County of Ottawa Grand Haven, Michigan



2007 Comprehensive Annual Financial Report Year Ended December 31, 2007

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA

Grand Haven, Michigan

For the Year Ended December 31, 2007

BOARD OF COMMISSIONERS

2007

DONALD DISSELKOEN, CHAIRPERSON PHILIP KUYERS, VICE CHAIRPERSON

EDWARD BERGHORST MATTHEW HEHL JAMES HOLTROP JIM HOLTVLUWER JOYCE KORTMAN JANE RUITER ROGER RYCENGA GORDON SCHROTENBOER DENNIS W. SWARTOUT

ADMINISTRATOR ALAN G. VANDERBERG

FISCAL SERVICES DIRECTOR JUNE HAGAN

COUNTY OF OTTAWA

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2007

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	i - xviii
GFOA Certificate of Achievement	XX
Organizational Chart	xxi
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 20
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	21
Statement of Activities	22 - 23
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of Fund Balances on the Balance Sheet for Governmental	
Funds to the Net Assets of Governmental Activities on the	
Statement of Net Assets	25
Statement of Revenue, Expenditures, and Changes in Fund Balances –	
Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes	2=
in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balance –	20
Budget and Actual – General Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balance –	20
Budget and Actual – Parks and Recreation Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balance –	20
Budget and Actual – Health Fund	30
Statement of Revenues, Expenditures, and Changes in Fund Balance –	21
Budget and Actual – Mental Health Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balance –	22
Budget and Actual – Public Improvement Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balance –	22
Budget and Actual – Revenue Sharing Reserve Fund	33
Statement of Net Assets – Proprietary Funds Statement of Payanya, Expanses, and Changes in Fund Net Assets	34
Statement of Revenue, Expenses, and Changes in Fund Net Assets –	25
Proprietary Funds	35

Statement of Cash Flows – Proprietary Funds	36 - 37
Statement of Fiduciary Assets and Liabilities	38
Notes to the Financial Statements	39 - 89
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	96 - 101
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Nonmajor Governmental Funds	102 - 107
Schedules of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – All Nonmajor Governmental Funds	108 - 146
Combining Statement of Net Assets – Internal Service Funds	150 - 152
Combining Statement of Revenues, Expenses, and Changes in Fund	
Net Assets - Internal Service Funds	154 - 156
Combining Statement of Cash Flows – Internal Service Funds	158 - 164
Combining Statement of Fiduciary Net Assets	166
Combining Statement of Changes in Assets and Liabilities –	
All Agency Funds	167 - 168
STATISTICAL SECTION	
Net Assets by Component	170
Changes in Net Assets	171-172
Fund Balances – Governmental Funds	173
Changes in Fund Balances – Governmental Funds	174-175
Assessed Value and Estimated Value of Taxable Property	176
Direct and Overlapping Property Tax Rates	177
Principal Taxpayers	178
Property Tax Levies and Collections	179
Ratios of Outstanding Debt	180
Computation of Direct and Overlapping Debt	181
Ratio of Net General Obligation Debt Outstanding and Legal Debt Margin	182
Demographic and Economic Statistics	183
Principal Employers	184
Full-time Equivalents	185
Operating Indicators	186-187
Capital Asset Statistics	188



Alan G. Vanderberg County Administrator

12220 Fillmore Street, Room 310, West Olive, Michigan 49460

West Olive (616) 738-4068 Fax (616) 738-4888 Grand Haven (616) 846-8295 Grand Rapids (616) 662-3100 e-mail: avander@co.ottawa.mi.us

June 16, 2008

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, 2007, is submitted herewith. The financial statements included in this report have been audited by Vredeveld Haefner LLC, 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 2007 population is 259,206 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

LOCAL ECONOMY

<u>Unemployment</u>

By many economic indicators, 2007 was a good year for Ottawa County's economy relative to the overall economy of the State of Michigan. In 2007, the annual average civilian labor force in Ottawa County was 136,825. Of that total, 129,192 persons were employed and 7,633 persons unemployed for an unemployment rate of 5.6 percent. The County's rate was much less than the State of Michigan average of 7.2 percent and closer to the national unemployment rate of 4.6 percent.

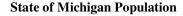
Year	Ottawa County	Michigan	National
2004	5.5%	7.0%	5.5%
2005	5.2%	6.8%	5.1%
2006	5.3%	6.9%	4.6%
2007	5.6%	7.2%	4.6%

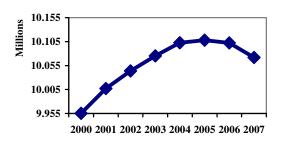
When looking at the annual average unemployment rates for the last several years, what was encouraging for Ottawa County is that since 2003, the annual average rate has varied by only 0.7 percent, ranging from 5.2 percent in 2005 to 5.9 percent in 2003.

It is also important to note 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.

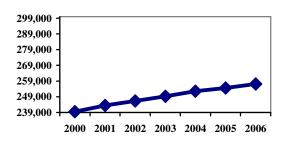
Population

Ottawa County's total population continues to grow. According to the Census Bureau, Ottawa County had a total population of 238,314 residents in 2000. Since then, the Bureau has reported steady growth in the County's population with the latest 2007 population estimate being 259,206 which represents an 8.8 percent increase since 2000. This is in sharp contrast to the State of Michigan as a whole. The State has seen decreasing population over the last few years. The graphs below show the different population trends between Ottawa County and the State of Michigan.





Ottawa County Population



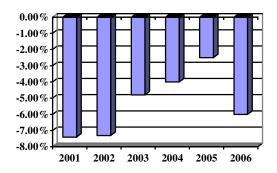
In 2007, Ottawa County was the 8th largest county in the State of Michigan, in terms of total population. Between 2006 and 2007, there were 2,034 new residents in Ottawa County. As for the percent of growth over the previous year, Ottawa County was the third fastest growing county in Michigan. Between 2000 and 2007, total population in Ottawa County increased by 20,892 residents which ranked Ottawa County fifth of 83 counties in the State of Michigan in terms of population increase. During this period, the State's total population had increased by 133,378 persons for a 1.3 percent growth rate.

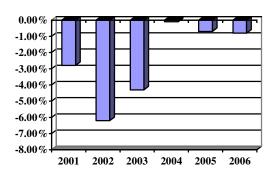
Composition of the Ottawa County Workforce

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

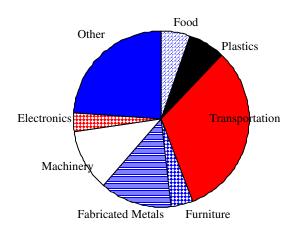


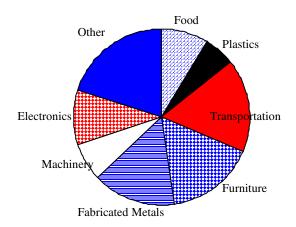


The reason Ottawa County's economy is better as a whole and the percentage of manufacturing jobs lost in Ottawa County is lower than the State is because manufacturing is more diversified in Ottawa County. There are seven large industry groups within Ottawa County's manufacturing sector. In rank order 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





Residential Sector

In recent years, new residential construction has slowed in Ottawa County as it has for most of the country. In 2007, there were 873 housing starts of which 542 were for single family units and 331 for multi-family structures. The annual number of single family unit starts in Ottawa County has been consistently dropping since 2003 when 1,466 starts were recorded. The annual number of multi-family unit starts has fluctuated each year. In 2003, there were almost twice as many multi-family unit starts (644) compared to the level in 2007.

As seen in many areas of the country, Ottawa County has experienced a sharp increase in the number of homes that have gone into foreclosures due primarily to the subprime mortgage crisis. Between 2004 and 2007, Ottawa County experienced a 224 percent increase in the number of home foreclosures. In 2004, there were 262 foreclosures. In 2007, the number grew to a record 850 foreclosures. However, those counties in Michigan that are leading in home foreclosures are located in the Southeast portion of the State: Genesee, Wayne, Macomb and Oakland Counties. According to Realty Trac, the State of Michigan currently (as of March 2007) ranks the sixth state in the country in terms of the number of foreclosure filings.

Manufacturing

While many Ottawa County manufacturers are expanding, there are other firms which have had to downsize their operations or have uncertainties in their futures. In 2007, auto supplier, Magna Donnelly closed its Grand Haven facility and consolidated that operation into other facilities in Michigan. Plastech Engineered Products, which is based in Dearborn, is in partnership with Johnson Controls and operates several Holland plants. JCI/Plastech produces interior automotive components and is currently the second largest employer in Ottawa County. Earlier in the year, Plastech filed bankruptcy and is in the process of restructuring.

Other industry firms downsizing operations and their workforce in Ottawa County included SAF Holland (which produces coupling units for the trucking industry), Haworth and Herman Miller. The national slowdown in the housing construction has had its impact on suppliers located in Ottawa County. Solar of Michigan, a manufacturer of bath and medicine cabinets in the City of Coopersville closed its doors at the end of 2007. ODL, a Zeeland-based manufacturer of ceiling and door lights for the residential construction market, cut its workforce in early 2008. However, not all the news is bad. Several Ottawa County businesses are expanding and adding jobs. These positive developments are discussed in the County's economic outlook.

ECONOMIC OUTLOOK

National Outlook for 2008-09

Between mid-2003 and late-2007, there was steady job growth in the nation with the addition of about eight million jobs. However, since December 2007, employment growth has been essentially flat with recent monthly job losses in 2008. A weakening housing market, high oil prices and a low level of domestic auto sales are the primary factors that have reduced economic growth in the U.S. According to the Michigan House Fiscal Agency's latest economic outlook, the national annual average unemployment rate is forecast to be 5.1 percent in 2008 and then increase slightly to 5.2 percent in 2009. Consumer sentiment, a strong motivator of personal consumption expenditures, has been recently declining due in part to concerns about high gasoline prices and the possibility that the economy may have weakened to the point of entering a recession. Personal consumption is predicted to decline in 2008 and then increase in 2009. The sales of light motor vehicles are expected to dip to 15.8 million units in 2008 and then rise slightly to 16 million vehicles in 2009. The import share of those vehicles was 23.4 percent in 2007 and is expected to be 23.9 percent in 2008 and 24 percent in 2009. There is continued concern over the stability of the oil supply. World demand for oil is expected to taper off as growth begins to slow which could drop prices.

Besides the rapid rise in the price of oil, the worsening slide in the housing market with the related tightening of credit markets was and continues to be problematic. According to the National Association of Realtors, the national median price of an existing house dropped by 5.8 percent (from \$219,300 to \$206,200) during the fourth quarter of 2007. This was the steepest decline ever recorded. It is believed that conditions will worsen in nation's housing market before they get better. The fear of the U.S. economy going into a recession (the last one was in 2001) has prompted the Federal Reserve to aggressively lower interest rates. Likewise, the federal economic stimulus program is expected to encourage consumer spending. Even if a recession is avoided, employment growth in the U.S. may continue to be sluggish in the future as productivity gains continue to occur in place of the creation of new jobs.

State of Michigan's Outlook for 2008-09

Unfortunately, the State's economic outlook is not positive either. According to the University of Michigan's most recent economic forecast (released in early April 2008),

the State of Michigan has recorded job losses for the last seven consecutive years. The net loss for 2007 is estimated to be 69,300 jobs. Two more years of job losses are anticipated (50,000 for 2008 and 23,300 for 2009) before positive job growth begins occurring at the end of 2009. Losses are largely due to the continued downsizing of the domestic automotive industry. Domestic car manufacturers are expected to lose more market share to the foreign-owned automakers. Generally, for each manufacturing job that is lost, there is at least one service job that is also lost. Current national issues including the rising costs of fuel and food items, subprime mortgage crisis/home foreclosures and negative consumer sentiment have all contributed to slumping automotive and light truck sales.

According to the Michigan House Fiscal Agency's latest economic outlook (released in January 2008), Michigan's annual average unemployment rate is forecast to be 8.2 percent in 2008 and increase slightly to 8.5 percent in 2009. Among all states, Michigan had the highest annual average unemployment rate both in 2006 and 2007. Michigan will likely continue to lead the other States in the nation in terms of high unemployment rates.

Ottawa County's Outlook for 2008-09

The forecast for Ottawa County is much better than that of the State. According to the W.E. Upjohn Institute, total employment in Ottawa County is expected to decrease 0.8 percent in 2008, but then increase by 1.0 percent in 2009. Most of the future job loss will be in the goods-producing sector; the service-providing and government sectors will also experience slight losses. The employment increase in 2009 will be mostly in the service-providing sector.

If Ottawa County's economy continues to perform more in line with the national economy rather than the State's economy, the projected annual average unemployment rates in Ottawa County for 2008 and 2009 will most likely be approximately 6.1 percent and 6.2 percent, respectively. This assumes that there are no major decreases in the employment levels among the top manufacturing employers in Ottawa County during the next two years. However, these unemployment rates could be lower if new employers are attracted into Ottawa County. The reuse of idle assets like the vacated Delphi manufacturing plant in the City of Coopersville could significantly improve the local employment scene.

However, there is encouraging news for Ottawa County despite the challenges just discussed. The County is also experiencing growth in several areas.

Commercial Development

A major new commercial/tourism and recreation development project that has been proposed for construction along U.S. 31 in Port Sheldon Township in Ottawa County is the Great American Sports Complex. When comlete, this Complex will be an approximately \$100 million venture. The project is being undertaken by local developers in Holland. The Complex will include a field house, turf fields, basketball and volleyball courts and retailers along the highway frontage. The developers are seeking assistance through the State of Michigan's Brownfield Redevelopment Program. Ottawa County is

currently establishing a county-wide Authority which will assist in the implementation of this large commercial development project.

Manufacturing

While the annual number of manufacturing workers has decreased (following State and national trends) the rate of decline has been very small by comparison. Ottawa County's manufacturing base is well diversified. The ten largest manufacturers in Ottawa County in terms of total employment belong to five different sub-sectors. These top ten manufacturers together employed an estimated 18,056 workers. Currently, the largest manufacturing employer in Ottawa County is office furniture maker Herman Miller located in the City of Zeeland. (By comparison, the top ten non-manufacturers in Ottawa County together employed an estimated 11,653 workers. The largest non-manufacturing employer in Ottawa County is Grand Valley State University, with the main campus located in Allendale Township.)

Although overall sales in the office furniture industry for 2008 and 2009 are expected to decline by one percent and three percent, respectively, local manufacturers are optimistic. According to Herman Miller's most recent quarterly financial report, the company has "achieved year-over-year growth in sales, orders, and backlog. Slowing growth in our U.S. office furniture business was more than offset by gains in our Healthcare and International businesses." The second largest office furniture maker in Ottawa County, Haworth, is based in Holland. Haworth reported that their 2007 sales exceeded the pervious year's sales by 12 percent. Because of the company's recent investments, Haworth is growing by gaining market share and improving profitability.

Manufacturers as a whole in Ottawa County have continued to invest in new facilities, facility expansions and the acquisition of new machinery and equipment. In 2007, there were a total of 61 industrial facilities tax abatements issued for expansion projects throughout Ottawa County. Ottawa County ranked second of 83 counties in the State of Michigan in terms of the number of projects. The collective investment of these 61 projects over the next two years was \$172.2 million. As a result of these projects, approximately 835 direct new manufacturing jobs will be created in Ottawa County. Also, there were another eight expansion projects by manufacturers located in the Allegan County portion of the City of Holland. Combined, these firms will invest about \$11.4 million and create about 129 direct new jobs. By comparison, in 2006, Ottawa County also ranked second in the State in the number of tax abatements issued. In that year, there were 80 expansion projects valued at about \$257.7 million and creating an estimated 888 direct new manufacturing jobs.

The largest industrial expansion projects in Ottawa County in 2007 included the following:

<u>Manufacturer</u>	<u>Location</u>	New Investment	New Jobs
Haworth	Holland	\$40,000,000	100
Gentex	Zeeland	36,475,000	120
Sara Lee Foods	Olive Twp	10,167,000	25
Royal Technologies (Plastics)	Jamestown Twp	9,954,000	50
Herman Miller	Zeeland	8,508,034	0
Boyne Machine	Georgetown Twp	7,259,414	40
Lamar Construction	Jamestown Twp	5,541,902	49
Manufacturers Supply	Hudsonville	5,451,578	<u>10</u>
		\$123,356,928	394

Likewise, there are a number of major manufacturing expansion projects planned for implementation in 2008/2009 that have been recently announced or are anticipated for announcement in the near future, include the following:

<u>Manufacturer</u>	Location	New Investment	New Jobs
Automotive Supplier*	Coopersville	\$23,800,000	25
Boar's Head Provisions	Holland Twp	20,100,000	110
Automotive Supplier*	Spring Lake Twp	18,600,000	12
Sara Lee Foods	Olive Twp	14,900,000	20
OMT – Veyhl USA	Holland Twp	4,705,444	14
Request Foods	Holland Twp	2,561,735	5
Innotec Lighting and Visor	Zeeland	1,824,744	10
Plastics *	Hudsonville	900,000	10
BICO Michigan	Tallmadge Twp	755,000	3
		\$ 88 146 923	209

^{*} Name not yet ready for release

Alternative Energy Research and Development

Further expansion of the economic base will require new products and markets. Efforts will need to be focused on attracting/retaining human capital and in nurturing an innovative environment, and Ottawa County has recognized this. Alternative energy research and development is a new industry that has started-up in Ottawa County. In May 2007, the Pfizer Corporation announced that it was donating its vacated 138,000 square foot, \$50 million Research and Development Center in Holland Township to Michigan State University (MSU) to be utilized as a Bioeconomy Institute. The Institute will have three primary areas of focus: advanced applications research in biofuels, biomaterials and biochemicals: the operation of a business accelerator for commercialization of new products; and the availability of laboratory and pilot manufacturing space for participating businesses. When fully operational, the Institute will have a staff of up to 100 MSU researchers and scientists on site as well as about 50 to 125 workers collectively at the dozen or so private companies located in the incubator/laboratory.

Over the past year, rehabilitation work has been completed on the building (mostly with the utilities) and a leadership endowment was created through the Holland/Zeeland Community Foundation to permanently fund the Executive Director's position at the Institute. So far, approximately \$5.3 million has been raised from area foundations, corporations and community leaders to supplement the endowment fund. The major task ahead will be to locate and recruit a leading researcher in the bioeconomy field to serve as the Institute's Executive Director. It is anticipated that the Institute will open around the end of 2008 or in early 2009.

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, probusiness 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 2007
- 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 was approved for 2007, but the additional .1 mill planned above has not yet been levied. With the exception of personnel added in conjunction with the new Holland District Court facility, no new, locally funded positions were added with the 2008 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 ranked the discretionary items to establish the priorities.

The above strategies as well as other operating budget and fiscal policies guided the 2007 budget and, by extension, the financial results for 2007. 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. 2006 audited General Fund expenditures were \$56,574,473 which produces a target undesignated fund balance range of \$5.7 million to just under \$8.5 million. The 2007 undesignated fund balance was \$10,578,140, so in 2008 the Board will allocate the \$2.1 million above the 15% ceiling to the following:

\$1.4 million for Buildings and Improvements \$660,000 for the 2008 budget

The first allocation decision also reflects 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 2007 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 started, continued, or completed in each area.

Land Use Planning

BUILD-OUT ANALYSIS

The Ottawa County Planning and Grants Department has been developing 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, along with the maximum number of structures that could be constructed on that land given the current zoning ordinance, master plan and environmental constraints. From these calculations future population projections are computed.

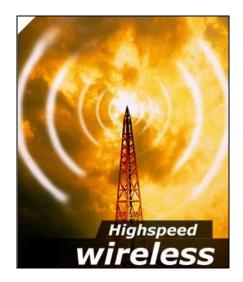
Next, impacts of future development and population growth are extrapolated. These impacts include infrastructure capacity, demand and cost for public services, new tax revenue, and traffic volumes. A build-out analysis will be utilized by local officials to evaluate the potential outcomes of current land use policies and assist in future planning decisions.

Technology

COUNTYWIDE WIRELESS NETWORK

In an effort to provide high-speed, broadband Internet service to its rural and urban citizens, Ottawa County developed an innovative business model in 2006 that relies on private-sector investments and publicly owned towers.

The County reached an agreement with iPCS Wireless Inc. in March, 2008 that promises an investment of up to \$1 million in order to deploy a countywide wireless network in Ottawa County . According to the agreement conditions, once the network is fully built-out, it will provide service to approximately 95% of the County's population. Although limited areas of the County may not be able to access the network even after the system is fully built, the agreement will result in a broadband system that provides high-speed Internet



access to many residents in rural areas of Ottawa County who previously had no broadband access.

CONTIGENCY SITE DEVELOPMENT/TESTING

The Information Technology Department (IT) created a contingency site using Homeland Security Grant funds in the Grand Haven County building. This site will support processing if a major event disrupts operations in West Olive. Procedures were developed to update transactions on a nightly basis from the critical Justice and Financial Systems. Two tests of the transfer of operations for the Financial System were conducted. The first test identified problems which were resolved, the second test was successful. A network contingency test was also conducted during a planned fiber outage in Grand Haven. Communications were provided using an alternate virtual private network connection via the internet between West Olive and Grand Haven. During 2008, IT plans to move the Imaging Disaster Recovery Server to Grand Haven and to take steps to develop the site for contingencies in support of the Community Mental Health and Public Health.

IMAGING

In 2007, Ottawa County completed the majority of the Justice Document Management Information System (JDMIS) contracted with ImageSoft, Incorporated. Although the expansion and refinement of imaging capabilities continues, the County's Justice Departments are using document management in their daily operations.

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	X	X	X	X	X	X	X	X	Domestic Workflow Live 05/08/2007, Civil and Criminal Live 11/07/07
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	X	Workflow Live 10/15/2007
Prosecuting Attorney	1	X	X	X	X	X	X	X	Inbox Workflow Live 9/24/2007. Warrant, Juvenile and Child Support testing Training Sched 12/07-12/11, live date 12/10
District Court	X	X	X	X	X	X	X	X	Hudsonville Civil workflow went LIVE on 12/05/2007, Remaining Courts and other workflows to be done by Ottawa County IT in 2008.
Sheriff	X	X	X	X	X	X	X	X	Workflow Live 10/15
District Court Probation	NA	2	X	X	X	P			Workflow design by IT 2008
Circuit Court	NA	NA	X	X	X	X	X	X	Workflow live 10/08 incremental deployment
Probate Court	X	X	X	X	2	NA	NA	NA	All backfile documents loaded on 03/09/2007. Guardian workflows to be developed by Ottawa County IT in 2008.
Family Division	NA	1	X	X	X	X	X	X	Workflow Testing 12/10, live date 1/04/2008

 $^{1 = \}text{Backfiling handled in-house}$. As of 12/31/2007 there is a backlog of files to be indexed and scanned.

P = In Process

X = Completed

^{2 =} Requirement change: Workflow not originally required. Based on further discussion a Guardianship workflow is needed. This will be an IT developed workflow.

Quality of Life

RECREATION

<u>Park Land Acquisition and Improvement Projects</u>: A number of improvement projects were completed or in progress in 2007. Major projects are summarized below:

- Bur Oak Landing Acquisition A 116 acre parcel with both Grand River frontage and an inland bayou was acquired in Polkton Township adjacent to 86 acres purchased in 2006. Funding assistance from the Michigan Natural Resources Trust Fund helped with the purchase and will also help secure ownership of another 59 acre parcel slated for acquisition in early 2008. When completed, Bur Oak Landing will consist of 261 acres with 1.4 miles of riverfront.
- Olive Shores Acquisition Project Options were obtained for two properties with 538 feet of Lake Michigan frontage in Port Sheldon Township adjacent to 200 feet of lakefront currently owned by Ottawa County. A grant application was submitted and a grant award of \$2 million was recommended to assist with the purchases in 2008 to establish a new Ottawa County Park on Lake Michigan.
- Upper Macatawa Natural Area Restoration A major second phase wetland restoration project was completed along the Macatawa River in 2007. This project was 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 was re-meandered and extensive shallow water wetlands were established in an effort to improve water quality and expand wildlife habitat.

Health and Welfare

HOUSING

Ottawa County Public Housing Commission

The formation of the Ottawa County Public Housing Commission was finalized in 2007 and is currently being staffed by representatives of the Ottawa County Community Action (CAA) and five community members selected by the Ottawa County Board of Commissioners. A county wide housing study was the first major activity of the commission. Ottawa County CAA partnered with the City of Grand Haven, Ottawa County, the Ottawa County Public Housing Commission and the City of Holland to help sponsor an area wide housing study to determine the range of housing needs throughout the county. Anderson Economic Group from Lansing implemented the study in the fall of 2007, with results to be finalized in 2008.

PUBLIC HEALTH

SMOKE-FREE RESTAURANT CAMPAIGN

The 2006 US Surgeon General's Report found that there is no safe level of exposure to secondhand smoke. The health department, in collaboration with the Smoke-Free Ottawa Coalition, initiated a campaign to promote smoke-free dining.



The campaign encouraged restaurants to become smoke-free, provided tools and tips to ease the transition, and offered smoke-free dining establishments the opportunity to be featured in a coupon booklet. Twenty-nine Ottawa County restaurants opened smoke-free last year and ten of those cleaned the air as a result of the promotion. Fifteen thousand of the popular coupon booklets, featuring discounts for 35 smoke-free restaurants, were produced and distributed in only five weeks. The success of the campaign has resulted in a \$25,000 grant from the State of Michigan to repeat the project during 2008.

COUNTY RESIDENTS STRIKE GOLD



Alarming rates of obesity are being reported both nationally and locally. The Ottawa County Health Department provides programs to increase healthy lifestyles of residents, including the promotion of physical activity. Ottawa County residents had an extra incentive to be active last year. Taking a walk could lead to gold! The Ottawa County Health Department, collaborating with the Ottawa County Wellness Coalition, implemented the Golden

Shoe Campaign. Designed to get residents active, the department and coalition designed walking routes in Holland, Zeeland, and Grand Haven. Every two weeks, a "golden shoe" was hidden along each route. Those who found the treasures won a new pair of athletic shoes. Walkers were also offered additional incentives by registering to win "wellness baskets" each time they walked a Golden Shoe route. During the six month program, the routes were walked 1,970 times. Ninety-three percent of participants indicated that the Golden Shoe Campaign was a fun way to be physically active and, 73 percent of walkers reported that the campaign helped them to increase their level of physical activity.

Facility and Related Improvements

GRAND HAVEN COURTHOUSE

The forty-year-old, 67,000 square-foot County building in Grand Haven will be demolished and a new 118,000 square-foot Courthouse is under construction on the historic 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 the Courthouse in Grand Haven. Final project costs and design options were presented to the Board for approval in July, 2007. Construction began in August of 2007 and is anticipated to be completed in twenty four months.

WEST OLIVE ADDITION

A 35,000 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 staff from 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. A resolution was adopted by the Board on June 27, 2006 authorizing the County Building Authority to move forward with the planning of the addition at Fillmore Street. Construction began in October, 2007 and completion is anticipated in 2008.

SOUTHWEST OTTAWA LANDFILL CLEAN-UP

A \$4.2 million upgrade to the SW 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, 2006. The County has received this prestigious award for twenty four 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.

Vredeveld Haefner, 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. Vredeveld Haefner'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, 2006

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.

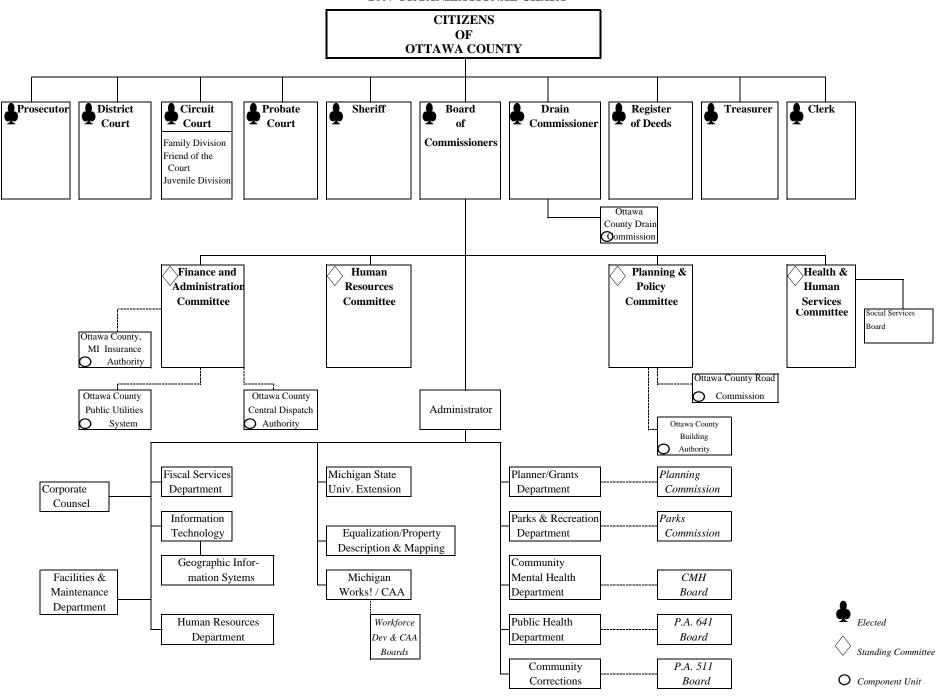
WILE OFFICE AND AND CORPORATION OF THE CORPORATION

Olme S. Cox

President

Executive Director

2007 ORGANIZATIONAL CHART





Vredeveld Haefner LLC CPA's and Consultants

4001 Granada Ct. Grand Rapids, MI 49534 FAX (616) 828-0307 Douglas J. Vredeveld, CPA (616) 446-7474 Peter S. Haefner, CPA (616) 460-9388

INDEPENDENT AUDITORS' REPORT

June 11, 2008

County of Ottawa Board of County Commissioners 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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Ottawa's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mental Health Special Revenue fund which is a major fund, or the Protected Self-Funded Insurance - Mental Health Internal Service fund. These represent 1.2 percent, .2 percent, and 24.7 percent, respectively, of the assets, net assets, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mental Health fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan as of December 31, 2007, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 11, 2008, on our consideration of the County of Ottawa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 is important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 20, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.

Uredeveld Haefner LLC

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, 2007. 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-xix of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$213,727,910 (net assets). Of this amount, \$93,223,144 (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 \$10,806,123.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$85,617,285, an increase of \$6,655,819 in comparison with the prior year. Approximately 71 percent of this total amount, or \$60,689,484 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 \$10,578,140 or 18 percent of total General Fund expenditures (including transfers).
- The County's total bonded debt (including component units) increased by \$41,254,203 during the current fiscal year. The primary government issued \$10 million for building construction and Ottawa County Public Utilities, a component unit, issued \$40,466,203 of debt for the construction of water and sewer systems. Specifically, of the \$40,466,203, \$38,145,000 was for the expansion of the Wyoming Water Supply System.

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 45 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 39 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 39-90 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 91-168 of this report, and the statistical information can be found on pages 169-188.

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 \$213,727,910 at the close of the most recent fiscal year.

County of Ottawa's Net Assets

	Governmenta	l Activities	Business-type Activities		Tota	al
	2007	2006	2007	2006	2007	2006
Current and other assets	\$144,692,371	\$132,113,670	\$24,405,939	\$24,234,117	\$169,098,310	\$156,347,787
Capital assets	107,069,894	100,131,070	3,037	4,049	107,072,931	100,135,119
Total assets	251,762,265	232,244,740	24,408,976	24,238,166	276,171,241	256,482,906
Long-term liabilities				<u> </u>		_
outstanding	30,503,151	23,244,328			30,503,151	23,244,328
Other liabilities	31,937,824	30,315,064	2,356	1,727	31,940,180	30,316,791
Total liabilities	62,440,975	53,559,392	2,356	1,727	62,443,331	53,561,119
Net assets:						_
Invested in capital assets, net						
of related debt	81,991,023	78,519,838	3,037	4,049	81,994,060	78,523,887
Restricted	38,510,706	40,108,692			38,510,706	40,108,692
Unrestricted	68,819,561	60,056,818	24,403,583	24,232,390	93,223,144	84,289,208
Total net assets	\$189,321,290	\$178,685,348	\$24,406,620	\$24,236,439	\$213,727,910	\$202,921,787

The largest portion of the County's net assets (44 percent) is unrestricted. *Unrestricted net assets* may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, representing 38 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 2007 mostly due to the start of construction on the new Grand Haven Court house and the expansion of the Fillmore Street facility.

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 \$38,510,706. The 2006 balance is higher due to the planned use of fund balance in the Revenue Sharing Reserve fund in 2007.

Statement of Activities

County of Ottawa's Changes in Net Assets

	Governmental Activities		Business-type	Activities	Total		
	2007	2006	2007	2006	2007	2006	
Revenues							
Program revenue:							
Charges for services	\$23,041,858	\$22,593,666	\$1,711,915	\$1,291,853	\$24,753,773	\$23,885,519	
Operating grants and contributions	51,516,123	46,255,848			51,516,123	46,255,848	
Capital grants and contributions	1,513,884	850,262			1,513,884	850,262	
General revenues:							
Property taxes	41,740,361	49,182,314			41,740,361	49,182,314	
Grants and contributions not							
Restricted to specific programs	21,545	24,657			21,545	24,657	
Investment earnings	6,740,703	5,007,679	999,816	844,786	7,740,519	5,852,465	
Other	524,250	261,156			524,250	261,156	
Total revenues	125,098,724	124,175,582	2,711,731	2,136,639	127,810,455	126,312,221	
Expenses:							
Legislative	627,625	520,618			627,625	520,618	
Judicial	13,317,030	12,605,344			13,317,030	12,605,344	
General government	13,401,945	15,175,102			13,401,945	15,175,102	
Public safety	25,226,290	24,441,981			25,226,290	24,441,981	
Public works	1,264,883	(1,437,838)			1,264,883	(1,437,838)	
Health and welfare	57,160,468	54,270,351			57,160,468	54,270,351	
Community and economic							
development	601,758	605,805			601,758	605,805	
Culture and recreation	1,868,818	1,994,991			1,868,818	1,994,991	
Interest on long-term debt	1,018,189	741,070			1,018,189	741,070	
Business-type activities			2,541,550	2,243,439	2,541,550	2,243,439	
Total expenses	114,487,006	108,917,424	2,541,550	2,243,439	117,028,556	111,160,863	
Increase in net assets before transfers							
to other funds	10,611,718	15,258,158	170,181	(106,800)	10,781,899	15,151,358	
Transfers	24,224	7,738			24,224	7,738	
Increase (decrease) in net assets	10,635,942	15,265,896	170,181	(106,800)	10,806,123	15,159,096	
Net assets, beginning of year	178,685,348	163,419,452	24,236,439	24,343,239	202,921,787	187,762,691	
Net assets, end of year	\$189,321,290	\$178,685,348	\$24,406,620	\$24,236,439	\$213,727,910	\$202,921,787	

Governmental Activities

The preceding table shows that the primary government's net assets increased by \$10.8 million during 2007. Changes occurred in several funds:

	Effect on
Fund	Net Assets
General Fund (1010)	\$3,949,000
Parks and Recreation (2081)	3,084,000
Friend of the Court (2160)	176,000
Public Health (2210)	380,000
Public Improvement (2450)	511,000
Register of Deeds Technology (2550)	136,000
Sheriff Grant Programs (2609)	492,000
Revenue Sharing Reserve (2855)	(3,756,000)
Child Care - Circuit Court (2920)	257,000
Internal Service Funds	5,060,000

The financial results for the General Fund were actually more favorable than the table above indicates. When the 2007 budget was adopted, there was a planned *undesignated* fund balance use of \$925,046. Since the General Fund shows an increase of \$2.3 million, it actually came out \$3.2 million better than anticipated. There were four main factors affecting the financial outcome. The increase in the 2007 taxable value was more than anticipated, bringing in an additional \$362,000. Also on the revenue side, investment income was better than anticipated due to improved fair value amounts at year end (\$388,000). Collections from jail inmate billings were higher due to better collection rates (\$201,000) and the County received a large State Criminal Alien Apprehension Program grant award (\$117,000).

Expenditures also played a roll in the positive General Fund financial results mainly due to lower than anticipated expenditures. Specifically, only a small portion of contingency was used in 2007 as the County continued to tighten its hold on spending. Unused contingency amounted to \$390,000. In addition, personnel services expenses were lower than anticipated by \$618,000 due to vacancies and employees opting out of health insurance coverage. The remainder of the difference between the original budget and actual results is spread across several departments and accounts. At the government wide level, net assets also increased with the \$623,000 in elections equipment donated by the State of Michigan and the recognition of revenue deferred on the fund statements of \$100,000.

The Parks and Recreation fund (2081) has a ten-year levy for land acquisition and park development (capital costs). Financial results for this fund can vary depending on the initiatives undertaken. Capital expenditures of \$2.6 million in the Parks and Recreation fund were subtracted at the government wide level. Consequently, at the government wide level, the park activities increased net assets (net of depreciation and debt principal) by \$3.1 million.

The Friend of the Court fund (2160) increased net assets due to a one-time accelerated payment schedule of federal incentive payments. The net assets of the Health fund (2210) increased due to lower than anticipated expenditures overall. The Public Improvement fund (2450) increased with the rental income revenue in the fund. Since there are no significant expenditures currently running through this fund, net assets are increasing. The net assets associated with the Register of Deeds Technology fund (2550) are increasing now that contractual digital record creation is mostly

finished. The fund continues to collect the statutory fees.

The Sheriff 9/30 Grants fund (2609) is increasing with the capital grant awards it received in connection with Homeland Security. The Revenue Sharing Reserve fund (2855) net assets are decreasing by \$3.7 million in 2007. 2006 was the last year of payments into the fund. Beginning in 2007, the net assets are decreasing and will continue to 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 net assets associated with the Child Care – Circuit Court fund (2920) are increasing due to additional bed rental by other Michigan counties at the juvenile detention facility.

The financial results of the internal service funds also increased net assets. For all internal service funds combined, net assets increased by \$5.1 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. The majority of this liability decreased in 2007 as the project nears completion.

In addition, the net assets of the Telecommunications fund (6550) increased due both to lower than anticipated expenditures as well as a significantly more favorable commission rate on phone calls made by inmates. The net assets of the Protected Self-Funded Insurance fund (6770) and Protected Self-Funded Health Insurance fund (6771) also increased significantly. By their nature, the financial results of the self-insured programs can vary due to fluctuating claim incidents and amounts.

Revenues:

Revenues essentially stayed the same in 2007, decreasing slightly by .7% in total. However, there are some significant fluctuations within the revenue categories.

Program charges for services

Program charges for services increased 2.0% in 2007. This increase is spread across several sources of program charges for services. The most significant variance is the \$416,000 that the County received for the sale of red pine timber. These trees were removed as part of the timber management plan for the County parks in order to prevent disease. In addition, in July of 2006, the Sheriff's department contracted with the City of Hudsonville to provide policing services. 2007 payments are \$205,000 higher, reflecting a full year of the agreement.

Program operating grants and contributions:

Program grants increased by \$5.3 million or 11.4%. Listed below are significant fluctuations in this category.

Increase (decrease) in
Program Operating Grants
\$261,000
1,102,000
1,853,000
479,000
205,000
157,000

In the Friend of the Court fund (2160), grant revenue increased due to a one-time accelerated payment schedule of federal incentive payments. The County plans to use these unanticipated funds to cover budget issues in 2008. In the Health department, the County administered approximately 1,000 more vaccines in 2007 than 2006. The County receives these vaccines free of charge from the Michigan Department of Community Health. In addition, Medicaid cost settlement revenue increased \$354,000 with the final determination on the 2005 cost settlement report. In 2006, the County had deferred this revenue based on the preliminary findings of an audit performed by the Centers for Medicare and Medicaid Services. The audit indicated that the methodology used by the State of Michigan for reimbursement calculations was flawed, resulting in disallowed costs. However, during 2007, a favorable agreement was reached.

In the Mental Heath fund, Medicaid revenue increased \$1.8 million with the implementation of a three percent cost of living adjustment across functions and additional funds to cover a two percent increase for direct care workers. In the Sheriff 9/30 Grant Programs fund (2609), the County received an additional \$498,000 in Homeland Security grant funds primarily for the purchase of equipment. Revenue in the Workforce Investment Act 12/31 grant programs increased with additional funds from the Michigan Community Development Block Grant housing award. Grant revenue in the Child Care fund (2920) increased \$157,000 in tandem with increased expenditures. The grant covers 50 percent of all eligible expenditures.

Program capital grants and contributions

These revenues vary depending on the number and scope of capital improvement projects. In 2007, the County received donated election equipment from the State of Michigan worth approximately \$623,000. The remaining capital grant revenue is in the Parks and Recreation fund. The 2007 amount of \$891,000 was for two State of Michigan grants for land acquisition and \$193,000 in donations for the North Ottawa Dunes Restoration project.

Property taxes

Taxes decreased over \$7.4 million or 15.1%. However, taxable value increased 6.15% from 2005 to 2006 and 6.19% from 2006 to 2007. The reason tax revenue is lower is due to a change in the property tax levy system made by the State of Michigan. The State made this change to allow for the temporary suspension of revenue sharing payments to counties as it restructured the State budget. The legislation entailed moving the operating levy from the December before the fiscal year to July of the fiscal year. This means that the tax base to which the operating levy is applied was moved from the prior year tax base to the budget year tax base. Until the entire operating levy was moved to the budget year, taxes increased in excess of the growth in taxable value.

From the taxpayer standpoint, it did not result in an extra levy for the calendar year. However, for counties, it provided an additional 1/3 of the levy (approximately 1.1666 mills) for three years which ended in 2006. The legislation required that these funds be set aside in a separate fund (Special Revenue fund 2855, Revenue Sharing Reserve). Counties are allowed to draw from this fund the amount it would have received had the State not suspended revenue sharing payments. The legislation requires the State to reinstate revenue sharing dollars when the County's Revenue Sharing Reserve fund is depleted. The date of depletion varies by County; Ottawa County projects that its Revenue Sharing Reserve fund will be depleted in 2011. The table that follows helps to illustrate the relationship between levy dates and tax revenue.

	Rate (in mills) R	ate (in mills) I	Rate (in mills)	Year	Levy Rate	
Levy	Levied	Levied	Levied	Revenue	Recognized	2006
Type	2005	2006	2007	Recognized	2006	Revenue *
2006:						
Operating	2.3334			2005		
Operating	1.1666			2006	1.1666	\$10,769,941
9-1-1	0.4411			2006	0.4411	3,772,936
Operating		2.3334		2006	2.3334	22,355,189
Parks	0.3168			2006	0.3168	2,709,513
Revenue Shar	ing Reserve	1.1666		2006	1.1666	9,354,173
			Total Levy for	or Fiscal Year	5.4245	
		To	otal Revenue fo	or Fiscal Year		\$48,961,752
					=	
					Levy Rate	
					Levy Rate Recognized	2007
					-	2007 Revenue *
2007:					Recognized	
2007: Operating			3.6000	2007	Recognized	
		0.4407	3.6000	2007 2007	Recognized 2007	Revenue *
Operating		0.4407 0.3165	3.6000		Recognized 2007 3.6000	Revenue * \$34,230,712
Operating 9-1-1			3.6000 0.4407	2007	Recognized 2007 3.6000 0.4407	Revenue * \$34,230,712 4,007,283
Operating 9-1-1 Parks				2007 2007	Recognized 2007 3.6000 0.4407	Revenue * \$34,230,712 4,007,283
Operating 9-1-1 Parks 9-1-1	ing Reserve		0.4407	2007 2007 2008	Recognized 2007 3.6000 0.4407	Revenue * \$34,230,712 4,007,283
Operating 9-1-1 Parks 9-1-1 Parks	ing Reserve		0.4407	2007 2007 2008	Recognized 2007 3.6000 0.4407	Revenue * \$34,230,712 4,007,283
Operating 9-1-1 Parks 9-1-1 Parks Revenue Shar	ing Reserve 4.2579		0.4407	2007 2007 2008	Recognized 2007 3.6000 0.4407	Revenue * \$34,230,712 4,007,283

^{*} Amounts do not equal tax revenue on the financial statements because the amounts above do not include payments on delinquent personal and industrial facilities tax received during the year.

The table above illustrates that although tax rates stayed relatively steady for taxpayers, the County actually recognized more tax revenue in prior years. Since the shift of the levy was completed in fiscal year 2006, tax revenue in fiscal year 2007 is lower. Nevertheless, it is important to note that the County's tax base remains strong. In addition, the County is somewhat unique in that it does not levy the maximum amount it could levy, and this provides it with additional flexibility should economic conditions deteriorate.

<u>Investment earnings</u>

The fair value of several of the County's investments increased significantly in 2007 due to more favorable market conditions. Overall, including actual interest receipts, the return on the County's investment pool increased from 4.37% to 5.73%. In addition, the County received bond proceeds of \$10 million in October of 2007. Since not all of this was spent immediately, additional investment income was earned on these funds as well.

Other revenue

The Mental Health fund submitted a claim of \$227,000 to the Internal Service Fund in relation the financial results of its managed care activity for 2007. In addition, the Health fund revenue increased due to the offering of new classes for restaurants and food vendors on food service compliance.

Expenses:

Expenses as a whole increased 5.1%. There are significant fluctuations in several of the expenditure categories.

Legislative

Legislative expenses increased \$107,000 or 20.6%. The main reason for the increase was the \$67,000 management study of Community Mental Health system performed by Plante Moran that was authorized by the Board of Commissioners.

Judicial

Judicial expenses increased just over \$712,000 or 5.6%. The largest area of increase was in the District Court. During 2006, the District Court moved into a new, larger facility with higher operating costs. The District Court has also made significant progress on the imaging initiative which has also increased costs. In addition, the deteriorating economic conditions have resulted in higher legal fees for indigent defendants and affected all of the courts. Specifically, total legal fees for the courts increased \$267,000.

General government

General government expenses decreased by \$1.8 million or 11.7%. There were several reasons for higher expenses in 2006. In the Infrastructure fund, a one time payment of \$600,000 was made during 2006 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 were higher by \$164,000.

At the government wide level, indirect cost charges to other departments are subtracted both from revenue and general government expenditures. The subtraction for indirect costs was \$529,000 higher in 2007 than in 2006. However, in 2006, the Survey and Remonumentation grant was delayed due to a contract issue with the State of Michigan. Consequently, \$246,000 less was spent in 2006 than 2007.

Public safety

Public safety expenses increased \$784,000 or 3.2%. In 2007, the County received \$498,000 more in Homeland Security equipment funding than in 2006. In addition, expenditures at the Jail increased \$306,000 in connection with the greater average daily population which went from 368 in 2006 to 395 in 2007. In July of 2006, the Sheriff's department began a contractual arrangement with the City of Hudsonville to provide police services. 2007 is \$170,000 higher as it reflects a full year of service. However, effective October 1, 2007, two large public safety programs, Community Policing – Georgetown in the General Fund and E.M.T – Georgetown (Special Revenue fund 2650) were moved to Special Revenue fund 2610, Sheriff Contracts. Fund 2610 has fiscal year end of

September 30, but the two programs moved there have a fiscal year end of December 31. As a result, the expenditures for October through December 2007 are not in the financial statement. The effect on the statement is to reduce total public safety expenses (and corresponding revenues) by \$287,000. The remaining increase is spread over other public safety programs.

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 expenses were negative since the remaining public works expenses were under \$2.2 million. 2007 expenses reflect the opening of a new recycling center.

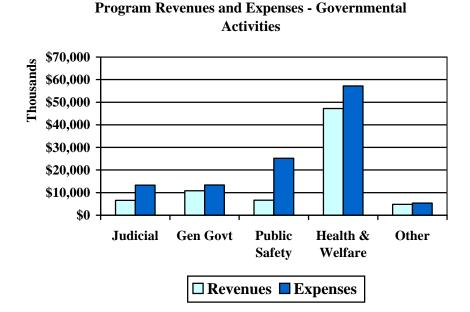
Health and Welfare

Health and Welfare programs increased by \$2.9 million or 5.3% in 2007. 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 2007, these expenses increased by \$964,000 due to overall inflationary increases, the expansion of community living services and new placements. In addition, as discussed under program grant revenue, the Health department received and administered significantly more vaccines in 2007 than 2006. The County receives these vaccines free of charges from the State of Michigan, but both revenue and expenditures are recorded to reflect the flow of resources.

<u>Interest on long-term debt</u>

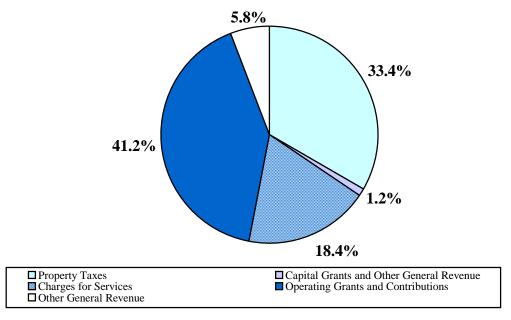
Interest on long-term debt increased 37.4% due to a full year of interest payments on the Holland District Court bonds which were issued in 2005.

The graph below summarizes revenues and expenses by category.



13

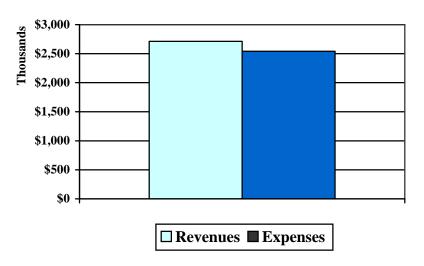




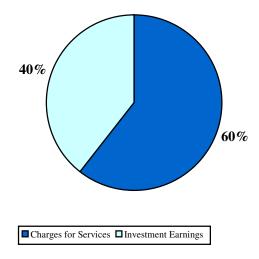
Business-type Activities

Business-type activities increased the County's net assets by \$170,181. As originally budgeted, the net assets were expected to decrease. The revenues for the business-type activities are penalties and interest on delinquent taxes and investment income. Since the number of delinquencies is increasing, the penalties and interest earned is also increasing. As discussed earlier, investment income was also higher than originally projected. The majority of the expenditures represent rent payments to the Ottawa County Building Authority (blended component unit). These payments cover principal and interest payments on several bond issues.

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 \$85,617,285, an increase of nearly \$6.7 million in comparison with the prior year. Approximately 71% percent of this total amount (\$60.7 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 (\$22,665,875), 2) to generate income to pay for perpetual cemetery care (\$5,770), 3) to provide a long term advance to component units and other funds (\$325,000) or 4) for other restricted purposes (\$1,931,156).

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 \$19,763,187, while total fund balance was \$22,146,478. 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 34 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$2.3 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* \$925,000 of undesignated, unreserved fund balance in 2007. The positive, unanticipated results in the County's taxable value and in the fair value of its investments at year end played a major role in the financial results for the year (\$884,000).

In addition, lower than anticipated expenditures also impacted the financial results. 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 \$553,000 budgeted for contingencies, only \$164,000 was used in 2007. In addition, personnel vacancies and employees opting out of health insurance also provided approximately \$688,000 at year end.

The Parks and Recreation fund (2081) has a total fund balance of \$7.7 million, which is an increase of \$902,000. 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 2007, the department made \$1 million in land purchases and another \$2.6 million in capital improvements to County parks. Some of these were partially grant funded, which resulted in increased fund balance.

The fund balance of the Health fund (2210) increased by \$433,000. Personnel expenditures were significantly lower (\$380,000) than originally budgeted due to vacancies and insurance opt-outs. In addition, the fund earned additional revenue with its food safety compliance conferences offered to restaurant owners and food vendors (\$63,000).

The fund balance of the Mental Health fund (2220) essentially stayed the same. However, it is important to note that a claim of \$227,000 was made to the Protected Self-Funded Mental Health Insurance fund, and this is reflected in Mental Health revenue.

The fund balance of the Public Improvement fund (2450) increased \$1.2 million. Current building projects are being funded by bond proceeds and other funds, so this fund is increasing by its rent and investment income.

As anticipated, the fund balance of the Revenue Sharing Reserve fund (2855) decreased by \$3.8 million. 2006 was 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 \$60,137,215 and \$61,062,261 respectively. The amended revenue budget was \$61,422,291, and the amended expenditure budget was \$59,488,957.

The revenue budget increased 2.1% 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 6.19%. As a result, the tax revenue budget was increased by \$482,000. However, delinquent personal taxes and industrial facilities taxes were underestimated, causing the revenue to be under budget.

The budget for intergovernmental did not change significantly during the year. However, actual receipts for Court Equity funding from the State of Michigan fell \$41,000 short of the budget. The

remaining budget variance is spread across several sources. In addition, the budget for investment revenue was increased by \$250,000 or 16%. 2007 was a much better year for County investments with the average return rate from 4.37% to 5.73%. This strong of an improvement was not anticipated when the budgets were originally established.

The budget for charges for services revenue was increased \$115,000 to reflect the additional court costs generated by the increased caseloads, mainly civil. In addition, fees for inmate housing were increased \$125,000 due to increased billings (due to higher jail occupancy) and improving collection rates. The revenue budget was also increased by \$180,000 to reflect the sale of Red Pine timber that was harvested from County parks in connection with its timber management plan. An additional \$236,000 was added to the Parks and Recreation revenue budget for this same reason. The remaining increase is spread across several departments. Last, although the budget for rental income did not change significantly, it was under budget by \$155,000. 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 \$1.57 million in total. The main area decreased was in personnel services (\$1.04 million) to reflect vacancies, insurance opt-outs and the move of a community policing program to a different fund (see also Public safety expenses). These adjustments are spread across several functions. Judicial expenditures were increased \$237,000 for indigent legal fees. Of this amount \$125,000 related to the high profile Janet Chandler murder case.

General government expenditure budgets were decreased \$581,000. Of this amount, \$405,000 was for personnel vacancies and insurance opt outs. These expenditures are underbudget overall, but \$194,000 can be attributed to building and grounds. Utilities and repair and maintenance accounts are difficult to budget. The budget for public safety expenditures was decreased by \$622,000; \$503,000 was in personnel services. The function is underbudget overall, but \$96,000 of the variance is for unused training dollars. These dollars are provided by a portion of the jail booking fees.

Public works budgets were increased in anticipation of some large drainage projects, but these projects were not completed at year end. Health and Welfare expenditures are overbudget due to unanticipated accruals for substance abuse. Last, under Other governmental functions, as mentioned previously, the \$553,000 budgeted for contingencies was not used, and budget was adjusted for that as well.

Capital Asset and Debt Administration

Capital assets. The County's (primary government) investment in capital assets as of December 31, 2007, amounted to \$107,069,894 (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 6.9%.

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

• Over \$1.32 million was spent on various land acquisitions for the Park system. The County has a dedicated millage for park land acquisition and development. The county also spent \$1.06 million on various park improvement projects.

Construction on the Grand Haven Courthouse and West Olive Administrative Annex are well underway. \$5.2 million was spent during 2007 for these projects. The West Olive addition is scheduled for completion in 2008, and the Grand Haven Courthouse is scheduled for completion in 2009.

County of Ottawa's Capital Assets

(net of depreciation)

	2007
Land	\$38,061,402
Land improvements	8,544,376
Buildings and improvements	49,062,161
Construction in progress	5,331,952
Machinery and equipment	6,070,003
	\$107,069,894

Additional information on the County's capital assets can be found in note III.D on pages 63-65 of this report.

Long-term debt. At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$133,269,736. Of this amount, \$131,383,236 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 General obligation bonds - Refunding	\$18,090,000 11,590,000	\$30,431,500 73,158,236	\$48,521,500 84,748,236
Total	\$29,680,000	\$103,589,736	\$133,269,736

The County's total general obligation bonded debt increased by \$41.3 million (44.8 percent) during the current fiscal year. The primary government issued \$10,000,000 for the construction of buildings, and component units issued \$40,466,203. Most of the amount issued by the component units was for the expansion of the Wyoming Water Treatment plant (\$38 million). Debt from prior issues was reduced by \$9.2 million as planned.

In addition, the County has one land contract for which it has pledged its full faith and credit. The balance on the land contracts decreased by \$28,840, 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. An additional \$200,000 was issued for the Rush Creek drainage project, but the existing notes payable balance 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 (2007) debt limitation for the County is \$1,171,979,389, 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 71-74 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 2008 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 is the same rate as last year. More impressive, 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 5.6 percent for 2007, which is a slight increase from 5.3 percent in 2006, but lower than the 2003 rate of 5.9 percent. The County's unemployment is much lower than the State's average unemployment rate of 7.2 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the 2008 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 \$2.2 million in new equipment
- Includes contingency of \$566,000
- 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, 2007

	Primary Government			Component Units			
ASSETS	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
Current assets: Cash and pooled investments	\$103,777,170	\$15,445,943	\$119,223,113	\$4,747,223	\$8,094,404	\$8,911,310	\$1,312,733
Investments Receivables (net of allowance for estimated uncollectibles):	19,190,212	\$1J, 44 J,9 4 J	19,190,212	94,747,223	φο,υ <i>9</i> 4,4υ4	17,535,946	\$1,312,733
Taxes	7,450,149	7,009,077	14,459,226				
Accrued interest and penalties on delinquent taxes		867,903	867,903				
Accounts	1,213,521	2,020	1,215,541	259,591		2,342,942	
Accrued interest on investments	989,030	000.016	989,030	2,452			
Internal balances	(831,568)	999,816	168,248				
Advances to component units	325,000 6,180,468		325,000 6,180,468	4,653,359	140,903	78,419,283	848,139
Due from other governmental units Due from primary government	0,160,406		0,160,406	4,033,339	31,581	76,419,263	040,139
Due from component units		81,180	81,180		31,301		19,524
Inventory of supplies	484,230	01,100	484,230	843,012			15,52.
Prepaid expenses	1,547,822		1,547,822	390,510	98,145		
Total current assets	140,326,034	24,405,939	164,731,973	10,896,147	8,365,033	107,209,481	2,180,396
Noncurrent assets:							_
Net pension asset	1,915,554		1,915,554				
Loans receivable from other governments	1,438,524		1,438,524				
Unamortized bond issuance and deferred refunding costs	1,012,259		1,012,259			10,873	
Capital assets not being depreciated	43,393,354		43,393,354	1,367,182	64,807		
Capital assets being depreciated, net	63,676,540	3,037	63,679,577	154,663,100	1,650,465		22,561,825
Total noncurrent assets	111,436,231	3,037	111,439,268	156,030,282	1,715,272	10,873	22,561,825
Total assets	251,762,265	24,408,976	276,171,241	166,926,429	10,080,305	107,220,354	24,742,221
LIABILITIES							
Current liabilities							
Accounts payable	15,381,702		15,381,702	2,162,444	210,688	3,412,773	89,612
Interest payable	219,331		219,331			1,466,218	8,243
Due to primary government						81,180	
Due to component units	31,581		31,581	19,524		70,788	
Due to other governmental units	908,426	2,356	910,782	1 122 212	13,458	5 5 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	100.045
Current portion of long-term debt	6,737,544		6,737,544	1,432,342		7,552,000	138,367
Advances from primary government Advances from other governmental units	253,587		253,587	623,237		150,000	175,000
Unearned revenue	8,405,653		8,405,653	023,237		32,124	
Total current liabilities	31,937,824	2,356	31,940,180	4,237,547	224,146	12,765,083	411,222
Noncurrent liabilities:	, , , , , , ,					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Unamortized bond premiums	660,125		660,125				
Noncurrent portion of long-term obligations	29,843,026		29,843,026	2,124,308		93,911,236	441,333
Total noncurrent liabilities	30,503,151		30,503,151	2,124,308		93,911,236	441,333
Total liabilities	62,440,975	2,356	62,443,331	6,361,855	224,146	106,676,319	852,555
NET ASSETS							
Invested in capital assets, net of related debt Restricted for:	81,991,023	3,037	81,994,060	153,320,252	1,715,272		21,982,125 592,433
Debt Service						10,873	,
Capital projects	14,679,498		14,679,498	4,369,991			
Operations	23,831,208		23,831,208	0.0-1.00	0.440.005	530,669	4 4
Unrestricted	68,819,561	24,403,583	93,223,144	2,874,331	8,140,887	2,493	1,315,108
Total net assets	\$189,321,290	\$24,406,620	\$213,727,910	\$160,564,574	\$9,856,159	\$544,035	\$23,889,666

County of Ottawa Statement of Activities For the Year Ended December 31, 2007

		Program Revenues					
		Indirect		Operating	Capital		
		Expenses	Charges	Grants and	Grants and	Net (Expense)	
Functions/Programs	Expenses	Allocation	for Services	Contributions	Contributions	Revenue	
Primary government							
Governmental activities:							
Legislative	\$624,611	\$3,014				(\$627,625)	
Judicial	11,739,677	1,577,353	\$3,737,197	\$2,855,834		(6,723,999)	
General government	21,923,847	(8,521,902)	7,937,129	2,275,284	\$622,867	(2,566,665)	
Public safety	23,662,341	1,563,949	5,047,927	1,625,047		(18,553,316)	
Public works	1,247,852	17,031	403,922	157,569		(703,392)	
Health and welfare	54,235,451	2,925,017	2,575,152	44,602,389		(9,982,927)	
Community and economic development	599,419	2,339	10,605			(591,153)	
Culture and recreation	1,865,613	3,205	560,488		891,017	(417,313)	
Interest on long-term debt	1,018,189		2,769,438			1,751,249	
Total governmental activities	116,917,000	(2,429,994)	23,041,858	51,516,123	1,513,884	(38,415,141)	
Business-type activities:							
Delinquent tax collection	157,188	2,384,362	1,711,915			(829,635)	
Total primary government	\$117,074,188	(\$45,632)	\$24,753,773	\$51,516,123	\$1,513,884	(\$39,244,776)	
Component units							
Ottawa County Road Commission	\$21,249,020		\$8,299,444	\$16,226,778	\$6,004,379	\$9,281,581	
Ottawa County Central							
Dispatch Authority	3,577,953		1,071	4,306,353		729,471	
Ottawa County Public Utilities	18,900,087		17,407,487			(1,492,600)	
Ottawa County Office of the							
Drain Commissioner	1,414,787				2,655,386	1,240,599	
Total component units	\$45,141,847		\$25,708,002	\$20,533,131	\$8,659,765	\$9,759,051	

(Continued on next page)

County of Ottawa Statement of Activities (Concluded) For the Year Ended December 31, 2007

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities	Ottawa County Office of the Drain Commissioner
Primary Government:							
Changes in net assets:							
Net (expense) revenue	(\$38,415,141)	(\$829,635)	(\$39,244,776)	\$9,281,581	\$729,471	(\$1,492,600)	\$1,240,599
General Revenues: Property taxes, levied for general purposes Property taxes, levied for park development Property taxes, levied for debt service Grants and contributions not restricted to specific programs Investment earnings Miscellaneous Transfers - internal activities	34,832,220 2,887,799 4,020,342 21,545 6,740,703 524,250 24,224	999,816	34,832,220 2,887,799 4,020,342 21,545 7,740,519 524,250 24,224	165,398 505,541	392,986	48,702 72,739	87,985
Total general revenues and transfers	49,051,083	999,816	50,050,899	670,939	392,986	121,441	87,985
Change in net assets	10,635,942	170,181	10,806,123	9,952,520	1,122,457	(1,371,159)	1,328,584
Net assets - beginning of year, as restated	178,685,348	24,236,439	202,921,787	150,612,054	8,733,702	1,915,194	22,561,082
Net assets - end of year	\$189,321,290	\$24,406,620	\$213,727,910	\$160,564,574	\$9,856,159	\$544,035	\$23,889,666

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

(Concluded)

County of Ottawa Balance Sheet Governmental Funds December 31, 2007

(with comparative totals for December 31, 2006)

		Parks and		Mental	Public	Revenue Sharing	Other Governmental	Total Govern	mental Funds
	General	Recreation	Health	Health	Improvement	Reserve	Funds	2007	2006
ASSETS									
' <u></u>	¢25 270 721	¢6 104 627	¢2.269.000	¢1 777 420	¢6 467 010	¢12.024.177	\$20.724.502	00E 04E ECC	¢69.026.264
Cash and pooled investments Investments Receivables (net of allowance for estimated uncollectibles):	\$25,279,721	\$6,194,627	\$2,368,000	\$1,777,429	\$6,467,019 196,664	\$13,024,177	\$30,734,593 5,770	\$85,845,566 202,434	\$68,936,264 293,816
Taxes Accounts	4,487,702 254,265	2,962,447 6,748	180,322	457,814			1,701,173	7,450,149 2,600,322	16,299,003 3,431,746
Accrued interest on investments Due from other funds	833,119	463,134		58,887	346,122	640,042	736,702	833,119 2,244,887	816,282 1,349,326
Interfund receivable Advances to component units	883,462 325,000	, .			,	,.	,	883,462 325,000	1,142,648 325,000
Due from other governmental units	1,720,851	724,517	307,571	116,632			3,310,897	6,180,468	5,094,054
Inventory of supplies Prepaid expenditures	15,526 49,778	608,420	364,996 20,610	35,067 489,982			27,265 4,498	442,854 1,173,288	270,639 345,863
Total assets	\$33,849,424	\$10,959,893	\$3,241,499	\$2,935,811	\$7,009,805	\$13,664,219	\$36,520,898	\$108,181,549	\$98,304,641
LIABILITIES AND FUND BALAN	NCES								
Liabilities:									
Accounts payable Due to other governmental units	\$1,827,133	\$217,572	\$299,020 744,786	\$2,138,310 133,574	\$1,136		\$2,769,194 1,747	\$7,252,365 880,107	\$5,913,657 296,072
Due to other funds	4,013,220		744,700	155,574			1,747	4,013,220	2,712,842
Due to component units	31,581							31,581	, ,
Interfund payable Advances from other							817,132	817,132	1,002,818
governmental units	84,437						169,150	253,587	319,099
Deferred revenue	5,746,575	3,071,492	90,736	274,769			132,700	9,316,272	9,098,687
Total liabilities	11,702,946	3,289,064	1,134,542	2,546,653	1,136		3,889,923	22,564,264	19,343,175
Fund balances:									
Reserved - General Reserved - Special Revenue	2,383,291		364,996	35,067	7,008,669	\$13,664,219	1,465,789	2,383,291 22,538,740	2,359,739 24,698,463
Reserved - Debt Service Reserved - Permanent Unreserved:							5,770	5,770	5,770
Designated - General	9,185,047							9,185,047	7,295,848
Designated - Special Revenue Designated - Capital Projects		580					3,239,354	3,239,934	3,974,218 253,715
Undesignated - General	10,578,140							10,578,140	10,208,039
Undesignated - Special Revenue		7,670,249	1,741,961	354,091			23,142,013	32,908,314	30,155,293
Undesignated - Debt Service							10,801	10,801	10,381
Undesignated - Capital Projects Undesignated - Permanent Fund							4,766,982 266	4,766,982 266	
Total fund balances	22,146,478	7,670,829	2,106,957	389,158	7,008,669	13,664,219	32,630,975	85,617,285	78,961,466
Total liabilities and fund balances	\$33,849,424	\$10,959,893	\$3,241,499	\$2,935,811	\$7,009,805	\$13,664,219	\$36,520,898	\$108,181,549	\$98,304,641

 $\label{the:companying} The\ accompanying\ notes\ are\ an\ integral\ part\ of\ the\ financial\ statements.$

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, 2007

Fund balances - total governmental funds

\$85,617,285

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	133,973,698
Subtract:	accumulated depreciation	(30,298,120)

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

1.915.554

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 33,348,990

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.

1,105,411

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

bonds payable	(29,680,000)
landfill reclamation	(3,899,702)
land contracts	(28,840)
compensated absences	(2,865,789)
accrued interest payable	(219,331)
	bonds payable landfill reclamation land contracts compensated absences accrued interest payable

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:	(660,125)	
Add:	1,012,259	
Net assets of governmenta	al activities	\$189,321,290

County of Ottawa

Statement of Revenue, Expenditures and Changes in Fund Balances Governmental Funds

For the year ended December 31, 2007

(with comparative totals for the year ended December 31, 2006)

Reversity Legal (1998) Legal (1998) <th></th> <th></th> <th>Parks and</th> <th></th> <th>Mental</th> <th>Public</th> <th>Revenue Sharing</th> <th>Other Governmental</th> <th>Total Govern</th> <th>mental Funds</th>			Parks and		Mental	Public	Revenue Sharing	Other Governmental	Total Govern	mental Funds
Table		General	Recreation	Health	Health	Improvement	Reserve	Funds	2007	2006
Table	Dovanuac									
Montpage		\$29,940,201	\$2 997 700					¢12.271	\$41.740.261	¢40 192 214
Charges for services 6,832,11 515,619 71,914 444,217 1,183,443 7,67,018 9,646,695 1,012,626 1,				\$4.240.209	\$20,996,024					
Fine and forfeits 1,012,62 1,003,143 1,003,143 1,003,143 1,005,143			*							
Marceston investmentis	=		313,619	791,491	444,217					
Contail concess and permits Contail concess Contail cont			162 124		50 007	\$246 122	\$640.041	•		, ,
Remail nicome			405,154	262 472	30,007	\$340,122	\$040,041	800,280		
Total revenue \$\frac{3}{6}\frac{3}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}{6}\frac{3}{		•	20.500	302,473	142 060	970.021		2.760.429		•
Page			*	212 200	*	8/9,031				
Page	Other	339,433	198,504	213,200	303,651			709,250	1,/64,038	1,832,591
Part	Total revenue	56,678,553	4,802,429	5,716,462	30,836,749	1,225,153	640,041	22,017,754	121,917,141	122,282,277
Part	Expenditures									
Dudicial 9,354,626 12,723,885 12,723,885 12,723,885 General government 11,277,029 12,813,286	=									
Dudicial 9,354,626 12,723,885 12,723,885 12,723,885 General government 11,277,029 12,813,286	Legislative	625,263							625,263	524,438
General government Public safety 11,277,029 (2),179,077 131,151 513,061 (1),21,244 (1),244,245,267 12,434,567 (2),443,156 (2),443,1	=	9,354,626						4,221,589	13,576,215	12,723,585
Public safety Public works 221,79,907 (21),860 219,386 219,386 219,386 219,386 219,386 21,209,448 31,302,131 283,188 12,025,548 825,887<	General government					131,151				
Public works 219,386 425,054 825,687 Health and welfare 706,799 11,209,448 31,302,131 14,983,421 58,201,799 55,231,261 Community and economic development of Control of Co	_					,		•		
Health and welfare 706,799 11,209,448 31,302,131 14,983,421 58,201,799 55,231,261 Community and economic development 573,309 4,430,735 4,430,735 3,591,522 Collustry and recreation 147,251 4,430,735 3,591,522 Collustry and recreation 147,251 147,251 163,642 Collustry and recreation 147,251	Public works									825,687
Community and ecconomic development 573,309 4,430,735 2,430,735 3,591,522 4,430,735 3,591,522 4,430,735 3,591,522 4,430,735 3,591,522 4,430,735 3,591,522 4,430,735 3,591,522 4,430,735 4,43				11,209,448	31,302,131					
economic development Culture and recreation Other governmental functions 4,430,735 4,830,735 4,630,735 605,318 (3,59),522 (3,59),52,52 (3,59),522 (3,59		,		,,	- , , -			, ,	, ,	, . , .
Culture and recreation Other governmental functions 4,430,735 3,591,522 Other governmental functions 147,251 163,642 Debt service 2,769,438 2,769,438 2,453,395 Capital projects 5,473,205 5,473,205 2,251,029 Total expenditures 45,083,570 4,30,735 11,209,448 31,302,131 131,151 33,236,362 125,393,397 115,817,730 Revenues over (under) expenditures 11,594,983 371,694 5,492,986 466,382 1,094,002 640,041 11,218,608 3,476,256 6,464,547 Other financing sources (under) expenditures 11,594,983 371,694 5,942,986 466,582 1,094,002 640,041 11,218,608 3,476,256 6,464,547 Transfers from other funds 4,425,399 530,000 5,926,606 476,500 173,994 6,864,370 18,396,869 17,593,905 Transfers from other funds 1,3737,530 1,373,530 1,373,530 1,373,530 1,30,000 1,30,000 1,000,000 1,000,000 1,000,000 <td< td=""><td></td><td>573,309</td><td></td><td></td><td></td><td></td><td></td><td>27,261</td><td>600,570</td><td>605,318</td></td<>		573,309						27,261	600,570	605,318
Other governmental functions 147,251 163,642 Debt service 2,769,438		,	4,430,735					., .		•
Functions 147,251			, ,						,,	- , ,-
Debt service Capital projects		147.251							147,251	163,642
Capital projects 5,473,205 5,473,205 5,473,205 2,251,029 Total expenditures 45,083,570 4,430,735 11,209,448 31,302,131 131,151 33,236,362 125,393,397 115,817,730 Revenues over (under) expenditures 11,594,983 371,694 (5,492,986) (465,382) 1,094,002 640,041 (11,218,608) (3,476,256) 6,464,547 Other financing sources (user) 4,425,399 530,000 5,926,606 476,500 173,994 6,864,370 18,396,869 17,593,905 Transfers from other funds (13,737,530) 5,926,606 476,500 173,994 (4,396,399) (209,391) (18,343,645) (18,030,738) Issuance of bonds 18,946,840<		1.7,201						2.769.438		•
Total expenditures 45,083,570 4,430,735 11,209,448 31,302,131 131,151 33,236,362 125,393,397 115,817,730 Revenues over (under) expenditures 11,594,983 371,694 (5,492,986) (465,382) 1,094,002 640,041 (11,218,608) (3,476,256) 6,464,547 Other financing sources (uses) Transfers from other funds 4,425,399 530,000 5,926,606 476,500 173,994 6,864,370 18,396,869 17,593,905 Transfers to other funds (13,737,530) (13,737,530) (13,737,530) (13,737,530) (10,000,000) 10,000,000 10										
Revenues over (under) expenditures	Capital projects							3,473,203	3,473,203	2,231,02)
expenditures 11,594,983 371,694 (5,492,986) (465,382) 1,094,002 640,041 (11,218,608) (3,476,256) 6,464,547 Other financing sources (uses) Transfers from other funds 4,425,399 530,000 5,926,606 476,500 173,994 6,864,370 18,396,869 17,593,905 Transfers to other funds (13,737,530) (325) (4,396,399) (209,391) (18,030,738) Issuance of bonds Premium on bonds issued 78,851 78,851 78,851 Total other financing sources (uses) (9,312,131) 530,000 5,926,606 476,500 173,669 (4,396,399) 16,733,830 10,132,075 (436,833) Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Total expenditures	45,083,570	4,430,735	11,209,448	31,302,131	131,151		33,236,362	125,393,397	115,817,730
Other financing sources (uses) Transfers from other funds 4,425,399 530,000 5,926,606 476,500 173,994 6,864,370 18,396,869 17,593,905 Transfers to other funds (13,737,530) (325) (4,396,399) (209,391) (18,343,645) (18,030,738) Issuance of bonds Premium on bonds issued 78,851 78,851 78,851 Total other financing sources (uses) (9,312,131) 530,000 5,926,606 476,500 173,669 (4,396,399) 16,733,830 10,132,075 (436,833) Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Revenues over (under)									
Transfers from other funds	expenditures	11,594,983	371,694	(5,492,986)	(465,382)	1,094,002	640,041	(11,218,608)	(3,476,256)	6,464,547
Transfers from other funds	Other financing sources (uses	9)								
Transfers to other funds (13,737,530) (18,030,738) (209,391) (18,343,645) (18,030,738) (18,000,000) (10,000,0			530,000	5 026 606	476 500	172 004		6 864 370	19 206 960	17 503 005
Issuance of bonds Premium on bonds issued 10,000,000 78,851 10,0			330,000	3,920,000	470,500		(4 306 300)			
Premium on bonds issued 78,851 78,851 Total other financing sources (uses) (9,312,131) 530,000 5,926,606 476,500 173,669 (4,396,399) 16,733,830 10,132,075 (436,833) Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752		(13,737,330)				(323)	(4,390,399)			(10,030,730)
Total other financing sources (uses) (9,312,131) 530,000 5,926,606 476,500 173,669 (4,396,399) 16,733,830 10,132,075 (436,833) Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752										
sources (uses) (9,312,131) 530,000 5,926,606 476,500 173,669 (4,396,399) 16,733,830 10,132,075 (436,833) Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Premium on bonds issued							78,831	/8,831	
Net change in fund balances 2,282,852 901,694 433,620 11,118 1,267,671 (3,756,358) 5,515,222 6,655,819 6,027,714 Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Total other financing									
Fund balance, beginning of year, as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	sources (uses)	(9,312,131)	530,000	5,926,606	476,500	173,669	(4,396,399)	16,733,830	10,132,075	(436,833)
as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Net change in fund balances	2,282,852	901,694	433,620	11,118	1,267,671	(3,756,358)	5,515,222	6,655,819	6,027,714
as restated 19,863,626 6,769,135 1,673,337 378,040 5,740,998 17,420,577 27,115,753 78,961,466 72,933,752	Fund balance, beginning of yea	r,								
Fund balance, end of year \$22,146,478 \$7,670,829 \$2,106,957 \$389,158 \$7,008,669 \$13,664,219 \$32,630,975 \$85,617,285 \$78,961,466			6,769,135	1,673,337	378,040	5,740,998	17,420,577	27,115,753	78,961,466	72,933,752
	Fund balance, end of year	\$22,146,478	\$7,670,829	\$2,106,957	\$389,158	\$7,008,669	\$13,664,219	\$32,630,975	\$85,617,285	\$78,961,466

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, 2007

Net change in fund balances - total governmental funds					
	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	8,856,079
Subtract:	depreciation expense	(2,347,089)
Subtract:	net book value of disposed capital assets	

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.

Subtract:	bond proceeds	(10,000,000)
Subtract:	premium on bonds	(78,851)
Add:	bond issue costs	119,575
Add:	principal payments on long term liabilities	1,902,392
Subtract:	increase in landfill reclamation liability	(334,762)
Add:	decrease in compensated absences liability	128,529

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.

Subtract:	increase in accrued interest payable	(56,636)
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

Add:	net change in Health department revenues	36,288
Add:	unearned training grant revenue	41,882
Add:	net change in Survey and Remonumentation expedited program	102,109

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

Subtract:	decrease in the net pension asset	(49,683)

622,876 Donated capital asset is not recorded as revenue on the fund statements.

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.

A	Add:	net increase in net assets	from the governmental activities accounted for	
		in internal service funds		5,059,529

Change in net assets of governmental activities

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

For the Year Ended December 31, 2007 (with comparative actual amounts for the year ended December 31, 2006)

	2007				
		Final			
	Original	Amended			2006
	Budget	Budget	Actual	Variance	Actual
Revenues:					
Taxes	\$38,478,211	\$38,960,227	\$38,840,291	(\$119,936)	\$37,095,829
Intergovernmental revenues	4,947,755	4,913,789	4,793,385	(120,404)	4,637,820
Charges for services	6,256,673	6,824,762	6,832,311	7,549	6,650,680
Fines and forfeits	1,098,100	1,039,100	1,012,626	(26,474)	1,047,692
Interest on investments	1,600,000	1,850,000	1,987,811	137,811	1,717,019
Licenses and permits	298,825	298,825	261,763	(37,062)	289,351
Rental income	2,802,863	2,766,491	2,610,933	(155,558)	2,511,754
Other	292,293	343,698	339,433	(4,265)	362,827
Total revenues	55,774,720	56,996,892	56,678,553	(318,339)	54,312,972
Expenditures:					
Current operations:					
Legislative	632,595	651,028	625,263	25,765	524,438
Judicial	9,248,794	9,504,829	9,354,626	150,203	8,754,182
General government	12,299,151	11,717,983	11,277,029	440,954	11,367,177
Public safety	23,016,289	22,394,406	22,179,907	214,499	20,869,732
Public works	201,750	382,953	219,386	163,567	59,187
Health and welfare	641,254	634,298	706,799	(72,501)	602,634
Community and economic development	634,476	605,797	573,309	32,488	566,182
Other governmental functions	827,336	147,251	147,251		163,642
Total expenditures	47,501,645	46,038,545	45,083,570	954,975	42,907,174
Revenues over expenditures	8,273,075	10,958,347	11,594,983	636,636	11,405,798
Other Financing Sources (Uses):					
Transfers from other funds	4,362,495	4,425,399	4,425,399		4,239,536
Transfers to other funds	(13,560,616)	(13,450,412)	(13,737,530)	(287,118)	(13,667,299)
Total other financing sources (uses)	(9,198,121)	(9,025,013)	(9,312,131)	(287,118)	(9,427,763)
Net change in fund balance	(925,046)	1,933,334	2,282,852	349,518	1,978,035
Fund balance, beginning of year	19,863,626	19,863,626	19,863,626		17,885,591
Fund balance, end of year	\$18,938,580	\$21,796,960	\$22,146,478	\$349,518	\$19,863,626

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, 2007 (with comparative actual amounts for the year ended December 31, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:	Budget	Budget	Actual	v ai iaiice	Actual
Taxes	\$2,882,651	\$2,884,901	\$2,887,799	\$2,898	\$2,720,185
Intergovernmental revenues	598,370	392,370	697,785	305,415	210,522
Charges for services	252,400	519,157	515,619	(3,538)	251,008
Interest on investments	180,000	180,000	463,134	283,134	285,583
Rental income	38,500	39,300	39,588	288	21,584
Other	201,000	206,156	198,504	(7,652)	506,806
Total revenues	4,152,921	4,221,884	4,802,429	580,545	3,995,688
Expenditures: Current operations:					
Personnel services	1,201,887	1,200,433	1,164,382	36,051	1,058,957
Supplies	156,906	154,706	151,555	3,151	154,747
Other services and charges	432,529	510,862	426,240	84,622	346,619
Debt service	81,510	81,510	81,508	2	81,508
Capital outlay	2,843,000	3,317,292	2,607,050	710,242	1,949,691
Total expenditures	4,715,832	5,264,803	4,430,735	834,068	3,591,522
Revenues over (under) expenditures	(562,911)	(1,042,919)	371,694	1,414,613	404,166
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	(32,911)	(512,919)	901,694	1,414,613	934,166
Fund balance, beginning of year	6,769,135	6,769,135	6,769,135		5,834,969
Fund balance, end of year	\$6,736,224	\$6,256,216	\$7,670,829	\$1,414,613	\$6,769,135

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, 2007 (with comparative actual amounts for the year ended September 30, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Intergovernmental revenues	\$2,848,212	\$4,359,404	\$4,349,298	(\$10,106)	\$3,247,492
Charges for services	837,573	804,188	791,491	(12,697)	833,085
Licenses and permits	457,785	362,473	362,473		385,459
Rental income					
Other	180,394	222,699	213,200	(9,499)	181,924
Total revenues	4,323,964	5,748,764	5,716,462	(32,302)	4,647,960
Expenditures:					
Current operations:					
Personnel services	6,754,636	6,499,940	6,374,861	125,079	6,012,192
Supplies	733,494	1,893,042	1,861,913	31,129	1,313,319
Other services and charges	2,855,255	3,076,845	2,972,674	104,171	2,788,215
Capital outlay					119,118
Total expenditures	10,343,385	11,469,827	11,209,448	260,379	10,232,844
Revenues over (under) expenditures	(6,019,421)	(5,721,063)	(5,492,986)	228,077	(5,584,884)
Other financing sources (uses):					
Transfers in (out):					
General Fund	5,919,421	5,926,607	5,926,606	(1)	5,646,605
Total other financing sources (uses)	5,919,421	5,926,607	5,926,606	(1)	5,646,605
Net change in fund balance	(100,000)	205,544	433,620	228,076	61,721
Fund balance, beginning of year	1,673,337	1,673,337	1,673,337		1,611,616
Fund balance, end of year	\$1,573,337	\$1,878,881	\$2,106,957	\$228,076	\$1,673,337

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, 2007 (with comparative actual amounts for the year ended September 30, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Devenues				_	
Revenues: Intergovernmental revenues	\$30,077,377	\$30,632,776	\$29,886,034	(\$746,742)	\$27,289,188
Charges for services	290,200	506,715	444,217	(62,498)	547,468
Interest on investments	54,584	54,584	58,887	4,303	45,933
Rental income	157,398	157,398	143,960	(13,438)	147,593
Other	81,930	98,102	303,651	205,549	72,864
Total revenues	30,661,489	31,449,575	30,836,749	(612,826)	28,103,046
Expenditures:					
Current operations:					
Personnel services	11,468,320	11,549,707	11,485,205	64,502	11,049,665
Supplies	414,085	658,885	607,186	51,699	529,232
Other services and charges	19,314,829	19,666,247	19,223,740	442,507	18,162,176
Capital outlay			(14,000)	14,000	
Total expenditures	31,197,234	31,874,839	31,302,131	572,708	29,741,073
Revenues over (under) expenditures	(535,745)	(425,264)	(465,382)	(40,118)	(1,638,027)
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	(59,245)	51,236	11,118	(40,118)	(1,161,527)
Fund balance, beginning of year, as restated	378,040	378,040	378,040		1,539,567
Fund balance, end of year	\$318,795	\$429,276	\$389,158	(\$40,118)	\$378,040

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, 2007 (with comparative actual amounts for the year ended December 31, 2006)

		200	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Charges for services					
Interest on investments	\$131,823	\$131,823	\$346,122	\$214,299	\$231,670
Rental income Other	886,639	886,639	879,031	(7,608)	878,423
Total revenues	1,018,462	1,018,462	1,225,153	206,691	1,110,093
Expenditures:					
Current operations:					400 (12
Supplies Other services and charges	55,270	6,970	5,515	1,455	400,612 5,887
Capital outlay	33,270	132,673	125,636	7,037	70,510
Capital outlay		132,073	123,030	7,037	70,510
Total expenditures	55,270	139,643	131,151	8,492	477,009
Revenues over (under) expenditures	963,192	878,819	1,094,002	215,183	633,084
Other financing sources (uses):					
Transfers in (out): Ottawa County Building Authority -					
Debt Service Fund		(325)	(325)		
Ottawa County Building Authority - Capital Projects Fund			173,994	173,994	(68,161)
Total other financing sources (uses)		(325)	173,669	173,994	(68,161)
Net change in fund balance	963,192	878,494	1,267,671	389,177	564,923
Fund balance, beginning of year	5,740,998	5,740,998	5,740,998		5,176,075
Fund balance, end of year	\$6,704,190	\$6,619,492	\$7,008,669	\$389,177	\$5,740,998

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, 2007 (with comparative actual amounts for the year ended December 31, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Taxes Interest on investments	\$225,000	\$445,000	\$640,041	\$195,041	\$9,354,173 232,547
Total revenues	225,000	445,000	640,041	195,041	9,586,720
Expenditures: Current operations:					
Total expenditures					
Revenues over (under) expenditures	225,000	445,000	640,041	195,041	9,586,720
Other financing sources (uses): Transfers in (out): General Fund	(4,362,495)	(4,396,399)	(4,396,399)		(4,239,536)
Total other financing sources (uses)	(4,362,495)	(4,396,399)	(4,396,399)		(4,239,536)
Net change in fund balance	(4,137,495)	(3,951,399)	(3,756,358)	195,041	5,347,184
Fund balance, beginning of year	17,420,577	17,420,577	17,420,577		12,073,393
Fund balance, end of year	\$13,283,082	\$13,469,178	\$13,664,219	\$195,041	\$17,420,577

County of Ottawa Statement of Net Assets Proprietary Funds December 31, 2007

	Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and pooled investments	\$15,445,943	\$17,931,604
Investments	, -,-	18,987,778
Receivables:		-,,
Delinquent taxes receivable	7,009,077	
Accrued interest and penalties on delinquent taxes	867,903	
Accounts	2,020	51,723
Accrued interest on investments		155,911
Due from other funds	999,816	4,878,508
Due from component units	81,180	
Inventory of supplies		41,376
Prepaid expenses		374,534
Total current assets	24,405,939	42,421,434
Noncurrent assets:		
Capital assets:		
Office furniture and equipment	58,443	4,203,793
Copy machines		121,358
Telephone equipment		2,462,910
Vehicles		3,825,623
Less accumulated depreciation	(55,406)	(7,219,368)
Net capital assets	3,037	3,394,316
Total assets	24,408,976	45,815,750
LIABILITIES		
Current liabilities:		
Accounts payable		8,129,337
Interfund payable		66,330
Due to other funds		3,941,743
Due to other governmental units	2,356	28,319
Capital Lease		106,239
Unearned revenue		194,792
Total current liabilities	2,356	12,466,760
NET ASSETS		
Investment in capital assets	3,037	3,394,316
Restricted for managed care risk exposure		1,928,884
Unrestricted	24,403,583	28,025,790
Total net assets	\$24,406,620	\$33,348,990

 $\label{thm:companying} \textit{The accompanying notes are an integral part of the financial statements}.$

County of Ottawa

Statement of Revenue, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended December 31, 2007

	Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	\$192,211	\$18,656,232
Penalties and interest in delinquent taxes	1,519,704	, -,, -
Other revenue	, ,	33,533
Total operating revenues	1,711,915	18,689,765
Operating expenses:		
Personnel services		2,073,604
Contractual services	59,969	2,361,689
Supplies	18,658	128,838
Depreciation	1,012	1,233,377
Building and equipment rental	2,461,911	63,057
Claims and legal		9,704,693
Miscellaneous		381,774
Total operating expenses	2,541,550	15,947,032
Operating income (loss)	(829,635)	2,742,733
Nonoperating revenues (expenses):		
Interest on investments	999,816	1,569,030
Net change in the fair value of investments		809,398
Gain (loss) on retirement of capital assets		(32,632)
Total nonoperating revenues	999,816	2,345,796
Income before transfers	170,181	5,088,529
Transfers in (out):		
General fund		(29,000)
Total transfers		(29,000)
Change in net assets	170,181	5,059,529
Total net assets, beginning of year	24,236,439	28,289,461
Total net assets, end of year	\$24,406,620	\$33,348,990

 $\label{the:companying} \textit{notes are an integral part of the financial statements}.$

County of Ottawa Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2007

	Business-type	
	Activities-	Governmental
	Enterprise Funds	Activities
	Delinquent Tax	Internal
	Revolving Fund	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided		\$18,888,028
Cash receipts from customers	\$10,566,012	Ψ10,000,020
Cash received from penalties and interest on delinquent taxes	1,264,934	
Cash payments to suppliers for goods and services	(2,540,534)	(2,646,822)
Cash payments for self-funded insurance claims	(2,540,554)	(11,566,173)
Cash payments to employees for services		(2,073,604)
Purchase of delinquent tax rolls	(11,423,731)	(2,073,004)
Purchase of definquent tax rons	(11,423,731)	
Net cash provided by (used for) operating activities	(2,133,319)	2,601,429
CASH FLOWS FROM NONCAPITAL FINANCING ACTIV	ITIFS:	
Transfers out to other funds	TTLO.	(102,500)
		(102,300)
Net cash used for noncapital		
financing activities		(102,500)
CASH FLOWS FROM CAPITAL AND RELATED		
FINANCING ACTIVITIES:		
Acquisition of capital assets		(1,035,505)
		(1,033,303)
Net cash used for capital		(1.025.505)
and related financing activities		(1,035,505)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(25,257,856)
Interest on investments	844,786	976,554
Proceeds on sale of investments	•	24,695,603
Net cash provided by investing activities	844,786	414,301
Net increase (decrease) in cash and pooled investments	(1,288,533)	1,877,725
Cash and pooled investments, beginning of year	16,734,476	16,053,879
Cash and pooled investments, end of year	\$15,445,943	\$17,931,604

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, 2007

	Business-type Activities- Enterprise Funds	Governmental Activities Internal
	Delinquent Tax Revolving Fund	Service Funds
	Revolving Fund	Service runds
Reconciliation of operating income (loss) to net cash		
provided by (used for) operating activities:		
Operating income (loss)	(\$829,635)	\$2,742,733
Adjustments to reconcile operating income (loss) to net		
cash provided by (used for) operating activities:		
Depreciation	1,012	1,233,377
Change in assets and liabilities not affecting cash		
provided by (used for) operating activities:		
(Increase) decrease in receivables	(1,305,325)	(11,610)
(Increase) decrease in due from other funds		
(Increase) decrease in advances to other funds		(52,068)
(Increase) decrease in inventory		(5,518)
(Increase) decrease in prepaid expenses		(156,126)
Increase (decrease) in unpaid claims liability		(1,703,277)
Increase (decrease) in unearned revenue		(45,833)
Increase (decrease) in accounts payable	(40)	334,702
Increase (decrease) in due to other funds		265,049
Increase (decrease) in due to other governmental units	669	
Net cash provided by (used for) operating activities	(\$2,133,319)	\$2,601,429
		(Concluded)

Noncash investing activities:

The change in fair value of investments for the internal service funds was \$809,398.

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2007

(with comparative totals for December 31, 2006)

	Agency Funds	
	2007	2006
ASSETS		
Cash and pooled investments Receivables:	\$2,908,572	\$4,305,788
Accounts	41,003	177,406
Due from other governmental units	9,192	81,099
Total assets	\$2,958,767	\$4,564,293
LIABILITIES		
Liabilities:		
Due to other governmental units:		
Due to State of Michigan	\$904,675	\$2,514,277
Fines and fees due to local libraries	464,880	452,852
Agency deposits	1,589,212	1,597,164
Total liabilities	\$2,958,767	\$4,564,293

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 259,206 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:

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 6 and 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 4 and 8 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,

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 9.35% and 40.92%, 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 4.21% and .52%, respectively, of the related fund type totals) have been included in the accompanying 2007 financial statements using their fiscal year ended September 30, 2007.

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 .61% and 2.36%, respectively, of the Governmental Fund totals) have been included in the accompanying 2007 financial statements using their fiscal year ended June 30, 2007.

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 .03% and .23%, respectively, of the Governmental Fund totals) has been included in the accompanying 2007 financial statements using their fiscal year ended March 31, 2007.

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 was re-approved by the County electorate during 2006 for ten years and expires in 2016.

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:

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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."

Property taxes for general County operations are levied as of July 1 on property values assessed as of the same date. Property taxes for Parks and the Ottawa County Central Dispatch Authority are levied December 1 on property values assessed as of the same date. 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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 \$194,408 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$733,827 has been established.

During 2007, no new loans were issued. However, 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, 2007, the gross amount of these outstanding loans for governmental type funds was \$1,438,524. 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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 \$7,670,829 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 \$7,008,669 are restricted for statutory Public Improvement.

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 \$8,232,069 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 \$13,664,219 are restricted in compliance with Public Act 357 of 2005.

The use of the \$6,036 in net assets of the Cemetery Trust is 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 (\$1,928,884).

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 \$4,369,991 for primary and local road construction and maintenance. The Drain Commissioner has restricted \$156,955 for debt service, \$385,073 for capital projects, and \$50,405 for general drain maintenance. Last, Ottawa County Public Utilities has restricted \$10,873 for debt service and \$530,669 for operations and maintenance.

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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:

	Years
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, 2007 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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 \$634,933 at December 31, 2007 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, 2007 is \$626,686 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, 2007 to reflect the change in the balance to \$2,239,103.

Under the Road Commission's personnel policy and contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the policy and contracts. Accumulated leave of the general fund is recorded on the statement of net assets and not on the general fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

Notes to the Financial Statements

For the Year Ended December 31, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Compensated absences (continued)

The Dispatch Authority's personnel policy and employment agreements, individual employees have a vested right to receive payments for unused vacation leave under formulas and conditions specified in the policy and agreements. Accumulated leave of the general fund is recorded on the statement of net assets and not on the general fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

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 2007 were \$1,769,972 and the County match was \$351,072.

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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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:

Notes to the Financial Statements

For the Year Ended December 31, 2007

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	65,304		\$364,996	\$35,067			\$27,265
Convention facilities							
tax money	1,806,414				Φ π 000 660		
Public Improvement					\$7,008,669	Φ12.664. 2 10	
Revenue Sharing Reserve						\$13,664,219	1 420 524
Infrastructure loans	106 572						1,438,524
Jail booking fees	186,573						5 770
Perpetual care							5,770
Total Reserved	\$2,383,291	\$0	\$364,996	\$35,067	\$7,008,669	\$13,664,219	\$1,471,559
Designated:							
Voting machines	\$57,765						
Planning	544,415						
Grants	577,852						
Mental Health	634,220						
Parks/Open Space		\$580					
Aerial survey	886,683						
Building Improvements	5,585,945						
Computer technology	34,153						
Reserve for budget	864,014						
Register of Deeds technolog	gy						\$373,565
Compensated absences							2,865,789
Total Designated	\$9,185,047	\$580	\$0	\$0	\$0	\$0	\$3,239,354
-							

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

Certain nonmajor funds 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. In kind commodities donated from the State were recorded after year end in the Emergency Feeding fund. Matching donated revenue was also recorded. There were more project costs consisting of rent, utilities and transportation than anticipated in the Veteran's Trust fund. Compensated Absences fund expenditures fluctuate yearly depending on the retirees, making them difficult to predict and budget.

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:

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

11. Deposits and investments (continued)			
	Primary	Component	
	Government	Units	Total
Cash on hand	\$17,493	\$260	\$17,753
Carrying amount of checking and			
savings accounts	6,277,102	9,112,542	15,389,644
Carrying amount of certificates of deposit	20,028,577	780,000	20,808,577
Carrying amount of investments	96,010,947	30,708,814	126,719,761
Carrying amount of investments -			
Ottawa County Insurance Authority	18,987,778		18,987,778
Total	\$141,321,897	\$40,601,616	\$181,923,513
Statement of net assets			_
Cash and pooled investments	\$119,223,113	\$23,065,670	\$142,288,783
Investments	19,190,212	17,535,946	
Investments	19,190,212	17,333,940	36,726,158
Statement of fiduciary assets and liabilities			
Cash and pooled investments	2,908,572		2,908,572
Total	\$141,321,897	\$40,601,616	\$181,923,513

The County's investments, as well as the investments of Ottawa County Public Utilities handled by the County, are stated at fair value which is determined as follows: (a) securities are priced by FTI, an online 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

Notes to the Financial Statements

For the Year Ended December 31, 2007

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 Public Utilities System 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 also maintain separate cash and/or investments:

Ottawa County Insurance Authority

Ottawa County Road Commission

Ottawa County Public Utilities System

Ottawa County Central Dispatch Authority

Ottawa County Building Authority

Ottawa County Drain Commission Vincent Drain Debt Service

Ottawa County Drain Commission Nunica Drain Debt Service

The County chooses to disclose its investments by Weighted Average Maturity. As of December 31, 2007, the County had the following investments:

_		Weighted Average
Investment Type	Fair Value	Maturity (years)
Money Market Fund	\$33,223,534	N/A
Agency - FHLB	15,289,370	2.1800
Agency - FNMA	6,671,091	1.3351
Agency - FHLMC	10,746,042	2.0362
Agency - FFCB	2,010,620	3.9821
Treasury Note	28,070,290	N/A
	\$96,010,947	
Portfolio Weighted Average Mar	turity	1.9977

The County also invests funds of the Ottawa County Public Utilities System (the "System") and the Ottawa County Road Commission and follows the County's deposit and investment policy. Cash and investments held by the County for these component units consist of the following at year end:

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

	Ottawa County	Ottawa County
	Public Utilities System	Road Commission
Checking	\$345,864	\$427,221
Savings	1,958,229	203,843
Certificates of Deposit		780,000
Mutual Funds	6,607,217	
Ottawa County Investment Pool		3,336,159
Investments	17,535,946	
	\$26,447,256	\$4,747,223

The County chooses to disclose the investments of the Ottawa County Public Utilities System by specifically identifying each. As of 12/31/07, the investments of the System held by the County are as follows:

Investment	Maturity	Fair Value	Rate	Rating	Source
Money Market Funds	N/A	\$6,607,217	N/A	Unrated	N/A
FNMA Pool #M90821	05/01/08	641,894	3.500%	Unrated	N/A
FNMA Ser 2004-83 REMIC pass through	01/25/25	787,617	5.000%	Unrated	N/A
FNMA Ser 2003-17 REMIC pass through	11/25/25	315,604	4.500%	Unrated	N/A
FHLMC Ser 2557 Multiclass Mtg	01/15/26	264,521	4.500%	Unrated	N/A
FHLMC Ser 2535 Multiclass Mtg	08/15/26	315,558	4.000%	Unrated	N/A
FHLMC Ser 2931 Multiclass Mtg	08/15/26	647,834	5.000%	Unrated	N/A
FHLMC Ser 2693 Multiclass Mtg	08/15/27	733,315	4.500%	Unrated	N/A
FHLMC Ser 2806 Multiclass Mtg	08/15/29	317,575	5.000%	Unrated	N/A
FNMA Ser 2004-18 REMIC pass through	03/25/31	93,504	6.000%	Unrated	N/A
FHLMC Disc Nt	03/31/08	3,018,890	0.000%	Unrated	N/A
FNMA Disc Nt	05/30/08	2,506,905	0.000%	Unrated	N/A
FHLB	09/26/08	2,500,000	4.250%	AAA	S &P
FHLMC	12/16/08	1,734,688	3.125%	AAA	S &P
FFCB	02/23/09	1,315,847	5.000%	AAA	S &P
FHLB	06/12/09	1,328,444	5.250%	AAA	S &P
FNMA	08/13/09	1,013,750	4.500%	AAA	S &P
		\$24,143,163			

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

The amount invested by the County's investment pool for the Road Commission consists of money market funds which are unrated.

The Ottawa County Central Dispatch Authority, a discretely presented component unit, chooses to disclose its investments by specifically identifying them:

MBIA Class Investment Pool Fair Value Rating Source \$3,206,305 AAA/VI+ Fitch

In addition, as of December 31, 2007, the Ottawa County Insurance Authority had the following investments and maturities in debt securities (none of which are callable):

		_	Investment Maturities (fair value by years)				
		-	Less				
	Cost	Fair Value	Than 1	1-5	6-10	Over 10	
2007							
U.S. treasuries	\$1,665,099	\$1,717,315		\$706,679	\$1,010,636		
U.S. agencies:							
Mortgage-backed	46,514	46,912		46,912			
Discount notes	423,319	425,155	\$425,155				
Agency Passthroughs	1,106,291	1,115,880				\$1,115,880	
Corporate bonds	902,272	898,792	9,037	317,337	306,330	266,088	
Foreign Corporate bonds	39,952	41,226			41,226		
U.S. Corporate asset							
backed	390,976	394,133		149,950	191,065	53,118	
	4,574,423	4,639,413	\$434,192	\$1,220,878	\$1,549,257	\$1,435,086	
Equities							
Common Stock	4,803,306	5,377,267					
Mutual Funds:							
Domestic Equity	1,887,682	1,753,253					
International Equity	1,628,256	1,983,279					
Total investments held							
by the Authority	\$12,893,667	\$13,753,212					

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

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, 2007 and 2006, are as summarized:

	Maturity	Interest		Fair Value		
Description	<u>Date</u>	Rate	Face Value	<u>2007</u>	<u>2006</u>	
U.S. Treasury Notes	03/31/11	4.875%	\$ 1,400,000	\$ 1,477,434	\$ -	
U.S. Treasury Notes	07/31/11	4.875%	1,675,000	1,767,644	-	
U.S. Treasury Notes	8/15/2016	4.875%	485,000	516,448	-	
U.S. Treasury Notes	02/15/07	6.250%	485,000	-	485,756	
U.S. Treasury Notes	02/15/07	4.375%	1,400,000	-	1,396,444	
U.S. Treasury Notes	08/15/07	6.125%	1,675,000	-	1,685,804	
U.S. Treasury Notes	11/15/08	4.750%	1,100,000	1,112,375	1,098,845	
U.S. Treasury Notes	02/15/12	4.875%	340,000	360,665	343,414	
				\$ 5,234,566	\$5,010,263	

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, 2007, \$45,775,875 of the County's bank balance (including certificates of deposit) of \$46,863,510 was uninsured and uncollateralized. Deposits of the Ottawa County Road Commission, Ottawa County Public Utilities and Ottawa County Drain commission that are pooled with the County's (primary government) deposits cannot be separately identified for federal depository insurance purposes.

The Ottawa County Insurance Authority's cash in the amount of \$1,175 at December 31, 2007 was FDIC insured. In addition, as of December 31, 2007, \$4,792,277 of the Ottawa County Central Dispatch Authority's bank balance of \$4,892,277 was uninsured and uncollateralized. As of September 30, 2007, \$3,364,426 of the Ottawa County Road Commission's bank balance of \$3,664,426 was uninsured and uncollateralized.

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

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, 2007, the County's \$62,787,413 in treasury investments was held in third-party safekeeping in the County's name. The short-term investments in money market funds by the Ottawa County Public Utilities system in the amount of \$6,607,217 at December 31, 2007, are unrated and not subject to custodial risk categorization because they do not consist of specifically identifiable securities.

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 \$1,025,903 and \$207,395 at December 31, 2007 and 2006, respectively, are not subject to custodial risk categorization. At December 31, 2007 and 2006, 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, 2007, 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.

As of December 31, 2007, the Ottawa County Insurance Authority's investments in the mortgage-backed bonds of U.S. agencies were rated AAA by Moody's; the discount notes of U.S. agencies were rated A-1+ by Moody's; Agency Passthrough pools were not rated; and U.S. Corporate Asset backed were rated AAA by Moody's. The Authority's investments in U.S. and Foreign corporate bonds were rated by Moody's as follows:

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (continued)

AAA	\$ 66,994
AA3	126,111
AA1	35,055
A3	60,671
A2	92,760
A1	219,074
BBB+	14,369
BAA3	48,581
BAA2	87,802
BAA1	132,087
BA3	6,400
BA1	 8,888
	\$ 898,792

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 (13.2%), FHLMC (9.3%), and FNMA (5.7%), 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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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, 2007 was as follows:

Primary Government:

	Beginning			End of
Governmental activities:	of Year	Additions	Deductions	Year
Capital assets, not being depreciated:				
Land	\$36,605,908	\$1,455,495	(\$1)	\$38,061,402
Construction in progress	60,985	5,270,967		5,331,952
Total capital assets, not being depreciated	36,666,893	6,726,462	(1)	43,393,354
Capital assets, being depreciated:				
Land Improvements	11,791,871	1,746,333		13,538,204
Buildings	65,893,108	284,999	(356,319)	65,821,788
Machinery and equipment	20,405,472	2,819,857	(1,391,291)	21,834,038
Total assts, being depreciated	98,090,451	4,851,189	(1,747,610)	101,194,030
Less accumulated depreciation for:				
Land Improvements	(4,381,173)	(612,655)		(4,993,828)
Buildings	(15,138,038)	(1,953,490)	331,901	(16,759,627)
Machinery and equipment	(15,107,063)	(2,015,631)	1,358,659	(15,764,035)
Total accumulated depreciation	(34,626,274)	(4,581,776)	1,690,560	(37,517,490)
Net capital assets, being depreciated	63,464,177	269,413	(57,050)	63,676,540
Net governmental activites capital assets	\$100,131,070	\$6,995,875	(\$57,051)	\$107,069,894

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

Business-type activities:	Beginning of Year	Additions	Deductions	End of Year
Capital assets, being depreciated: Machinery and equipment	\$58,443			\$58,443
Less: accumulated depreciation for: Machinery and equipment	(54,394)	(\$1,012)		(55,406)
Net business-type activities capital assets	\$4,049	(\$1,012)		\$3,037

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

Governmental activities:

Judicial	\$13,223
General government	2,001,831
Public safety	326,185
Public works	67,153
Health and Welfare	437,113
Culture and recreation	502,896
Capital assets held by the government's internal service funds	
are charged to the various functions based on their usage	
of the net assets	1,233,375
Total depreciation expense - governmental activities	\$4,581,776
Business-type activities:	
Delinquent tax collection	\$1,012

Discretely Presented Component Units

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

	Beginning			End of
	of Year	Additions	Deductions	Year
Capital assets, not being depreciated: Land and improvements Construction in progress	\$1,367,182	\$64,807		\$1,367,182 64,807
Total capital assets, not being depreciated	1,367,182	64,807		1,431,989
Capital assets, being depreciated: Buildings Machinery and equipment Infrastructure	11,179,350 23,475,669 233,526,880	1,561,832 16,977,589	(\$799,217)	11,179,350 24,238,284 250,504,469
Total assets, being depreciated	268,181,899	18,539,421	(799,217)	285,922,103
Less accumulated depreciation for: Buildings Machinery and equipment Infrastructure	(2,707,741) (18,362,741) (76,713,578)	(229,456) (1,714,405) (8,067,210)	748,418	(2,937,197) (19,328,728) (84,780,788)
Total accumulated depreciation	(97,784,060)	(10,011,071)	748,418	(107,046,713)
Net capital assets, being depreciated	170,397,839	8,528,350	(50,799)	178,875,390
Net component unit capital assets	\$171,765,021	\$8,593,157	(\$50,799)	\$180,307,379

Commitments

At December 31, 2007, the County has \$15.6 million in commitments for the construction of the Grand Haven Courthouse and \$3.9 million for construction of the Fillmore Street Annex project. In addition, \$337,000 is committed for various park improvement projects.

The Ottawa County Public Utilities discrete component unit has commitments for plant and infrastructure improvement projects totaling approximately \$11,500,000. These commitments are being funded from bond proceeds issued in prior years.

The Ottawa County Central Dispatch Authority discrete component unit has commitments of \$100,000 for building design costs.

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2007, is as follows:

Amounts Due to and from Other Funds

	Due from	Due to
Primary Government:	Other Funds	Other Funds
Major Governmental Funds:		
General Fund		\$4,013,220
Parks and Recreation	\$463,134	
Mental Health	58,887	
Public Improvement Fund	346,122	
Revenue Sharing Reserve Fund	640,042	
Major Enterprise Fund:		
Delinquent Tax Revolving	999,816	
Non-major Governmental Funds	736,702	
Internal Service Funds	4,878,508	3,941,743
	8,123,211	7,954,963
September 30 due from paid before		
December 31 year end		168,248
	\$8,123,211	\$8,123,211

Interfund balances primarily reflect the interest on investments that will be allocated from the General Fund. However, included in the Internal Service Funds is \$3,923,551 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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

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:	Component Cines	<u> </u>
Delinquent Tax Revolving	\$81,180	
Ottawa County Public Utilities System		\$81,180
Total	\$81,180	\$81,180
	Due from Primary	Due to
	Government	Component Units
Major Governmental Fund: General Fund		\$31,581
Ottawa County Central Dispatch Authority	\$31,581	
Total	\$31,581	\$31,581
Due to and from Other Component Units		
	Due from Other	Due to Other
	Component Units	Component Units
Ottawa County Public Utilities		\$70,788
Ottawa County Road Commission		19,524
Ottawa County Drains	\$19,52	4
	19,52	90,312
December 31 due from established		
after September 30 year end	70,78	
	\$90,31	2 \$90,312

Notes to the Financial Statements

For the Year Ended December 31, 2007

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

	Interfund	Interfund
	Receivable	Payable
Major Funds:		
General Fund	\$883,462	
Non-major Governmental Funds		\$817,132
Internal Service Funds		66,330
Total	\$883,462	\$883,462

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

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund transfers within the Primary Government

_				Transfer In				
	General Fund	Parks and Recreation	Health	Mental Health	Public Improvement	Non-major Governmental Funds	9/30/2007 transfer in made after 12/31/2006 year end	Total
Transfer out:								
Major Funds:								
General Fund		\$530,000	\$5,926,606	\$476,500		\$6,828,648	(\$24,224)	\$13,737,530
Public Improvement						325		325
Revenue Sharing								
Reserve	\$4,396,399							4,396,399
Non-major Governmental Funds					\$173,994	35,397		209,391
Internal Service Funds	29,000							29,000
_	\$4,425,399	\$530,000	\$5,926,606	\$476,500	\$173,994	\$6,864,370	(\$24,224)	\$18,372,645

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, 2007 amounted to \$352,595. Future minimum lease payments for these leases are as follows:

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (continued)

Year Ending	Amount
2008	\$283,890
2009	247,552
2010	165,883
2011	61,940
2012	26,158
	\$785,423

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 \$4,599,617 leaving a carrying value of \$12,627,991.

Lease revenue for the year ending December 31, 2007 was \$1,236,608. Future lease revenues for these leases are as follows:

Year Ending	Amount
2008	\$636,300
2009	\$636,300
2010	\$636,300
2011	\$636,300
2012	\$636,300
2013 - 2015	1,272,600
	\$4,454,100

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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 \$36,040,000. The original issue amount of the Drain Commissioner's and Ottawa County Public Utilities' bonds are \$376,500 and \$144,113,000, 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.

General obligation bonds currently outstanding are as follows:

			Component Units				
				Ottawa			
			Ottawa	County	Ottawa		
			County	Public	County	Total	
	Interest	Primary	Road	Utilities	Drain	Ottawa	
Purpose	Rate	Government	Commission	System	Commissioner	County	
Governmental activities Governmental activities -	2.0 - 6.0%	\$18,090,000	\$1,800,000	\$28,305,000	\$326,500	\$48,521,500	
refunding	2.5 - 7.6%	11,590,000		73,158,236		84,748,236	
		\$29,680,000	\$1,800,000	\$101,463,236	\$326,500	\$133,269,736	

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

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	Primary Go	overnment	Componer	nt Units
December 31	Principal	Interest	Principal	Interest
2008	\$2,235,000	\$1,301,434	\$8,032,767	\$4,623,542
2009	2,335,000	1,206,246	6,693,767	3,993,432
2010	2,035,000	1,114,332	7,321,767	3,734,896
2011	2,110,000	1,033,868	5,756,767	3,471,947
2012	1,635,000	949,794	5,263,767	3,249,891
2013-2017	9,320,000	3,582,845	24,370,833	13,142,012
2018-2022	5,025,000	1,778,358	18,105,365	8,677,251
2023-2027	4,985,000	614,896	13,459,703	5,319,702
2028-2032			14,480,000	2,084,159
2033-2035			105,000	8,073
	\$29,680,000	\$11,581,773	\$103,589,736	\$48,304,905

Parks and Recreation Land Contracts. The Parks and Recreation department has engaged in a land contract for the purpose of acquiring land for park development. The initial issuance amount was \$200,000. The interest rate is 9.25%. Principal and interest requirements are as follows:

Year Ending		
December 31	Principal	Interest
2008	\$28,840	\$2,668

Capital Lease. During 2007, the County (Primary Government) signed a three year capital lease for conversion software. The software will provide a graphical user interface for Justice System software. The agreement provides financing of \$105,008 for this project. As of 12/31/07, capital assets of \$106,239 are included in Internal Service Fund statements as well as the Statement of Net Assets. Terms for this agreement include monthly payments of \$3,157 (including interest of 4.68%) which will end 12/31/2010.

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Current Year Advance Refundings. There were no advance refundings for the Primary government or its component units during 2007.

Prior Years Advance Refundings. In prior years, the Building Authority and the Ottawa County Public Utilities System 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, 2007, \$11,585,000 and \$4,405,000 of bonds are considered defeased for the Building Authority and the Ottawa County Public Utilities System, respectively.

Changes in Long-Term Liabilities. Long-term liability activity for the year ended December 31, 2007 was as follows:

Primary Government

	Beginning			End of	Due within
	of Year	Additions	Reductions	Year	One Year
Governmental activities:					
General obligation bonds	\$21,510,000	\$10,000,000	\$1,830,000	\$29,680,000	\$2,235,000
Landfill reclamation	3,564,940	334,762		3,899,702	2,159,702
Compensated absences	2,994,318	187,303	315,832	2,865,789	2,278,589
Parks & Recreation land contracts	101,232		72,392	28,840	28,840
Capital lease		106,239		106,239	35,413
Total	\$28,170,490	\$10,628,304	\$2,218,224	\$36,580,570	\$6,737,544

The reporting entity's legal debt margin at December 31, 2007 is \$1,040,735,141.

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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Discretely Presented Component Units

	Beginning	A 44:4:	Dadaatiaaa	End of	Due within
	of Year	Additions	Reductions	Year	One Year
Governmental activities:					
General obligation bonds	\$70,505,533	\$40,466,203	\$7,382,000	\$103,589,736	\$8,032,767
Notes payable	60,800	200,000	7,600	253,200	107,600
Claims payable	134,418		11,255	123,163	
Compensated absences	750,886	94,946	122,375	723,457	571,691
Capital Leases/Installment Purchases	761,361	257,452	108,783	910,030	410,651
Total	\$72,212,998	\$41,018,601	\$7,632,013	\$105,599,586	\$9,122,709

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 began work in 2006 to recap the landfill. Enhancing the water filtration system started in 2006 as well, costing \$190,971 to date. The total cost of these enhancements could well exceed \$4.3 million dollars.

Notes to the Financial Statements

For the Year Ended December 31, 2007

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Landfill reclamation (continued)

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

Year Ending	Estimated Cost
2007	\$2,159,702
2008	278,000
2009	188,000
2010	175,000
2011	191,000
2012-2016	908,000
	\$3,899,702

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 4.88% to 20.68% 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

Notes to the Financial Statements

For the Year Ended December 31, 2007

A. Defined benefit pension plan (continued)

from 0% 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.

Ottawa County Central Dispatch Authority:

The Authority is required to contribute at a predetermined rate because the plans are closed. The predetermined contributions vary based on employment division. Employees currently do not contribute to the plan. The contribution requirements of the Authority are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Authority, depending on the MERS contribution program adopted by the Authority.

Annual Pension Cost - County of Ottawa:

For the year ended December 31, 2007, the County's annual pension cost of \$4,366,827 was greater than the County's required contribution of \$4,317,144. 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 8.40% per year, depending on age, attributable to seniority/merit.

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

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 29 years on an open basis. The remaining amortization period at December 31, 2006, the date of the latest actuarial valuation, was 29 years.

Three Year Trend Information

Fiscal	Annual	Percentage	Net
Year	Pension	of APC	Pension
Ending	Cost (APC)	Contributed	Asset
12/31/2005	\$3,743,136	99%	\$2,018,460
12/31/2006	4,048,120	99%	1,965,237
12/31/2007	4,366,827	99%	1,915,554

	Actuarial	Actuarial Accrued	Unfunded			UAL as a
Actuarial	Value of	Liability (AAL)	AAL	Funded	Covered	Percentage of
Valuation	Assets	- Entry Age	(UAL)	Ratio	Payroll	Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
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%
12/31/2006	116,418,835	138,434,883	22,016,048	84%	40,525,474	54%

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

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Actuarially determined contribution	\$4,317,144
Interest on Net Pension Asset	157,219
Adjustment to actuarially determined contribution	(107,536)
Annual pension cost	4,366,827
Contributions made	4,317,144
Decrease in Net Pension Asset	(49,683)
Net Pension Asset at beginning of year	1,965,237
Net Pension Asset at end of year	\$1,915,554
Net Pension Asset at beginning of year	1,965,237

Ottawa County Road Commission:

For the year ended September 30, 2007, the Road Commission's annual pension cost of \$943,400 for MERS was equal to the Road Commission'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 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, 2006, the date of the latest actuarial valuation, was 30 years.

Three Year Trend Information

		Annual	Percentage	Net
	Year	Pension	of APC	Pension
_	Ending	Cost (APC)	Contributed	Asset
	12/31/2005	\$682,372	100%	\$0
	12/31/2006	850,700	100%	0
	12/31/2007	943,400	100%	0

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

	Actuarial	Actuarial Accrued	Unfunded			UAL as a
Actuarial	Value of	Liability (AAL)	AAL	Fund	Covered	Percentage of
Valuation	Assets	- Entry Age	(UAL)	Ratio	Payroll	Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
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%
12/31/2006	31,130,701	38,533,848	7,403,147	81%	6,272,650	118%

Ottawa County Central Dispatch Authority:

For the year ended December 31, 2007, the Dispatch Authority's annual pension expense of \$52,968 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, 2006, the date of the latest actuarial valuation, was 30 years.

Three Year Trend Information

	Annual	Percentage	Net
Year	Pension	of APC	Pension
Ending	Cost (APC)	Contributed	Asset
12/31/2005	\$59,077	100%	\$0
12/31/2006	57,932	100%	0
12/31/2007	52,968	100%	0

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

	Actuarial	Actuarial Accrued	Unfunded			UAL as a
Actuarial	Value of	Liability (AAL)	AAL	Fund	Covered	Percentage of
Valuation	Assets	- Entry Age	(UAL)	Ratio	Payroll	Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
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%
12/31/2006	1,451,371	1,517,960	66,589	96%	443,927	15%

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. Participating employee 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.

The Authority and member contributions were \$51,913 and \$51,913, respectively, for the current year. 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.

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, 2007 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

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

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 \$124,617,280 which is \$28,996,717 more than the prior year. Coverage was adjusted to reflect updated property values and the construction of the new Grand Haven courthouse as well as the Fillmore Street complex addition.

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, 2006 and 2007 as recorded in the Insurance Authority blended component unit are as follows:

		Current Year		
	Beginning	Claims and		
	of Year	Changes in	Claim	End of
	Liability	Estimates	Payments	Year Liability
2006	\$9,215,433	\$231,861	\$1,989,388	\$7,457,906
2007	7,457,906	(1,331,770)	371,507	5,754,629

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, dental and vision insurance is accounted for in the Protected Self-Funded Health fund (Internal Service fund 6771). An independent administrator is contracted to process the daily claims. For the health insurance, the County is responsible for claims up to \$200,000 per individual, and purchases specific excess

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

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. 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. In 2006, dental and vision insurance were accounted for in separate funds (6776 and 6777 respectively), but were combined with the health fund for 2007. 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 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, 2006 and 2007 are as follows:

		Current Year		
	Beginning	Claims and		
	of Year	Changes in	Claim	End of
_	Liability	Estimates	Payments	Year Liability
2006	\$836,908	\$8,680,328	\$8,342,676	\$1,174,560
2007	1,174,560	10,731,604	10,360,942	1,545,222

The self-insurance program for unemployment is accounted for in the Protected Self-Funded Unemployment fund (Internal Service fund 6772). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually and were \$80,387 and \$28,319 in 2006 and 2007, respectively.

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.

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

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.

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. The Commission is exposed to various risks of loss related to torts, destruction of assets and errors and omissions for which it obtains coverage from commercial insurance companies. The Commission had no settled claims resulting from these risks that exceeded commercial coverage in any of the past three years. Changes in the estimates are as follows:

MCRCSIP Liability	Workers' Compensation	
Plan	Plan	Total
\$9,700	\$95,421	\$105,121
81,517	81,030	162,547
(10,210)	(123,040)	(133,250)
81,007	53,411	134,418
29,623	93,751	123,374
(34,725)	(99,904)	(134,629)
\$75,905	\$47,258	\$123,163
	Liability Plan \$9,700 81,517 (10,210) 81,007 29,623 (34,725)	Liability Plan Compensation Plan \$9,700 \$95,421 81,517 81,030 (10,210) (123,040) 81,007 53,411 29,623 93,751 (34,725) (99,904)

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

The Ottawa County Central Dispatch Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, and natural disasters. The Authority has purchased commercial insurance for the above risks of loss. Settled claims have not exceeded insurance coverage for the last three fiscal years.

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

County of Ottawa:

The County administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (medicare eligible). Benefit provisions are established through negotiations between the County and bargaining units and employee groups. Retirees pay a monthly amount based on coverage and an actuarially determined rate. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not yet been established for the plan.

For employees hired before January 1, 2008, the County offers health care benefits to retirees that they may purchase at the actuarially determined blended rate for current employees and retirees. In addition, 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 - \$10 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. Employees hired

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

after December 31, 2007, may purchase health insurance benefits upon their retirement at the actuarially determined rate for retirees. The County's contribution is based on pay-as-you-go financing requirements. For the current year contributions were \$346,807. Current year contributions are not materially different from the estimated current year's annual required contribution (ARC).

The County's annual other post employment benefit (OPEB) cost (expense) is calculated base on the ARC, an amount actuarially determined in accordance with parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The first actuarial valuation of the Retiree Health Plan was performed as of January 1, 2008 with the requirements of GASB Statement # 45 being implemented prospectively. Fiscal year 2008 is the first year for which an actuarially required contribution (ARC) has been determined. The current year's contribution was considered to be equal to actual plan costs (estimated current years ARC) based on evaluation of the aforementioned actuarial valuation. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan. During 2008, the County intends to establish a legal trust to fully fund the OPEB liability.

Annual required OPEB contribution	\$ 346,807
Interest on net OPEB obligation	-
Adjustment to annual required contributions	
	346,807
Estimated contributions made by the County	346,807
Increase in net OPEB obligation	-
New OPEB obligation, beginning of year	-
New OPEB obligation, end of year	
	\$ -

Three Year Trend Information*

	Fiscal Year	Annual Required	Percentage of	Net Pension
	Ending	Contribution (ARC)	ARC Contributed	Obligation
_	12/31/2007	\$346,807	100%	\$0

^{*} Actuarial data before 12/31/2007 is not available.

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Schedule of Funding Progress *

						UAAL as a
		Actuarial	Unfunded			Percentage of
Actuarial	Market Value	Accrued	AAL	Funded	Covered	Covered
Valuation	of Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	Payroll
Date	(a)	(b)	(b-a)	Total	(c)	((b-a)/c)
1/1/2008	\$0	\$7,802,674	\$7,802,674	0.00%	\$42,248,922	18.5%

^{*}Actuarial data before 12/31/2007 is not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 30 years were utilized. The actuarial assumptions included a 7% return on plan net assets, 3% inflation, with implicit subsidy provided.

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

Ottawa County Road Commission:

The Ottawa County Road Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (Medicare eligible). Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 100% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

The Commission's contribution is based on pay-as-you-go financing requirements. For the current year contributions were \$89,211. Current year contributions are not materially different from the estimated current years ARC.

The Commission's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The first actuarial valuation of the Retiree Health Plan was performed as of January 1, 2008 with the requirements of GASB Statement #45 being implemented prospectively. Fiscal year 2008 is the first year for which an actuarially required contribution (ARC) has been determined. The current year's contribution was considered to be equal to actual plan costs (estimated current years ARC) based on evaluation of the aforementioned actuarial valuation. The following table shows the components of the Commissions annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission OPEB obligation to the plan.

Annual required contribution	\$89,211
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	89,211
Contribution made	89,211
Increase in net OPEB obligation	0
Net OPEB obligation, beginning of year	0
Net OPEB obligation, end of year	\$0

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. **OTHER INFORMATION (CONTINUED)**

E. Other post-employment benefits (continued)

Three-Tear Trend information								
Fiscal Year	Annual Required	Percentage of ARC	Net Pension					
Ending	Contribution (ARC)	Contributed	Obligation					
9/30/2008	\$ 943,400	100%	\$ -					

Three Veer Trand Information

Schedule of Funding Progress									
						UAAL as a			
	Market	Actuarial	Unfunded			Percentage			
Actuarial	Value of	Accrued	AAL	Funded	Covered	of Covered			
Valuation	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	Payroll			
Date	(a)	(b)	(b-a)	Total	(c)	((b-a)/c)			
1/1/2008	\$0	\$1,835,591	\$1,835,591	0%	\$8,232,000	22%			

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Commission is currently funding the plan on a pay as you go basis.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 30 years were utilized. The actuarial

Notes to the Financial Statements

For the Year Ended December 31, 2007

IV. OTHER INFORMATION (CONTINUED)

E. Other post-employment benefits (continued)

assumptions included a 0% return on plan net assets as the plan is not funded, a discount rate of 4%, 10% inflation in 2008 graded to 5% in 2013, with implicit subsidy provided.

F. Related party transactions

At December 31, 2007, the County's financial statements included taxes receivable of \$4,125,683 and deferred revenue of \$4,261,781 relating to Ottawa County Central Dispatch Authority (OCCDA) property tax millage, which was levied for use in 2008. In addition, during the year ended December 31, 2007, Ottawa County provided operating grants of \$3,642,389 to OCCDA, \$31,581 of which had not yet been transferred as of 12/31/07.

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 2007 the following assessments were paid to the Drain Commissioner by:

Ottawa County \$219,386

Ottawa County Road Commission \$ 65,628

There are also assessments due from the Ottawa County Road Commission of \$19,524 which are included in amounts due from other governmental units. Ottawa County Public Utilities (OCPU) incurred expenses of \$567,000 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 \$70,788 for these goods and services.

G. Subsequent Events

Subsequent to year end, Ottawa County Public Utilities issued \$985,000 of bonds for the construction of Grand Haven Charter Township improvements.

H. Restatements of Prior Year

The beginning fund balance of the Mental Health fund, a major fund of the Primary Government, has been decreased by \$744,138 to appropriately account for deferred revenues that were presented as reserved fund balance in previous years.

The beginning fund balance of the Ottawa County Central Dispatch Authority, a Component Unit of the County, has been reduced by \$73,092 to reflect accrued payroll costs as of December 31, 2006.

COUNTY OF OTTAWA NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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.

<u>Friend of the Court Fund (2160)</u> - 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.

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

<u>Solid Waste Clean-Up Fund (2271)</u> - 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.

<u>Landfill Tipping Fees Fund (2272)</u> - 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.

<u>Transportation System Fund (2320)</u> - 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.

<u>Planning Commission Fund (2420)</u> - 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.

<u>Infrastructure Fund (2444)</u> - 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).

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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.

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

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

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

<u>Community Oriented Policing Services (C.O.P.S.) Funds (2610)</u> - 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.

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.

<u>Sheriff Road Patrol Fund (2661)</u> - 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.

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

SPECIAL REVENUE FUNDS (CONTINUED)

<u>Law Library Fund (2690)</u> - 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.

<u>Grant Programs - Pass Thru Fund (2750)</u> - 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.

<u>Federal Emergency Management Agency Fund (2810)</u> - 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.

<u>Community Corrections Fund (2850)</u> - 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.

<u>Community Action Agency Fund (2870)</u> - 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.

<u>Weatherization Fund (2890)</u> - 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, 2007

SPECIAL REVENUE FUNDS (CONTINUED)

<u>Department of Human Services (2900)</u> - 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.

<u>Child Care Funds (2920 and 2921)</u> - 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.

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

<u>Veterans Trust Fund (2940)</u> - 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.

<u>Compensated Absences Fund (2980)</u> - 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

<u>Building Authority Fund (5690-5695)</u> - 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; 2007-Grand Haven Courthouse. 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, 2007

CAPITAL PROJECTS FUND

<u>Building Authority Fund (5690-5695)</u> - 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

<u>Cemetery Trust Fund (1500)</u> - 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.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2007

(with comparative totals for December 31, 2006)

<u>-</u>	Special Revenue							
-	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transportation System (2320)	Planning Commission (2420)	Infrastructure (2444)	
<u>ASSETS</u>								
Cash and pooled investments Investments Receivables (net of allowance for estimated uncollectibles):			\$7,657,315	\$1,089,032	\$53,151	\$191,025	\$1,109,115	
Accounts Due from other funds Due from other governmental units Inventory of supplies Prepaid expenditures	\$295,590	\$129,117	443,448	46,330	41,482	3,460	1,438,524 53,148	
Total assets	\$295,590	\$129,117	\$8,100,763	\$1,135,362	\$94,633	\$194,485	\$2,600,787	
LIABILITIES AND FUND BALANCES								
Liabilities: Accounts payable Due to other governmental units Interfund payable Advances from other governmental units Deferred revenue	\$51,933 648 67,490	\$10,998 118,119	\$101,621	\$82,528	\$68,846	\$4,261		
Total liabilities	120,071	129,117	101,621	82,528	68,846	4,261		
Fund balances: Reserved for inventories Reserved for perpetual care Reserved for infrastructure loans Unreserved: Designated for construction Designated for register of deeds technology Designated for compensated absences Undesignated	175,519		7,999,142	1,052,834	25,787	190,224	\$1,438,524 1,162,263	
Total fund balances	175,519		7,999,142	1,052,834	25,787	190,224	2,600,787	
Total liabilities and fund balances	\$295,590	\$129,117	\$8,100,763	\$1,135,362	\$94,633	\$194,485	\$2,600,787	

~		To .	
\no	CIOL	Revenue	
SUC	Ciai	IXC VCIIUC	

Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$120,227	\$378,074	\$8,232,069	\$20,839				
2,080	17,431		13,877	\$65,343	\$31,968 379,632		\$4,023
\$122,307	\$395,505	\$8,232,069	\$34,716	\$65,343	\$411,600	Closed	\$4,023
	\$21,940		\$9,624	\$24,850 37,889	\$50,378 213,572 147,150		\$4,023
	21,940		9,624	62,739	411,100		4,023
	373,565						
\$122,307		\$8,232,069	25,092	2,604	500		
122,307	373,565	8,232,069	25,092	2,604	500		
\$122,307	\$395,505	\$8,232,069	\$34,716	\$65,343	\$411,600	Closed	\$4,023

(Continued on next page)

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2007

(with comparative totals for December 31, 2006)

	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 Investments Receivables (net of allowance for estimated uncollectibles):		\$59,001				\$64,376	
Accounts						3,812	
Due from other funds Due from other governmental units Inventory of supplies Prepaid expenditures	\$42,192		\$7,424	\$193,184	\$147,449	245,176 2,407	
Total assets	\$42,192	\$59,001	\$7,424	\$193,184	\$147,449	\$315,771	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$5,319	\$1,822	\$3,506	\$122,487	\$98,750	\$189,815	
Due to other governmental units Interfund payable Advances from other governmental units Deferred revenue	36,873		2,970	70,697	48,188		
Total liabilities	42,192	1,822	6,476	193,184	146,938	189,815	
Fund balances: Reserved for inventories Reserved for perpetual care Reserved for infrastructure loans Unreserved: Designated for construction						2,407	
Designated for register of deeds technology							
Designated for compensated absences Undesignated		57,179	948		511	123,549	
Total fund balances		57,179	948		511	125,956	
Total liabilities and fund balances	\$42,192	\$59,001	\$7,424	\$193,184	\$147,449	\$315,771	
Total natifices and fully balances	ψτ2,172	φ59,001	Ψ1,424	φ173,10 4	φ1+/,++9	φ313,771	

Special	Revenue

			Specia	I 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)
			\$7,117	\$2,077		\$180,603	\$102,000	
			1,000			163,312	1,300	
\$189,405	\$243,412	\$7,064	18,549			51,271	46,304	\$20,935
3,862	312			24,858				
\$193,267	\$243,724	\$7,064	\$26,666	\$26,935	None	\$395,186	\$149,604	\$20,935
\$74,476 104,751	\$146,181 1,055 91,642	\$1,121 5,943	\$26,666	\$2,077		\$30,199	\$24,690 44	\$5,792 14,975
						127,126	574	
179,227	238,878	7,064	26,666	2,077		157,325	25,308	20,767
				24,858				
14,040	4,846					237,861	124,296	168
14,040	4,846			24,858		237,861	124,296	168
\$193,267	\$243,724	\$7,064	\$26,666	\$26,935	None	\$395,186	\$149,604	\$20,935

(Continued on next page)

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2007

(with comparative totals for December 31, 2006)

	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 Investments Receivables (net of allowance for estimated uncollectibles):	\$789,848	\$778,124	\$73,384		\$511	\$3,834,669		
Accounts	1,386	10,081						
Due from other funds Due from other governmental units Inventory of supplies	6,608	1,162,458	402			220,595		
Prepaid expenditures		324						
Total assets	\$797,842	\$1,950,987	\$73,786	None	\$511	\$4,055,264		
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable Due to other governmental units Interfund payable	\$25,581	\$330,175			\$85	\$39,486		
Advances from other governmental units	22,000							
Deferred revenue	5,000							
Total liabilities	52,581	330,175			85	39,486		
Fund balances: Reserved for inventories Reserved for perpetual care Reserved for infrastructure loans Unreserved: Designated for construction Designated for register of deeds technology Designated for compensated absences	745.061	1,000,012	672.707		40.5	2,865,789		
Undesignated	745,261	1,620,812	\$73,786		426	1,149,989		
Total fund balances	745,261	1,620,812	73,786		426	4,015,778		
Total liabilities and fund balances	\$797,842	\$1,950,987	\$73,786	None	\$511	\$4,055,264		

Special Revenue	Debt Service Ottawa County Building	Capital Projects Ottawa County Building	Permanent	Total No	
Total	Authority (5690-5695)	Authority (5690-5695)	Trust (1500)	2007	2006
\$24,742,557	\$11,101	\$5,980,669	\$266 5,770	\$30,734,593 5,770	\$24,100,543 293,816
1,701,173 736,702 3,310,897 27,265 4,498				1,701,173 736,702 3,310,897 27,265 4,498	1,888,128 553,593 3,090,406 19,595 22,925
\$30,523,092	\$11,101	\$5,980,669	\$6,036	\$36,520,898	\$29,969,006
\$1,555,207 1,747 817,132 169,150 132,700	\$300	\$1,213,687		\$2,769,194 1,747 817,132 169,150 132,700	\$1,643,476 11,184 1,002,818 192,803 2,972
2,675,936	300	1,213,687		3,889,923	2,853,253
27,265	300	1,213,007	\$5,770	27,265 5,770	42,520 5,770
1,438,524				1,438,524	1,710,952
373,565 2,865,789 23,142,013	10,801	4,766,982	266	373,565 2,865,789 27,920,062	253,715 238,038 2,994,318 21,870,440
27,847,156	10,801	4,766,982	6,036	32,630,975	27,115,753
\$30,523,092	\$11,101	\$5,980,669	\$6,036	\$36,520,898	\$29,969,006

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

NONMAJOR GOVERNMENTAL FUNDS

-	Special Revenue						
	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transportation System (2320)	Planning Commission (2420)	Infrastructure (2444)
Revenues: Taxes Intergovernmental revenues Charges for services Fines and forfeits Interest on investments Rental income	\$2,057,326 240,468	\$266,186	\$443,448	\$390,402	\$157,569	\$3,703	\$29,836 100,750
Other				21,189		30	
Total revenues	2,297,794	266,186	443,448	411,591	157,569	3,733	130,586
Expenditures: Current operations: Judicial General government Public safety Public works Health and welfare Community and economic development Debt service Capital outlay	2,845,136	298,576	309,356	516,243	157,569	27,261	
Total expenditures	2,845,136	298,576	309,356	516,243	157,569	27,261	
Revenues over (under) expenditures	(547,342)	(32,390)	134,092	(104,652)		(23,528)	130,586
Other financing sources (uses): Transfers in (out): General Fund Public Improvement Community Action Agency Workforce Investment Act 12/31 Grant Programs Issuance of bonds Premium on bonds issued	722,861	32,390				48,995	
Total other financing sources (uses)	722,861	32,390				48,995	
Net change in fund balances	175,519		134,092	(104,652)		25,467	130,586
Fund balances, beginning of year			7,865,050	1,157,486	25,787	164,757	2,470,201
Fund balances, end of year	\$175,519	None	\$7,999,142	\$1,052,834	\$25,787	\$190,224	\$2,600,787

			Special R	ecvenue			
Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$12,271	\$254,395		\$140,400	\$859,318	\$2,294,781		\$531,108
2,080	17,431		260				
14,351	271,826		360 140,760	859,318	2,294,781		531,108
530	136,299		178,221	859,466	2,510,138		531,108
530	136,299		178,221	859,466	2,510,138		531,108
13,821	135,527		(37,461)	(148)	(215,357)		
		\$359,719	37,461	2,752	215,357		
		359,719	37,461	2,752	215,357		
13,821	135,527	359,719		2,604			
108,486	238,038	7,872,350	25,092		500		

\$122,307

\$373,565

\$8,232,069

\$25,092

(Continued on next page)

None

\$2,604

\$500

Closed

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2007 (with comparative totals for the year ended December 31, 2006)

Special Revenue Funds Workforce Workforce Workforce Workforce Workforce Sheriff Investment Investment Investment Investment Investment Road Act -Act - 6/30 Act - 12/31 Law Act -Act -Patrol Library ACP Youth Adult **Grant Programs Grant Programs** (2740)(2690)(2744)(2661)(2741)(2742)(2743)Revenues: Taxes \$263,166 \$194,079 \$677,241 \$488,996 \$1,514,355 \$259,484 Intergovernmental revenues Charges for services 13,953 Fines and forfeits \$6,500 Interest on investments Rental income Other 56,303 Total revenues 263,166 6,500 194,079 677,241 488,996 1,514,355 329,740 Expenditures: Current operations: 31,902 Judicial General government Public safety 294,454 Public works Health and welfare 194,079 488,996 1,510,864 325,803 677,241 Community and economic development Debt service Capital outlay 31,902 194,079 488,996 1,510,864 Total expenditures 294,454 677,241 325,803 Revenues over (under) expenditures (31,288)(25,402)3,491 3,937 Other financing sources (uses): Transfers in (out): General Fund 31,288 31,000 Public Improvement Community Action Agency (35,397)Workforce Investment Act 12/31 Grant Programs Issuance of bonds Premium on bonds issued Total other financing sources (uses) 31,288 31,000 (35,397)Net change in fund balances 5,598 3,491 (31,460)

948

\$948

None

511

\$511

122,465

\$125,956

45,500

\$14,040

51,581

\$57,179

None

Fund balances, beginning of year

Fund balances, end of year

			Special Reve	enue			
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)
\$1,317,551	\$24,152	\$105,118	\$172,327	\$20,000	\$305,120 182,418	\$493,263	\$254,073
1,317,551	24,152	105,118	172,327	20,000	10,943 498,481	24,757 518,020	254,073
		58,200 70,053			987,775		
1,340,356	24,152	70,033	165,131	20,000		550,845	254,073
1,340,356	24,152	128,253	165,131	20,000	987,775	550,845	254,073
(22,805)		(23,135)	7,196		(489,294)	(32,825)	
		23,135			432,089	29,000	
						35,397	
		23,135			432,089	64,397	
(22,805)			7,196		(57,205)	31,572	
27,651			17,662		295,066	92,724	168
\$4,846	None	None	\$24,858	None	\$237,861	\$124,296	\$168

(Continued on next page)

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

NONMAJOR GOVERNMENTAL FUNDS

	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 Charges for services Fines and forfeits Interest on investments	\$215,761 33,153	\$3,804,722	\$22,397		\$28,376	\$38,818 220,595
Rental income Other	832	594,836				
Total revenues	249,746	4,399,558	22,397		28,376	259,413
Expenditures: Current operations: Judicial General government Public safety Public works Health and welfare Community and economic development Debt service Capital outlay	899,843	8,428,880	44,062	\$30,485	28,611	198,011
Total expenditures	899,843	8,428,880	44,062	30,485	28,611	198,011
Revenues over (under) expenditures	(650,097)	(4,029,322)	(21,665)	(30,485)	(235)	61,402
Other financing sources (uses): Transfers in (out): General Fund Public Improvement Community Action Agency Workforce Investment Act 12/31 Grant Prog Issuance of bonds Premium on bonds issued	729,070 grams	4,081,921	21,125	30,485		
Total other financing sources (uses)	729,070	4,081,921	21,125	30,485		
Net change in fund balances	78,973	52,599	(540)		(235)	61,402
Fund balances, beginning of year	666,288	1,568,213	74,326		661	3,954,376
Fund balances, end of year	\$745,261	\$1,620,812	\$73,786	None	\$426	\$4,015,778

Special Revenue Total	Debt Service Ottawa County Building Authority (5690-5695)	Capital Projects Ottawa County Building Authority (5690-5695)	Permanent Cemetery Trust (1500)	Total No Governme	-
\$12,271 16,470,572 1,183,443 6,500 784,304	\$95 2,769,438	\$81,615	\$266	\$12,271 16,470,572 1,183,443 6,500 866,280 2,769,438 709,250	\$12,127 15,323,287 1,364,454 6,500 671,757 2,439,503 708,170
19,166,340	2,769,533	81,615	266	22,017,754	20,525,798
4,221,589 513,061 4,265,219 983,168 14,983,421 27,261	2,769,438	5,473,205		4,221,589 513,061 4,265,219 983,168 14,983,421 27,261 2,769,438 5,473,205	3,969,403 969,100 3,764,835 766,500 14,654,710 39,136 2,453,395 2,251,029
24,993,719	2,769,438	5,473,205		33,236,362	28,868,108
(5,827,379)	95	(5,391,590)	266	(11,218,608)	(8,342,310)
6,828,648 (35,397) 35,397	325	(173,994) 10,000,000 78,851		6,828,648 (173,669) (35,397) 35,397 10,000,000 78,851	6,577,361 68,161 55,742 (55,742)
6,828,648	325	9,904,857		16,733,830	6,645,522
0,020,040	323	7,704,057		10,733,030	0,013,322
1,001,269	420	4,513,267	266	5,515,222	(1,696,788)
26,845,887	10,381	253,715	5,770	27,115,753	28,812,541
\$27,847,156	\$10,801	\$4,766,982	\$6,036	\$32,630,975	\$27,115,753

(Concluded)

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$1,925,007 219,558	\$2,119,547 224,796	\$2,057,326 240,468	(\$62,221) 15,672	\$1,796,517 245,204
Total revenues	2,144,565	2,344,343	2,297,794	(46,549)	2,041,721
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	2,292,381 57,293 514,889	2,338,300 67,718 506,238	2,295,449 60,600 489,087	42,851 7,118 17,151	2,128,068 76,884 433,808
Total expenditures	2,864,563	2,912,256	2,845,136	67,120	2,638,760
Revenues over (under) expenditures	(719,998)	(567,913)	(547,342)	20,571	(597,039)
Other financing sources (uses): Transfers in (out): General Fund	719,998	744,880	722,861	(22,019)	597,039
Total other financing sources (uses)	719,998	744,880	722,861	(22,019)	597,039
Net change in fund balance		176,967	175,519	(1,448)	
Fund balance, beginning of year					
Fund balance, end of year	None	\$176,967	\$175,519	(\$1,448)	None

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$300,837	\$273,970	\$266,186	(\$7,784)	\$173,609
Total revenues	300,837	273,970	266,186	(7,784)	173,609
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	257,926 58,744 40,575	263,165 38,546 16,490	254,325 34,658 9,593	8,840 3,888 6,897	179,787 15,692 11,771
Total expenditures	357,245	318,201	298,576	19,625	207,250
Revenues over (under) expenditures	(56,408)	(44,231)	(32,390)	11,841	(33,641)
Other financing sources (uses): Transfers in (out): General Fund	56,408	44,231	32,390	(11,841)	33,641
Total other financing sources (uses)	56,408	44,231	32,390	(11,841)	33,641
Net change in fund balance Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$145,627	\$301,114	\$443,448	\$142,334	\$335,869 5,803
Total revenues	145,627	301,114	443,448	142,334	341,672
Expenditures: Current operations: Personnel services Supplies					
Other services and charges Capital outlay	152,000 1,598,155	140,030 193,717	130,388 178,968	9,642 14,749	131,613 149,106
Total expenditures	1,750,155	333,747	309,356	24,391	280,719
Revenues over (under) expenditures	(1,604,528)	(32,633)	134,092	166,725	60,953
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance	(1,604,528)	(32,633)	134,092	166,725	60,953
Fund balance, beginning of year	7,865,050	7,865,050	7,865,050		7,804,097
Fund balance, end of year	\$6,260,522	\$7,832,417	\$7,999,142	\$166,725	\$7,865,050

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits	\$380,000	\$398,000	\$390,402	(\$7,598)	\$434,626
Rental income Other	13,806	21,429	21,189	(240)	16,084
Total revenues	393,806	419,429	411,591	(7,838)	450,710
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	273,712 11,630 180,633 465,975 (72,169)	252,047 31,630 169,989 149,053 602,719 (183,290)	218,683 28,598 108,636 160,326 516,243 (104,652)	33,364 3,032 61,353 (11,273) 86,476 78,638	188,119 13,282 138,818 7,208 347,427 103,283
Total other financing sources (uses)					
Net change in fund balance	(72,169)	(183,290)	(104,652)	78,638	103,283
Fund balance, beginning of year	1,157,486	1,157,486	1,157,486		1,054,203
Fund balance, end of year	\$1,085,317	\$974,196	\$1,052,834	\$78,638	\$1,157,486

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$338,354	\$157,569	\$157,569		\$138,354
Total revenues	338,354	157,569	157,569		138,354
Expenditures: Current operations: Personnel services Supplies					
Other services and charges Capital outlay	338,354	157,569	157,569		138,354
Total expenditures	338,354	157,569	157,569		138,354
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	25,787	25,787	25,787		25,787
Fund balance, end of year	\$25,787	\$25,787	\$25,787	None	\$25,787

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Intergovernmental revenues Charges for services Interest on investments Licenses and permits	\$17,500	\$6,053	\$3,703	(\$2,350)	\$5,697
Rental income					
Other	20	30	30		
Total revenues	17,520	6,083	3,733	(2,350)	5,697
Expenditures:					
Current operations:					
Personnel services	1,129	889	697	192	\$766
Supplies	8,787	8,041	3,912	4,129	4,366
Other services and charges Capital outlay	115,319	35,399	22,652	12,747	34,004
Total expenditures	125,235	44,329	27,261	17,068	39,136
Revenues over (under) expenditures	(107,715)	(38,246)	(23,528)	14,718	(33,439)
Other financing sources (uses):					
Transfers in (out):					
General Fund	48,995	48,995	48,995		31,782
Total other financing sources (uses)	48,995	48,995	48,995		31,782
Total other imaneing sources (uses)	10,225	10,775	10,775		31,702
Net change in fund balance	(58,720)	10,749	25,467	14,718	(1,657)
Fund balance, beginning of year	164,757	164,757	164,757		166,414
Fund balance, end of year	\$106,037	\$175,506	\$190,224	\$14,718	\$164,757

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$29,836 72,789	\$29,836 90,210	\$29,836 100,750	\$10,540	\$31,133 94,706
Total revenues	102,625	120,046	130,586	10,540	125,839
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	34,500				600,000
Total expenditures	34,500				600,000
Revenues over (under) expenditures	68,125	120,046	130,586	10,540	(474,161)
Other financing sources (uses): Transfers in (out): General Fund Infrastructure					
Total other financing sources (uses)					
Net change in fund balance	68,125	120,046	130,586	10,540	(474,161)
Fund balance, beginning of year	2,470,201	2,470,201	2,470,201		2,944,362
Fund balance, end of year	\$2,538,326	\$2,590,247	\$2,600,787	\$10,540	\$2,470,201

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

	2007				
	Original Budget	Amended Budget	Actual	Variance	2006 Actual
Revenues: Taxes Intergovernmental revenues	\$35,000	\$15,000	\$12,271	(\$2,729)	\$12,127
Charges for services Interest on investments Licenses and permits Rental income Other		4,500	2,080	(2,420)	
Total revenues	35,000	19,500	14,351	(5,149)	12,127
Expenditures:					
Personnel services Supplies Other services and charges Capital outlay	500	530	530		500
Total expenditures	500	530	530		500
Revenues over (under) expenditures	34,500	18,970	13,821	(5,149)	11,627
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance	34,500	18,970	13,821	(5,149)	11,627
Fund balance, beginning of year	108,486	108,486	108,486		96,859
Fund balance, end of year	\$142,986	\$127,456	\$122,307	(\$5,149)	\$108,486

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

	2007					
	Original Budget	Amended Budget	Actual	Variance	2006 Actual	
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$280,000 4,991	\$280,000 4,991	\$254,395 17,431	(\$25,605) 12,440	\$268,845 8,199	
Total revenues	284,991	284,991	271,826	(13,165)	277,044	
Expenditures:						
Personnel services Supplies Other services and charges Capital outlay	2,000 275,810	2,000 244,610	1,467 134,832	533 109,778	836 147,048	
Total expenditures	277,810	246,610	136,299	110,311	147,884	
Revenues over (under) expenditures	7,181	38,381	135,527	97,146	129,160	
Other financing sources (uses): Transfers in (out): General Fund						
Total other financing sources (uses)						
Net change in fund balance	7,181	38,381	135,527	97,146	129,160	
Fund balance, beginning of year	238,038	238,038	238,038		108,878	
Fund balance, end of year	\$245,219	\$276,419	\$373,565	\$97,146	\$238,038	

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 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 Capital outlay					
Total expenditures					
Revenues over (under) expenditures					
Other financing sources (uses): Transfers in (out): General Fund			\$359,719	\$359,719	\$268,790
Total other financing sources (uses)			359,719	359,719	268,790
Net change in fund balance			359,719	359,719	268,790
Fund balance, beginning of year	\$7,872,350	\$7,872,350	7,872,350		7,603,560
Fund balance, end of year	\$7,872,350	\$7,872,350	\$8,232,069	\$359,719	\$7,872,350

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments	\$140,400	\$140,400	\$140,400		\$139,000
Licenses and permits Rental income					
Other	425	425	360	(\$65)	302
Total revenues	140,825	140,825	140,760	(65)	139,302
Expenditures:					
Current operations: Personnel services	170,061	169,846	160,356	9,490	160,803
Supplies	15,122	15,122	13,012	2,110	13,082
Other services and charges Capital outlay	5,147	5,362	4,853	509	3,640
Total expenditures	190,330	190,330	178,221	12,109	177,525
Revenues over (under) expenditures	(49,505)	(49,505)	(37,461)	12,044	(38,223)
Other financing sources (uses): Transfers in (out):					
General Fund	49,505	49,505	37,461	(12,044)	38,223
Total other financing sources (uses)	49,505	49,505	37,461	(12,044)	38,223
Total other illiancing sources (uses)	49,303	49,303	37,401	(12,044)	36,223
Net change in fund balance					
Fund balance, beginning of year	25,092	25,092	25,092		25,092
Fund balance, end of year	\$25,092	\$25,092	\$25,092	None	\$25,092

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$68,000	\$963,895	\$859,318	(\$104,577)	\$379,837
Total revenues	68,000	963,895	859,318	(104,577)	379,837
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	31,900 1,167 14,933 22,000	64,098 227,458 49,912 624,427	55,606 167,537 15,805 620,518	8,492 59,921 34,107 3,909	79,083 193,875 24,667 84,206
Total expenditures	70,000	965,895	859,466	106,429	381,831
Revenues over (under) expenditures	(2,000)	(2,000)	(148)	1,852	(1,994)
Other financing sources (uses): Transfers in (out): General Fund	2,000	2,000	2,752	752	1,994
Total other financing sources (uses)	2,000	2,000	2,752	752	1,994
Net change in fund balance Fund balance, beginning of year			2,604		
Fund balance, end of year	None	None	\$2,604	None	None

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits	\$1,643,679	\$2,587,845	\$2,294,781	(\$293,064)	\$1,414,883
Rental income Other		493		(493)	533
Total revenues	1,643,679	2,588,338	2,294,781	(293,557)	1,415,416
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	1,564,258 57,425 267,613	2,365,908 101,810 366,237	2,141,390 79,809 288,939	224,518 22,001 77,298	1,384,546 36,851 198,811
Total expenditures	1,889,296	2,833,955	2,510,138	323,817	1,620,208
Revenues over (under) expenditures	(245,617)	(245,617)	(215,357)	30,260	(204,792)
Other financing sources (uses): Transfers in (out): General Fund	245,617	245,617	215,357	(30,260)	205,093
Total other financing sources (uses)	245,617	245,617	215,357	(30,260)	205,093
Net change in fund balance					301
Fund balance, beginning of year	500	500	500		199
Fund balance, end of year	\$500	\$500	\$500	None	\$500

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

	-				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$907,621				\$768,903
Total revenues	907,621				768,903
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	798,488 23,917 85,216 907,621				705,171 10,557 53,175 768,903
Total other financing sources (uses) Net change in fund balance Fund balance, beginning of year					
Fund balance, end of year	None	Closed	Closed	Closed	None

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

		200	7		2006 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$734,928	\$531,118	\$531,108	(\$10)	\$658,011
Total revenues	734,928	531,118	531,108	(10)	658,011
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	612,444 22,137 100,347	448,994 14,302 67,822	448,985 14,301 67,822	9 1	557,832 17,658 82,521
Total expenditures	734,928	531,118	531,108	10	658,011
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

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$263,166	\$263,166	\$263,166		\$253,631
Total revenues	263,166	263,166	263,166		253,631
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	258,071 4,060 44,682	256,607 3,934 46,272	248,731 2,844 42,879	\$7,876 1,090 3,393	239,602 1,866 35,766
Total expenditures	306,813	306,813	294,454	12,359	277,234
Revenues over (under) expenditures	(43,647)	(43,647)	(31,288)	12,359	(23,603)
Other financing sources (uses): Transfers in (out): General Fund	43,647	43,647	31,288	(12,359)	23,603
Total other financing sources (uses)	43,647	43,647	31,288	(12,359)	23,603
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Fines and forfeits Interest on investments Licenses and permits Rental income Other	\$6,500	\$6,500	\$6,500		\$6,500
Total revenues	6,500	6,500	6,500		6,500
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	37,500	37,500	31,902	\$5,598	26,708
Total expenditures	37,500	37,500	31,902	5,598	26,708
Revenues over (under) expenditures	(31,000)	(31,000)	(25,402)	5,598	(20,208)
Other financing sources (uses): Transfers in (out): General Fund	31,000	31,000	31,000		33,125
Total other financing sources (uses)	31,000	31,000	31,000		33,125
Net change in fund balance			5,598	5,598	12,917
Fund balance, beginning of year	51,581	51,581	51,581		38,664
Fund balance, end of year	\$51,581	\$51,581	\$57,179	\$5,598	\$51,581

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$193,170	\$203,545	\$194,079	(\$9,466)	\$160,151
Total revenues	193,170	203,545	194,079	(9,466)	160,151
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	133,031 10,214 49,925	132,631 10,214 50,300 10,400	133,577 7,512 42,868 10,122	(946) 2,702 7,432 278 9,466	84,678 3,513 71,960
Total expenditures Revenues over (under) expenditures	193,170	203,545	194,079	9,400	160,151
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year	948	948	948		948
Fund balance, end of year	\$948	\$948	\$948	None	\$948

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

		200	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$524,896	\$775,738	\$677,241	(\$98,497)	\$615,420
Total revenues	524,896	775,738	677,241	(98,497)	615,420
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	78,742 3,972 442,182 524,896	77,792 2,882 695,064 775,738	76,049 2,294 598,898 677,241	1,743 588 96,166 98,497	94,265 1,820 519,335 615,420
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

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

		200	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income	\$330,659	\$605,045	\$488,996	(\$116,049)	\$425,048
Other			_		530
Total revenues	330,659	605,045	488,996	(116,049)	425,578
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	49,843 2,837 277,979	54,020 3,337 547,688	51,624 2,192 435,180	2,396 1,145 112,508	72,583 1,634 360,866
Total expenditures	330,659	605,045	488,996	116,049	435,083
Revenues over (under) expenditures					(9,505)
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance					(9,505)
Fund balance, beginning of year	511	511	511		10,016
Fund balance, end of year	\$511	\$511	\$511	None	\$511

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$1,711,700	\$2,005,192	\$1,514,355	(\$490,837)	\$1,676,005
Total revenues	1,711,700	2,005,192	1,514,355	(490,837)	1,676,005
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):	224,866 61,722 1,425,112 1,711,700	224,208 55,043 1,712,236 13,705 2,005,192	170,265 32,209 1,294,948 13,442 1,510,864 3,491	53,943 22,834 417,288 263 494,328 3,491	124,210 78,589 1,484,950 1,687,749 (11,744)
General Fund Total other financing sources (uses)					
Net change in fund balance			3,491	3,491	(11,744)
Fund balance, beginning of year	122,465	122,465	122,465		134,209
Fund balance, end of year	\$122,465	\$122,465	\$125,956	\$3,491	\$122,465

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income	\$132,000	\$526,182 15,000	\$259,484 13,953	(\$266,698) (1,047)	\$54,531 15,188
Other		75,200	56,303	(18,897)	68,689
Total revenues	132,000	616,382	329,740	(286,642)	138,408
Expenditures: Current operations: Personnel services Supplies	10,628 568	62,433 2,483	28,077 806	34,356 1,677	12,572 1,628
Other services and charges	120,804	551,466	296,920	254,546	188,357
Total expenditures	132,000	616,382	325,803	290,579	202,557
Revenues over (under) expenditures			3,937	3,937	(64,149)
Other financing sources (uses): Transfers in (out):					
Community Action Agency			(35,397)	(35,397)	55,742
Total other financing sources (uses)			(35,397)	(35,397)	55,742
Net change in fund balance			(31,460)	(31,460)	(8,407)
Fund balance, beginning of year	45,500	45,500	45,500		53,907
Fund balance, end of year	\$45,500	\$45,500	\$14,040	(\$31,460)	\$45,500

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

		200)7		2006 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$700,000	\$1,443,301	\$1,317,551	(\$125,750)	\$1,299,846
Total revenues	700,000	1,443,301	1,317,551	(125,750)	1,299,846
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	235,252 11,347 453,401 700,000	229,242 13,334 1,198,825 1,900 1,443,301	198,529 8,844 1,131,096 1,887 1,340,356 (22,805)	30,713 4,490 67,729 13 102,945 (22,805)	214,053 26,982 1,087,299 1,328,334 (28,488)
Total other financing sources (uses)					
Net change in fund balance			(22,805)	(22,805)	(28,488)
Fund balance, beginning of year	27,651	27,651	27,651		56,139
Fund balance, end of year	\$27,651	\$27,651	\$4,846	(\$22,805)	\$27,651

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, 2007 (with comparative actual amounts for the year ended March 31, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$26,378	\$26,378	\$24,152	(\$2,226)	\$39,847
Total revenues	26,378	26,378	24,152	(2,226)	39,847
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	700 3,055 22,623	1,626 2,227 22,525	1,624 2,226 20,302	2 1 2,223	6,248 3,746 29,853
Total expenditures	26,378	26,378	24,152	2,226	39,847
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

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$66,758	\$126,758	\$105,118	(\$21,640)	\$135,978
Total revenues	66,758	126,758	105,118	(21,640)	135,978
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	78,226 6,830 15,067	78,226 6,830 75,067	63,234 1,073 63,946	14,992 5,757 11,121	60,717 772 97,159
Total expenditures	100,123	160,123	128,253	31,870	158,648
Revenues over (under) expenditures	(33,365)	(33,365)	(23,135)	10,230	(22,670)
Other financing sources (uses): Transfers in (out): General Fund	33,365	33,365	23,135	(10,230)	22,670
Total other financing sources (uses)	33,365	33,365	23,135	(10,230)	22,670
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

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

		200	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$18,000	\$42,837	\$172,327	\$129,490	\$197,292
Total revenues	18,000	42,837	172,327	129,490	197,292
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	9,060 568 8,372	14,335 4,615 23,887	14,968 126,783 23,380	(633) (122,168) 507	17,602 137,012 25,016
Total expenditures	18,000	42,837	165,131	(122,294)	179,630
Revenues over (under) expenditures			7,196	7,196	17,662
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance			7,196	7,196	17,662
Fund balance, beginning of year	17,662	17,662	17,662		
Fund balance, end of year	\$17,662	\$17,662	\$24,858	\$7,196	\$17,662

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other		\$20,000	\$20,000		\$20,000
Total revenues		20,000	20,000		20,000
Expenditures: Current operations: Personnel services Supplies Other services and charges		20,000	20,000		20,000
Capital outlay					
Total expenditures		20,000	20,000		20,000
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

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

		200′	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income	\$301,270 141,048	\$324,025 174,809	\$305,120 182,418	(\$18,905) 7,609	\$299,325 209,519
Other	10,896	10,896	10,943	47	12,643
Total revenues	453,214	509,730	498,481	(11,249)	521,487
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	653,001 26,730 355,660	673,978 23,730 344,111	658,681 19,465 309,629	15,297 4,265 34,482	607,297 31,703 357,685
Total expenditures	1,035,391	1,041,819	987,775	54,044	996,685
Revenues over (under) expenditures	(582,177)	(532,089)	(489,294)	42,795	(475,198)
Other financing sources (uses): Transfers in (out): General Fund	482,177	432,089	432,089		458,726
Total other financing sources (uses)	482,177	432,089	432,089		458,726
Net change in fund balance	(100,000)	(100,000)	(57,205)	42,795	(16,472)
Fund balance, beginning of year	295,066	295,066	295,066		311,538
Fund balance, end of year	\$195,066	\$195,066	\$237,861	\$42,795	\$295,066

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

		200′	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits	\$428,200	\$603,115	\$493,263	(\$109,852)	\$477,256
Rental income	20,000	27,002	04.757	(12.126)	26.017
Other	20,000	37,893	24,757	(13,136)	36,917
Total revenues	448,200	641,008	518,020	(122,988)	514,173
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	312,642 22,342 142,216	333,495 71,731 279,782	274,745 68,642 207,458	58,750 3,089 72,324	218,872 70,060 217,669
Total expenditures	477,200	685,008	550,845	134,163	506,601
Revenues over (under) expenditures	(29,000)	(44,000)	(32,825)	11,175	7,572
Other financing sources (uses): Transfers in (out): General Fund Workforce Investment Act - 12/31 Grant Programs	29,000	29,000	29,000 35,397	35,397	29,000 (55,742)
Total other financing sources (uses)	29,000	29,000	64,397	35,397	(26,742)
Net change in fund balance		(15,000)	31,572	46,572	(19,170)
Fund balance, beginning of year	92,724	92,724	92,724		111,894
Fund balance, end of year	\$92,724	\$77,724	\$124,296	\$46,572	\$92,724

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, 2007 (with comparative actual amounts for the year ended March 31, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:	ф2 / 2 000	\$260,000	Φ254.072	(014.007)	#207 702
Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$263,980	\$268,980	\$254,073	(\$14,907)	\$306,793
Total revenues	263,980	268,980	254,073	(14,907)	306,793
Expenditures:					
Current operations:					
Personnel services	63,191	66,056	66,006	50	82,991
Supplies	147,882	154,855	144,834	10,021	175,530
Other services and charges Capital outlay	52,907	48,069	43,233	4,836	48,272
Total expenditures	263,980	268,980	254,073	14,907	306,793
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	\$168	\$168	\$168	None	\$168

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

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Intergovernmental revenues Charges for services Interest on investments	\$220,000 39,060	\$220,000 39,060	\$215,761 33,153	(\$4,239) (5,907)	\$196,035 44,856
Licenses and permits Rental income					
Other	1,015	6,115	832	(5,283)	565
Total revenues	260,075	265,175	249,746	(15,429)	241,456
Expenditures:					
Current operations:					
Personnel services	655,129	655,129	579,969	75,160	592,136
Supplies Other services and charges Capital outlay	215,082 118,934	215,182 123,934	215,635 104,239	(453) 19,695	188,859 116,658
Total expenditures	989,145	994,245	899,843	94,402	897,653
Revenues over (under) expenditures	(729,070)	(729,070)	(650,097)	78,973	(656,197)
Other financing sources (uses):					
Transfers in (out): General Fund	729,070	729,070	729,070		731,564
Total other financing sources (uses)	729,070	729,070	729,070		731,564
Net change in fund balance			78,973	78,973	75,367
Fund balance, beginning of year	666,288	666,288	666,288		590,921
Fund balance, end of year	\$666,288	\$666,288	\$745,261	\$78,973	\$666,288

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits	\$4,039,422	\$4,013,565	\$3,804,722	(\$208,843)	\$3,648,195
Rental income Other	581,042	655,000	594,836	(60,164)	566,104
Total revenues	4,620,464	4,668,565	4,399,558	(269,007)	4,214,299
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	4,149,115 248,816 4,529,637	4,148,457 293,142 4,543,624	3,998,225 271,683 4,158,972	150,232 21,459 384,652	3,855,084 204,716 4,049,575
Total expenditures	8,927,568	8,985,223	8,428,880	556,343	8,109,375
Revenues over (under) expenditures	(4,307,104)	(4,316,658)	(4,029,322)	287,336	(3,895,076)
Other financing sources (uses): Transfers in (out): General Fund	4,077,104	4,081,921	4,081,921		3,974,892
Total other financing sources (uses)	4,077,104	4,081,921	4,081,921		3,974,892
Net change in fund balance	(230,000)	(234,737)	52,599	287,336	79,816
Fund balance, beginning of year	1,568,213	1,568,213	1,568,213		1,488,397
Fund balance, end of year	\$1,338,213	\$1,333,476	\$1,620,812	\$287,336	\$1,568,213

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$21,000	\$21,125	\$22,397	\$1,272	\$21,450
Total revenues	21,000	21,125	22,397	1,272	21,450
Expenditures: Current operations: Personnel services Supplies Other services and charges	47,500	47,500	44,062	3,438	42,900
Capital outlay					
Total expenditures	47,500	47,500	44,062	3,438	42,900
Revenues over (under) expenditures	(26,500)	(26,375)	(21,665)	4,710	(21,450)
Other financing sources (uses): Transfers in (out): General Fund	26,500	21,125	21,125		26,500
Total other financing sources (uses)	26,500	21,125	21,125		26,500
Net change in fund balance		(5,250)	(540)	4,710	5,050
Fund balance, beginning of year	74,326	74,326	74,326		69,276
Fund balance, end of year	\$74,326	\$69,076	\$73,786	\$4,710	\$74,326

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

		2007	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 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 Capital outlay	\$60,000	\$60,000	\$30,485	\$29,515	\$100,719
Total expenditures	60,000	60,000	30,485	29,515	100,719
Revenues over (under) expenditures	(60,000)	(60,000)	(30,485)	29,515	(100,719)
Other financing sources (uses): Transfers in (out): General Fund	60,000	60,000	30,485	(29,515)	100,719
Total other financing sources (uses)	60,000	60,000	30,485	(29,515)	100,719
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

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

		200	7		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$12,347	\$28,376	\$28,376		\$21,673
Total revenues	12,347	28,376	28,376	, .	21,673
Expenditures: Current operations: Personnel services Supplies					
Other services and charges Capital outlay	12,347	28,376	28,611	(\$235)	21,898
Total expenditures	12,347	28,376	28,611	(235)	21,898
Revenues over (under) expenditures			(235)	(235)	(225)
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance			(235)	(235)	(225)
Fund balance, beginning of year	661	661	661		886
Fund balance, end of year	\$661	\$661	\$426	(\$235)	\$661

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$129,000 95,875	\$129,000 170,000	\$38,818 220,595	(\$90,182) 50,595	\$115,083 162,777
Total revenues	224,875	299,000	259,413	(39,587)	277,860
Expenditures: Current operations: Personnel services Supplies Other services and charges Capital outlay	83,949	158,596	198,011	(39,415)	42,623
Total expenditures	83,949	158,596	198,011	(39,415)	42,623
Revenues over (under) expenditures	140,926	140,404	61,402	(79,002)	235,237
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance	140,926	140,404	61,402	(79,002)	235,237
Fund balance, beginning of year	3,954,376	3,954,376	3,954,376		3,719,139
Fund balance, end of year	\$4,095,302	\$4,094,780	\$4,015,778	(\$79,002)	\$3,954,376

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

		20	07		
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues:					
Interest on investments Rental income	\$580 2,977,797	\$580 2,770,797	\$95 2,769,438	(\$485) (1,359)	\$7,539 2,439,503
Total revenues	2,978,377	2,771,377	2,769,533	(1,844)	2,447,042
Expenditures: Principal retirement Interest and fiscal charges Bond issuance costs	1,830,000 1,147,797	1,830,000 941,122	1,830,000 939,438	1,684	1,720,000 733,395
Total expenditures	2,977,797	2,771,122	2,769,438	1,684	2,453,395
Revenues over (under) expenditures	580	255	95	(160)	(6,353)
Other financing sources (uses): Transfers in (out) Public Improvement Fund		325	325		
Total other financing sources (uses)		325	325		
Net change in fund balance	580	580	420	(160)	(6,353)
Fund balances, beginning of year	10,381	10,381	10,381		16,734
Fund balances, end of year	\$10,961	\$10,961	\$10,801	(\$160)	\$10,381

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Interest on investments Other	\$66,000	\$86,960	\$81,615	(\$5,345)	\$62,430
Total revenues	66,000	86,960	81,615	(5,345)	62,430
Expenditures: Construction contracts Bond issue costs	9,360,000	5,645,352 123,400	5,353,630 119,575	291,722 3,825	2,251,029
Total expenditures	9,360,000	5,768,752	5,473,205	295,547	2,251,029
Revenues over (under) expenditures	(9,294,000)	(5,681,792)	(5,391,590)	290,202	(2,188,599)
Other financing sources (uses): Transfers in (out): Public Improvement Issuance of bonds Premium on bonds issued	10,000,000	10,000,000 78,851	(173,994) 10,000,000 78,851	(173,994)	68,161
Total other financing sources (uses)	10,000,000	10,078,851	9,904,857	(173,994)	68,161
Net change in fund balance	706,000	4,397,059	4,513,267	116,208	(2,120,438)
Fund balances, beginning of year	253,715	253,715	253,715		2,374,153
Fund balances, end of year	\$959,715	\$4,650,774	\$4,766,982	\$116,208	\$253,715

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

	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
Revenues: Intergovernmental revenues Charges for services Interest on investments Licenses and permits Rental income Other	\$260	\$260	\$266	\$6	\$237
Total revenues	260	260	266	6	237
Expenditures: Personnel services Supplies Other services and charges Capital outlay Other					568
Total expenditures			_		568
Revenues over (under) expenditures	260	260	266	6	(331)
Other financing sources (uses): Transfers in (out): General Fund					
Total other financing sources (uses)					
Net change in fund balance	260	260	266	6	(331)
Fund balance, beginning of year	5,770	5,770	5,770		6,101
Fund balance, end of year	\$6,030	\$6,030	\$6,036	\$6	\$5,770

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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.

<u>Information Technology Fund (6360)</u> - 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.

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

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

<u>Equipment Pool Fund (6641)</u> - 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.

<u>Protected Self-Funded Insurance Programs Fund (6770)</u> - 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.

<u>Protected Self-Funded Health Fund (6771)</u> - 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.

<u>Protected Self-Funded Unemployment Fund (6772)</u> - 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.

<u>Long-Term Disability Insurance Fund (6775)</u> - 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.

INTERNAL SERVICE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2007

<u>Protected Self-Funded Dental Insurance Fund (6776)</u> - 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.

<u>Protected Self-Funded Vision Insurance Fund (6777)</u> - 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.

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

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET ASSETS

December 31, 2007

(with comparative totals for December 31, 2006)

	Information Technology (6360)	Duplicating (6450)	Telecommunications (6550)
ASSETS			
Current assets:			
Cash and pooled investments	\$1,982,724	\$649,922	\$4,468,206
Investments			
Accounts receivable	625		32,833
Accrued interest on investments			
Due from other governmental units			
Due from other funds	127,126	36,072	246,288
Inventory of supplies	41,376		
Prepaid expenses	213,656		15,546
Total current assets	2,365,507	685,994	4,762,873
Noncurrent assets:			
Capital assets:			
Office furniture and equipment	43,000		
Copy machines		121,358	
Telephone equipment			2,462,910
Vehicles			
Less accumulated depreciation	(43,000)	(73,075)	(1,710,436)
Net capital assets		48,283	752,474
Total assets	2,365,507	734,277	5,515,347
LIABILITIES Current liabilities: Accounts payable Interfund payable Due to other funds Due to other governmental units	80,334	621	4,515
Capital lease payable Unearned revenue			194,792
Total current liabilities	80,334	621	199,307
NET ASSETS Investment in capital assets Restricted for managed care risk exposure		48,283	752,474
Unrestricted	2,285,173	685,373	4,563,566
Total net assets	\$2,285,173	\$733,656	\$5,316,040

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)
\$3,154,308		\$3,699,527 18,265	\$1,029,306	\$101,010		
164,320	\$3,943,324 10,000	185,767 9,700	60,055 1,940	6,195 12,734		
3,318,628	3,953,324	3,913,259	1,091,301	119,939		
4,160,793						
3,825,623 (5,392,857)						
2,593,559						
5,912,187	3,953,324	3,913,259	1,091,301	119,939		
2,686	691,246 66,330	1,570,748	24,209	349		
106,239			28,319			
108,925	757,576	1,570,748	52,528	349		
2,593,559						
3,209,703	3,195,748	2,342,511	1,038,773	119,590		
\$5,803,262	\$3,195,748	\$2,342,511	\$1,038,773	\$119,590	Closed	Closed

 $(Continued\ on\ next\ page)$

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET ASSETS

December 31, 2007

(with comparative totals for December 31, 2006)

	Ottawa County, Michigan Insurance	Protected Self-Funded Insurance -	To	otals
	Authority (6780)	Mental Health (6782)	2007	2006
ASSETS				
Current assets:	#1 025 05 0	¢1.010.522	Φ1 5 021 604	414.052.050
Cash and pooled investments Investments	\$1,027,078	\$1,819,523	\$17,931,604	\$16,053,879
Accounts receivable	18,987,778		18,987,778 51,723	17,616,127 40,113
Accrued interest on investments	155,911		155,911	126,771
Due from other governmental units	100,511		100,511	120,771
Due from other funds		109,361	4,878,508	4,315,172
Inventory of supplies			41,376	35,858
Prepaid expenses	110,958		374,534	218,408
Total current assets	20,281,725	1,928,884	42,421,434	38,406,328
Noncurrent assets:				
Capital assets:				
Office furniture and equipment			4,203,793	3,882,243
Copy machines			121,358	125,395
Telephone equipment			2,462,910	2,443,955
Vehicles			3,825,623	3,811,008
Less accumulated depreciation			(7,219,368)	(6,675,243)
Net capital assets			3,394,316	3,587,358
Total assets	20,281,725	1,928,884	45,815,750	41,993,686
LIABILITIES				
Current liabilities:	5 754 620		9 120 227	0.566.690
Accounts payable Interfund payable	5,754,629		8,129,337 66,330	9,566,689 139,830
Due to other funds	3,941,743		3,941,743	3,676,694
Due to other governmental units	3,711,713		28,319	80,387
Capital lease payable			106,239	
Unearned revenue			194,792	240,625
Total current liabilities	9,696,372		12,466,760	13,704,225
NET ASSETS				
Investment in capital assets			3,394,316	3,587,358
Restricted for managed care risk expos	sure	1,928,884	1,928,884	2,046,147
Unrestricted	10,585,353		28,025,790	22,655,956
Total net assets	\$10,585,353	\$1,928,884	\$33,348,990	\$28,289,461

(Concluded)

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

	Information Technology (6360)	Duplicating (6450)	Telecommunications (6550)
Operating revenues:	φ α 0 α 0 101	\$120,102	400 (000
Charges for services Other revenue	\$2,028,181	\$128,483	\$806,909
Total operating revenues	2,028,181	128,483	806,909
Operating expenses:			
Personnel services	1,541,403	6,825	110,664
Contractual services	523,197	34,678	243,534
Supplies	80,208	23,111	2,380
Depreciation		23,514	117,116
Building and equipment rental Claims and legal	63,057		
Miscellaneous	207,520	9,246	18,085
Total operating expenses	2,415,385	97,374	491,779
Operating income (loss)	(387,204)	31,109	315,130
Nonoperating revenues (expenses): Interest on investments Net change in the fair value of investments Gain (loss) on retirement of capital assets	127,126	36,071	246,288
Total nonoperating revenues (expenses)	127,126	36,071	246,288
Income (loss) before transfers	(260,078)	67,180	561,418
Transfers in (out): General Fund Protected Self-Funded Dental Insurance Protected Self-Funded Vision Insurance Protected Self-Funded Health Insurance	(29,000)		
Total transfers	(29,000)		
Change in net assets	(289,078)	67,180	561,418
Total net assets, beginning of year	2,574,251	666,476	4,754,622
Total net assets, end of year	\$2,285,173	\$733,656	\$5,316,040

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)
\$1,256,930	\$399,552	\$11,890,877	\$150,578	\$184,732		
1,256,930	399,552	11,890,877	150,578	184,732		
28,921 53 1,092,747	166,363 45,477 618	162,747 617,010 22,468	49,581 43,741	7,100 179,912		
16,251	43,931 12,580	10,731,604 19,485	28,319 95,153	3,454		
1,137,972	268,969	11,553,314	216,794	190,466		
118,958	130,583	337,563	(66,216)	(5,734)		
164,320	279,695	185,767	60,055	6,195		
(32,632) 131,688	279,695	185,767	60,055	6,195		
250,646	410,278	523,330	(6,161)	461		
250,646	410,278	523,330	(6,161)	461		
5,552,616	2,785,470	1,819,181	1,044,934	119,129		
\$5,803,262	\$3,195,748	\$2,342,511	\$1,038,773	\$119,590	Closed	Closed
					(Continued	on mout mass)

(Continued on next page)

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

	Ottawa County, Michigan	Protected Self-Funded		
	Insurance	Insurance -	Tot	tals
	Authority (6780)	Mental Health (6782)	2007	2006
Operating revenues:				
Charges for services	\$1,809,990		\$18,656,232	\$17,029,424
Other revenue	33,533		33,533	9,866
Total operating revenues	1,843,523		18,689,765	17,039,290
Operating expenses:				
Personnel services			2,073,604	1,953,284
Contractual services	674,140		2,361,689	2,510,993
Supplies			128,838	195,529
Depreciation P. 11.			1,233,377	1,104,632
Building and equipment rental	(1 225 705)	\$226.624	63,057 9,704,693	57,790
Claims and legal Miscellaneous	(1,325,785)	\$226,624	381,774	9,079,897 417,797
Total operating expenses	(651,645)	226,624	15,947,032	15,319,922
Operating income (loss)	2,495,168	(226,624)	2,742,733	1,719,368
Nonoperating revenues (expenses):				
Interest on investments	354,152	109,361	1,569,030	1,280,740
Net change in the fair value of investments	809,398		809,398	542,430
Gain (loss) on retirement of capital assets	,		(32,632)	(210,928)
Total nonoperating revenues (expenses)	1,163,550	109,361	2,345,796	1,612,242
Income (loss) before transfers	3,658,718	(117,263)	5,088,529	3,331,610
Transfers in (out):				
General Fund			(29,000)	444,571
Protected Self-Funded Dental Insurance			, , ,	(107,583)
Protected Self-Funded Vision Insurance				(28,272)
Protected Self-Funded Health Insurance				135,855
Total transfers			(29,000)	444,571
Change in net assets	3,658,718	(117,263)	5,059,529	3,776,181
Total net assets, beginning of year	6,926,635	2,046,147	28,289,461	24,513,280
Total net assets, end of year	\$10,585,353	\$1,928,884	\$33,348,990	\$28,289,461
	<u></u>			Concluded

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
Cash flows from operating activities:			
Cash received from interfund services provided	\$2,027,731	\$128,483	\$745,826
Cash payments to suppliers for goods and services	(980,238)	(66,893)	(268,748)
Cash payments for self-funded insurance claims			
Cash payments to employees for services	(1,541,403)	(6,825)	(110,664)
Net cash provided by (used for) operating activities	(493,910)	54,765	366,414
Cash flows from noncapital financing activities:			
Transfers in from other funds			
Transfers out to other funds	(29,000)		
Net cash provided by (used for)			
noncapital financing activities	(29,000)		
Cash flows from capital and related financing activities:			
Acquisition of capital assets		(8,235)	(18,955)
Proceeds from sale of equipment			
Net cash provided by (used for) capital			
and related financing activities		(8,235)	(18,955)
Cash flows from investing activities:			
Purchase of investments			
Interest on investments	101,112	25,162	165,254
Proceeds on sale of investments			
Net cash provided by (used for) investing activities	101,112	25,162	165,254
Net increase (decrease) in cash and pooled investments	(421,798)	71,692	512,713
Cash and pooled investments, beginning of year	2,404,522	578,230	3,955,493
Cash and pooled investments, end of year	\$1,982,724	\$649,922	\$4,468,206

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)
\$1,256,930 (16,304) (28,921) 1,211,705	\$399,552 (58,675) (114,079) (166,363) 60,435	\$11,890,877 (658,963) (10,316,716) (162,747) 752,451	\$150,578 (136,711) (80,387) (49,581) (116,101)	\$184,732 (195,867) (7,100) (18,235)	(39,477)	(5,748)
	(73,500)					
(1,008,315)						
(1,008,315)						
122,694	13,065	96,093	49,735	4,612		
122,694	13,065	96,093	49,735	4,612		
326,084		848,544	(66,366)	(13,623)	(39,477)	(5,748)
2,828,224		2,850,983	1,095,672	114,633	39,477	5,748
\$3,154,308	None	\$3,699,527	\$1,029,306	\$101,010	None	None

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007 (with comparative totals for the year ended December 31, 2006)

	Ottawa County,	Protected		
	Michigan Insurance	Self-Funded Insurance -	To	otals
	Authority	Mental Health		, tuis
	(6780)	(6782)	2007	2006
Cash flows from operating activities:				
Cash received from interfund services provided	\$2,103,319		\$18,888,028	\$17,500,189
Cash payments to suppliers for goods and services	(264,423)		(2,646,822)	(2,737,167)
Cash payments for self-funded insurance claims	(783,142)	(\$226,624)	(11,566,173)	(10,918,115)
Cash payments to employees for services		·	(2,073,604)	(1,953,284)
Net cash provided by (used for) operating activities	1,055,754	(226,624)	2,601,429	1,891,623
Cash flows from noncapital financing activities:				
Transfers in from other funds				572,978
Transfers out to other funds			(102,500)	(250,033)
Net cash provided by (used for)				
noncapital financing activities			(102,500)	322,945
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(1,035,505)	(2,025,581)
Proceeds from sale of equipment				
Net cash provided by (used for) capital				
and related financing activities			(1,035,505)	(2,025,581)
Cash flows from investing activities:				
Purchase of investments	(25,257,856)		(25,257,856)	(22,864,075)
Interest on investments	325,012	73,815	976,554	769,262
Proceeds on sale of investments	24,695,603		24,695,603	22,345,220
Net cash provided by (used for) investing activities	(237,241)	73,815	414,301	250,407
Net increase (decrease) in cash and pooled investments	818,513	(152,809)	1,877,725	439,394
Cash and pooled investments, beginning of year	208,565	1,972,332	16,053,879	15,614,485
Cash and pooled investments, end of year	\$1,027,078	\$1,819,523	\$17,931,604	\$16,053,879

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007 (with comparative totals for the year ended December 31, 2006)

	Information		Tele-
	Technology	Duplicating	communications
	(6360)	(6450)	(6550)
Reconciliation of operating income (loss) to net cash			
provided by (used for) operating activities:			
Operating income (loss)	(\$387,204)	\$31,109	\$315,130
Adjustments to reconcile operating income (loss) to net			
cash provided by (used for) operating activities:			
Depreciation		23,514	117,116
Change in assets and liabilities not affecting cash			
provided by (used for) operating activities:			
(Increase) decrease in receivables	(450)		(15,250)
(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	(5,518)		
(Increase) decrease in prepaid expenses	(126,610)		(4,876)
Increase (decrease) in unpaid claims liability			
Increase (decrease) in unearned revenue			(45,833)
Increase (decrease) in accounts payable	25,872	142	127
Increase (decrease) in due to other funds			
Net cash provided by (used for)			
operating activities	(\$493,910)	\$54,765	\$366,414

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)
\$118,958	\$130,583	\$337,563	(\$66,216)	(\$5,734)		
1,092,747						
		4,090				
			(52,068)			
	(10,000)	(9,700)	(720)	(12,734)		9,700
	(60,148)	420,498	2,903	233	(39,477)	(15,448)
\$1,211,705	\$60,435	\$752,451	(\$116,101)	(\$18,235)	(\$39,477) (Continue	(\$5,748) d on next page)

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007 (with comparative totals for the year ended December 31, 2006)

	Ottawa County, Michigan	Protected Self-Funded		
	Insurance	Insurance -	То	tals
	Authority	Mental Health		
	(6780)	(6782)	2007	2006
Reconciliation of operating income (loss) to net cash				
provided by (used for) operating activities:				
Operating income (loss)	\$2,495,168	(\$226,624)	\$2,742,733	\$1,719,368
Adjustments to reconcile operating income (loss) to net				
cash provided by (used for) operating activities:				
Depreciation			1,233,377	1,104,632
Change in assets and liabilities not affecting cash				
provided by (used for) operating activities:				
(Increase) decrease in receivables			(11,610)	(28,022)
(Increase) decrease in due from other funds				
(Increase) decrease in due from other governmental units			(52,068)	9,721
(Increase) decrease in due from component units				
(Increase) decrease in inventory			(5,518)	2,818
(Increase) decrease in prepaid expenses	(1,186)		(156,126)	29,121
Increase (decrease) in unpaid claims liability	(1,703,277)		(1,703,277)	(1,757,527)
Increase (decrease) in unearned revenue			(45,833)	240,625
Increase (decrease) in accounts payable			334,702	340,982
Increase (decrease) in due to other funds	265,049		265,049	229,905
Net cash provided by (used for)				
operating activities	\$1,055,754	(\$226,624)	\$2,601,429	\$1,891,623
				(Concluded)

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

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

<u>Trust and Agency Fund (7010)</u> - 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.

<u>Library Penal Fine Fund (7210)</u> - 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.

<u>Imprest Payroll Fund (7040)</u> - 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.

<u>Inland Lake Improvement (8725)</u> – 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.

FIDUCIARY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2007

(with comparative totals for December 31, 2006)

		Agency l				
	Trust and	Library	Imprest	Inland Lake	То	tal
	Agency	Penal Fine	Payroll	Improvement		
	7010	7210	7040	8725	2007	2006
ASSETS						
Cash and pooled investments	\$1,602,764	\$464,880	\$645,485	\$195,443	\$2,908,572	\$4,305,788
Receivables:						
Accounts	41,003				41,003	177,406
Due from other governmental units	9,192				9,192	81,099
Total assets	\$1,652,959	\$464,880	\$645,485	\$195,443	\$2,958,767	\$4,564,293
LIABILITIES						
Liabilities:						
Due to other governmental units:						
Due to State of Michigan	\$761,940		\$142,735		\$904,675	\$2,514,277
Fines and fees due to local libraries		\$464,880			464,880	452,852
Agency deposits	891,019		502,750	\$195,443	1,589,212	1,597,164
Total liabilities	\$1,652,959	\$464,880	\$645,485	\$195,443	\$2,958,767	\$4,564,293

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

FOR THE YEAR ENDED DECEMBER 31, 2007

TRUST AND AGENCY FUND (7010) ASSETS Cash and pooled investments \$3,069,774 \$144,551,583 \$146,018,593 \$1,602,764 Accounts receivable 177,406 718,211 854,614 41,003 Due from other governmental units 81,099 187,345 259,252 9,192 Total assets \$3,328,279 \$145,457,139 \$147,132,459 \$1,652,959 LIABILITIES Due to other taxing units \$67,751,081 \$67,751,081 \$761,940 Agency deposits 939,188 81,743,672 81,791,841 891,019 Total liabilities \$3,328,279 \$216,438,802 \$218,114,122 \$1,652,959 LIBRARY PENAL FINE FUND (7210) Asserts \$452,852 \$973,465 \$961,437 \$464,880 Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Fines and fees due to lo		Balances January 1, 2007	Additions	Deductions	Balances December 31, 2007
Cash and pooled investments \$3,069,774 \$144,551,583 \$146,018,593 \$1,602,764 Accounts receivable 177,406 718,211 854,614 41,003 Due from other governmental units 81,099 187,345 259,252 9,192 Total assets \$3,328,279 \$145,457,139 \$147,132,459 \$1,652,959 LIABILITIES Due to other taxing units \$67,751,081 \$67,751,081 \$761,940 Agency deposits 939,188 81,743,672 81,791,841 891,019 Total liabilities \$3,328,279 \$216,438,802 \$218,114,122 \$1,652,959 LIBRARY PENAL FINE FUND (7210) ASSETS \$452,852 \$973,465 \$961,437 \$464,880 Cash and pooled investments \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES \$452,852 \$973,465 \$961,437 \$464,880 Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Fines and fees due to local libraries \$452,852 \$973,465 \$961,437	TRUST AND AGENCY FUND (7010)				
Accounts receivable Due from other governmental units 177,406 81,099 187,345 259,252 9,192 Total assets \$3,328,279 \$145,457,139 \$147,132,459 \$1,652,959 LIABILITIES \$67,751,081 66,944,049 68,571,200 \$761,940 68,940,049 68,571,200 \$761,940 69,931,88 81,743,672 81,791,841 891,019 Total liabilities \$3,328,279 \$216,438,802 \$218,114,122 \$1,652,959 LIBRARY PENAL FINE FUND (7210) ASSETS \$452,852 \$973,465 \$961,437 \$464,880 Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries Agency deposits \$452,852 \$973,465 \$961,437 \$464,880 Pines and fees due to local libraries Agency deposits \$452,852 \$973,465 \$961,437 \$464,880	<u>ASSETS</u>				
LIABILITIES Due to other taxing units \$67,751,081 \$67,751,081 \$761,940 Due to State of Michigan \$2,389,091 66,944,049 68,571,200 \$761,940 Agency deposits 939,188 81,743,672 81,791,841 891,019 Total liabilities \$3,328,279 \$216,438,802 \$218,114,122 \$1,652,959 LIBRARY PENAL FINE FUND (7210) ASSETS Cash and pooled investments \$452,852 \$973,465 \$961,437 \$464,880 Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Agency deposits \$452,852 \$973,465 \$961,437 \$464,880	Accounts receivable	177,406	718,211	854,614	41,003
Due to other taxing units \$67,751,081 \$67,751,081 \$67,751,081 \$67,751,081 \$67,751,081 \$66,944,049 \$68,571,200 \$761,940 \$66,944,049 \$68,571,200 \$761,940 \$81,791,841 \$891,019 Total liabilities \$3,328,279 \$216,438,802 \$218,114,122 \$1,652,959 LIBRARY PENAL FINE FUND (7210) ASSETS \$452,852 \$973,465 \$961,437 \$464,880 Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Agency deposits \$452,852 \$973,465 \$961,437 \$464,880	Total assets	\$3,328,279	\$145,457,139	\$147,132,459	\$1,652,959
ASSETS Cash and pooled investments \$452,852 \$973,465 \$961,437 \$464,880 Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries Agency deposits \$452,852 \$973,465 \$961,437 \$464,880	Due to other taxing units Due to State of Michigan Agency deposits	939,188	66,944,049 81,743,672	68,571,200 81,791,841	891,019
Total assets \$452,852 \$973,465 \$961,437 \$464,880 LIABILITIES Fines and fees due to local libraries Agency deposits \$452,852 \$973,465 \$961,437 \$464,880 Agency deposits 946,063 946,063 946,063	· · · · · · · · · · · · · · · · · · ·				
LIABILITIES Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Agency deposits 946,063 946,063 946,063	Cash and pooled investments	\$452,852	\$973,465	\$961,437	\$464,880
Fines and fees due to local libraries \$452,852 \$973,465 \$961,437 \$464,880 Agency deposits 946,063 946,063	Total assets	\$452,852	\$973,465	\$961,437	\$464,880
Agency deposits 946,063 946,063	<u>LIABILITIES</u>				
Total liabilities \$452,852 \$1,919,528 \$1,907,500 \$464,880		\$452,852			\$464,880
	Total liabilities	\$452,852	\$1,919,528	\$1,907,500	\$464,880

(Continued on next page)

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

FOR THE YEAR ENDED DECEMBER 31, 2007

	Balances January 1, 2007	Additions	Deductions	Balances December 31, 2007
IMPREST PAYROLL FUND (7040)				
<u>ASSETS</u>				
Cash and pooled investments Accounts receivable	\$602,011	\$65,171,583 63,230,172	\$65,128,109 63,230,172	\$645,485
Total assets	\$602,011	\$128,401,755	\$128,358,281	\$645,485
LIABILITIES				
Due to State of Michigan Agency deposits	\$125,186 476,825	\$1,681,285 67,334,042	\$1,663,736 67,308,117	\$142,735 502,750
Total liabilities	\$602,011	\$69,015,327	\$68,971,853	\$645,485
INLAND LAKE IMPROVEMENT (872	<u>5)</u>			
ASSETS Cash and pooled investments Accounts receivable	\$181,151	\$245,706	\$231,414	\$195,443
Total assets	\$181,151	\$245,706	\$231,414	\$195,443
LIABILITIES Agency deposits	\$181,151	\$245,706	\$231,414	\$195,443
Total liabilities	\$181,151	\$245,706	\$231,414	\$195,443
TOTALS - AGENCY FUNDS				
ASSETS Cash and pooled investments Accounts receivable Due from other governmental units Total assets	\$4,305,788 177,406 81,099 \$4,564,293	\$210,942,337 63,948,383 187,345 \$275,078,065	\$212,339,553 64,084,786 259,252 \$276,683,591	\$2,908,572 41,003 9,192 \$2,958,767
LIABILITIES Due to other taxing units Due to State of Michigan Fines and fees due to local libraries Agency deposits Total liabilities	\$2,514,277 452,852 1,597,164 \$4,564,293	\$67,751,081 68,625,334 973,465 150,269,483 \$287,619,363	\$67,751,081 70,234,936 961,437 150,277,435 \$289,224,889	\$904,675 464,880 1,589,212 \$2,958,767 (Concluded)
				(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	Page
These schedules contain trend information to help the reader understand how the	_
County's financial performance and well-being have changed over time.	170
Revenue Capacity	
These schedules contain information to help the reader asses the County's most	
significant local revenue source, the property tax.	176
Debt Capacity	
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.	180
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader	
understand the environment within which the County's financial activities take	
place.	183
Operating Information	
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.	185
provides and the delivities a perjorms.	105

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 SEVEN FISCAL YEARS*

Fiscal Year 2005 2003 2007 2006 2004 2002 2001 Governmental Activities Invested in capital assets, net of related debt \$81,991,023 \$78,519,838 \$74,348,852 \$62,513,315 \$54,652,223 \$36,869,011 \$35,558,261 Restricted 38,510,706 40,108,692 35,040,583 31,077,232 26,913,213 33,832,570 25,622,231 Unrestricted 68,819,561 60,800,956 54,030,017 47,241,713 46,050,289 45,780,029 48,344,792 **Total Governmental Activities** Net Assets \$189,321,290 \$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 \$3,037 \$4,049 \$5,423 \$6,873 \$8,690 \$10,433 \$13,084 24,403,583 24,337,816 Unrestricted 24,232,390 25,220,565 26,569,311 27,483,344 27,416,325 Total Business-Type Activities Net Assets \$24,406,620 \$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 \$81,994,060 33,832,570 Restricted 38,510,706 40,108,692 35,040,583 31,077,232 26,913,213 25,622,231 Unrestricted 93,223,144 85,033,346 78,367,833 72,462,278 72,619,600 73,263,373 75,761,117 **Total Primary Government** Net Assets \$213,727,910 \$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 SEVEN FISCAL YEARS*

				Fiscal Year			
	2007	2006	2005	2004	2003	2002	2001
Expenses							
Governmental Activities:							
Legislative	\$627,625	\$520,618	\$548,532	\$469,994	\$485,174	\$495,502	\$475,045
Judicial	13,317,030	12,605,344	11,987,986	11,736,487	11,922,865	12,742,673	12,314,531
General government	13,401,945	15,175,102	13,962,772	13,628,246	11,665,978	11,048,540	9,462,268
Public safety	25,226,290	24,441,981	23,328,246	21,832,984	21,912,133	22,417,791	19,734,031
Public works	1,264,883	(1,437,838)	(508,530)	1,044,377	742,711	26,442	4,567,437
Health and welfare	57,160,468	54,270,351	51,784,416	48,066,300	45,357,514	43,436,806	39,924,234
Community and economic development	601,758	605,805	555,485	848,964	558,852		
Culture and recreation	1,868,818	1,994,991	1,830,849	1,658,024	1,326,197	1,310,229	1,324,736
Interest on long-term debt	1,018,189	741,070	709,485	890,774	958,283	1,009,585	1,274,567
Total Governmental Activities Expenses	114,487,006	108,917,424	104,199,241	100,176,150	94,929,707	92,487,568	89,076,849
Business-Type Activities:							
Delinquent tax collection	2,541,550	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Business-Type Activities Expenses	2,541,550	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Primary Government Expenses	\$117,028,556	\$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	\$3,737,197	\$3,799,831	\$3,669,496	\$3,337,581	\$3,210,168	\$3,371,423	\$3,372,516
General government	7,937,129	7,828,177	8,030,479	8,049,440	8,747,622	7,760,923	7,002,539
Public safety	5,047,927	5,048,970	4,761,022	4,442,960	4,139,168	3,893,681	3,327,639
Public works	403,922	446,501	441,146	417,824	417,582	445,492	432,764
Health and welfare	2,575,152	2,717,256	2,750,778	2,434,930	2,445,701	2,228,505	2,280,064
Community and economic development	10,605	23,770	20,997				
Culture and recreation	560,488	289,658	301,842	411,092	355,147	276,531	274,806
Interest on long-term debt	2,769,438	2,439,503	2,008,656	2,243,461	2,351,754	2,357,518	2,359,120
Operating grants and contributions	51,516,123	46,999,986	47,211,640	42,742,884	38,146,000	39,075,902	38,045,513
Capital grants and contributions	1,513,884	850,262	9,250,395	464,436	944,647	412,699	613,085
Total Governmental Activities Program Revenues	\$76,071,865	\$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	1,711,915	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Business-Type Activities Program Revenues	1,711,915	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Primary Government Program Revenues	\$77,783,780	\$71,735,767	\$79,541,692	\$65,481,089	\$61,762,278	\$60,998,279	\$58,942,378
Net (Expense)/Revenue							
Governmental activities	(\$38,415,141)	(\$38,473,510)	(\$25,752,790)	(\$35,631,542)	(\$34,171,918)	(\$32,664,894)	(\$31,368,803)
Business-type activities	(829,635)	(951,586)	(694,420)	(951,729)	(887,875)	(718,064)	(649,780)
Total Primary Government Net Expense	(\$39,244,776)	(\$39,425,096)	(\$26,447,210)	(\$36,583,271)	(\$35,059,793)	(\$33,382,958)	(\$32,018,583)

171 (continued on next page)

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

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001			
				_						
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property taxes	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703	\$29,108,216	\$27,635,964			
Unrestricted grants and contributions	21,545	24,657	31,374	1,448,461	4,236,699	4,759,864	5,456,975			
Investment earnings	6,740,703	5,007,679	2,514,383	2,440,814	3,622,427	4,896,600	5,974,915			
Miscellaneous	524,250	261,156	307,525	316,890	258,117	413,552	629,538			
Capital contributions			0	100,000	6,149,100					
Transfers	24,224	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	\$49,051,083	\$54,483,544	\$48,339,982	\$46,718,809	\$45,009,022	\$39,621,220	\$40,205,532			
Business-Type Activities:										
Investment earnings	999,816	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	999,816	844,786	(189,779)	(398,834)	(27,901)	782,432	896,743			
Total Primary Government	\$50,050,899	\$55,328,330	\$48,150,203	\$46,319,975	\$44,981,121	\$40,403,652	\$41,102,275			
Changes in Net Assets										
Governmental activities	\$10,635,942	\$16,010,034	\$22,587,192	\$11,087,267	\$10,837,104	\$6,956,326	\$8,836,729			
Business-type activities	170,181	(106,800)	(884,199)	(1,350,563)	(915,776)	64,368	246,963			
Total Primary Government	\$10,806,123	\$15,903,234	\$21,702,993	\$9,736,704	\$9,921,328	\$7,020,694	\$9,083,692			
-										

(concluded)

^{*}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										
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	
General Fund											
Reserved	\$2,383,291	\$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	
Unreserved	19,763,187	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	
Total General Fund	\$22,146,478	\$19,863,626	\$17,885,591	\$17,302,305	\$14,562,278	\$12,317,927	\$15,165,752	\$14,049,309	\$13,585,893	\$15,581,707	
All Other Comments I For de											
All Other Governmental Funds	\$22.544.510	\$24.704.222	\$19,584,065	\$7,559,074	\$580,576	\$564,962	\$488,764	\$622,943	\$591,014	\$450,447	
Reserved	\$22,544,510	\$24,704,233	\$19,384,003	\$7,339,074	\$380,370	\$304,962	\$488,704	\$022,943	\$391,014	\$430,447	
Unreserved, reported in:	26 140 240	24 120 511	22 000 (12	20 000 174	12.060.777	40 110 501	41 504 475	22 721 400	25 747 024	22 722 007	
Special revenue funds	36,148,248	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	
Capital projects funds	4,766,982	253,715	2,374,153					54,407	470,733	1,673,936	
Permanent funds	266		331	209			4,996				
Debt service funds	10,801	10,381									
	\$63,470,807	\$59,097,840	\$55,048,161	\$47,539,457	\$44,450,353	\$49,683,463	\$41,998,235	\$33,408,848	\$26,808,781	\$25,847,390	

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

	2007	2006	2005	2004	2003
Revenues					
Taxes	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703
Intergovernmental	56,197,074	50,708,309	56,055,124	47,634,209	45,591,195
Charges for services	9,767,081	9,646,695	9,795,022	10,135,135	10,797,855
Fines and forfeits	1,019,126	1,054,192	1,076,449	1,033,297	1,000,292
Investment earnings	4,362,275	3,184,509	1,561,657	1,413,570	1,826,467
Licenses and permits	624,236	674,810	745,950	704,422	661,333
Rental Income	6,442,950	5,998,857	5,442,363	5,253,344	5,244,366
Other revenues	1,764,038	1,832,591	2,189,691	989,481	1,013,754
Total Revenues	121,917,141	122,282,277	121,733,969	108,770,203	96,612,965
Expenditures					
Legislative	625,263	524,438	549,673	463,217	480,630
Judicial	13,576,215	12,723,585	12,124,762	11,754,724	11,717,496
General government	12,752,949	13,872,461	12,470,763	11,528,237	9,828,250
Public safety	25,809,803	24,611,221	23,646,691	21,889,931	20,811,049
Public works	863,260	668,915	550,295	682,435	677,432
Health and welfare	57,774,307	54,761,277	51,346,970	47,197,156	43,501,375
Community and economic development	600,570	605,318	555,363	843,051	555,858
Culture and recreation	1,498,687	1,641,831	1,507,733	1,310,643	977,414
Other governmental functions	147,251	163,642	119,565	107,577	99,322
Capital outlay	8,856,079	3,791,647	17,313,458	8,915,367	12,504,071
Debt service		, ,			, ,
Interest and fiscal charges	1,059,013	733,395	1,298,259	904,901	965,822
Principal	1,830,000	1,720,000	1,460,000	1,395,000	1,340,000
Total Expenditures	125,393,397	115,817,730	122,943,532	106,992,239	103,458,719
Excess of Revenues					
Over (Under) Expenditures	(3,476,256)	6,464,547	(1,209,563)	1,777,964	(6,845,754)
•	(3,470,230)	0,404,547	(1,209,303)	1,777,904	(0,043,734)
Other Financing Sources (Uses)					
Transfers from other funds	18,396,869	17,593,905	21,046,183	18,932,766	12,420,974
Transfers to other funds	(18,343,645)	(18,030,738)	(19,880,952)	(14,881,599)	(11,141,169)
Transfers to component units					
Proceeds from Land Contract					
Issuance of bonds	10,000,000		7,865,000		
Refunding bonds issued	5 0.051		10,005,000		
Premium on bonds issued	78,851		690,972		
Payment to refunding bond escrow agent			(10,424,650)		
Total Other Financing Sources (Uses)	10,132,075	(436,833)	9,301,553	4,051,167	1,279,805
Special Item:					
Contribution to West Michigan					
Enforcement Team for formation					(481,329)
Residual Equity Transfer					
Net Change in Fund Balances	\$6,655,819	\$6,027,714	\$8,091,990	\$5,829,131	(\$6,047,278)
D 1. C .					
Debt Service as a	0.400	2.100	2 (12	2.246	2.542
Percentage of Noncapital Expenditures (1)	2.48%	2.19%	2.61%	2.34%	2.54%

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

2002	2001	2000	1999	1998
\$29,108,216	\$27,635,964	\$26,228,129	\$25,332,297	\$24,745,645
46,857,944	46,792,519	43,848,640	38,846,726	35,147,772
9,335,988	8,468,512	7,636,824	7,432,594	7,353,232
1,068,804	1,083,225	1,016,413	1,101,646	1,154,175
4,442,975	4,804,119	3,810,625	1,257,063	3,588,190
545,031	533,326	456,867	454,486	452,160
5,504,855	5,424,089	5,050,184	4,622,025	4,611,609
1,153,830	1,378,215	2,789,556	3,830,534	1,036,065
98,017,643	96,119,969	90,837,238	82,877,371	78,088,848
489,564	469,478	483,042	364,344	302,595
12,709,838	12,190,228	11,682,651	10,603,396	9,961,093
9,789,942	8,235,430	9,135,010	11,703,261	7,988,605
21,798,498	16,521,273	15,061,039	13,321,138	12,118,515
746,928	625,731	536,191	552,978	474,062
43,083,010	39,256,986	39,744,250	35,212,144	33,273,749
1 126 694	1 156 072	2.010.610	5 750 904	1 727 166
1,126,684	1,156,873	2,919,619	5,759,894	1,737,166
60,411	49,341	54,464	1,070,854	1,249,406
1,658,659	3,942,697	431,414	1,280,767	10,218,191
1,020,975	1,072,564	1,120,902	1,165,832	1,202,246
1,295,000	1,245,000	1,200,000	1,135,000	900,000
93,779,509	84,765,601	82,368,582	82,169,608	79,425,628
4,238,134	11,354,368	8,468,656	707,763	(1,336,780)
16,127,216	15,080,069	13,172,429	12,686,227	8,256,103
(15,527,947)	(14,274,755)	(12,662,718)	(12,717,760)	(8,287,105)
(,,,,,,,)	(2,461,108)	(2,325,777)	(2,143,889)	(1,969,437)
	(2,101,100)	(2,323,777)	24,300	200,000
			24,500	200,000
599,269	(1,655,794)	(1,816,066)	(2,151,122)	(1,800,439)
		410 902	A16 215	112 601
		410,893	416,315	112,691
\$4,837,403	\$9,698,574	\$7,063,483	(\$1,027,044)	(\$3,024,528)
2.51%	2.87%	2.83%	2.84%	3.04%

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	Total Taxable Value (3)	Total Estimated Actual Value	Percentage of Assessed to Estimated Values
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%
2007	8,322,378,855	1,525,255,251	1,138,353,787	733,806,001	11,719,793,894	4.3572	9,585,665,481	23,594,493,916	49.67%

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⁾ 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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Direct Rates										
Operating	3.9229	3.7055	3.6000	3.6000	3.5000	3.4000	3.4000	4.6666	4.6666	4.7666
Parks	0.3296	0.3289	0.3267	0.3245	0.3229	0.3208	0.3182	0.3174	0.3168	0.3165
E-911	0.4460	0.4460	0.4545	0.4515	0.4493	0.4464	0.4429	0.4419	0.4411	0.4407
Total Direct Rate (1)	4.6985	4.4804	4.3812	4.3760	4.2722	4.1672	4.1611	5.4259	5.4245	5.5238
City and Village Rates										
Coopersville	15.6445	15.4765	15.4488	15.2882	15.2700	15.1222	14.9036	14.9939	14.7991	14.9025
Ferrysburg	11.6250	11.0000	11.9975	11.9971	11.9899	11.9864	11.9788	11.9788	11.9788	11.5828
Grand Haven	12.4836	12.4820	12.6783	13.4788	12.7319	12.8663	13.2423	13.0859	13.0859	13.1853
Holland	15.7269	15.6699	15.9323	15.9104	15.6662	15.5895	15.5695	15.5396	15.4996	15.6497
Hudsonville	12.9662	13.3542	13.3542	12.2369	12.2369	12.2342	12.2322	12.2322	11.2226	11.2050
Zeeland	15.8500	15.1000	14.8858	12.8858	12.3852	11.3854	11.3854	11.3854	11.3854	11.3854
Spring Lake Village	12.1619	12.1619	12.1619	12.1619	12.1619	13.1619	13.1619	13.0619	11.9619	11.8619
Township Rates	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	1.35-8.12
School Rates (2)										
Homestead	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	3.00 - 9.25
Non-Homestead	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	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 collection, 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 2004, plus an annual increase equal to CPI (Consumer Price Index).

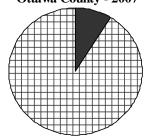
⁽²⁾ Includes Community Colleges and Intermediate School Districts

COUNTY OF OTTAWA PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

			2007			1998	
Taxpayer	Type of Business	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	\$334,367,823	1	3.49%	\$319,418,607	1	5.79%
Mirant Michigan Investments	Utility	156,341,444	2	1.63%			
Gentex Corporation	Automotive Components	85,197,352	3	0.89%			
Herman Miller Inc.	Office Furniture	63,372,031	4	0.66%	64,919,705	2	1.18%
Mead Johnson and Co.	Food Products	53,808,724	5	0.56%	64,863,442	3	1.18%
Shape Corp.	Metal Extrusion	37,105,778	6	0.39%			
Leprino Foods Inc.	Cheese Production	32,756,441	7	0.34%			
Bil Mar Foods Inc./Sara Lee	Food Products	28,852,456	8	0.30%	38,642,838	6	0.70%
Delphi Automotive Systems	Automotive Components	25,163,200	9	0.26%	46,191,600	5	0.84%
Parke-Davis Co.	Pharmaceutical	23,617,558	10	0.25%	48,132,904	4	0.87%
Prince Corp.	Automotive Components				36,365,670	7	0.66%
SEMCO	Utility				21,389,835	8	0.39%
Meijer	Retail Store				17,888,461	9	0.32%
Westshore Mall LLC	Mall				16,779,695	10	0.30%
		\$840,582,807		8.77%	\$674,592,757		12.23%

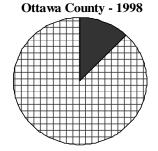
(1) Ottawa County Equalization Department. The 2007 and 1998 total Taxable Values were \$9,585,665,481 and \$5,512,945,217.

Concentration of Taxpayers in Ottawa County - 2007



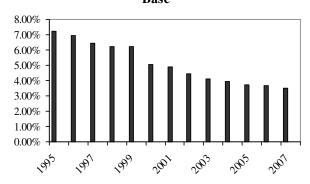
■ Top Ten Taxpayers □ All Other Taxpayers

Concentration of Taxpayers in



■ 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		Collected wit	thin the			
Year	Taxes Levied	Fiscal Year of	the Levy	Collections	Total Collection	ns to Date
Ended	for the		Percentage	in Subsequent		Percentage
Dec 31,	Fiscal Year	Amount	of Levy	Years	Amount	of Levy
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%	1,262,045	24,642,393	99.77%
2000	25,573,706	24,321,050	95.10%	1,193,165	25,514,215	99.77%
2001	27,098,718	25,716,262	94.90%	1,253,132	26,969,394	99.52%
2002	28,526,677	27,050,217	94.82%	1,306,377	28,356,594	99.40%
2003	29,917,491	28,520,096	95.33%	1,221,451	29,741,547	99.41%
2004	31,476,092	30,124,717	95.71%	1,186,588	31,311,305	99.48%
2005	35,555,360	34,244,434	96.31%	1,276,732	35,521,166	99.90%
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%	904,946	38,316,959	98.29%
2007	41,867,866	40,269,739	96.18%	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 was for 2007 operations.

COUNTY OF OTTAWA RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

	Primary C	Government	Compo	onent Units						
Fiscal	General Obligation	Parks & Recreation Land	Ottawa County Drain	Ottawa County Public Utilities		Percentage of Personal	Personal	(rounded) Per Capita Personal		Per Capita
Year	Bonds	Contract	Commissioner	System	Total (1)	Income	Income (2)	Income (2)	Population (2)	Debt
1998 1999 2000 2001 2002 2003 2004 2005 2006	\$24,405,000 23,270,000 22,070,000 20,825,000 19,530,000 18,190,000 16,795,000 23,230,000 21,510,000	\$503,312 491,027 443,085 391,595 336,242 284,781 228,737 167,703 101,232	\$1,160,000 1,055,000 950,000 835,000 765,000 695,000 625,000 320,000 265,000	\$83,740,432 91,746,903 87,316,981 82,441,021 82,982,895 76,026,536 74,624,536 72,572,533 67,990,533	\$109,808,744 116,562,930 110,780,066 104,492,616 103,614,137 95,196,317 92,273,273 96,290,236 89,866,765	1.80% 1.82% 1.66% 1.55% 1.51% 1.33% 1.24% 1.22% 1.09%	\$6,108,511 6,408,233 6,677,656 6,763,271 6,868,133 7,134,942 7,425,237 7,889,807 8,260,913	\$26,628 27,279 27,885 27,776 27,876 28,618 29,408 30,995 32,122	229,401 234,916 239,467 243,491 246,379 249,319 252,494 254,551 257,172	\$478.68 496.19 462.61 429.14 420.55 381.83 365.45 378.27 349.44
2007	29,680,000	28,840	240,000	101,463,236	131,412,076	n/a	n/a	n/a	259,206	506.9

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.

The County does not include the Nunica Drain in the above figures for Ottawa County Drain Commission as the County did not pledge its full faith and credit for this bond.

- (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) adjusted annually.

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2007

		Percentage Applicable	Amount Applicable
	Net Debt	To County	To County
	Outstanding	of Ottawa	of Ottawa
Direct:			
County at large	\$29,680,000	100 %	\$29,680,000
Townships (1)	99,619,038	100 %	\$99,619,038
Total Direct	\$129,299,038		\$129,299,038
Overlapping:			
School districts	\$830,624,545	80.2 %	\$666,311,628
Cities and villages (1)	71,648,690	83.2 %	59,580,898
Grand Rapids Community College	51,245,000	1.3 %	640,563
Library	11,670,000	100.0 %	11,670,000
Holland Area Swimming Pool	7,635,000	66.6 %	5,084,147
Total Overlapping	\$972,823,235		\$743,287,236

COUNTY OF OTTAWA

RATIO OF NET GENERAL OBLIGATION DEBT OUTSTANDING AND LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed Value of Property	\$ 11,719,793,894	\$ 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
Debt Limit 10% of Assessed Value	1,171,979,389	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
Amount of Debt Applicable to Limit										
General Obligation Bond Debt Other Debt Less: Resources Restricted to Paying Principal	131,383,236 28,840 (167,828)	89,765,533 101,232 (1,448,703)	96,122,533 167,703 (1,433,484)	92,044,536 228,737 (1,303,300)	94,911,536 284,781 (2,104,346)	103,277,895 336,242 (1,453,457)	104,101,021 429,095 (799,270)	110,336,981 596,395 (2,739,270)	116,071,903 738,147 (2,681,204)	109,305,432 1,006,742 (2,633,655)
Total Net debt applicable to Limit	131,244,248	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
Legal Debt Margin	\$ 1,040,735,141	\$ 1,014,404,137	\$ 939,685,491	\$ 882,596,373	\$ 822,522,008	\$ 753,503,054	\$ 680,051,200	\$ 609,941,029	\$ 548,216,796	\$ 503,498,012
Total Net Debt applicable to the Limit as a percentage of Debt Limit	11.20%	8.02%	9.17%	9.34%	10.17%	11.94%	13.23%	15.07%	17.23%	17.62%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.120%	0.802%	0.917%	0.934%	1.017%	1.194%	1.323%	1.507%	1.723%	1.762%

⁽¹⁾ Total bonded debt does not include the Road Commission Bonds nor does it include the Vincent Drainage District because the County does not guarantee them.

County Of Ottawa Demographic and Economic Statistics Last Ten Calendar Years

Personal

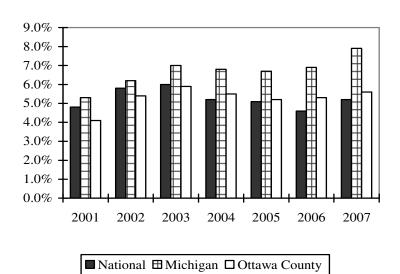
_	Fiscal Year	Population (1)	(thousands of dollars) (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
	1998	229,401	\$6,108,511	\$26,628	n/a	51,823	2.4%
	1999	234,916	6,408,233	27,279	n/a	53,213	2.4%
	2000	239,467	6,677,656	27,885	32.3	54,068	2.6%
	2001	243,491	6,763,271	27,776	32.5	54,620	4.1%
	2002	246,379	6,868,133	27,876	32.7	55,293	5.4%
	2003	249,319	7,134,942	28,618	32.9	55,060	5.9%
	2004	252,494	7,425,237	29,408	33.2	55,696	5.5%
	2005	254,551	7,889,807	30,995	33.4	55,575	5.2%
	2006	257,172	8,260,913	32,122	33.7	55,412	5.3%
	2007	259,206	n/a	n/a	n/a	55,032	5.6%

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, updated with most recent census figures
- (3) Fourth Friday Count, Ottawa Area Intermediate School District
- (4) U.S. Department of Labor, Bureau of Labor Statistics

National, State and County Unemployment Rates

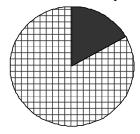


COUNTY OF OTTAWA PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

			2007		1998			
Employer	Type of Business	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	
Herman Miller (1)(2)	Office Furniture	4,380	1	3.4%	5,290	1	4.0%	
Johnson Controls (2)(3)	Automotive Interior Parts	2,774	2	2.2%	4,900	2	3.7%	
Gentex Corporation	Automotive Mirrors	2,674	3	2.1%	1,345	8	1.0%	
Haworth (2)	Office Furniture	2,349	4	1.8%	3,148	3	2.4%	
Grand Valley State University	Higher Education	2,319	5	1.8%	1,609	7	1.2%	
Holland Hospital	Health Care	1,812	6	1.4%	1,108	9	0.8%	
Shape Corporation	Metal Roll Forming	1,388	7	1.1%				
Magna Donnelly (2)	Automotive	1,326	8	1.0%	1,900	5	1.4%	
Meijer	Retailer	1,280	9	1.0%	2,026	4	1.5%	
County of Ottawa	Government	1,192	10	0.9%				
Bil Mar Foods	Food Processing				1,700	6	1.3%	
Delphi Automotive Systems	Automotive Components				1,050	10	0.8%	
		21,494		16.7%	23,026		18.0%	

Source: Ottawa County Economic Development Office, Inc. Total employment in 2007 was 128,800 and in 1998 was 133,939

Concentration of Employers in Ottawa County



■ Top Ten Employers □ All Other Employers

⁽¹⁾ Herman Miller includes all subdivisions

⁽²⁾ Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

⁽³⁾ Includes Plastech employees

COUNTY OF OTTAWA FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION, LAST TEN FISCAL YEARS

Fiscal Year 2007 2006 2005 2004 2002 2001 2000 1999 2003 1998 **Function/Program** 11.000 11.000 11.000 11.000 11.000 13.000 13.000 13.000 13.000 13.000 Legislative Judicial 126.775 127.900 127.175 129.727 142.975 149.975 145.600 143.075 139.825 131.050 General Government 153.800 181.150 181.750 175.350 172.350 166.975 161.825 153.325 139.625 130.725 **Public Safety** 218.950 211.200 210.490 204.800 205.100 182.100 174.460 172.260 143.305 156.010 1.288 **Public Works** 4.720 4.600 4.600 2.600 2.590 2.090 1.590 1.590 1.400 Health and welfare 375.455 393.160 397.800 376.100 361.860 362.620 346.460 331.391 314.826 309.862 Community and economic develpment 6.950 6.950 6.950 6.950 7.950 7.950 4.950 4.950 3.950 2.950 12.000 12.000 Culture and recreation 13.000 10.000 9.540 9.540 9.540 9.540 9.000 9.000 **Buildings & Grounds** 25.850 N/A N/A N/A N/A N/A N/A N/A N/A N/A 913.365 829.131 894.250 Total 936.500 947.960 951.765 916.527 857.425 777.636 741.180

Source: Ottawa County Payroll

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

_	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Function/Program	_									
Judicial										
Circuit Court										
Total Civil Cases	1,263	1,237	1,202	2,105	1,713	1,614	1,833	1,556	1,560	1,892
Total Criminal Cases	1,218	1,169	1,055	1,359	1,136	1,104	977	917	942	1,041
District Court										
Felony Cases	1,584	1,477	1,347	1,385	1,392	1,449	1,325	1,344	1,146	1,332
Misdemeanor Cases	10,606	10,317	9,714	8,889	10,695	11,634	12,182	12,293	12,357	12,749
General Civil Cases	6,532	4,918	4,341	4,625	4,142	3,544	3,225	2,869	2,656	2,543
Probate Court										
Open Cases	6,031	5,838	4,894	3,328	3,587	1,899	1,725	N/A	N/A	N/A
Juvenile Court										
Total Offenses	3,019	2,439	2,737	2,760	3,086	3,115	2,810	3,160	3,099	3,428
Public Safety										
Jail:										
Subject Admitted	8,473	9,002	8,533	9,095	9,287	9,551	9,530	8,899	9,016	8,297
Average daily population	395.0	368.0	328.9	356.6	341.0	335.8	299.1	307.9	256.1	227.0
Police:										
Calls for Service	76,171	73,523	71,737	71,459	70,293	67,179	66,005	63,537	60,740	56,249
Criminal Arrests	9,755	10,122	9,890	9,412	9,615	11,075	9,954	10,081	9,838	N/A
Traffic Violations	26,283	28,011	25,937	20,272	20,657	22,557	23,723	20,394	20,426	18,816
Health and welfare										
Public Health										
# of Fixed Food Service										
Inspections	1,123	1,122	1,032	1,150	1,132	1,007	1,004	1,269	1,212	1,017
% of new entrants enrolled in										
school immunized	98%	N/A								
Pregnancy Service:										
# of Home Visits	4,720	4,847	4,997	4,258	7,529	10,300	11,227	12,486	11,721	8,877
# of Children in Fluoride Mouth										
Rinse Program	4,818	4,291	4,818	4,669	4,988	5,225	8,549	8,550	8,696	7,804
Mental Health										
# of Persons Served	3,076	2,964	3,041	2,955	3,088	3,008	3,228	3,017	n/a	n/a
C-16										

Culture and recreation

Parks:

COUNTY OF OTTAWA
OPERATING INDICATORS BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Function/Program	_									
# of Operating Days	100	101	101	97	100	95	99	103	101	103
Daily Permits	30,450	30,663	30,933	23,068	28,454	32,925	31,507	25,723	31,430	34,107
Annual Permits	5,925	5,638	5,850	4,218	4,857	5,470	5,379	4,580	5,266	5,734
General Government										
Register of Deeds:										
# of Deeds Recorded	10,173	10,156	11,625	12,452	13,549	12,145	11,243	10,590	11,758	11,496
County Clerk:										
# of Certified Copies										
(Births, Deaths, etc.)	21,182	19,294	19,097	18,773	21,178	22,913	23,895	18,823	20,946	18,706
County Treasurer:										
# of Receipts Written	15,172	15,477	15,271	17,950	24,199	23,892	23,768	24,200	23,271	22,362
Real Properties Returned										
Delinquent	7,043	6,349	6,814	6,453	6,887	7,672	7,632	7,958	7,453	7,696
Fiscal Services:										
# of A/P Checks Processed	25,678	26,517	26,891	25,471	25,633	26,188	25,768	25,302	24,661	24,441
# of Invoices Issued	11,929	11,002	10,388	8,823	8,015	7,701	7,199	7,098	7,086	5,455
Facilities Maintenance:										
# of Work Orders Processed	41,775	38,016	35,569	32,547	30,206	26,881	23,844	21,995	18,775	17,000

Source: Ottawa County Departments

COUNTY OF OTTAWA CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

_	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Function/Program										
Public Safety:										
Vehicular Patrol Units	134	133	130	131	130	128	116	111	86	81
Sheriff's Substations	8	8	7	7	7	7	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	6,350	3,351	3,032	2,369	2,073	781 #	781	781	782	619
General Government										
Total Square Footage of Buildings Number of IT Servers	582,161 34	582,161 27	538,612 24	542,173 14	542,173 11	542,173 11	542,173 10	542,173 9	482,173 8	411,673 4

Source: Ottawa County Departments