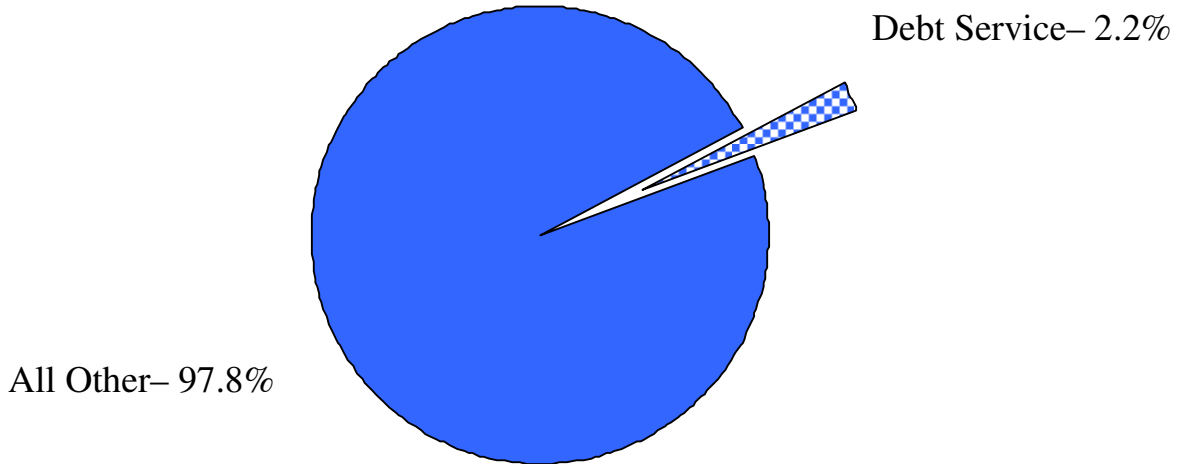


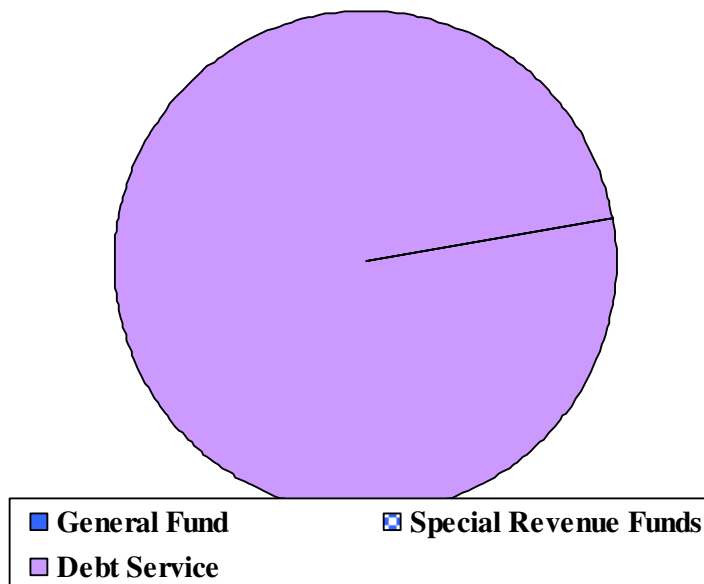
Debt Service Functions

Total County Budget Perspective *



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

Debt Service Expenditures by Fund Type



**COUNTY OF OTTAWA
DEBT SERVICE FUND (5690-5694)**

Building Authority Fund (5690-5694) - 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 Administrativ Annex; 2005 - Holland District Court Building. The 1990 bonds were refunded during 2003 and 2004 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.

Resources

Personnel

No personnel has been allocated to this department.

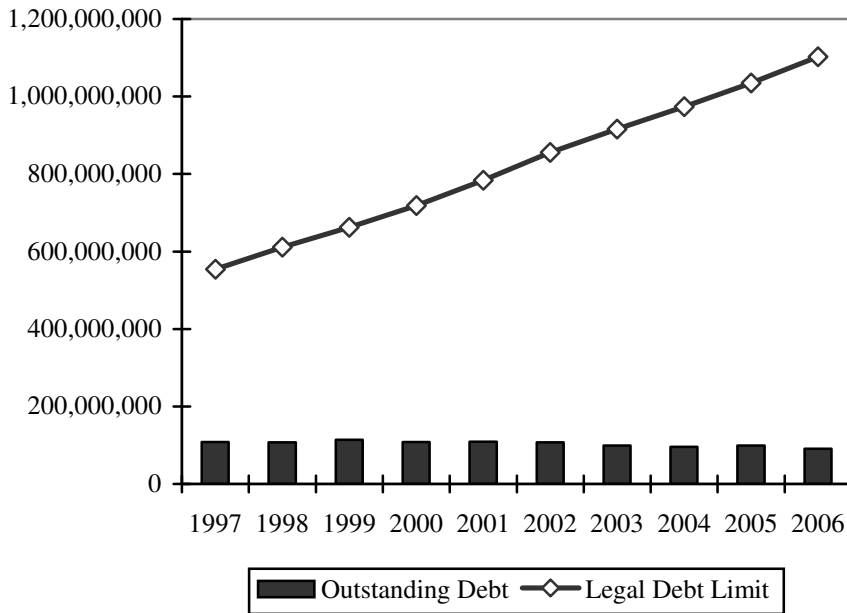
Funding

	2003 Actual	2004 Actual	2005 Actual	2006 Current Year Estimated	2007 Adopted by Board
Revenues					
Charges for Services					
Interest and Rents	\$2,900	\$4,573	\$13,976	\$6,613	\$580
Rents	\$2,351,754	\$2,243,461	\$2,008,656	\$2,453,391	\$2,977,797
Other Revenue					
Other Financing Sources			\$10,562,974		
Total Revenues	\$2,354,654	\$2,248,034	\$12,585,606	\$2,460,004	\$2,978,377
Expenditures					
Debt Service	\$2,305,822	\$2,299,902	\$2,299,621	\$2,454,454	\$2,977,797
Other Financing Uses			\$10,792,190		
Total Expenditures	\$2,305,822	\$2,299,902	\$13,091,811	\$2,454,454	\$2,977,797

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 2006 assessed value of \$11,028,221,992 is limited to no more than \$1,102,822,199 of debt. The County’s total debt at the statement date is \$91,002,565, or less than 1% of the assessed value, well below the legal limit. The graph below illustrates that Ottawa County’s outstanding debt as a percentage of the limit is actually decreasing.

**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, \$66,815,533, 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 2.0% to 7.6% percent.

In addition, \$265,000 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, \$21,510,000 is estimated debt outstanding at 12/31/06 for four Ottawa County Building Authority projects. These four projects include the E-911 Central Dispatch operation, the Probate Court/Jail facility, and the Sheriff and Administrative Annex and additional Jail pod, and the Holland District Court facility. The activities facility and the E-911 issues were 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 12/31/06 is \$2,250,000. 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 the above notes.

Notes Payable:

The Drain Commissioner has issued two small notes to provide funding for drainage projects in Ottawa County. The notes total \$60,800, and the County did not pledge its full faith and credit for the above notes.

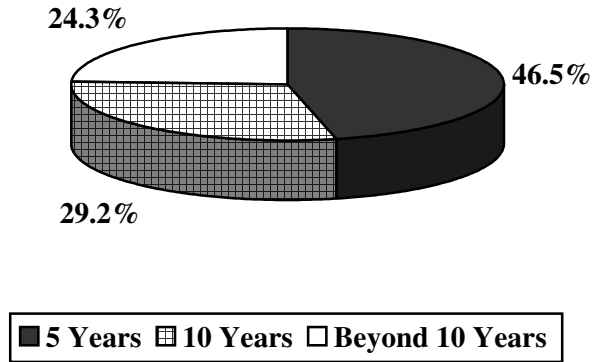
Land Contracts:

Ottawa County has an estimated \$101,231 in land contracts. The land contracts were made to secure three 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 interest rate on these land contracts ranges from 8.0% to 9.25% percent.

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 75.7% of its debt within ten years, is retiring debt significantly faster than the standard.

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 County Debt
1996	212,163	\$46
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

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