIABILITIES</u>				
Agency deposits	<u>\$164,634</u>	<u>\$606,865</u>	<u>\$590,348</u>	<u>\$181,151</u>
Total liabilities	<u>\$164,634</u>	<u>\$606,865</u>	<u>\$590,348</u>	<u>\$181,151</u>
<u>TOTALS - AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$3,509,114	\$192,979,523	\$192,182,849	\$4,305,788
Accounts receivable	582,401	60,945,326	61,350,321	177,406
Due from other governmental units	261,498	310,796	491,195	81,099
Total assets	<u>\$4,353,013</u>	<u>\$254,235,645</u>	<u>\$254,024,365</u>	<u>\$4,564,293</u>
<u>LIABILITIES</u>				
Due to other taxing units		\$55,448,124	\$55,448,124	
Due to State of Michigan	\$1,314,614	66,559,473	65,359,810	\$2,514,277
Fines and fees due to local libraries	459,984	985,493	992,625	452,852
Agency deposits	2,578,415	144,805,518	145,786,769	1,597,164
Total liabilities	<u>\$4,353,013</u>	<u>\$267,798,608</u>	<u>\$267,587,328</u>	<u>\$4,564,293</u>

(Concluded)

COUNTY OF OTTAWA STATISTICAL SECTION

This part of the County of Ottawa’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

Financial Trends	<u>Page</u>
<i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	166
Revenue Capacity	
<i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	172
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	176
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	179
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	181

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**COUNTY OF OTTAWA
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS***

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Governmental Activities						
Invested in capital assets, net of related debt	\$78,519,838	\$74,348,852	\$62,513,315	\$54,652,223	\$36,869,011	\$35,558,261
Restricted	40,108,692	35,040,583	31,077,232	26,913,213	33,832,570	25,622,231
Unrestricted	60,800,956	54,030,017	47,241,713	46,050,289	45,780,029	48,344,792
Total Governmental Activities Net Assets	\$179,429,486	\$163,419,452	\$140,832,260	\$127,615,725	\$116,481,610	\$109,525,284
Business-Type Activities						
Invested in capital assets, net of related debt	\$4,049	\$5,423	\$6,873	\$8,690	\$10,433	\$13,084
Unrestricted	24,232,390	24,337,816	25,220,565	26,569,311	27,483,344	27,416,325
Total Business-Type Activities Net Assets	\$24,236,439	\$24,343,239	\$25,227,438	\$26,578,001	\$27,493,777	\$27,429,409
Primary Government						
Invested in capital assets, net of related debt	\$78,523,887	\$74,354,275	\$62,520,188	\$54,660,913	\$36,879,444	\$35,571,345
Restricted	40,108,692	35,040,583	31,077,232	26,913,213	33,832,570	25,622,231
Unrestricted	85,033,346	78,367,833	72,462,278	72,619,600	73,263,373	75,761,117
Total Primary Government Net Assets	\$203,665,925	\$187,762,691	\$166,059,698	\$154,193,726	\$143,975,387	\$136,954,693

*The County of Ottawa implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is unavailable.

**COUNTY OF OTTAWA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS ***

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Expenses						
Governmental Activities:						
Legislative	\$520,618	\$548,532	\$469,994	\$485,174	\$495,502	\$475,045
Judicial	12,605,344	11,987,986	11,736,487	11,922,865	12,742,673	12,314,531
General government	15,175,102	13,962,772	13,628,246	11,665,978	11,048,540	9,462,268
Public safety	24,441,981	23,328,246	21,832,984	21,912,133	22,417,791	19,734,031
Public works	(1,437,838)	(508,530)	1,044,377	742,711	26,442	4,567,437
Health and welfare	54,270,351	51,784,416	48,066,300	45,357,514	43,436,806	39,924,234
Community and economic development	605,805	555,485	848,964	558,852		
Culture and recreation	1,994,991	1,830,849	1,658,024	1,326,197	1,310,229	1,324,736
Interest on long-term debt	741,070	709,485	890,774	958,283	1,009,585	1,274,567
Total Governmental Activities Expenses	108,917,424	104,199,241	100,176,150	94,929,707	92,487,568	89,076,849
Business-Type Activities:						
Delinquent tax collection	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Business-Type Activities Expenses	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Primary Government Expenses	\$111,160,863	\$105,988,902	\$102,064,360	\$96,822,071	\$94,381,237	\$90,960,961
Program Revenues						
Governmental Activities:						
Charges for services:						
Judicial	\$3,799,831	\$3,669,496	\$3,337,581	\$3,210,168	\$3,371,423	\$3,372,516
General government	7,828,177	8,030,479	8,049,440	8,747,622	7,760,923	7,002,539
Public safety	5,048,970	4,761,022	4,442,960	4,139,168	3,893,681	3,327,639
Public works	446,501	441,146	417,824	417,582	445,492	432,764
Health and welfare	2,717,256	2,750,778	2,434,930	2,445,701	2,228,505	2,280,064
Community and economic development	23,770	20,997				
Culture and recreation	289,658	301,842	411,092	355,147	276,531	274,806
Interest on long-term debt	2,439,503	2,008,656	2,243,461	2,351,754	2,357,518	2,359,120
Operating grants and contributions	46,999,986	47,211,640	42,742,884	38,146,000	39,075,902	38,045,513
Capital grants and contributions	850,262	9,250,395	464,436	944,647	412,699	613,085
Total Governmental Activities Program Revenues	\$70,443,914	\$78,446,451	\$64,544,608	\$60,757,789	\$59,822,674	\$57,708,046
Business-Type Activities:						
Charges for services:						
Delinquent tax collection	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Business-Type Activities Program Revenues	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Primary Government Program Revenues	\$71,735,767	\$79,541,692	\$65,481,089	\$61,762,278	\$60,998,279	\$58,942,378
Net (Expense)/Revenue						
Governmental activities	(\$38,473,510)	(\$25,752,790)	(\$35,631,542)	(\$34,171,918)	(\$32,664,894)	(\$31,368,803)
Business-type activities	(951,586)	(694,420)	(951,729)	(887,875)	(718,064)	(649,780)
Total Primary Government Net Expense	(\$39,425,096)	(\$26,447,210)	(\$36,583,271)	(\$35,059,793)	(\$33,382,958)	(\$32,018,583)

(continued)

**COUNTY OF OTTAWA
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS ***

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes						
Property taxes	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703	\$29,108,216	\$27,635,964
Unrestricted grants and contributions	24,657	31,374	1,448,461	4,236,699	4,759,864	5,456,975
Investment earnings	5,007,679	2,514,383	2,440,814	3,622,427	4,896,600	5,974,915
Miscellaneous	261,156	307,525	316,890	258,117	413,552	629,538
Capital contributions		0	100,000	6,149,100		
Transfers	7,738	618,987	805,899	746,305	442,988	508,140
Special item: Contribution to West Michigan Enforcement Team for formation				(481,329)		
Total Governmental Activities	<u>\$54,483,544</u>	<u>\$48,339,982</u>	<u>\$46,718,809</u>	<u>\$45,009,022</u>	<u>\$39,621,220</u>	<u>\$40,205,532</u>
Business-Type Activities:						
Investment earnings	844,786	440,423	401,166	547,099	1,332,432	1,421,743
Transfers		(630,202)	(800,000)	(575,000)	(550,000)	(525,000)
Total Business-Type Activities	<u>844,786</u>	<u>(189,779)</u>	<u>(398,834)</u>	<u>(27,901)</u>	<u>782,432</u>	<u>896,743</u>
Total Primary Government	<u>\$55,328,330</u>	<u>\$48,150,203</u>	<u>\$46,319,975</u>	<u>\$44,981,121</u>	<u>\$40,403,652</u>	<u>\$41,102,275</u>
Changes in Net Assets						
Governmental activities	\$16,010,034	\$22,587,192	\$11,087,267	\$10,837,104	\$6,956,326	\$8,836,729
Business-type activities	(106,800)	(884,199)	(1,350,563)	(915,776)	64,368	246,963
Total Primary Government	<u>\$15,903,234</u>	<u>\$21,702,993</u>	<u>\$9,736,704</u>	<u>\$9,921,328</u>	<u>\$7,020,694</u>	<u>\$9,083,692</u>
						<i>(concluded)</i>

*The County of Ottawa implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is unavailable.

**COUNTY OF OTTAWA
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$2,359,739	\$1,914,675	\$1,734,514	\$1,630,225	\$1,388,523	\$1,368,696	\$1,353,157	\$1,444,077	\$1,337,010	\$1,687,709
Unreserved	17,503,887	15,970,916	15,567,791	12,932,053	10,929,404	13,797,056	12,696,152	12,141,816	14,244,697	9,822,385
Total General Fund	<u>\$19,863,626</u>	<u>\$17,885,591</u>	<u>\$17,302,305</u>	<u>\$14,562,278</u>	<u>\$12,317,927</u>	<u>\$15,165,752</u>	<u>\$14,049,309</u>	<u>\$13,585,893</u>	<u>\$15,581,707</u>	<u>\$11,510,094</u>
All Other Governmental Funds										
Reserved	\$25,448,371	\$19,584,065	\$7,559,074	\$580,576	\$564,962	\$488,764	\$622,943	\$591,014	\$450,447	\$14,059,663
Unreserved, reported in:										
Special revenue funds	34,129,511	33,089,612	39,980,174	43,869,777	49,118,501	41,504,475	32,731,498	25,747,034	23,723,007	17,443,127
Capital projects funds	253,715	2,374,153					54,407	470,733	1,673,936	1,440,741
Permanent funds		331	209			4,996				
Debt service funds	10,381									
Total All Other Governmental Funds	<u>\$59,841,978</u>	<u>\$55,048,161</u>	<u>\$47,539,457</u>	<u>\$44,450,353</u>	<u>\$49,683,463</u>	<u>\$41,998,235</u>	<u>\$33,408,848</u>	<u>\$26,808,781</u>	<u>\$25,847,390</u>	<u>\$32,943,531</u>

COUNTY OF OTTAWA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2006	2005	2004	2003	2002
Revenues					
Taxes	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703	\$29,108,216
Intergovernmental	51,452,447	56,055,124	47,634,209	45,591,195	46,857,944
Charges for services	9,646,695	9,795,022	10,135,135	10,797,855	9,335,988
Fines and forfeits	1,054,192	1,076,449	1,033,297	1,000,292	1,068,804
Investment earnings	3,184,509	1,561,657	1,413,570	1,826,467	4,442,975
Licenses and permits	674,810	745,950	704,422	661,333	545,031
Rental Income	5,998,857	5,442,363	5,253,344	5,244,366	5,504,855
Other revenues	1,832,591	2,189,691	989,481	1,013,754	1,153,830
Total Revenues	123,026,415	121,733,969	108,770,203	96,612,965	98,017,643
Expenditures					
Legislative	524,438	549,673	463,217	480,630	489,564
Judicial	12,723,585	12,124,762	11,754,724	11,717,496	12,709,838
General government	13,872,461	12,470,763	11,528,237	9,828,250	9,789,942
Public safety	24,611,221	23,646,691	21,889,931	20,811,049	21,798,498
Public works	668,915	550,295	682,435	677,432	746,928
Health and welfare	54,761,277	51,346,970	47,197,156	43,501,375	43,083,010
Community and economic development	605,318	555,363	843,051	555,858	
Culture and recreation	1,641,831	1,507,733	1,310,643	977,414	1,126,684
Other governmental functions	163,642	119,565	107,577	99,322	60,411
Capital outlay	3,791,647	17,313,458	8,915,367	12,504,071	1,658,659
Debt service					
Interest and fiscal charges	733,395	1,298,259	904,901	965,822	1,020,975
Principal	1,720,000	1,460,000	1,395,000	1,340,000	1,295,000
Total Expenditures	115,817,730	122,943,532	106,992,239	103,458,719	93,779,509
Excess of Revenues					
Over (Under) Expenditures	7,208,685	(1,209,563)	1,777,964	(6,845,754)	4,238,134
Other Financing Sources (Uses)					
Transfers from other funds	17,593,905	21,046,183	18,932,766	12,420,974	16,127,216
Transfers to other funds	(18,030,738)	(19,880,952)	(14,881,599)	(11,141,169)	(15,527,947)
Transfers to component units					
Proceeds from Land Contract					
Issuance of bonds		7,865,000			
Refunding bonds issued		10,005,000			
Premium on bonds issued		690,972			
Payment to refunding bond escrow agent		(10,424,650)			
Total Other Financing Sources (Uses)	(436,833)	9,301,553	4,051,167	1,279,805	599,269
Special Item:					
Contribution to West Michigan					
Enforcement Team for formation				(481,329)	
Residual Equity Transfer					
Net Change in Fund Balances	\$6,771,852	\$8,091,990	\$5,829,131	(\$6,047,278)	\$4,837,403
Debt Service as a					
Percentage of Noncapital Expenditures (1)	2.19%	2.61%	2.34%	2.54%	2.51%

(1) Capital expenditures within the functional expenditure categories have been deducted.

2001	2000	1999	1998	1997
\$27,635,964	\$26,228,129	\$25,332,297	\$24,745,645	\$23,118,765
46,792,519	43,848,640	38,846,726	35,147,772	32,807,225
8,468,512	7,636,824	7,432,594	7,353,232	6,937,263
1,083,225	1,016,413	1,101,646	1,154,175	1,030,815
4,804,119	3,810,625	1,257,063	3,588,190	2,784,431
533,326	456,867	454,486	452,160	465,312
5,424,089	5,050,184	4,622,025	4,611,609	3,519,740
1,378,215	2,789,556	3,830,534	1,036,065	888,626
<u>96,119,969</u>	<u>90,837,238</u>	<u>82,877,371</u>	<u>78,088,848</u>	<u>71,552,177</u>
469,478	483,042	364,344	302,595	310,415
12,190,228	11,682,651	10,603,396	9,961,093	10,036,066
8,235,430	9,135,010	11,703,261	7,988,605	6,749,058
16,521,273	15,061,039	13,321,138	12,118,515	11,344,348
625,731	536,191	552,978	474,062	623,611
39,256,986	39,744,250	35,212,144	33,273,749	31,652,991
1,156,873	2,919,619	5,759,894	1,737,166	1,789,688
49,341	54,464	1,070,854	1,249,406	266,668
3,942,697	431,414	1,280,767	10,218,191	4,743,808
1,072,564	1,120,902	1,165,832	1,202,246	698,795
1,245,000	1,200,000	1,135,000	900,000	520,000
<u>84,765,601</u>	<u>82,368,582</u>	<u>82,169,608</u>	<u>79,425,628</u>	<u>68,735,448</u>
11,354,368	8,468,656	707,763	(1,336,780)	2,816,729
15,080,069	13,172,429	12,686,227	8,256,103	10,511,533
(14,274,755)	(12,662,718)	(12,717,760)	(8,287,105)	(10,410,328)
(2,461,108)	(2,325,777)	(2,143,889)	(1,969,437)	(1,812,456)
		24,300	200,000	325,000
				15,672,744
				5,294,738
				<u>(5,294,738)</u>
<u>(1,655,794)</u>	<u>(1,816,066)</u>	<u>(2,151,122)</u>	<u>(1,800,439)</u>	<u>14,286,493</u>
			112,691	(70,000)
<u>\$9,698,574</u>	<u>\$6,652,590</u>	<u>(\$1,443,359)</u>	<u>(\$3,024,528)</u>	<u>\$17,033,222</u>
2.87%	2.83%	2.84%	3.04%	1.90%

**COUNTY OF OTTAWA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS**

Fiscal Year Ended Dec 31,	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Other Property (1)	Total Assessed Value (2)	Total Direct Tax Rate (3)	Total Taxable Value (4)	Total Estimated Actual Value	Percentage of Assessed to Estimated Values
1997	\$3,628,879,734	\$812,094,790	\$739,201,324	\$362,251,984	\$5,542,427,832	4.7165	\$5,141,390,896	\$11,131,218,705	49.79%
1998	4,051,041,971	890,646,746	782,255,487	388,802,551	6,112,746,755	4.6985	5,512,945,217	12,275,581,379	49.80%
1999	4,406,152,953	971,912,201	824,265,224	421,126,041	6,623,456,419	4.4804	5,836,800,599	13,317,149,486	49.74%
2000	4,833,093,942	1,048,378,980	849,485,071	450,393,358	7,181,351,351	4.3812	6,192,771,645	14,417,045,022	49.81%
2001	5,276,733,794	1,131,363,739	913,986,052	515,736,876	7,837,820,461	4.3760	6,677,256,800	15,743,384,265	49.78%
2002	5,753,888,867	1,219,397,186	1,019,559,776	563,791,514	8,556,637,343	4.2722	7,179,278,659	17,199,500,005	49.75%
2003	6,249,467,098	1,280,277,578	1,014,262,258	612,132,852	9,156,139,786	4.1672	7,564,368,026	18,402,627,432	49.75%
2004	6,716,873,710	1,322,251,677	1,042,548,460	653,989,617	9,735,663,464	4.1611	8,017,866,823	19,552,979,984	49.79%
2005	7,236,894,083	1,384,464,924	1,043,983,418	680,080,009	10,345,422,434	4.2593	8,503,786,076	20,805,877,296	49.72%
2006	7,856,224,166	1,443,751,850	1,043,810,103	684,435,873	11,028,221,992	4.2579	9,027,094,310	22,170,339,035	49.74%

Source: Ottawa County Equalization Department

(1) Real and personal properties have been combined into the categories above.

(2) County assesses property at approximately 50% of the actual value.

(3) Does not include the levy for the Revenue Sharing Reserve fund

(4) For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each parcel of property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

COUNTY OF OTTAWA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER \$1,000 OF TAXABLE VALUE)
LAST TEN CALENDAR YEARS

	Year Taxes Are Payable									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Direct Rates										
Operating	4.2575	3.9229	3.7055	3.6000	3.6000	3.5000	3.4000	3.4000	3.5000	3.5000
Revenue Sharing										
Reserve Fund (1)									1.1666	1.1666
Parks	0.0000	0.3296	0.3289	0.3267	0.3245	0.3229	0.3208	0.3182	0.3174	0.3168
E-911	0.4590	0.4460	0.4460	0.4545	0.4515	0.4493	0.4464	0.4429	0.4419	0.4411
Total Direct Rate	4.7165	4.6985	4.4804	4.3812	4.3760	4.2722	4.1672	4.1611	5.4259	5.4245
City and Village Rates										
Coopersville	15.6504	15.6445	15.4765	15.4488	15.2882	15.2700	15.1222	14.9036	14.9939	14.7991
Ferrysburg	11.6250	11.6250	11.0000	11.9975	11.9971	11.9899	11.9864	11.9788	11.9788	11.9788
Grand Haven	12.4836	12.4836	12.4820	12.6783	13.4788	12.7319	12.8663	13.2423	13.0859	13.0859
Holland	14.9427	15.7269	15.6699	15.9323	15.9104	15.6662	15.5895	15.5695	15.5396	15.4996
Hudsonville	12.9718	12.9662	13.3542	13.3542	12.2369	12.2369	12.2342	12.2322	12.2322	11.2226
Zeeland	13.8500	15.8500	15.1000	14.8858	12.8858	12.3852	11.3854	11.3854	11.3854	11.3854
Spring Lake Village	11.7279	12.1619	12.1619	12.1619	12.1619	12.1619	13.1619	13.1619	13.0619	11.9619
Township Rates	1.27-10.12	1.26-8.18	1.25-8.10	1.35-8.07	1.09-9.33	1.03-8.11	1.0-8.02	1.21-8.02	1.21-8.08	1.35-8.12
School Rates (2)										
Homestead	3.40 - 7.99	3.40 - 8.00	3.29 - 8.15	3.40 - 8.15	3.40 - 9.23	3.34 - 9.23	3.28 - 9.21	3.10 - 9.25	3.00 - 9.25	3.00 - 9.25
Non-Homestead	18.00 - 25.99	18.00 - 26.00	21.29 - 26.15	21.40 - 26.15	21.40 - 26.69	21.34 - 26.68	21.28 - 27.21	21.10 - 27.25	21.00 - 26.96	21.00 - 26.78

(1) In October of 2004, the State of Michigan eliminated State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy will gradually be moved up from December to July over three years. Beginning with the December 2004 tax levy, one third of the levy is placed into the Revenue Sharing Reserve Fund (RSRF) that the County will manage and be able to withdraw an amount equal to what we would have received in that year, plus an annual increase equal to CPI (Consumer Price Index).

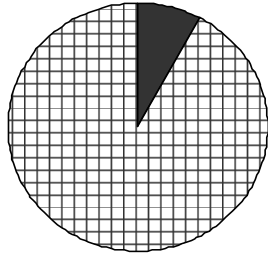
(2) Includes Community Colleges and Intermediate School Districts

**COUNTY OF OTTAWA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	2006			1997		
		Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	Utility	\$330,011,825	1	3.66%	\$330,739,606	1	6.43%
Herman Miller	Office Furniture	76,468,285	2	0.85%	68,046,002	2	1.32%
Gentex	Automotive Mirrors	69,353,636	3	0.77%			
Shape Corp.	Metal Extrusion	41,536,685	4	0.46%			
Delphi Automotive Systems	Automotive Components	34,007,700	5	0.38%	40,792,300	6	0.79%
Johnson Controls	Automotive Components	32,923,864	6	0.36%	41,174,716	5	0.80%
Magna Donnelly Corp	Automotive Windows & Mirrors	32,022,793	7	0.35%	30,786,189	8	0.60%
Meijer, Inc.	Retail Stores	28,843,884	8	0.32%			
Royal Plastics	Plastic Manufacturing	25,519,660	9	0.28%			
Geenen DeKock Properties	Rentals/ Land Development	22,955,878	10	0.25%			
Mead Johnson & Co	Manufacturing				65,656,644	3	1.28%
Parke-Davis Co	Pharmaceutical				42,106,771	4	0.82%
Bil Mar Foods	Food Processing				38,588,750	7	0.75%
Westshore Mall LLP	Shopping Mall				16,719,300	9	0.33%
JSJ Corp	Mixed Indust. Holding Co				14,209,043	10	0.28%
		<u>\$693,644,210</u>		<u>7.68%</u>	<u>\$688,819,321</u>		<u>13.40%</u>

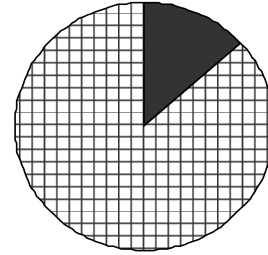
(1) Ottawa County Equalization Department. The 2006 and 1997 total Taxable Values were \$9,027,094,310 and \$5,141,390,896.

Concentration of Taxpayers in Ottawa County - 2006



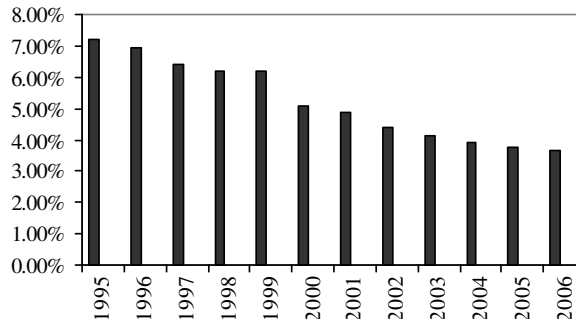
■ Top Ten Taxpayers □ All Other Taxpayers

Concentration of Taxpayers in Ottawa County - 1997



■ Top Ten Taxpayers □ All Other Taxpayers

Consumers Energy as a Percentage of Tax Base



**COUNTY OF OTTAWA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**

Fiscal Year Ended Dec 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 22,619,335	\$ 21,462,747	94.89%	\$ 1,110,436	\$ 22,573,183	99.80%
1998	24,156,828	22,855,386	94.61%	1,224,626	24,080,012	99.68%
1999	24,700,201	23,380,348	94.66%	1,272,254	24,652,602	99.81%
2000	25,573,706	24,321,050	95.10%	1,202,215	25,523,265	99.80%
2001	27,098,718	25,716,262	94.90%	1,284,087	27,000,349	99.64%
2002	28,526,677	27,050,217	94.82%	1,331,252	28,381,469	99.49%
2003	29,917,491	28,520,096	95.33%	1,244,956	29,765,052	99.49%
2004	31,476,092	30,124,717	95.71%	1,238,898	31,363,615	99.64%
2005	35,555,360	34,244,434	96.31%	1,300,480	35,544,914	99.97%
2005/2006 (1)	36,588,240	35,249,126	96.34%	886,676	36,135,802	98.76%
2006	38,982,510	37,412,013	95.97%	n/a	n/a	n/a

(1) Tax levy date is December 1 of each year until calendar year 2005, at which time a shift in the tax levy from December 1 to July 1 over a three-year period began in accordance with State of Michigan legislation. In 2005, 1/3 of the total levy was for 2005 operations, 1/3 was for 2006 operations and 1/3 of the total levy was for the Revenue Sharing Reserve Fund. In 2006, 2/3 of the total levy was for 2006 operations and 1/3 was for the Revenue Sharing Reserve Fund. All of the amount levied in 2007 will be for 2007 operations.

(2) Does not reflect collections on personal property tax delinquencies received before 2005 as they are unavailable.

**COUNTY OF OTTAWA
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS**

Fiscal Year	Primary Government		Component Units			Total (1)	Percentage of Personal Income	Personal Income (2)	(rounded) Per Personal Income (2)	Population (2)	Per Capita Debt
	General Obligation Bonds	Parks & Recreation Land Contract	Ottawa County Drain Commissioner	Ottawa County Public Utilities System							
1997	\$25,305,000	\$325,000	\$1,260,000	\$84,513,000	\$111,403,000	1.95%	\$5,700,349	\$25,458	223,915	\$497.52	
1998	24,405,000	503,312	1,160,000	83,740,432	109,808,744	1.80%	6,108,511	26,628	229,401	478.68	
1999	23,270,000	491,027	1,055,000	91,746,903	116,562,930	1.82%	6,408,233	27,279	234,916	496.19	
2000	22,070,000	443,085	950,000	87,316,981	110,780,066	1.66%	6,677,656	27,879	239,504	462.54	
2001	20,825,000	391,595	835,000	82,441,021	104,492,616	1.55%	6,763,271	27,769	243,501	429.13	
2002	19,530,000	336,242	765,000	82,982,895	103,614,137	1.51%	6,868,133	27,873	246,361	420.58	
2003	18,190,000	284,781	695,000	76,026,536	95,196,317	1.33%	7,134,942	28,588	249,699	381.24	
2004	16,795,000	228,737	625,000	74,624,536	92,273,273	1.22%	7,539,371	29,810	252,945	364.80	
2005	23,230,000	167,703	320,000	72,572,533	96,290,236	1.23%	7,845,325	30,743	255,406	377.01	
2006	21,510,000	101,232	265,000	67,990,533	89,866,765	n/a	n/a	n/a	257,671	348.77	

In November 2001, the Ottawa County Road Commission issued \$4,500,000 in Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The borrowing will be paid from the State revenue allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

- (1) Does not include the landfill reclamation, compensated absences, and the net pension obligation.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce - Personal Income (Thousands of Dollars)

**COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2006**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to County of Ottawa</u>	<u>Amount Applicable to County of Ottawa</u>
Direct:			
County at large	\$21,510,000	100.0%	\$21,510,000
Townships (1)	<u>67,388,797</u>	100.0%	<u>67,388,797</u>
Total Direct	<u>\$88,898,797</u>		<u>\$88,898,797</u>
Overlapping:			
School districts	\$806,931,151	78.5%	\$633,447,345
Cities and villages (1)	75,967,161	82.8%	62,892,685
Grand Rapids Community College	54,210,000	1.3%	677,625
Spring Lake District Library	<u>3,920,000</u>	100.0%	<u>3,920,000</u>
Total Overlapping	<u>\$941,028,312</u>		<u>\$700,937,655</u>
Grand Total	<u><u>\$1,029,927,109</u></u>		<u><u>\$789,836,452</u></u>

(1) Includes county-issued bonds paid by local municipalities

COUNTY OF OTTAWA
RATIO OF NET GENERAL OBLIGATION DEBT OUTSTANDING AND LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessed Value of Property	\$11,028,221,992	\$10,345,422,434	\$9,735,663,464	\$9,156,139,786	\$8,556,637,343	\$7,837,820,461	\$7,181,351,351	\$6,623,456,419	\$6,111,765,315	\$5,543,531,054
Debt Limit 10% of Equalized Value	1,102,822,199	1,034,542,243	973,566,346	915,613,979	855,663,734	783,782,046	718,135,135	662,345,642	611,176,531	554,353,105
Amount of Debt Applicable to Limit										
General Obligation Bond Debt	89,765,533	96,122,533	92,044,536	94,911,536	103,277,895	104,101,021	110,336,981	116,071,903	109,305,432	110,078,000
Other Debt	101,232	167,703	228,737	284,781	336,242	429,095	596,395	738,147	1,006,742	1,166,604
Less: Resources Restricted to Paying Principal	(1,448,703)	(1,433,484)	(1,303,300)	(2,104,346)	(1,453,457)	(799,270)	(2,739,270)	(2,681,204)	(2,633,655)	(2,729,032)
Total Net debt applicable to Limit	88,418,062	94,856,752	90,969,973	93,091,971	102,160,680	103,730,846	108,194,106	114,128,846	107,678,519	108,515,572
Legal Debt Margin	<u>\$1,014,404,137</u>	<u>\$939,685,491</u>	<u>\$882,596,373</u>	<u>\$822,522,008</u>	<u>\$753,503,054</u>	<u>\$680,051,200</u>	<u>\$609,941,029</u>	<u>\$548,216,796</u>	<u>\$503,498,012</u>	<u>\$445,837,533</u>
Total Net Debt applicable to the Limit as a percentage of Debt Limit	8.02%	9.17%	9.34%	10.17%	11.94%	13.23%	15.07%	17.23%	17.62%	19.58%
Ratio of Net General Obligation Debt to Assessed Value of Property	0.802%	0.917%	0.934%	1.017%	1.194%	1.323%	1.507%	1.723%	1.762%	1.958%

(1) Total bonded debt does not include the Road Commission Bonds because the County does not guarantee them.

Note: Under Michigan State law, the County of Ottawa's outstanding debt should not exceed 10% of state equalized value less amounts available for repaying the applicable bonds.

**COUNTY OF OTTAWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

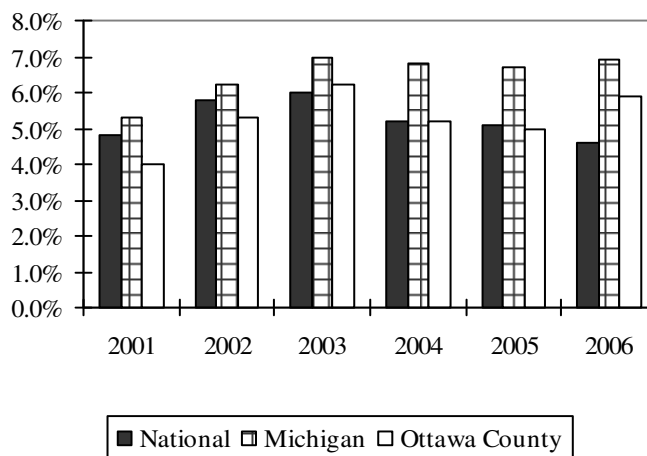
Fiscal Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
1997	223,915	\$5,700,349	\$25,458	n/a	51,152	2.7%
1998	229,401	6,108,511	26,628	n/a	51,823	2.5%
1999	234,916	6,408,233	27,279	n/a	53,213	2.7%
2000	239,522	6,677,656	27,879	32.3	54,068	2.4%
2001	243,557	6,763,271	27,769	32.6	54,620	4.0%
2002	246,405	6,868,133	27,873	32.8	55,293	5.3%
2003	249,575	7,134,942	28,588	33.0	55,060	6.2%
2004	252,913	7,539,371	29,810	33.2	55,696	5.2%
2005	255,187	7,845,325	30,743	33.4	55,575	5.0%
2006	257,671	n/a	n/a	n/a	55,412	5.9%

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis
- (2) U.S. Census Bureau
- (3) Fourth Friday Count, Ottawa Area Intermediate School District
- (4) Michigan Dept of Labor & Economic Growth

**National, State and County
Unemployment Rates**



**COUNTY OF OTTAWA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

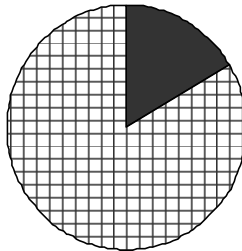
Employer	Type of Business	2006			1997		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Herman Miller (1)	Office Furniture	4,499	1	3.4%	3,724	2	2.9%
Johnson Controls (2)	Automotive Components	3,250	2	2.5%	4,800	1	3.7%
Grand Valley State University	Higher Education	2,703	3	2.1%	1,454	7	1.1%
Gentex	Automotive Mirrors	2,154	4	1.6%	1,018	9	0.8%
Haworth (2)	Office Furniture	1,850	5	1.4%	3,430	3	2.7%
Holland Community Hospital	Health Care	1,637	6	1.2%	1,013	10	0.8%
Magna Donnelly Corp (2)	Auto Mirrors & Windows	1,470	7	1.1%	2,043	5	1.6%
Meijer, Inc.	Retail Stores	1,400	8	1.1%	1,913	6	1.5%
Shape Corporation	Metal Extrusion	1,375	9	1.0%			
County of Ottawa	Government	1,188	10	0.9%			
Bil Mar Foods	Food Processing				2,100	4	1.6%
Delphi Automotive Systems	Automotive Components				1,113	8	0.9%
		21,526		16.3%	21,495		17.5%

Source: Ottawa County Economic Development Office, Inc. Total employment in 2006 was 132,084 and in 1997 was 129,655.

(1) Includes all subsidiaries

(2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

**Concentration of Employers
in Ottawa County**



■ Top Ten Employers □ All Other Employers

COUNTY OF OTTAWA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION,
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Function/Program										
Legislative	11.000	11.000	11.000	11.000	13.000	13.000	13.000	13.000	13.000	13.000
Judicial	127.900	127.175	129.727	142.975	149.975	145.600	143.075	139.825	131.050	132.125
General Government	181.150	181.750	175.350	172.350	166.975	161.825	153.325	139.625	130.725	125.726
Public Safety	211.200	210.490	204.800	205.100	182.100	174.460	172.260	156.010	143.305	130.138
Public Works	4.600	4.600	2.600	2.590	2.090	1.590	1.590	1.400	1.288	1.290
Health and welfare	393.160	397.800	376.100	361.860	362.620	346.460	331.391	314.826	309.862	341.772
Community and economic development	6.950	6.950	6.950	7.950	7.950	4.950	4.950	3.950	2.950	1.950
Culture and recreation	12.000	12.000	10.000	9.540	9.540	9.540	9.540	9.000	9.000	6.000
Total	947.960	951.765	916.527	913.365	894.250	857.425	829.131	777.636	741.180	752.001

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**COUNTY OF OTTAWA
OPERATING INDICATORS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Judicial										
Circuit Court										
Total Civil Cases	1,237	1,202	2,105	1,713	1,614	1,833	1,556	1,560	1,892	n/a
Total Criminal Cases	1,169	1,055	1,359	1,136	1,104	977	917	942	1,041	n/a
District Court										
Felony Cases	1,477	1,347	1,385	1,392	1,449	1,325	1,344	1,146	1,332	1,414
Misdemeanor Cases	10,317	9,714	8,889	10,695	11,634	12,182	12,293	12,357	12,749	13,245
General Civil Cases	4,918	4,341	4,625	4,142	3,544	3,225	2,869	2,656	2,543	2,360
Probate Court										
Open Cases	5,838	4,894	3,328	3,587	1,899	1,725	n/a	n/a	n/a	n/a
Juvenile Court										
Total Offenses	2,439	2,737	2,760	3,086	3,115	2,810	3,160	3,099	3,428	n/a
Public Safety										
Jail:										
Subject Admitted	9,002	8,533	9,095	9,287	9,551	9,530	8,899	9,016	8,297	8,128
Average daily population	368.0	328.9	356.6	341.0	335.8	299.1	307.9	256.1	227.0	213.8
Police:										
Calls for Service	73,523	71,737	71,459	70,293	67,179	66,005	63,537	60,740	56,249	51,433
Criminal Arrests	10,122	9,890	9,412	9,615	11,075	9,954	10,081	9,838	n/a	n/a
Traffic Violations	28,011	25,937	20,272	20,657	22,557	23,723	20,394	20,426	18,816	17,786
Health and welfare										
Public Health										
# of Fixed Food Service										
Inspections	1,122	1,032	1,150	1,132	1,007	1,004	1,269	1,212	1,017	973
# of Antigens Given	14,526	16,742	15,323	15,997	32,353	41,101	48,652	48,039	46,597	52,674
Pregnancy Service:										
# of Home Visits	4,847	4,997	4,258	7,529	10,300	11,227	12,486	11,721	8,877	10,514
# of Children in Fluoride Mouth Rinse Program	4,291	4,818	4,669	4,988	5,225	8,549	8,550	8,696	7,804	7,832
Mental Health										
# of Persons Served	2,964	3,041	2,955	3,088	3,008	3,228	3,017	n/a	n/a	n/a
Culture and recreation										
Parks:										
# of Operating Days	101	101	97	100	95	99	103	101	103	89

**COUNTY OF OTTAWA
OPERATING INDICATORS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Daily Permits	30,663	30,933	23,068	28,454	32,925	31,507	25,723	31,430	34,107	23,507
Annual Permits	5,638	5,850	4,218	4,857	5,470	5,379	4,580	5,266	5,734	4,511
General Government										
Register of Deeds:										
# of Deeds Recorded	10,156	11,625	12,452	13,549	12,145	11,243	10,590	11,758	11,496	10,362
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	19,294	19,097	18,773	21,178	22,913	23,895	18,823	20,946	18,706	18,258
County Treasurer:										
# of Receipts Written	15,477	15,271	17,950	24,199	23,892	23,768	24,200	23,271	22,362	20,971
Real Properties Returned										
Delinquent	6,349	6,814	6,453	6,887	7,672	7,632	7,958	7,453	7,696	6,833
Fiscal Services:										
# of A/P Checks Processed	26,517	26,891	25,471	25,633	26,188	25,768	25,302	24,661	24,441	24,834
# of Invoices Issued	11,002	10,388	8,823	8,015	7,701	7,199	7,098	7,086	5,455	4,860
Facilities Maintenance:										
# of Work Orders Processed	38,016	35,569	32,547	30,206	26,881	23,844	21,995	18,775	17,000	16,500

**COUNTY OF OTTAWA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Public Safety:										
Vehicular Patrol Units	133	130	131	130	128	116	111	86	81	81
Sheriff's Substations	8	7	7	7	7	6	6	6	6	6
Health and welfare										
Number of Clinics	4	4	4	4	4	4	4	4	4	4
Culture and recreation										
Total Park Acres	3,351	3,032	2,369	2,073	781 #	781	781	782	619	n/a
General Government										
Total Square Footage of Buildings	582,161	538,612	542,173	542,173	542,173	542,173	542,173	482,173	411,673	388,173
Number of IT Servers	27	24	14	11	11	10	9	8	4	4