

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

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

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| Resources |
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Personnel

No personnel has been allocated to this department.

Funding

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

County of Ottawa Debt Information

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

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



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

Bonds:

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

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

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

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

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

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

Other Bonds:

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

Notes Payable:

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

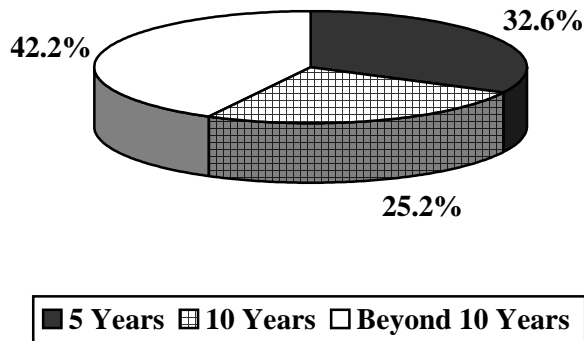
Land Contracts:

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

Debt Retirements:

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

County of Ottawa Debt Retirements



Debt per Capita

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

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

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

County of Ottawa

Schedule of Debt Service Requirements

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

All figures are as of 11/20/07

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

**COUNTY OF OTTAWA
CAPITAL PROJECTS FUND**

Building Authority Fund (5690-5695) - This Fund was established to account for construction projects of the building authority and/or County. 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).

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| Resources |
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Personnel

No personnel has been allocated to this department.

Funding

| | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Current Year Estimated | 2008 Adopted by Board |
|---------------------------|----------------|--------------------|--------------------|-----------------------------------|-----------------------------|
| Revenues | | | | | |
| Intergovernmental Revenue | | | | | |
| Interest | | \$19,680 | \$49,431 | \$75,060 | \$60,000 |
| Other Revenue | | \$29,042 | \$12,999 | | |
| Other Financing Sources | | \$7,997,998 | \$68,161 | \$10,000,000 | \$8,827,327 |
| Total Revenues | | \$8,046,720 | \$130,591 | \$10,075,060 | \$8,887,327 |
| Expenditures | | | | | |
| Capital Outlay | | \$3,044,672 | \$2,251,029 | \$6,221,356 | \$12,831,971 |
| Bond Issue Costs | | \$458,638 | | | |
| Other Financing Uses | | \$2,169,258 | | \$162,775 | |
| Total Expenditures | | \$5,672,568 | \$2,251,029 | \$6,384,131 | \$12,831,971 |

Budget Highlights:

In October of 2007, the County issued bonds for the construction of a new Grand Haven Courthouse facility. Completion is anticipated in 2009.

County of Ottawa
Capital Construction Projects - Construction Costs
 Budget Year Ending December 31, 2008

| PROJECT DESCRIPTION | CAPITAL CONSTRUCTION COSTS | | | | | |
|---|---|---------------------|---------------------|------------------------------------|---------------------|---------------------|
| | PROPOSED METHOD OF FINANCING | ESTIMATED COSTS | | EXPENDED TO DATE (INC. CURRENT YR) | BUDGET YEAR 2008 | FUTURE YEARS |
| | | ORIGINAL | AMENDED | | | |
| Ottawa County (primary government) | | | | | | |
| West Olive Addition/ Grand Haven Courthouse (1) | Bond Issue/ Fund Balance | \$24,000,000 | \$30,000,000 | \$1,164,102 | \$12,831,971 | \$10,978,512 |
| SouthWest Ottawa Landfill (2) | Insurance Authority/ Landfill Surcharge | \$4,500,000 | \$4,200,000 | \$1,949,964 | \$1,373,182 | \$0 |
| Tunnel Park Replace dune climb stairs. (2) | Parks & Recreation Millage | \$45,000 | \$45,000 | \$0 | \$45,000 | \$30,000 |
| Hemlock Crossing Wetland / Native Grassland (2) | Parks & Recreation Millage | \$15,000 | \$15,000 | \$0 | \$15,000 | \$0 |
| Park 12 Switchback Replacement (2) | Parks & Recreation Millage | \$20,000 | \$20,000 | \$0 | \$20,000 | \$0 |
| Bur Oak Landing Kiosk and Parking (2) | Parks & Recreation Millage | \$15,000 | \$15,000 | \$0 | \$15,000 | \$0 |
| Upper Macatawa Non-Motorized Pathway (2) | Parks & Recreation Millage | \$600,000 | \$600,000 | \$0 | \$600,000 | \$0 |
| North Ottawa Dunes Phase I (2) | Parks & Recreation Millage | \$100,000 | \$100,000 | \$0 | \$100,000 | \$0 |
| Nature Education Center Construction (2) | Red Pine Revenue Donations Millage | \$1,500,000 | \$1,500,000 | \$0 | \$1,500,000 | \$0 |
| Grand Total - Primary Government | | \$30,795,000 | \$36,495,000 | \$3,114,065 | \$16,500,153 | \$11,008,512 |

Ottawa County Public Utilities (component unit)

| | | | | | | |
|----------------------------------|-------------------------|--------------|--------------|--------------|-------------|-------------|
| Wyoming Water Plant Expansion | Public Act 342 Bonds | \$31,673,000 | \$31,673,000 | \$17,328,000 | \$8,129,000 | \$6,217,000 |
|----------------------------------|-------------------------|--------------|--------------|--------------|-------------|-------------|

Grand Total Capital Construction **\$62,468,000** **\$68,168,000** **\$20,442,065** **\$24,629,153** **\$17,225,512**

1. The County anticipates issuing \$10 million in bonds for this facility with the rest of the cost paid from six other funds. See Capital Projects narrative for more detail.
2. No debt will be issued for this project. Funds have been set aside for this project or will be financed by the Parks tax levy.

County of Ottawa
Capital Construction Projects - Anticipated Annual Operational Costs
 Budget Year Ending December 31, 2008

| PROJECT DESCRIPTION | ESTIMATED ANNUAL OPERATION COSTS (includes debt repayment) | | | | | | | |
|---|--|---------------------|------------------------|-----------------------------|------------------|------------------------|------------------------|------------------------|
| | PROPOSED METHOD OF FINANCING | EXPEN-DITURE TYPE | ACTUAL PRIOR YEAR 2006 | ESTIMATED CURRENT YEAR 2007 | BUDGET YEAR 2008 | FUTURE YEARS | | |
| | | | | | | 2009 | 2010 | 2011 |
| Ottawa County (primary government) | | | | | | | | |
| West Olive Addition/ Grand Haven Courthouse (1) | General Fund Various Funds | Maintenance Debt | \$0 | \$0 \$207,000 | \$0 \$767,000 | \$398,196 \$767,000 | \$519,099 \$767,000 | \$542,905 \$767,000 |
| SouthWest Ottawa Landfill (2) | Solid Waste Clean-up Fund | Maintenance | \$0 | \$163,000 | \$163,000 | \$127,000 | \$127,000 | \$127,000 |
| Tunnel Park - Replace dune climb stairs (2) | Property Tax Levy | Maintenance | \$300 | \$600 | \$300 | \$300 | \$300 | \$300 |
| Hemlock Crossing Wetla Native Grassland (2) | Property Tax Levy/Park Twp. | Maintenance | \$0 | \$0 | \$500 | \$300 | \$100 | \$0 |
| Park 12 Switchback Replacement (2) | Property Tax Levy | Maintenance | \$0 | \$300 | \$0 | \$0 | \$0 | \$0 |
| Bur Oak Landing Kiosk and Parking (2) | Property Tax Levy | Maintenance | \$0 | \$0 | \$750 | \$750 | \$750 | \$750 |
| Upper Macatawa Non- Motorized Pathway (2) | Property Tax Levy | Maintenance | \$0 | \$0 | \$500 | \$2,000 | \$2,000 | \$2,000 |
| North Ottawa Dunes Phase I (2) | Property Tax Levy | Maintenance | \$0 | \$0 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Nature Education Center Construction (2) | Property Tax Levy Fee Revenues | Maintenance | \$0 | \$0 | \$0 | \$20,000 | \$30,000 | \$30,000 |
| Grand Total - Primary Government | | | \$300 | \$370,900 | \$933,050 | \$1,316,546 | \$1,447,249 | \$1,470,955 |

Ottawa County Public Utilities (component unit)

| | | | | | | | | |
|--------------------------------------|------------------------|------|-----|-----|-------------|-------------|-------------|-------------|
| Wyoming Water Plant Expansion (3) | Special Assessments | Debt | \$0 | \$0 | \$2,075,816 | \$1,750,000 | \$2,480,000 | \$2,480,000 |
|--------------------------------------|------------------------|------|-----|-----|-------------|-------------|-------------|-------------|

Grand Total Operational Costs **\$300 \$370,900 \$3,008,866 \$3,066,546 \$3,927,249 \$3,950,955**

1. No new personnel are included in the 2008 budget, but may become necessary in future years. Contractual labor and utility costs will be larger due to the larger sizes of the buildings.
2. No debt will be issued for this project. Estimated Annual Operation Costs are for maintenance including utilities, supplies, etc. No new personnel are projected to be added.
3. The annual operating costs for the public utilities project is strictly for debt service. The maintenance costs are the responsibility of the municipality.

**COUNTY OF OTTAWA
PERMANENT FUND**

Cemetary Trust Fund (1500) - This fund was established under State statute to care for cemetary plots of specific individuals who have willed monies in trust to the County for perpetual care of their grave sites.

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| Resources |
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Personnel

No personnel has been allocated to this department.

Funding

| | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Current Year Estimated | 2008 Adopted by Board |
|----------------------------|----------------|----------------|----------------|-----------------------------------|-----------------------------|
| Revenues | | | | | |
| Intergovernmental Revenue | | | | | |
| Interest | \$52 | \$122 | \$237 | \$236 | \$236 |
| Other Revenue | | | | | |
| Other Financing Sources | | | | | |
| Total Revenues | \$52 | \$122 | \$237 | \$236 | \$236 |
| Expenditures | | | | | |
| Supplies | | | | | |
| Other Services and Charges | | | \$568 | | |
| Total Expenditures | | | \$568 | | |