

**County of Ottawa
Grand Haven, Michigan**



**2002 Comprehensive Annual
Financial Report**

Year Ended December 31, 2002

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

COUNTY OF OTTAWA

Grand Haven, Michigan

For the Year Ended December 31, 2002

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2002

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PREPARED BY:
FINANCE DEPARTMENT

COUNTY OF OTTAWA

Comprehensive Annual Financial Report For the Fiscal Year Ended December 31, 2002

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June 5, 2003

The Comprehensive Annual Financial Report of the County of Ottawa, Michigan, for the fiscal year ended December 31, 2002, is submitted herewith. The financial statements included in this report have been audited by Rehmann Robson, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

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

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Ottawa's MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY AND ITS SERVICES

Named for the Ottawa Indians who hunted and fished the area's forests and streams, Ottawa County was established in 1837. The County began full operation in April of 1838, and the U.S. Census of 1840 listed only 208 people in all of Ottawa County. The estimated 2002 population is 245,913 with substantial 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 along the Lake Michigan shoreline. The County is comprised of 6 cities, 1 village, and 17 townships. Ottawa County is the eighth largest county in Michigan in terms of total population.

The County is located in the west-central part of Michigan's lower peninsula, having over 30 miles of Lake Michigan shoreline. The County is bordered by the City of Muskegon on its northwesterly boundary and the City of Grand Rapids on approximately half of its easterly boundary.

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 a thirteen-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 account groups 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, cultural, 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 fund 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 in a separate column in the combined 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

Ever since the recession that started in the first quarter of 2001, the national economy has been weak. This weakness has been felt all across the country, including the State of Michigan and locally in Ottawa County. The national economy has never really rebounded because of the constant threat of terrorist attacks in the U.S. and now a U.S.-lead war with Iraq. Leading up to the war, there was dampened business confidence and postponement of investments and hiring. This component of the economy has been volatile with steep declines typically being followed by sharp increases. Consumer behavior, which significantly determines overall economic growth, has also been cautious. Consumer behavior is driven by consumer confidence, employment, and income.

Economic forecasting is based upon the best information that is available at the time the forecast is made. Given the uncertainty of the times, a long-term forecast (over a year) is subject to much variation.

The National Economy

The longest U.S. economic expansion on record ended in March of 2001, as the nation's economy slid into a recession. The recession was relatively short lived and progress was made towards recovery. However, resounding economic growth did not occur because of events beginning with the September 11, 2001 terrorist attacks. The economy never fully rebounded, and the threat of sliding back into a recession has been very real. Most recently, in March 2003, a U.S.-lead coalition went to war with Iraq. This event also has the potential to prolong economic recovery.

Since the recession, some segments of the economy like the airlines and the energy industry have been severely impacted. Many firms have declared bankruptcy while others continue to struggle with that threat. Job losses have resulted with a national unemployment rate hovering at six percent. Conversely, other segments like new housing construction in 2002 and the home refinancing market have greatly benefited from record-low interest rates. Mortgage refinancings have been at all time highs.

The stock market has maintained low, dismal levels. A lack of confidence in the equity markets combined with a growing uncertainty about the economy brought prices down in all segments of the U.S. stock market. Most recently, short-term gains and losses are responding to varying economic reports and the news of the war with Iraq. It is not known when the turbulent market will post any consistent rebounds.

What is the national economic forecast? It is too soon into the war with Iraq to forecast the timing of its conclusion; however, the U.S. is committed to a known outcome. A relatively short war with coalition victories should rally the nation and trigger renewed consumer confidence, consumer and corporate spending, employment gains, and lead the nation into economic growth. As growth picks up, businesses will start hiring, employment and income will grow. However, recovery in some industries, such as the airlines, will continue to lag as restructuring occurs.

Events such as a war, conflicts with other areas of the world, or future acts of terrorism in the U.S. could send the nation's economy back into a recession. War uncertainties, job worries, and higher energy prices will make consumers increasingly cautious with spending. Consumer sentiment is a driving force behind personal consumption. Overall, for 2003, the annual average national unemployment rate will probably increase to over 6 percent. More than likely, the response would be more positive actions like maintaining or lowering both the already record-low discount rate and federal funds rate (currently at 41-year lows) and approving another round of federal tax cuts in an attempt to stimulate the economy. Because of the war, defense spending will increase at a faster rate which should tend to push-up overall economic growth at the national level.

Michigan's Economic Performance & Forecast

Since the start of the recession in the first quarter of 2001, economic growth has also been weak in Michigan. State revenues have been off, leading to a mounting budget crisis which required immediate cuts in State government spending. That is exactly what happened once Michigan's new Governor Jennifer Granholm entered office in January 2003. Her new administration made \$158 million in cuts to the 2003 budget and had to deal with a \$1.7 billion deficit in drafting the 2004 budget. Since the State has a balanced budget requirement, budget shortfalls must be dealt with by increasing revenues and/or reducing spending. State government spending is expected to decline in 2004.

A significant component of personal consumption and a key to Michigan's economic health is the level and composition of light motor vehicles sales. In 2002, sales were at 16.5 million units. This was a relatively high mark despite the weakness in the overall economy. The sales were due primarily to incentives like very-low to no-interest rates offered by vehicle manufacturers in an effort to gain market share. Slightly less vehicle production and sales (16.3 million units) are expected in 2003. Favorable buying conditions should continue if the incentives are maintained as the economy strengthens. Light motor vehicles sales in 2004 are projected to be 16.6 million units. A strong market benefits the many auto suppliers located in Michigan.

After five consecutive years of posting more major economic development expansions and new locations than any other state in the nation, Michigan ranked second for 2002 according to Site Selection Magazine. Last year, a total of 832 major economic development projects were reported in Michigan. Innovative economic development tools (financial assistance programs) have helped Michigan attract these new business developments and expansions. Those programs include Michigan Economic Growth Alliance (MEGA) which offers tax credits for large job creation projects, Renaissance Zones which offer exemptions from nearly all State and local taxes, and Brownfield Redevelopment Authorities which provide tax credits to clean-up and re-use contaminated properties.

In light of the national economic slowdown, the State of Michigan has maintained its AAA bond rating from Standard & Poor and Moody's Investors Service. Effective managers, economic diversification, and low debt burden are the reasons cited for the excellent rating. Michigan is the largest state and only manufacturing-based state in the nation to hold such a rating.

What is ahead for the State's economy? The State's House Fiscal Agency expects the current recovery to remain weak for the first half of 2003 after which economic activity is expected to accelerate. Economic growth is forecasted to remain at a healthy level through 2004. However, the timeline for this projection probably needs to be extended since it does not take into account very recent national events like the start of war with Iraq.

Ottawa County's Economic Performance & Forecast

While the recession has been felt in Ottawa County, the overall economy of the County has been in good shape. Ottawa County's 2002 annual average total employment was 137,175; and unemployment was 7,600 for an unemployment rate of 5.3 percent compared to rates of 6.1 and 5.8 percent for Michigan and the U.S., respectively. For the first month of 2003, the unemployment rate went up to 6.1 percent in Ottawa County. The State and national January rates remained about the same at 6.2 and 5.7 percents.

Relatively low unemployment rates in Ottawa County have traditionally been due to its diversification among sectors and within manufacturing. In 2002, the 10 largest employing manufacturers represented seven different two-digit Standard Industrial Classifications (SICs). However, the largest industrial employers in Ottawa County are in automotive parts and office furniture manufacturing.

Severe downsizing of the workforce in the office furniture industry has contributed significantly to the increasing unemployment in Ottawa County. Due to sharply declining orders for new furniture, Ottawa County's three top firms; Herman Miller, Haworth, and Trendway have repeatedly laid-off workers. Within one year's time (from December 2001 to December 2002) employment levels in these three firms collectively dropped by 2,065 workers. As would be expected, these cuts have also caused many of the local furniture industry suppliers to likewise downsize. It is not clear when this industry's employment reductions will bottom out, stabilize, and reverse the recent trend.

Another firm directly contributing to the higher local unemployment rate is Lifesavers with the approaching closure of its Holland plant. Since January 2002 when Kraft Foods announced that it was closing this plant and moving the assets and candy production to Canada, the employment levels have been steadily decreasing from 600 to approximately 70 workers currently. The plant is expected to totally close its doors in the second quarter of 2003.

Locally, the job losses in the office furniture industry have been counterbalanced, but not entirely, by employment growth in other sectors. Automotive parts manufacturers like Johnson Controls, Gentex, and Magna Donnelly Corporation have reported modest employment gains over the last year. (During 2002, Donnelly Corporation was acquired by Magna International of Canada.) Growth in Ottawa County's agricultural sector has also helped to soften the impact of the declining furniture industry. A new \$4 million soybean oil refinery/bleaching plant is under construction in Zeeland Township which will initially create 30 jobs. Notably, this operation has the potential to create a new energy industry in Ottawa County - the production of biodiesel. This more environmentally friendly fuel is a blend of soybean oil and diesel fuel. This project received strong support locally and by the State of Michigan who designated the 14-acre site as an Agricultural Processing Renaissance Zone. The new refinery/bleaching plant will be operational by June 2003.

Another indicator of the local economy's good shape was the number of major economic development projects that occurred in Ottawa County in 2002. 45 of Michigan's 832 projects were located in Ottawa County. That number ranked Ottawa County 5th among the 83 counties in Michigan. A portion of those projects were industrial expansions. According to State records, 51 manufacturers received tax abatements for expansions and new facilities in 2002. These firms had combined investments in buildings, machinery, equipment, furniture, and fixtures of \$126.7 million. They retained 7,767 jobs and created 859 new jobs. Ottawa County ranked second in the State, behind neighboring Kent County, in the number of tax abatements issued last year. Some of the larger expansion projects in Ottawa County receiving tax abatements last year included \$22 million by Request Foods and \$5.3 million by Quincy Street in Holland Township, \$7.3 million by Walway Enterprises in the City of Zeeland, \$6.2 million by H.S. Die & Engineering in Tallmadge Township, \$5.8 million by Grand Haven Plastics, and \$5 million by Alcoa Automotive in Spring Lake Township.

What's ahead for Ottawa County in 2003? Given several major industrial expansion projects currently underway and about to start, Ottawa County's economy will steadily improve during 2003 and 2004. The Gentex Corporation's phase I expansion project in the City of Zeeland for \$12.5 million with 250 new jobs will start during the summer of 2003. The overall project includes an expansion worth \$97 million and 625 new jobs. Royal Plastics' proposed \$15 million expansion in Jamestown Township with 357 new jobs should start construction in late 2003. Mead Johnson in the City of Zeeland is planning to build a \$20 million addition to its existing infant formula manufacturing plant. ESPEC North America's \$5.2 million project to create 15 new jobs, also in Jamestown Township, will start in mid-April 2003. American Autocoat's \$7.4 million project (paint shop for plastic parts) is a new development in the City of Hudsonville. Primera Plastics' \$3.2 million project in Zeeland Township which will create 15 jobs is currently under construction. Both the Gentex and Royal Plastics projects were supported by the State of Michigan with significant MEGA tax credits awarded to these firms, since their investments went into Ottawa County rather than going out-of-state.

Unfortunately, a very large utility development project did not start in March 2003, as was originally announced a year ago. Panda Energy International, Inc. of Dallas, Texas has proposed a \$358 million 1,200 MW natural gas fired electric power generation facility in Tallmadge Township. The project did not start this year because of the distressed condition of the financial markets (shaken by fallen utility giants like Enron) which finance these expensive merchant power plants. The best estimate is that the start of construction will be delayed until March 2004 or 2005. Panda Energy and partner Alliant Energy of Wisconsin maintain that they have not abandoned this project for Ottawa County.

In 2002, two more communities in Ottawa County, the cities of Holland and Zeeland, enacted Brownfield Redevelopment Authorities. They join two other communities, the City of Grand Haven and Spring Lake Village, with the ability to financially benefit developers who clean-up and re-use contaminated properties. The first proposed Holland project is the redevelopment of obsolete property into a 28-unit, high-end residential complex at a cost of \$5 million in 2003.

During 2002, Ottawa County's commercial sector also saw growth. A new commercial center, the Bridgewater Square Shopping Center, broke ground in Zeeland Township. This project is a \$6.6 million investment in four new retail, service, and professional office facilities. The anchor store is a 46,400 square foot Family Fare food store. In 2003, additional new retail space will include a Wal-Mart in Grand Haven Township, Target, and Menards stores in Holland Township, and overall central business district improvements in Grand Haven and Zeeland.

There are two large on-going road projects in Ottawa County; the M-6 (south beltline around Grand Rapids) interchange with I-196 in the Hudsonville area is under construction. The anticipated completion date for the entire length of this new limited access freeway is by 2005. The other large project, M-45 reconstruction in Allendale and Tallmadge townships, is essentially completed. The landscaping and streetscape improvements will occur in 2003.

Two county-wide planning studies that could impact Ottawa County's economy are underway. The first study, LinkMichigan, is assessing the degree of high-speed Internet access available in all areas of the County. The results of this study should provide direction for keeping Ottawa County on the leading edge with new telecommunications infrastructure. The other study which could also have significant positive impacts on the County's environment is a study to determine the feasibility of building an incinerator for the disposal of animal wastes. Currently, such wastes are applied to the land. The large quantities of wastes generated and the saturation of the soils from continual applications are limiting this practice and has the potential to restrict agriculture in Ottawa County. The incinerator could alleviate the problem of animal waste disposal and would produce "green energy"- steam and electricity as a by-product in the process.

Given the continued growth and development in Ottawa County, the local economy should be stable in the next couple of years ahead.

MAJOR INITIATIVES

The Ottawa County Board of Commissioners began several major initiatives in 2002 to enhance the quality-of-life and maximize the effectiveness of government in Ottawa County. The following identifies the six major initiative areas and lists each specific initiative below.

I. Strategic Planning and Program Evaluation

In a continuing effort to increase the efficiency and productivity of Ottawa County programs and services, the Board of Commissioners began the process of creating detailed strategic plans for county departments and outcome-based evaluations for county programs.

STRATEGIC PLANNING

A model was developed for the type of strategic plans that will be developed for each county department. The first strategic plan was created for the District Court Community Corrections Department based on the model prototype. That demonstration will be replicated in other county departments. The strategic plan includes a strategic outline which lists target populations for programs and services, clear goals and objectives, program components, output-based measures, and outcome based measures. Additionally, the strategic plan includes data collection tools and a database model for collecting and storing data that are related to the program measures. Evaluations of the collected data are then conducted to determine the effectiveness of departmental programs and services.

PROGRAM EVALUATION - DOMESTIC VIOLENCE EVALUATION

An evaluation of domestic violence offenses in Ottawa County was completed in 2002. The evaluation report provides insight into the demographic, trend, and relational aspects of this community problem that will assist county leaders with future policy decisions. It also provides a statistical assessment which illustrates the impact that present programs and policies have on the reoccurrence of domestic violence. The data in this report will be used as a benchmark to determine whether new policy decisions reduce the occurrences of domestic violence.

PROGRAM EVALUATION - ADDICTION PROGRAM THERAPY EVALUATION

The Ottawa County Addiction Program Therapy Program also underwent an outcome-based evaluation in 2002. This in-jail, substance-abuse treatment program was evaluated to determine overall program effectiveness and efficiency. The primary program factors analyzed include, but were not limited to, program administration, recidivism, and cost.

DATA BOOK

Ottawa County is developing a series of data books that will be used to show statistics and community indicators regarding Ottawa County's quality-of-life. The first data book provides statistics on health indicators. The second data book provides demographic data that includes information about population, poverty, income and many other subjects. Future sections of this comprehensive resource document will include environment, infrastructure, economic, public safety, and commercial/residential development statistics. The Data Book will also include information on education, agriculture, recreation, politics, taxation, and organizations in Ottawa County.

II. Facility and Related Improvements

FILLMORE STREET JAIL

On December 10, 2002, the Ottawa County Board of Commission passed an "enabling motion" authorizing the Ottawa County Building Authority to proceed with construction of a 162-bed addition to the Fillmore Street Jail. This project will also include a new and/or renovated kitchen, laundry, medical area, Juvenile Detention intake and a Sentence Work Abatement Program garage. The site includes expanded drives and parking south and east of the facility. Granger Construction has been selected to provide the construction management services and Landmark Design has been selected to provide the architectural services. This \$7.5 million project is scheduled to begin in late May 2003 and is expected to take ten to twelve months to complete.

SEWER PLANT EXPANSION AT STANTON STREET

Under the direction of the Public Utilities Department, the Stanton Street Sewer Plant expansion and renovation project is on schedule for completion in May 2003. This \$890,000 (\$640,000 in expansion, \$250,000 in operation/compliance improvements) project will expand the capacity of the plant from 160,000 to 300,000 gallons per day.

GRAND HAVEN HUMAN SERVICES BUILDING RENOVATION

As a result of consolidating the County's FIA operations, the Grand Haven FIA office moved to the Holland James Street office on October 23, 2002. FIA's departure left approximately 5,400 of the 10,000 square feet of space in the Grand Haven Human Services Building vacant. Currently, Community Mental Health (CMH) occupies the other 4,600 square feet portion of this facility. This renovation project includes expanding the CMH offices and relocating staff from other leased space in the Grand Haven area. The budget estimate for this project is \$450,000 plus furniture. With Board approval (assuming budget availability), this project is scheduled to begin in mid summer 2003.

MAINTENANCE GARAGE AT JAMES STREET

The Facilities Maintenance staff moved into the new James Street facility in early 2003. The facility consists of a 40x60 masonry building. The new 2,400 square foot garage will service the four buildings on the James Street Campus, the Holland District Court and rental sites in the Holland area. The garage has been completed at a cost of \$245,000.

HEALTH BUILDING RENOVATION - JAMES STREET

The renovation involving the space formerly occupied by Community Mental Health (CMH) in the Health Building at James Street began in mid-August 2002. The project included re-carpeting, painting, some relocation of wall sections, an additional ceiling grid and new furniture for most of the occupants. The project has been completed at a cost of \$404,000.

III. Technology

GEOGRAPHIC INFORMATION SYSTEMS

In 2002, the Ottawa County Geographic Information Systems (GIS) Department continued to develop base-data layers. The conversion of existing paper copies of parcel maps to a digital format compatible with the GIS Department's system was completed. Following the conversion, the GIS Department shifted its focus to maintaining and updating the parcel layer. The GIS Department also worked toward creating accurate road centerline, zoning and land use and drainage district layers. Many of these layers are now available to view or purchase via the Internet. A dozen users currently pay for a subscription to a service that was launched in 2002 and many more access the free portion of the website. Users include other county departments, local units of government, realtors, title companies, banks and the general public. Also in 2002, the department began marketing GIS data to local units of government within Ottawa County. So far, six townships have purchased a complete package of data from the County and are utilizing it either with their own full-functioning GIS software or a simplified viewer.

TELECOMMUNICATIONS NETWORK

In 2002, the County investigated various technologies to replace the County's network services currently contracted through SBC. The County is pursuing a partnership with the Ottawa Area Intermediate School District to utilize fiber optics. This option would provide an "owned" solution rather than contracted services from a vendor. The fiber-based network would transport the County's data, voice and video arraignment between its main sites, including the Fillmore Street Complex, James Street Campus, Holland 58th District Court, Grand Haven County Building, and the Hudsonville Human Services/58th District Court Building. If suitable agreements can be reached, the new network should be implemented by early 2004.

MANAGEMENT INFORMATION SERVICES (MIS)

In 2002, the Management Information Services (MIS) Department completed 618 Project Requests. The following were major initiatives requiring extensive department time and resources:

- Creation of a Patient Appointment & Car Scheduling System for the Community Mental Health Department.
- Expansion of Lotus Notes availability to include 795 County employees.
- Creation of a County Equipment Inventory & Locator System.
- Installation of the Norton Anti Virus program on 800 County PC's and laptops.
- Creation of Search Warrant Systems for the Sheriff's Department.

- Conducting of 107 MIS classroom training sessions for a total of 522 participants.
- Creation of a County Travel Voucher System.

LINKMICHIGAN INITIATIVE

In 2002, Ottawa County received a \$100,000 grant from the Michigan Economic Development Corporation (MEDC) to conduct a LinkMichigan Regional Telecommunications Planning Project. The key objective of this project is to create low and moderate-income jobs through the increased and improved utilization of broadband technology. Ottawa County is collaborating on a regional basis with Muskegon, Kent, Ionia, and Barry Counties on this project. The County has begun establishing an inventory of available broadband services and infrastructure, conducting a needs analysis, and formulating a Strategic Implementation Plan to address unmet needs.

IV. Quality of Life

PIGEON RIVER GREENWAY INITIATIVE

The Ottawa County Parks and Recreation Commission received a \$471,000 state grant to provide access to 240 acres of land along the Pigeon River. The scenic 1.5 mile stretch of land was acquired in past years through a combination of grants and a county park millage.

MACATAWA RIVER GREENWAY

A Hazard Mitigation Grant from the Federal Emergency Management Agency (FEMA) made possible the purchase of ten acres including two houses on the Macatawa River in Holland Township. Grant funds also allowed for the removal of the flood prone structures. The Parks Commission plans call for the property to be developed in the future as a greenway access point for fishing and kayak launching. The plans also call for the land to be linked to a future greenway trail.

ROSY MOUND NATURAL AREA

The Rosy Mound site has been one of the Parks Commission's top priorities since the property was first targeted for purchase in 1989. Although publicly acquired in 1993 with \$3.75 million in state grant funds, it was not until early 2003 that the state passed legislation transferring the title to Ottawa County. In 2002, a grant was approved through the Michigan Natural Resources Trust fund committing \$500,000 in funding assistance to make improvements to the 164-acre site which includes over 3,400 feet of pristine Lake Michigan frontage. Improvements are expected to total \$1,116,000.

HAGER PARK IMPROVEMENTS

Work continued on a project to restore Hager Creek, a highly eroded streambed running through Hager Park. A \$259,106 grant from the State's Clean Michigan Initiative is helping fund the restoration project that involves diverting some storm water running into the creek and restoring and stabilizing creek banks. In addition, work began on a \$400,000 improvement project to construct a new restroom building and plaza area, pave bike paths through the park, and replace two footbridges.

PARK 12 MASTER PLAN

Work began on a master plan for the Park 12 properties - twelve county-owned park parcels located near Holland State Park. The properties will offer prime Lake Michigan and Lake Macatawa frontage.

FRIENDS OF OTTAWA COUNTY TRAILS AND PATHS COMMITTEE

The Ottawa County Planning Commission and the Parks and Recreation Commission established the Friends of Ottawa County Trails and Paths Committee. The formation of the Friends Committee is one of several recommendations that came out of a Non-Motorized Pathway Study that was completed in April 2002. The Friends Committee will be responsible for promoting an interconnected countywide pathway system, building a consensus for implementation, and identifying funding and grant opportunities.

NORTH-SOUTH CORRIDOR STUDY

A North-South Corridor Study was initiated in 2002. It will include the establishment of a corridor-wide framework within which to review, discuss, evaluate, and mitigate proposed development along the corridor(s) in an attempt to protect and preserve the roadway's condition, capacity, aesthetics, and safety. This analysis will take into account the traffic flows in and around the study area. The study area begins at the southern boundary of Ottawa County and continues north to the City of Coopersville and includes the greater Zeeland area.

M-104 CORRIDOR/ACCESS MANAGEMENT STUDY

The M-104 Corridor connects Spring Lake Village, Spring Lake Township and passes through Crockery Township. It also serves as a connector between US-31 and I-96. In 2002, a \$100,000 grant was provided by the Michigan Department of Transportation to develop a M-104 Access Management Study. The Study will provide specific recommendations related to access management, capital improvements, transportation system management, and land use planning techniques/strategies to preserve and protect the roadway's condition, capacity, aesthetics, and safety.

V. Environment

WEST NILE VIRUS SURVEILLANCE

In 2002, the Ottawa County Health Department began an intensive planning effort to prepare for the re-emergence of the West Nile Virus and for a long-term approach to preventing West Nile Virus.

MODEL FLOODPLAIN ORDINANCE

In 2002, a Model Floodplain Ordinance Report was completed to assist local units of government in Ottawa County with their floodplain management efforts. The report integrates best management practices to create a model local ordinance that addresses potentially adverse impacts of flooding.

VI. Law Enforcement

BUILDING SECURITY

In January of 2002, the Sheriff's Department began providing building security to the courthouses in Holland, Grand Haven, and Hudsonville. Deputies screen members of the public for weapons and contraband at the entrances of all facilities. In addition, deputies respond to court panic alarms, escort individuals from the building, assist probation and patrol, and respond to medical calls within the facility.

SENTENCED WORK ABATEMENT PROGRAM (SWAP)

In 2002, six deputies were transferred to the Sheriff's Department to manage the County's SWAP program which was previously under the auspices of the Community Corrections Department. The SWAP program is designed to allow sentenced inmates an opportunity to participate on a work crew that is assigned various tasks and work projects within Ottawa County. Those inmates who successfully complete the program may receive a reduction in their sentence, as well as a discount toward room and board.

AUTOMATED EXTERNAL DEFIBRILLATORS

In 2002, the Sheriff's Office began equipping patrol vehicles with Automated External Defibrillators (AEDs). An AED is a small machine that analyzes the heart's rhythm and if necessary, tells the responder to deliver a shock to a victim of cardiac arrest. This shock, called defibrillation, may help the heart to reestablish an effective rhythm. Twenty AEDs were placed in patrol vehicles in 2002. The AEDs were funded with a Local Law Enforcement Block Grant (LLEBG).

EVIDENCE COLLECTION AND PROCESSING

In addition to the purchase of several new pieces of forensic equipment including an evidence drying cabinet, the Sheriff's Office hired a civilian evidence technician. This individual will assist with technical identification work involving fingerprinting, photography, crime scene search, preservation of evidence, and preparation of court exhibits.

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, 2001. The County has received this prestigious award for nineteen 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.

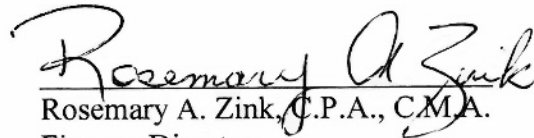
ACKNOWLEDGMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance 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,



Robert Oosterbaan
Administrator



Rosemary A. Zink, C.P.A., C.M.A.
Finance Director

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

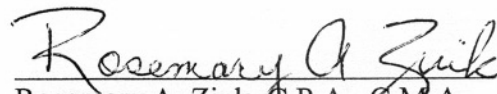
Responsibility for the integrity of the financial data presented rests with the County. We believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county government and State statutes.

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

Rehmann Robson,
accompanying general purpose financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit.
Rehmann Robson's



Robert Oosterbaan
Administrator



Rosemary A. Zink, C.P.A., C.M.A.
Finance 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, 2001

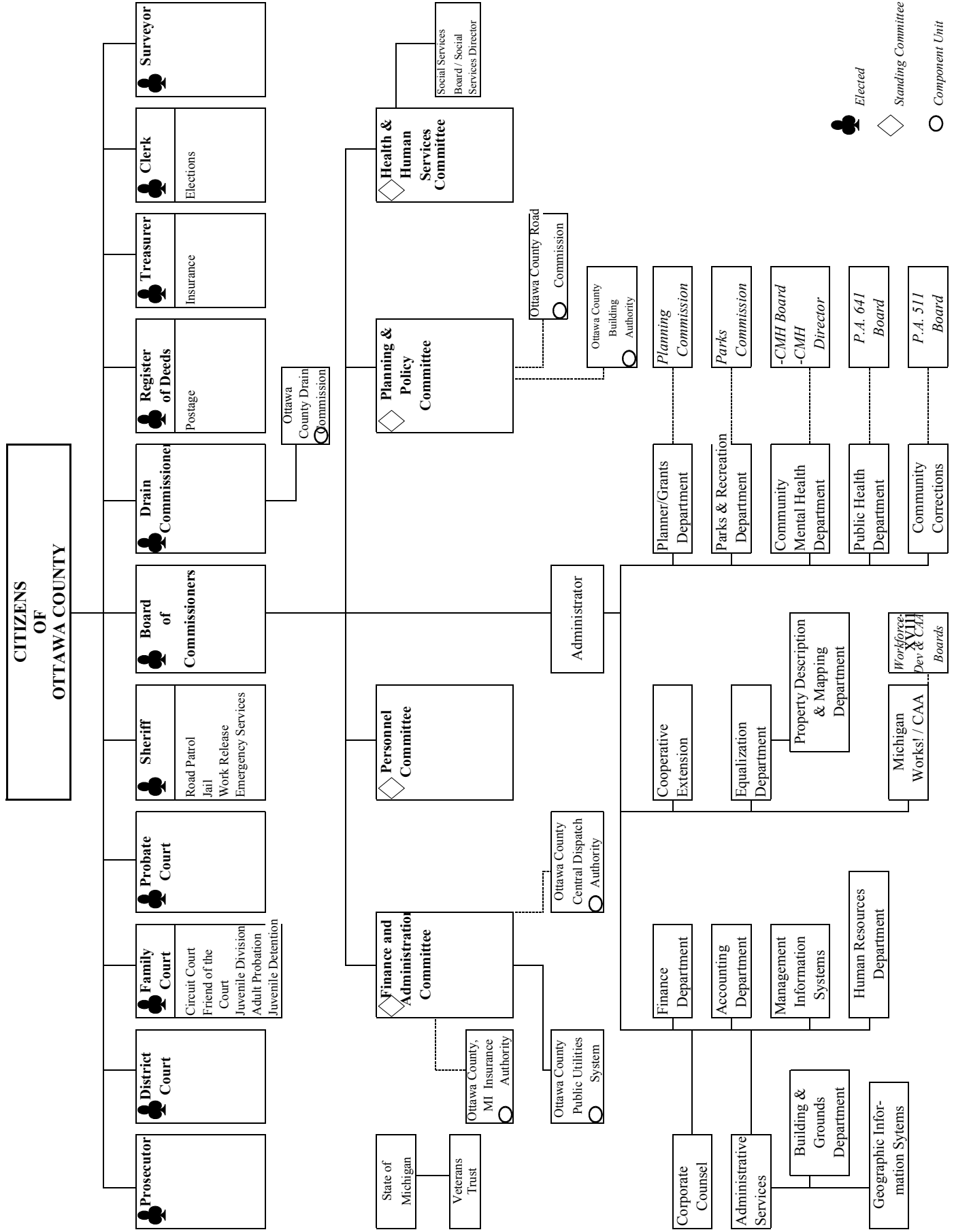
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

2002 ORGANIZATIONAL CHART



Elected
 Standing Committee
 Component Unit



INDEPENDENT AUDITORS' REPORT

May 2, 2003

Board of Commissioners
County of Ottawa
West Olive, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan, as of and for the year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Ottawa, Michigan. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for each major 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 our report dated May 2, 2003 on our consideration of the County of Ottawa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3-17 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Management's Discussion and Analysis

As management of the *County of Ottawa*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2002. 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-xvi of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$143,975,387 (*net assets*). Of this amount, \$73,263,373 (*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 \$7,020,694.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$62,001,390, an increase of \$4,837,403 in comparison with the prior year. Approximately eighty nine percent of this total amount, or \$55,414,033, 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 \$9,270,504 or 18 percent of total General Fund expenditures (including operating transfers).
- The County's total bonded debt increased by \$3,226,874 during the current fiscal year; no new debt was issued for the primary government. However, the Ottawa County Road Commission issued \$4.5 million in bonds to construct a new garage. The Ottawa County Public Utilities System issued \$13,335,000 in refunding bonds and an additional \$8,486,874 in new issues for water and sewer construction. Since principal payments totaled \$21,280,000, total debt for the Ottawa County Public Utilities System increased by \$541,874.

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, culture and recreation, and other functions. 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, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18 - 20 of this report.

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

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

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

The County maintains 46 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, parks and recreation, health, mental health, and public improvement funds, each of which is considered to be a major fund. Data from the other 41 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 21-29 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 30-33 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 34 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 36-82 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 89-168 of this report, and the statistical information can be found on pages 170-192.

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 \$143,975,387 at the close of the most recent fiscal year.

County of Ottawa's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	\$140,836,891	\$129,786,959	\$27,547,933	\$27,474,822	\$168,384,824	\$157,261,781
Capital assets	56,735,253	56,774,856	10,433	13,084	56,745,686	56,787,940
Total assets	<u>197,572,144</u>	<u>186,561,815</u>	<u>27,558,366</u>	<u>27,487,906</u>	<u>225,130,510</u>	<u>214,049,721</u>
Long-term liabilities outstanding	24,761,519	26,873,742			24,761,519	26,873,742
Other liabilities	56,329,015	50,162,789	64,589	58,497	56,393,604	50,221,286
Total liabilities	<u>81,090,534</u>	<u>77,036,531</u>	<u>64,589</u>	<u>58,497</u>	<u>81,155,123</u>	<u>77,095,028</u>
Net assets:						
Invested in capital assets, net of related debt	36,869,011	35,558,261	10,433	13,084	36,879,444	35,571,345
Restricted	33,832,570	25,622,231			33,832,570	25,622,231
Unrestricted	45,780,029	48,344,792	27,483,344	27,416,325	73,263,373	75,761,117
Total net assets	<u>\$116,481,610</u>	<u>\$109,525,284</u>	<u>\$27,493,777</u>	<u>\$ 27,429,409</u>	<u>\$143,975,387</u>	<u>\$136,954,693</u>

By far, the largest portion of the County's net assets (86 percent) consists of cash and investments. This high level of cash and investments is enviable, as most entities report capital assets as their largest asset. However, the Road Commission and Public Utilities are component units of the County, so the amount the County (the primary government) reports for infrastructure is zero.

Capital assets, representing 39 percent of total net assets includes land, buildings, vehicles and equipment less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt should be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities. Taxes receivable, at just over \$32 million, represents a significant asset as well. The County levies taxes in December for the following year's operations. Consequently, the County reports \$30.9 million for these taxes in the deferred revenue liability. The remaining taxes receivable reflects delinquent taxes receivable for the entire County.

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 \$33,832,570. The remaining balance of *unrestricted net assets* (\$73,263,373 or 51 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

County of Ottawa's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program revenue:						
Charges for services	\$20,334,073	\$19,049,448	\$1,175,605	\$1,234,332	\$21,509,678	\$20,283,780
Operating grants and contributions	39,075,902	38,045,513			39,075,902	38,045,513
Capital grants and contributions	412,699	613,085			412,699	613,085
General revenues:						
Property taxes	29,108,216	27,635,964			29,108,216	27,635,964
Grants and contributions not restricted to specific programs	4,759,864	5,456,975			4,759,864	5,456,975
Investment earnings	4,896,600	5,974,915	1,332,432	1,421,743	6,229,032	7,396,658
Other	413,552	629,538			413,552	629,538
Total revenues	99,000,906	97,405,438	2,508,037	2,656,075	101,508,943	100,061,513
Expenses:						
Legislative	495,502	475,045			495,502	475,045
Judicial	12,742,673	12,314,531			12,742,673	12,314,531
General government	11,048,540	9,462,268			11,048,540	9,462,268
Public safety	22,417,791	19,734,031			22,417,791	19,734,031
Public works	26,442	4,567,437			26,442	4,567,437
Health and welfare	43,436,806	39,924,234			43,436,806	39,924,234
Culture and recreation	1,310,229	1,324,736			1,310,229	1,324,736
Interest on long-term debt	1,009,585	1,274,567			1,009,585	1,274,567
Delinquent tax collection			1,893,669	1,884,112	1,893,669	1,884,112
Total expenses	92,487,568	89,076,849	1,893,669	1,884,112	94,381,237	90,960,961
Increase in net assets before transfers to other funds and component units	6,513,338	8,328,589	614,368	771,963	7,127,706	9,100,552
Transfers	442,988	508,140	(550,000)	(525,000)	(107,012)	(16,860)
Increase in net assets	6,956,326	8,836,729	64,368	246,963	7,020,694	9,083,692
Net assets, beginning of year	109,525,284	100,688,555	27,429,409	27,182,446	136,954,693	127,871,001
Net assets, end of year	\$116,481,610	\$109,525,284	\$27,493,777	\$27,429,409	\$143,975,387	\$136,954,693

Governmental Activities

The preceding table shows that the primary government's net assets increased by over \$7 million during 2002. This increase occurred for several reasons. The 2002 General Fund (1010) budget as adopted planned for expenditures to exceed revenues by nearly \$219,000. However, during the year, the Board of Commissioners approved \$5.6 million in operating transfers to the Solid Waste Clean-up fund (2271), the Infrastructure fund (2444), and the Public Improvement fund (2450) from existing fund balance. Consequently, the General Fund should have shown expenditures *exceeding* revenues by \$5.8 million. However, the fund statement shows General Fund expenditures exceeding revenues by only \$2.8 million. Certain revenues were underestimated. The Register of Deeds revenue came in \$1.3 million higher than originally projected due to lower interest rates. Various other revenue also came in higher than projected (\$390,000). Also, because the Survey and Remonumentation program was put on the fast track, as of December 31, 2002, the County has earned an additional \$593,000 above the normal annual grant. In addition, expenditures were lower than anticipated due to personnel vacancies, reduced retirement rates, and unused contingency (\$1,048,000).

The progress of capital construction projects also affects the change in net assets. The Public Improvement fund (2450) pays construction costs on various County building projects. The fund is

partially replenished through rent charges and interest income. Consequently, when building projects do not proceed as planned, the fund balance in this fund increases. In 2002, revenues (not including the operating transfer) exceeded expenditures by \$850,000. At the government wide level, the capital expenditures that did occur are subtracted from expenditures and added to the assets. Thus, net assets for the fund at the government-wide level (after adding depreciation expense) increased by \$1.3 million in total.

The Parks and Recreation fund (2081) has a ten-year levy for land acquisition and park development (capital costs). Their expenditures, however, depend on the progress of the improvement projects and land negotiations. Consequently, \$2.7 million of the increase in net assets can be attributed to this fund.

The Mental Health fund (2220) shows a decrease in fund balance of \$818,000. Included in its expenditures for 2002 is \$249,000 for capital costs, mostly for vehicles. After subtracting these costs and adding in depreciation, the net assets of the Mental Health fund at the government wide level decreased a total of \$614,000. Under its managed care system, the financial results of operations can vary from year to year for Mental Health.

The Health fund (2210) also shows a decrease in fund balance of \$866,000. A decrease was planned with the 2002 budget. Part of the decrease in fund balance is due to an operating transfer to the Public Improvement fund (2450) to pay for renovations to the James Street facility in Holland.

The Child Care fund (2920), a non-major governmental fund, shows a fund balance decrease of \$263,000. Costs for County juveniles placed at State institutions have increased due to price increases from the State and an increase in the average length of stay for the juveniles.

The Ottawa County Building Authority Debt Service Fund (5690 – 5693) shows a fund balance increase of \$45,000. However, at the government-wide level, principal payments on debt are subtracted from expenditures. Consequently, the fund increased net assets by \$1.3 million in 2002.

The liability for landfill reclamation decreased \$721,000. This, of course, increased net assets at the government-wide level.

The financial results of the internal service funds also decreased net assets. All internal service funds combined, decreased net assets by \$663,000. Information on fluctuations between 2002 and 2001 by category follows.

Revenues:

Program charges for services

Program charges for services increased approximately 6 percent. Much of this difference, over \$1 million, is in the General Fund (1010). Activity in the Register of Deeds office increased significantly due to lower interest rates. In addition, contributions from local units, primarily for policing services, increased as grants for these services expired and the municipalities assumed the costs. Various court-related fees also increased.

Contributions from local units for policing services also increased in the COPS Universal fund as grants expired and the effected municipalities assumed the costs.

Program operating grants and contributions:

Program grants increased 2.7%. However, there are several significant variations with the category. In the General Fund (1010), the County received \$164,000 in new revenue under the State Criminal Alien Apprehension Program (SCAAP). The County also received \$94,000 in Juvenile Accountability Incentive Block Grants (JAIBG) for equipment purchases. 2002 also saw the completion of the Project Impact grant. Funding from the Convention Facility Tax and State Court funding also increased. At the government wide level, the \$593,000 earned under the expedited Survey and Remonumentation program is reported under program grants. The total increase in program grants in the General Fund was \$1,119,000.

Program grants in the Friend of the Court fund (2160) increased by \$185,000. Most of this increase was due to an increase in incentive payments.

Program grants increased in the Mental Health fund (2220) due to an increase in the State billing rates for State institutions. In addition, the Michigan Works! Agency fund (2870) saw major decreases in revenue due primarily to federal funding cuts and the expiration of certain one-time grants. Workforce Investment Act – 3/31 Funds (2749), however, received additional Michigan State Housing Development Authority funds and the Community Action Agency increased by \$117,000 due to available Community Services Block Grant funds. The Grant Programs Pass Thru fund (2750) decreased \$415,000 due to the end of two of its grants.

Program capital grants and contributions

These revenues vary depending on the number and scope of capital improvement projects, mainly in the Parks and Recreation fund (2081). In 2002, Parks and Recreation received a capital grant for the Macatawa River property as well as grants for park improvement projects.

Property taxes

Taxes increased 5.3 percent. This is due to the increase in taxable value from new construction and the expiration of business tax exemptions for companies located in Ottawa County. Actual millage rates dropped from 4.2722 in 2001 to 4.1672 in 2002.

Grants and contributions not restricted to specific programs

State Income Tax revenue decreased \$695,000 in 2002 due to lower collections of State Sales Tax.

Investment earnings

The fair value of several of the County's investments decreased in 2002 due to a weak financial market. However, increases in cash balances helped lessen this effect.

Expenses:

Judicial

In the General Fund (1010), judicial expenses increased \$158,000, which represents a 1.3% increase. In addition to normal inflationary increases for salaries and supplies, indigent legal fees increased \$138,000 due to higher caseloads. The Friend of the Court fund (2160) added two new positions. This fund as a whole increased \$211,000. However, administrative costs fell by \$216,000 in judicial functions.

General government

General government expenses in the General Fund (1010) increased significantly. Since 2002 was an election year, election-related costs increased \$120,000. The Register of Deeds spent an additional \$68,000 for back-file conversion of records. Building and Grounds also had full occupancy of its facilities for most of the year. The remaining increase is spread over several programs.

Public safety

The Public Safety expenses increased \$2.7 million overall. Ten new staff members were added to the Sheriff's department and Jail. Six of these positions were the result of a building security initiative approved by the Board of Commissioners late in 2001. Several new vehicles were purchased through the Equipment Pool fund (6641). The price of these vehicles is charged back to the benefiting department over three years. Additional C.O.P.S. Universal grants fund (2610) resulted in a \$333,000 increase in expenses.

Public works

These expenses can vary significantly by year. In 2001, a substantial (\$3.9 million) upward adjustment of the liability associated with the Southwest Ottawa Landfill resulted in elevated expenses. In 2002, the total for the landfill liability actually decreased \$720,000. Consequently, expenses are much lower.

Health and welfare

Health and Welfare programs employ the greatest number of staff in the primary government. Consequently, personnel costs including fringe benefits increased by \$1.27 million. New positions were added, primarily in Mental Health, but most of this increase came from cost of living increases.

In the Mental Health fund (2220), Client Care expenses increased by \$1.17 million due to greater usage and rate increases.

All Workforce Investment Act Grant Programs funds (2740-2749) decreased \$115,000 due primarily to state and federal funding cuts. However, the Community Action Agency fund (2870) received additional funding under Community Service Block Grant programs (\$117,000). State Institutions costs for juvenile placements in the Child Care fund (2920) increased \$328,000 due to an increase in the average length of stay for juveniles and higher rates charged by the State.

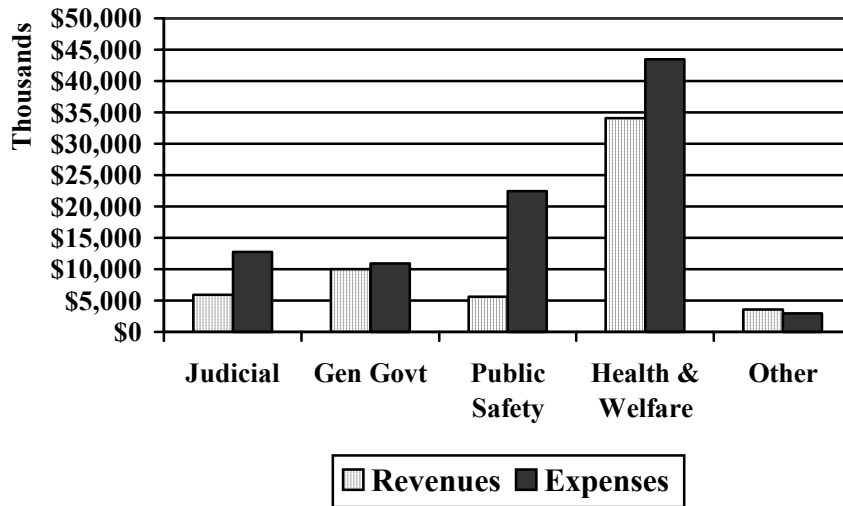
Culture and recreation

These expenses can vary depending on land purchases and capital improvement projects at County parks.

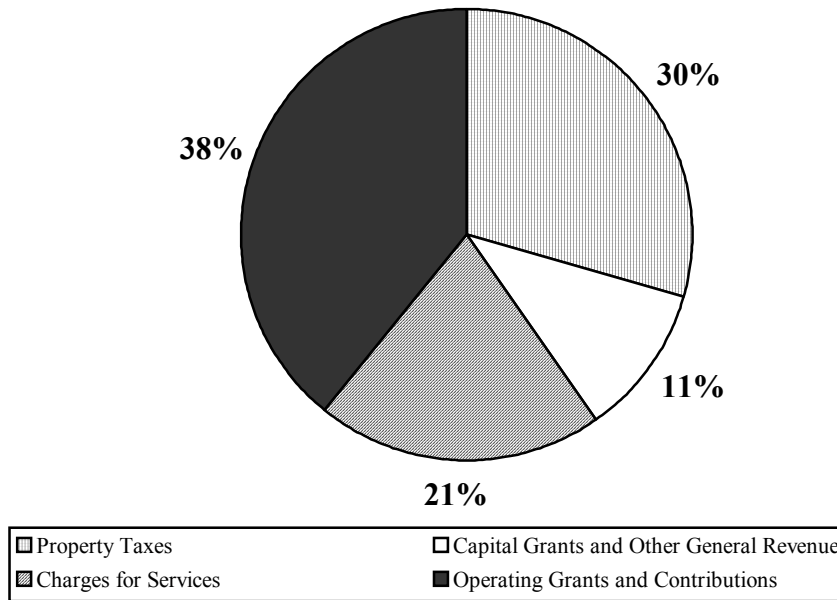
Interest on long-term debt

Principal balances are declining. Since no new issues were made, interest also decreases.

Program Revenues and Expenses - Governmental Activities



Revenues by Source - Governmental Activities



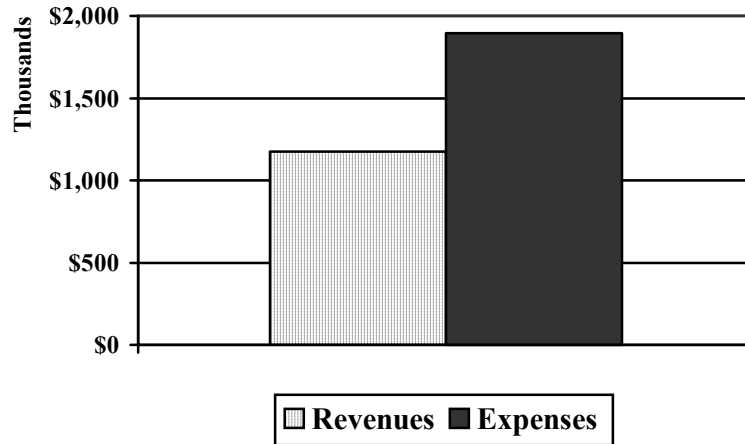
Business-type Activities

Business-type activities increased the County’s net assets by \$64,000. In the prior year, net assets for business-type activities increased by \$247,000. The main reason for the lower change in net assets is a decrease in charges for services revenue. 2001 was an abnormally high year due to the implementation of new legislation in that year.

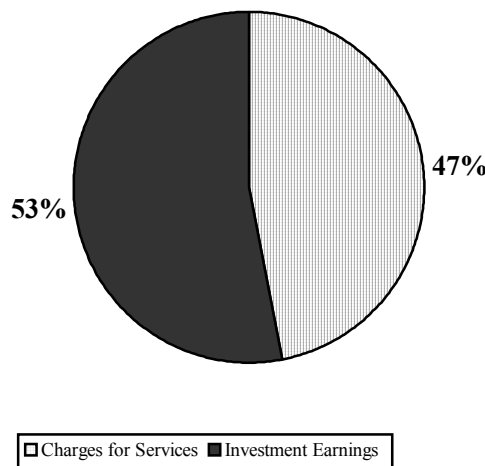
Investment earnings also decreased in 2002 because the fair value of several of the County’s

investments fell due to a harsh financial market. However, increases in cash balances helped lessen this effect.

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 \$62,001,390, an increase of \$4,837,403 in comparison with the prior year. Approximately ninety seven percent of this total amount (\$60.0 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 (\$1,034,353), 2) to pay debt service (\$525,974), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$5,868), 4) to provide a long term advance to component units and other funds (\$326,100) or 5) for a variety of other restricted purposes (\$61,190).

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 \$10,929,404, while total fund balance was \$12,317,927. 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 21 percent of total General Fund expenditures.

The fund balance of the County's General Fund decreased by \$2,847,825 during the current fiscal year. During 2002, \$5.4 million was transferred to the Public Improvement fund (2450), the Infrastructure fund (2444), and the Solid Waste Clean-up fund (2771) to prepare for anticipated capital projects. Consequently, we would have expected a much larger decrease in fund balance. There were a number of items that added to the General Fund's fund balance. Exceptional growth in Register of Deeds revenue, unused contingency, and vacant positions are some of the major areas of increase.

The Parks and Recreation fund (2081) has a total fund balance of \$8,372,004, which increased by \$2,008,559. 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.

The fund balance of the Health fund (2210) decreased \$866,068. This reduction in fund balance was anticipated during the 2002 budget process. A portion of this decrease resulted from an operating transfer to the Public Improvement fund (2450) to pay Health's share of the building renovation project on James Street.

The fund balance of the Mental Health fund (2220) decreased \$817,532. The results of activities can vary substantially by year because Mental Health is under a managed care system. Mental Health transferred \$311,000 to the Mental Health Self-Insurance fund (6782) to provide funds for future risk exposures under managed care. Mental Health also underwent a restructuring plan involving new programs, small equipment upgrades, and \$249,000 in vehicle purchases.

The fund balance of the Solid Waste Cleanup fund (2271) increased \$1.9 million due mainly to the \$1.6 million operating transfer from the General Fund. The transfer was made in anticipation of the construction of additional purge wells and other maintenance. The fund balance of the Infrastructure fund (2444) increased by just over \$1 million also due to a General Fund transfer.

The fund balance of the Public Improvement fund (2450) increased \$3.9 million due to the \$2.65 million operating transfer it received from the General Fund. The transfer was made to offset planned building projects over the next several years. Progress on some of these projects was delayed in 2002.

The Child Care-Probate fund (2920) fund balance decreased \$263,000 due to an increase in the average number of days juveniles spent in State institutions and higher per day rate charges from the State.

General Fund Budgetary Highlights

The original revenue and expenditure budgets for the General Fund (1010) were \$48,239,272 and \$48,458,286 respectively. The amended revenue budget was \$50,873,533, and the amended expenditure budget was \$54,361,888.

Amendments to intergovernmental revenue include \$160,000 to establish the remainder of the budget for the Project Impact grant that was not completed at December 31, 2001, \$164,000 for the new SCAAP program mentioned earlier, and \$204,000 for federally funded equipment grants. In addition, \$100,000 was added to the revenue budget for the Link Michigan grant, and \$177,000 was added for revenues from Ottawa County municipalities for policing services. Some of these contracts had previously been reported in Special Revenue funds. The revenue budget for Convention Facility Tax was adjusted upward by \$73,000 based on actual collections. The budget for intergovernmental revenue was reduced by \$166,000 for State Revenue Sharing due to poor State sales tax collections. Unfortunately, even after the reduction, the account was still significantly under budget.

Adjustments to charges for services revenue include a \$53,000 increase for inmate housing, \$1.3 million to Register of Deeds revenue for increased activity associated with declining interest rates, and an increase of \$90,000 to reflect the move of the Sentence Work Abatement Program (SWAP) from the Community Corrections fund (2850) to the General Fund. Court costs increased \$104,000 due to caseload increases.

Interest on investments is always difficult to estimate. In keeping with the County's conservative philosophy, interest rates were projected to be quite low. However, a further decline of interest rates towards the end of the year left the account under budget.

Costs for building operations came in lower than anticipated. Since most of the rental revenue is based on actual expenditures, the rental revenue is under budget.

The budget for operating transfers from other funds was increased to reflect the transfer of \$226,000 from the Ottawa County, Michigan Insurance Authority fund (6780).

On the expenditure side, budgeted judicial expenditures were increased \$121,000 to cover indigent legal fees that rose with higher caseloads.

The budget for general government functions was increased \$511,000. Of this amount, \$247,000 was in buildings and grounds departments.

Capital accounts in the Building and Grounds departments were increased \$284,000 to cover the construction of a garage at the James Street campus. The Elections budget was increased \$25,000 to purchase additional voting machines, the Budget department was increased \$42,000 to fund a User Fee Study, and the Prosecuting Attorney's budget was increased to accommodate new staff and various equipment. The remaining difference between the adopted and amended budget is spread across several departments.

Utilities, building repairs, and grounds maintenance in the Building and Grounds departments all came in lower than expected. November and December are particularly difficult months to predict in

terms of weather which affects both utilities and ground maintenance. The majority of these months were mild, so Building and Grounds was \$349,000 under budget.

The GIS department came in \$77,000 under budget. The program is in the implementation stage, and progress is difficult to estimate for budgetary purposes. In addition, the Register of Deeds was \$200,000 under budget due to delays in the backfile conversion of records. The remaining difference between budget and actual is spread across several programs, a large portion of it due to vacant positions.

The budget for Public Safety expenditures was increased \$1.4 million during the year. Ten new positions were added, and six positions for the SWAP program were transferred to the Jail from the Community Corrections fund (2850) (\$432,000). Adjustments were also made for a retroactive salary adjustment and compensation study (\$308,000). Finally, two grant-funded positions were moved into the General Fund from Special Revenue funds (2605 and 2606) (\$160,500).

The remainder of the Project Impact grant not completed at December 31, 2001, was set up during the year (\$160,000). In Emergency Services, \$88,000 was added to the budget for two equipment grants.

Public Safety expenditures are below budget because the implementation of the Link Michigan grant project was delayed (\$115,000). Operational Supplies was under spent by \$57,000; these expenditures are difficult to predict as they can fluctuate from year to year. The remaining variance is spread across several departments.

As adopted, the other functions budget included \$1,134,027 for Contingency. As this is used, the budget is moved to the correct department. Any remaining amount is rolled into fund balance.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2002, amounted to \$56,745,686 (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 decrease in the County's investment in capital assets for the current fiscal year was less than one percent.

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

- Park land was purchased along the Macatawa River (\$320,000).
- Capital improvements at the James Street Health facility (\$407,000).
- Purchase of 47 vehicles, mostly for public safety and Mental Health (\$894,000).

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

	2002
Land and land improvements	\$15,621,423
Buildings and improvements	36,712,773
Machinery and equipment	4,411,490
	\$56,745,686

Additional information on the County's capital assets can be found in note III.D on pages 57-60 of this report.

Long-term debt. At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$107,327,895. All 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	\$14,300,000	\$45,532,895	\$59,832,895
General obligation bonds – Refunding	5,230,000	42,265,000	47,495,000
Total	\$19,530,000	\$87,797,895	\$107,327,895

The County's total general obligation bonded debt increased by \$3,226,874 (3.1 percent) during the current fiscal year. Ottawa County Public Utilities issued \$8,486,874 in bonds for water and sewer projects and \$13,335,000 in refunding bonds.

In addition, the County has two land contracts for which it has pledged its full faith and credit. The balance on the land contracts decreased by \$55,353, and no new land contracts were issued.

The Ottawa County Drain Commissioner has notes payable for which it has pledged its full faith and credit. The balance on the notes payables decreased by \$37,500.

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 debt limitation for the County is \$855,663,734, 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 67-70 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 2003 fiscal year:

- The deterioration of the State's economy will likely result in additional decreases in state funding. The actual magnitude of the decrease will depend upon the economy's effect on state sales tax collection.
- The unemployment rate for the County was 5.3 percent for 2002, which is an increase from a rate of 4.0 percent a year ago. Still, this compares favorably to the state's average unemployment rate of 6.2 percent, and the national average rate of 5.8 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the 2003 budget are as follows:

- Reduction in the tax levy of 21.3% over the maximum allowable levy
- Includes 12 positions with a 2003 cost of \$535,000
- Includes \$1.64 million in new equipment
- Includes contingency of \$947,912

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:

Rosemary A. Zink, Finance Director, 12220 Fillmore Street, Room 331, West Olive, Michigan, 49460.

**County of Ottawa
Statement of Net Assets
December 31, 2002**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Drain Commission
ASSETS							
Current assets:							
Cash and pooled investments	\$86,774,665	\$22,368,665	\$109,143,330	\$513,449	\$4,744,235	\$12,788,535	\$1,667,529
Investments	14,975,637		14,975,637	2,626,378			
Receivables (net of allowance for estimated uncollectibles):							
Taxes	29,020,384	3,106,196	32,126,580				
Accrued interest and penalties on delinquent taxes		598,140	598,140				
Accounts	1,017,367	60,320	1,077,687	318,867		1,790,505	378,278
Accrued interest on investments	1,090,068		1,090,068				
Internal balances		1,333,432	1,333,432				
Advances to component units	325,000		325,000				
Due from other governmental units	6,846,680		6,846,680	4,559,450	102,694	72,114,331	871,322
Due from primary government							3,345
Due from component units		81,180	81,180	107,086			20,366
Inventory of supplies	148,891		148,891	766,826			
Prepaid expenses	638,199		638,199	199,340	61,064		
Total current assets	<u>140,836,891</u>	<u>27,547,933</u>	<u>168,384,824</u>	<u>9,091,396</u>	<u>4,907,993</u>	<u>86,693,371</u>	<u>2,940,840</u>
Noncurrent assets:							
Capital assets, net of accumulated depreciation							
Land and land improvements	15,621,423		15,621,423	1,257,671			
Buildings	36,712,773		36,712,773	3,116,033	11,920		
Machinery and equipment	4,401,057	10,433	4,411,490	3,528,541	3,725,915		
Infrastructure				21,259,386			5,201,288
Construction in progress				5,491,199			
Total noncurrent assets	<u>56,735,253</u>	<u>10,433</u>	<u>56,745,686</u>	<u>34,652,830</u>	<u>3,737,835</u>		<u>5,201,288</u>
Total assets	<u>197,572,144</u>	<u>27,558,366</u>	<u>225,130,510</u>	<u>43,744,226</u>	<u>8,645,828</u>	<u>86,693,371</u>	<u>8,142,128</u>
LIABILITIES							
Liabilities:							
Current liabilities							
Accounts payable	15,773,430	80	15,773,510	2,521,040	269,863	2,278,129	68,796
Interest payable	190,613		190,613		60,896	632,500	4,737
Internal balances	1,439,901		1,439,901				
Due to primary government						81,180	
Due to component units	3,345			17,021		\$333,208	
Due to other governmental units	3,369,902	64,509	3,434,411				
Notes payable							85,000
Current portion of long-term debt	1,391,461		1,391,461	522,378	881,162	7,117,000	70,000
Advances from primary government						150,000	175,000
Advances from other governmental units	270,185		270,185	520,385			
Compensated absences	2,912,753		2,912,753				
Deferred revenue	30,977,425		30,977,425			35,594	71,862
Total current liabilities	<u>56,329,015</u>	<u>64,589</u>	<u>56,393,604</u>	<u>3,580,824</u>	<u>1,211,921</u>	<u>10,627,611</u>	<u>475,395</u>
Noncurrent liabilities:							
Bond issuance costs and discount						(638,913)	
Noncurrent portion of long-term obligations	24,761,519		24,761,519	4,276,878	1,542,247	75,865,895	695,000
Total noncurrent liabilities	<u>24,761,519</u>		<u>24,761,519</u>	<u>4,276,878</u>	<u>1,542,247</u>	<u>75,226,982</u>	<u>695,000</u>
Total liabilities	<u>81,090,534</u>	<u>64,589</u>	<u>81,155,123</u>	<u>7,857,702</u>	<u>2,754,168</u>	<u>85,854,593</u>	<u>1,170,395</u>
NET ASSETS							
Invested in capital assets, net of related debt	36,869,011	10,433	36,879,444	25,111,631	1,675,870		4,351,288
Restricted for:							
Debt service	335,361		335,361			638,913	479,183
Park development	8,372,004		8,372,004				
Public improvement	16,292,819		16,292,819				
Stabilization	6,231,099		6,231,099				
West Michigan Enforcement Team operations	760,047		760,047				
Capital projects							509,208
Cemetery perpetual care	5,868		5,868				
Managed care risk exposure	1,835,372		1,835,372				
Primary and local road construction and maintenance				3,807,429			
Equipment and training					10,392		
Drain maintenance							37,287
Unrestricted	<u>45,780,029</u>	<u>27,483,344</u>	<u>73,263,373</u>	<u>6,967,464</u>	<u>4,205,398</u>	<u>199,865</u>	<u>1,594,767</u>
Total net assets	<u>\$116,481,610</u>	<u>\$27,493,777</u>	<u>\$143,975,387</u>	<u>\$35,886,524</u>	<u>\$5,891,660</u>	<u>\$838,778</u>	<u>\$6,971,733</u>

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

**County of Ottawa
Statement of Activities
For the Year Ended December 31, 2002**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue	
			Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government						
Governmental activities:						
Legislative	\$492,239	\$3,263			(\$495,502)	
Judicial	11,537,928	1,204,745	\$3,371,423	\$2,547,137	(6,824,113)	
General government	13,106,601	(2,058,061)	7,760,923	2,808,773	(478,844)	
Public safety	22,347,891	69,900	3,893,681	1,764,071	(16,760,039)	
Public works	17,561	8,881	445,492	122,838	541,888	
Health and welfare	42,544,808	891,998	2,228,505	31,833,083	(9,375,218)	
Culture and recreation	1,307,748	2,481	276,531		(620,999)	
Interest on long-term debt	1,009,585		2,357,518		1,347,933	
Total governmental activities	<u>92,364,361</u>	<u>123,207</u>	<u>20,334,073</u>	<u>39,075,902</u>	<u>412,699</u>	<u>(32,664,894)</u>
Business-type activities:						
Delinquent tax collection	1,893,669		1,175,605		(718,064)	
Total primary government	<u>\$94,258,030</u>	<u>\$123,207</u>	<u>\$21,509,678</u>	<u>\$39,075,902</u>	<u>\$412,699</u>	<u>(\$33,382,958)</u>
Component units						
Ottawa County Road Commission	\$14,788,801		\$3,024,269	\$14,756,773	\$8,639,514	\$11,631,755
Ottawa County Central Dispatch Authority	3,017,677		1,548	3,055,196	432,490	471,557
Ottawa County Public Utilities	16,321,127		15,976,867			(344,260)
Ottawa County Drain Commissioner	1,221,342			3,333	1,630,952	412,943
Total component units	<u>\$35,348,947</u>		<u>\$19,002,684</u>	<u>\$17,815,302</u>	<u>\$10,702,956</u>	<u>\$12,171,995</u>

Continued

**County of Ottawa
Statement of Activities (Concluded)
For the Year Ended December 31, 2002**

	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 Drain Commissioner
Primary Government:							
Changes in net assets:							
Net (expense) revenue	(\$32,664,894)	(\$718,064)	(\$33,382,958)	\$11,631,755	\$471,557	(\$344,260)	\$412,943
General Revenues:							
Property taxes, levied for general purposes	23,854,174		23,854,174				
Property taxes, levied for park development	2,197,421		2,197,421				
Property taxes, levied for debt service	3,056,621		3,056,621				
Grants and contributions not restricted to specific programs	4,759,864		4,759,864				
Investment earnings	4,896,600	1,332,432	6,229,032	66,600	89,143	18,533	101,588
Miscellaneous	413,552		413,552	515,624		688,318	
Capital contributions							2,313,908
Transfers - internal activities	442,988	(550,000)	(107,012)				
Total general revenues and transfers	39,621,220	782,432	40,403,652	582,224	89,143	706,851	2,415,496
Change in net assets	6,956,326	64,368	7,020,694	12,213,979	560,700	362,591	2,828,439
Net assets - beginning of year, as restated	109,525,284	27,429,409	136,954,693	23,672,545	5,330,960	476,187	4,143,294
Net assets - end of year	\$116,481,610	\$27,493,777	\$143,975,387	\$35,886,524	\$5,891,660	\$838,778	\$6,971,733

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

Concluded

**County of Ottawa
Balance Sheet
Governmental Funds
December 31, 2002
(with comparative totals for December 31, 2001)**

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Other Governmental Funds	Total Governmental Funds	
							2002	2001
ASSETS								
Cash and pooled investments	\$15,379,446	\$7,731,044	\$1,436,824	\$5,269,822	\$15,548,802	\$24,758,678	\$70,124,616	\$61,540,509
Investments						5,770	5,770	5,770
Receivables (net of allowance for estimated uncollectibles):								
Taxes	26,790,362	2,230,022					29,020,384	28,113,349
Accounts	243,898		141,973	332,395		256,204	974,470	927,818
Accrued interest on investments	935,967						935,967	1,102,631
Due from other funds		474,749			901,018	811,595	2,187,362	1,924,027
Due from component unit								127,261
Interfund receivable	679,085						679,085	607,130
Advances to other funds	1,100						1,100	1,100
Advances to component units	325,000						325,000	325,000
Due from other governmental units	2,832,977	368,308	92,034	1,753,537		1,799,824	6,846,680	5,734,493
Inventory of supplies	41,944		101,095	5,331		521	148,891	105,583
Prepaid expenditures	28,070	157,027	14,323	200,330		33,120	432,870	287,991
Total assets	\$47,257,849	\$10,961,150	\$1,786,249	\$7,561,415	\$16,449,820	\$27,665,712	\$111,682,195	\$100,802,662
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$1,610,610	\$233,412	\$463,599	\$2,056,389	\$157,001	\$1,656,086	\$6,177,097	\$5,508,159
Due to other governmental units	1,200		23,159	3,205,602		139,941	3,369,902	595,152
Due to other funds	4,339,855		304,747				4,644,602	4,061,517
Due to component units	3,345						3,345	
Interfund payable						679,085	679,085	607,130
Advances from other governmental units	74,007					196,178	270,185	251,316
Compensated absences						2,912,753	2,912,753	2,939,379
Deferred revenue	28,910,905	2,355,734	66,313	290		288,494	31,621,736	29,674,822
Advances from other funds						2,100	2,100	1,200
Total liabilities	34,939,922	2,589,146	857,818	5,262,281	157,001	5,874,637	49,680,805	43,638,675
Fund balances:								
Reserved - General	1,388,523						1,388,523	1,368,696
Reserved - Special Revenue						33,120	33,120	150
Reserved - Debt Service						525,974	525,974	481,040
Reserved - Permanent						5,868	5,868	7,574
Unreserved:								
Designated - General	1,658,900						1,658,900	1,856,693
Designated - Special Revenue		1,319,145		1,655,827			2,974,972	1,319,145
Designated - Capital Projects								4,996
Undesignated - General	9,270,504						9,270,504	11,940,363
Undesignated - Special Revenue		7,052,859	928,431	643,307	16,292,819	21,226,113	46,143,529	40,185,330
Total fund balances	12,317,927	8,372,004	928,431	2,299,134	16,292,819	21,791,075	62,001,390	57,163,987
Total liabilities and fund balances	\$47,257,849	\$10,961,150	\$1,786,249	\$7,561,415	\$16,449,820	\$27,665,712	\$111,682,195	\$100,802,662

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, 2002

Fund balances - total governmental funds	\$62,001,390
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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	73,026,100
Subtract: accumulated depreciation	(18,339,627)

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 certain 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	25,493,029
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Certain revenue that was earned and accrued in the current period but not received after 60 days is deferred in the fund statement but recognized under full accrual.	644,311
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(19,530,000)
Subtract: landfill reclamation	(6,286,738)
Subtract: land contracts	(336,242)
Subtract: accrued interest payable	(190,613)

Net assets of governmental activities	<hr style="border: 1px solid black;"/> <u>\$116,481,610</u>
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The accompanying notes are an integral part of the financial statements.

County of Ottawa
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Other Governmental Funds	Total Governmental Funds	
							2002	2001
Revenues								
Taxes	\$26,910,795	\$2,197,421					\$29,108,216	\$27,635,964
Intergovernmental revenues	9,618,555	412,699	\$2,902,020	\$23,195,026		\$10,729,644	46,857,944	46,792,519
Charges for services	6,461,019	242,192	705,539	756,038		1,171,200	9,335,988	8,468,512
Fines and forfeits	1,062,304					6,500	1,068,804	1,083,225
Interest on investments	2,342,604	474,749			810,538	815,084	4,442,975	4,804,119
Licenses and permits	304,517		240,514				545,031	533,326
Rental income	2,205,856	33,693	3,850	11,466	892,472	2,357,518	5,504,855	5,424,089
Other	247,345	646	87,913	104,822	25,353	687,751	1,153,830	1,378,215
Total revenue	49,152,995	3,361,400	3,939,836	24,067,352	1,728,363	15,767,697	98,017,643	96,119,969
Expenditures								
Current expenditures:								
Legislative	489,564						489,564	469,478
Judicial	9,118,396					3,609,354	12,727,750	12,190,228
General government	9,467,753				875,042	423,687	10,766,482	8,667,703
Public safety	17,725,264					3,956,207	21,681,471	19,101,304
Public works	215,222					531,706	746,928	637,981
Health and welfare	477,291		8,294,288	25,361,384		8,970,128	43,103,091	41,006,221
Culture and recreation		1,882,841					1,882,841	2,736,808
Other governmental functions	60,411						60,411	49,341
Debt service						2,315,975	2,315,975	2,317,564
Capital projects						4,996	4,996	50,081
Total expenditures	37,553,901	1,882,841	8,294,288	25,361,384	875,042	19,812,053	93,779,509	87,226,709
Revenues over (under) expenditures	11,599,094	1,478,559	(4,354,452)	(1,294,032)	853,321	(4,044,356)	4,238,134	8,893,260
Other financing sources (uses)								
Transfers from other funds	776,281	530,000	3,793,131	476,500	3,045,227	7,506,077	16,127,216	15,080,069
Transfers from other funds	(15,223,200)		(304,747)				(15,527,947)	(14,274,755)
Total other financing sources (uses)	(14,446,919)	530,000	3,488,384	476,500	3,045,227	7,506,077	599,269	805,314
Revenues and other financing sources over (under) expenditures and other financing uses	(2,847,825)	2,008,559	(866,068)	(817,532)	3,898,548	3,461,721	4,837,403	9,698,574
Fund balance, beginning of year	15,165,752	6,363,445	1,794,499	3,116,666	12,394,271	18,329,354	57,163,987	47,465,413
Fund balance, end of year	\$12,317,927	\$8,372,004	\$928,431	\$2,299,134	\$16,292,819	\$21,791,075	\$62,001,390	\$57,163,987

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

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, 2002

Net change in fund balances - total governmental funds \$4,837,403

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	2,126,919
Subtract: depreciation expense	(1,957,396)

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

Add: principal payments on long-term liabilities	1,350,353
Add: decrease in the landfill reclamation liability	720,762

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Subtract: decrease in accrued interest payable	11,390
--	--------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	529,638
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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 certain internal service funds is reported with governmental activities.

Subtract: net loss from governmental activities accounted for in internal service funds	(662,743)
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Change in net assets of governmental activities	<hr style="border: 1px solid black;"/> \$6,956,326 <hr style="border: 1px solid black;"/>
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The accompanying notes are an integral part of the financial statements.

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002

(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$26,852,457	\$26,929,287	\$26,910,795	(\$18,492)	\$25,589,207
Intergovernmental	9,034,086	9,798,266	9,618,555	(179,711)	9,578,340
Charges for services	4,859,418	6,485,646	6,461,019	(24,627)	5,598,044
Fines and forfeits	1,188,800	1,082,400	1,062,304	(20,096)	1,083,225
Interest on investments	2,800,000	2,800,000	2,342,604	(457,396)	2,995,636
Licenses and permits	250,025	317,675	304,517	(13,158)	287,521
Rental income	2,479,468	2,424,037	2,205,856	(218,181)	2,081,111
Other	225,018	259,941	247,345	(12,596)	406,765
Total revenues	<u>47,689,272</u>	<u>50,097,252</u>	<u>49,152,995</u>	<u>(944,257)</u>	<u>47,619,849</u>
Expenditures:					
Current operations:					
Legislative	567,996	523,196	489,564	33,632	469,478
Judicial	9,220,834	9,374,890	9,118,396	256,494	8,705,060
General government	9,994,358	10,505,007	9,467,753	1,037,254	7,911,163
Public safety	16,814,402	18,201,769	17,725,264	476,505	15,418,112
Public works	226,000	226,000	215,222	10,778	168,650
Health and welfare	508,326	528,251	477,291	50,960	399,021
Other governmental functions	1,447,397	60,411	60,411		49,341
Total expenditures	<u>38,779,313</u>	<u>39,419,524</u>	<u>37,553,901</u>	<u>1,865,623</u>	<u>33,120,825</u>
Revenues over expenditures	<u>8,909,959</u>	<u>10,677,728</u>	<u>11,599,094</u>	<u>921,366</u>	<u>14,499,024</u>
Other Financing Sources (Uses):					
Transfers from other funds	550,000	776,281	776,281		892,174
Transfers to other funds	(9,678,973)	(14,942,364)	(15,223,200)	(280,836)	(14,274,755)
Total other financing sources (uses)	<u>(9,128,973)</u>	<u>(14,166,083)</u>	<u>(14,446,919)</u>	<u>(280,836)</u>	<u>(13,382,581)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(219,014)</u>	<u>(3,488,355)</u>	<u>(2,847,825)</u>	<u>640,530</u>	<u>1,116,443</u>
Fund balance, beginning of year	<u>15,165,752</u>	<u>15,165,752</u>	<u>15,165,752</u>		<u>14,049,309</u>
Fund balance, end of year	<u>\$14,946,738</u>	<u>\$11,677,397</u>	<u>\$12,317,927</u>	<u>\$640,530</u>	<u>\$15,165,752</u>

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

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Taxes	\$2,190,439	\$2,198,139	\$2,197,421	(\$718)	\$2,046,757
Intergovernmental revenues	2,458,392	1,728,073	412,699	(1,315,374)	613,085
Charges for services	205,500	243,750	242,192	(1,558)	232,590
Interest on investments	200,000	200,000	474,749	274,749	422,028
Rental income	42,500	42,500	33,693	(8,807)	41,458
Other	300,000	300,046	646	(299,400)	758
Total revenues	5,396,831	4,712,508	3,361,400	(1,351,108)	3,356,676
Expenditures:					
Current operations:					
Personnel services	692,162	705,607	692,807	12,800	668,261
Supplies	107,600	114,646	101,185	13,461	104,593
Other services and charges	261,685	306,447	242,436	64,011	293,114
Capital outlay	5,338,000	6,544,333	756,157	5,788,176	1,579,935
Debt service	90,258	90,258	90,256	2	90,905
Total expenditures	6,489,705	7,761,291	1,882,841	5,878,450	2,736,808
Revenues over (under) expenditures	(1,092,874)	(3,048,783)	1,478,559	4,527,342	619,868
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
Revenues and other financing sources over (under) expenditures and other financing uses	(562,874)	(2,518,783)	2,008,559	4,527,342	1,149,868
Fund balance, beginning of year	6,363,445	6,363,445	6,363,445		5,213,577
Fund balance, end of year	\$5,800,571	\$3,844,662	\$8,372,004	\$4,527,342	\$6,363,445

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

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$2,637,828	\$2,938,320	\$2,902,020	(\$36,300)	\$2,968,329
Charges for services	699,263	749,542	705,539	(44,003)	628,775
Licenses and permits	246,280	251,475	240,514	(10,961)	245,805
Rental income	4,800	4,800	3,850	(950)	3,700
Other	99,710	117,343	87,913	(29,430)	74,004
Total revenues	3,687,881	4,061,480	3,939,836	(121,644)	3,920,613
Expenditures:					
Current operations:					
Personnel services	5,665,492	5,372,852	5,334,564	38,288	5,103,488
Supplies	645,910	774,305	660,380	113,925	605,504
Other services and charges	2,410,892	2,556,143	2,299,344	256,799	2,189,273
Capital outlay					
Total expenditures	8,722,294	8,703,300	8,294,288	409,012	7,898,265
Revenues over (under) expenditures	(5,034,413)	(4,641,820)	(4,354,452)	287,368	(3,977,652)
Other financing sources (uses):					
Transfers in (out):					
General Fund	3,782,965	3,793,134	3,793,131	(3)	3,582,314
Public Improvement		(330,000)	(304,747)	(25,253)	
Total other financing sources (uses)	3,782,965	3,463,134	3,488,384	(25,256)	3,582,314
Revenues and other financing sources over (under) expenditures and other financing uses	(1,251,448)	(1,178,686)	(866,068)	262,112	(395,338)
Fund balance, beginning of year	1,794,499	1,794,499	1,794,499		2,189,837
Fund balance, end of year	\$543,051	\$615,813	\$928,431	\$262,112	\$1,794,499

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

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$23,525,920	\$23,453,071	\$23,195,026	(\$258,045)	\$23,023,359
Charges for services	644,905	799,075	756,038	(43,037)	785,620
Rental income	22,069	11,466	11,466		21,134
Other	88,576	82,481	104,822	22,341	207,357
Total revenues	24,281,470	24,346,093	24,067,352	(278,741)	24,037,470
Expenditures:					
Current operations:					
Personnel services	9,099,571	9,133,418	8,961,147	172,271	8,098,051
Supplies	296,181	746,192	619,005	127,187	504,940
Other services and charges	14,936,597	16,309,556	15,532,170	777,386	13,329,568
Capital outlay	6,045	277,895	249,062	28,833	1,828,054
Total expenditures	24,338,394	26,467,061	25,361,384	1,105,677	23,760,613
Revenues over (under) expenditures	(56,924)	(2,120,968)	(1,294,032)	826,936	276,857
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
Revenues and other financing sources over (under) expenditures and other financing uses	419,576	(1,644,468)	(817,532)	826,936	753,357
Fund balance, beginning of year	3,116,666	3,116,666	3,116,666		2,363,309
Fund balance, end of year	\$3,536,242	\$1,472,198	\$2,299,134	\$826,936	\$3,116,666

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

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Charges for services					\$1,800
Interest on investments	\$550,000	\$550,000	810,538	260,538	649,541
Rental income	778,100	940,086	892,472	(47,614)	917,566
Other		25,353	25,353		127,261
Total revenues	1,328,100	1,515,439	1,728,363	212,924	1,696,168
Expenditures:					
Current operations:					
Other services and charges		105,805	104,956	849	2,349
Capital outlay	4,200,000	4,597,236	770,086	3,827,150	318,481
Total expenditures	4,200,000	4,703,041	875,042	3,827,999	320,830
Revenues over (under) expenditures	(2,871,900)	(3,187,602)	853,321	4,040,923	1,375,338
Other financing sources (uses):					
Transfers in (out):					
General Fund		2,650,000	2,650,000		3,030,377
Health		330,000	395,227	65,227	
Total other financing sources (uses)		2,980,000	3,045,227	65,227	3,030,377
Revenues and other financing sources over (under) expenditures and other financing uses	(2,871,900)	(207,602)	3,898,548	4,106,150	4,405,715
Fund balance, beginning of year	12,394,271	12,394,271	12,394,271		7,988,556
Fund balance, end of year	\$9,522,371	\$12,186,669	\$16,292,819	\$4,106,150	\$12,394,271

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

**County of Ottawa
Statement of Net Assets
Proprietary Funds
December 31, 2002**

	Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund	Governmental Activities- Internal Service Funds
<u>ASSETS</u>		
Current assets:		
Cash and pooled investments	\$22,368,665	\$16,650,049
Investments		14,969,867
Receivables:		
Delinquent taxes receivable	3,106,196	
Accrued interest and penalties on delinquent taxes	598,140	
Accounts	60,320	42,897
Accrued interest on investments		154,101
Due from other funds	1,332,432	5,490,774
Advances to other funds	1,000	
Due from component units	81,180	
Inventory of supplies		
Prepaid expenses		205,329
Total current assets	27,547,933	37,513,017
Noncurrent assets:		
Capital assets:		
Office furniture and equipment	58,443	2,992,882
Copy machines		203,904
Telephone equipment		2,036,885
Vehicles		3,185,233
Less accumulated depreciation	(48,010)	(6,370,124)
Net capital assets	10,433	2,048,780
Total assets	27,558,366	39,561,797
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	80	9,596,333
Due to other funds		4,472,435
Due to other governmental units	64,509	
Total current liabilities	64,589	14,068,768
<u>NET ASSETS</u>		
Investment in capital assets	10,433	2,048,780
Restricted for managed care risk exposure		1,835,372
Unrestricted	27,483,344	21,608,877
Total net assets	\$27,493,777	\$25,493,029

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, 2002

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating revenues:		
Charges for services	\$32,286	\$12,069,282
Penalties and interest in delinquent taxes	1,143,319	
Other revenue		30,590
Total operating revenues	<u>1,175,605</u>	<u>12,099,872</u>
Operating expenses:		
Personnel services		1,675,535
Contractual services		2,051,293
Supplies		166,846
Depreciation	2,651	1,026,088
Building and equipment rental	1,891,018	117,514
Claims and legal		7,671,743
Miscellaneous		323,372
Total operating expenses	<u>1,893,669</u>	<u>13,032,391</u>
Operating loss	<u>(718,064)</u>	<u>(932,519)</u>
Nonoperating revenues (expenses):		
Interest on investments	1,332,432	1,660,688
Net change in the fair value of investments		(1,207,063)
Gain (loss) on retirement of capital assets		(27,568)
Total nonoperating revenues	<u>1,332,432</u>	<u>426,057</u>
Income (loss) before operating transfers	614,368	(506,462)
Transfers in (out):		
General fund	<u>(550,000)</u>	<u>(156,281)</u>
Total transfers	<u>(550,000)</u>	<u>(156,281)</u>
Change in net assets	64,368	(662,743)
Total net assets, beginning of year	<u>27,429,409</u>	<u>26,155,772</u>
Total net assets, end of year	<u>\$27,493,777</u>	<u>\$25,493,029</u>

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

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

For the Year Ended December 31, 2002

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided		\$12,102,212
Cash receipts from customers	\$9,433,912	
Cash received from penalties and interest on delinquent taxes	1,375,934	
Cash payments to suppliers for goods and services	(1,887,014)	(2,195,318)
Cash payments for self-funded insurance claims		(7,005,968)
Cash payments to employees for services		(1,675,535)
Purchase of delinquent tax rolls	<u>(8,710,223)</u>	
Net cash provided by (used for) operating activities	<u>212,609</u>	<u>1,225,391</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from other funds		70,000
Transfers out to other funds	<u>(550,000)</u>	<u>(226,281)</u>
Net cash used for noncapital financing activities	<u>(550,000)</u>	<u>(156,281)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets		(907,876)
Proceeds from sale of equipment		10,465
Net cash used for capital and related financing activities		<u>(897,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(13,312,722)
Interest on investments	1,421,743	1,710,676
Proceeds on sale of investments		12,698,673
Net cash provided by investing activities	<u>1,421,743</u>	<u>1,096,627</u>
Net increase in cash and pooled investments	1,084,352	1,268,326
Cash and pooled investments, beginning of year	<u>21,284,313</u>	<u>15,381,723</u>
Cash and pooled investments, end of year	<u>\$22,368,665</u>	<u>\$16,650,049</u>

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

(Continued on next page)

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

For the Year Ended December 31, 2002

	<u>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(\$718,064)	(\$932,519)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	2,651	1,026,088
Change in assets and liabilities not affecting cash provided by (used for) operating activities:		
(Increase) decrease in receivables	922,830	7,518
(Increase) decrease in due from other funds		(410,125)
(Increase) decrease in advances to other funds	(900)	
(Increase) decrease in prepaid expenses		(74,372)
Increase (decrease) in unpaid claims liability		1,493,142
Increase (decrease) in accounts payable	(60)	(174,485)
Increase (decrease) in due to other funds		290,144
Increase (decrease) in due to other governmental units	6,152	
Net cash provided by (used for) operating activities	<u>\$212,609</u>	<u>\$1,225,391</u> <i>(Concluded)</i>

Noncash investing activities:

The change in fair value of investments for the internal service funds was (\$1,207,063).

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

COUNTY OF OTTAWA

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

December 31, 2002

(with comparative totals for December 31, 2001)

	Agency Funds	
	2002	2001
ASSETS		
Cash and short-term investments	\$3,529,220	\$3,121,395
Receivables:		
Accounts	24,078	45,852
Due from other governmental units	12,352	26,513
Total assets	<u>\$3,565,650</u>	<u>\$3,193,760</u>
LIABILITIES		
Liabilities:		
Due to other governmental units:		
Due to State of Michigan	\$1,898,504	\$1,534,275
Fines and fees due to local libraries	465,860	453,241
Agency deposits	1,201,286	1,206,244
Total liabilities	<u>\$3,565,650</u>	<u>\$3,193,760</u>

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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 (13 members) and provides services to its estimated 245,913 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 government 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

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

Finance 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 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. 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 73937
Grand Haven, MI 49417

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting entity (continued)

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.

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 Drains 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 Drain Commission 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. The statutory drainage board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the Board of Commissioners. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The Drain Commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 3 and 4 of the Drain Code. The drainage board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district.

Complete financial statements for the Drains can be obtained from:

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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Funds with Other Year Ends

The financial statements of the Friend of the Court, Health, Mental Health, Transportation System, Prosecuting Attorney Grants, WEMET, COPS Ahead, COPS Fast-Georgetown, COPS Fast-Allendale, 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, Community Action Agency, Child Care - Probate and Child Care - Social Services funds (included with Governmental Funds and reflecting total assets and revenues of 11.06% and 36.80%, 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 4.64% and 2.87%, respectively, of the related fund type totals) have been included in the accompanying 2002 financial statements using their fiscal year ended September 30, 2002.

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 .30% and 1.25%, respectively, of the Governmental Fund totals) have been included in the accompanying 2002 financial statements using their fiscal year ended June 30, 2002.

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 less than .1% and .59%, respectively, of the Governmental Fund totals) has been included in the accompanying 2002 financial statements using their fiscal year ended March 31, 2002.

Interfund balances, due to/from account balances, indirect expense allocations, as well as operating 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. For the most part, 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 and fiduciary fund financial statements. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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. 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 approved by the County electorate to finance this activity on November 5, 1996 for ten years beginning with the December 1, 1997 levy.

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.

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 taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for revenue from specific revenue sources (other than trusts 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.

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 standard 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

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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, 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 and payables

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 are levied as of December 1 on property values assessed as of the same date. Since the property taxes levied December 1 are for the operations of the succeeding year, the receivable is offset by deferred revenue. The taxes levied December 1 are due on February 14 of the following year after which the applicable property is subject to lien, and penalties and interest are assessed.

Accounts receivable is shown net of allowance for estimated uncollectibles which is considered immaterial.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

5. *Restricted Assets*

Certain proceeds of the Building Authority's general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In addition, 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, it is restricted. 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) 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) 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accumulated net assets in the West Michigan Enforcement Team (WEMET) Fund (Special Revenue Fund 2602) come from drug-related asset seizures. The use of such funds is restricted to drug enforcement operations.

The net assets of the Ottawa County Building Authority debt service fund are restricted in compliance with the bond covenant.

The use of the net assets of the Cemetery Trust are restricted to the perpetual care of certain cemetery lots.

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.

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 government-wide financial statements. For the County, infrastructure exists in the Road Commission and the Drain Commissioner 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 added beginning in 2001.

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

7. *Self-insurance claims incurred but not reported*

At December 31, 2002 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.

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 and governmental fund financial statements as they will be liquidated with expendable available financial resources. 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 and governmental funds. The County estimates that the maximum liability for unpaid and unused sick leave would be approximately \$1,207,015 at December 31, 2002 if all employees who accumulated sick leave under the prior plan retired. An actuarial estimate of the amount payable to employees upon retirement at December 31, 2002 is \$1,160,115 and is funded in the Compensated Absences Fund, a Special Revenue Fund.

The County has fully funded the vacation liability. The vacation expenditure/expense was recorded in each fund with the associated liability transferred and recorded in the Compensated Absences Fund, a Special Revenue Fund. An adjustment was made at December 31, 2002 to reflect the change in the balance to \$1,752,638.

Compensated absences for the Road Commission discrete component unit payable out of expendable available resources in the general operating fund is accrued for the fund financial statement (general fund balance sheet and general fund revenues, expenditures and changes in fund balance) and the long-term portion is recorded as an adjustment to the fund financial statements which results in the government-wide statements including both short and long-term portions of this liability. Vacation leave is payable upon termination up to specific limits while 25% of sick leave is payable upon retirement up to a maximum of 25% of 1,120 hours.

The Dispatch Authority's accumulated unpaid vacation is recorded as a liability in the general fund of the Authority, as it is expected to be paid with current financial resources. Accumulated unpaid sick pay is not recorded in the financial statements as it does not vest.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. *Deferred compensation plan*

The County, the Road Commission and the Dispatch Authority offer to its 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 2002 were \$1,376,358 and the County match was \$275,259.

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 Plan*

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 plan and to amortize prior service cost over 30 years.

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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the fund financial statements, governmental fund types recognized 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. Premium 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:

	General Fund	Parks and Recreation Fund	Mental Health Fund	Non-major Governmental Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reserved:				
Long-term advances to other funds and component units	\$326,100			
Prepaid expenditures	28,070			\$33,120
Convention facilities tax monies	1,034,353			
Debt service				525,974
Perpetual care				5,868
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$1,388,523</u>			<u>\$564,864</u>
Designated:				
Voting machines	\$20,684			
Planning	295,244			
Grants	156,164			
Mental Health – expansion	487,094		\$1,655,827	
Aerial survey	505,511			
Building improvements	113,468			
Computer technology	80,735			
Park/open space land		\$1,319,145		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$1,658,900</u>	<u>\$1,319,145</u>	<u>\$1,655,827</u>	<u> </u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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.

The Lippert Grant, (Special Revenue Fund 2590), is under formal budgetary control and is subject to the County's normal budget process. However, this fund did not show budgeted amounts as no revenues or expenditures were anticipated for 2002.

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 OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary information (continued)

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 presented herein has been amended by official actions of the Finance Committee and/or County Board of Commissioners. The amendments to the originally adopted budget totaled \$12.7 million or 10.9% of the total adopted budget. Of this amount, \$5.4 million were transfers to Special Revenue Funds for specific projects approved by the Board. The remaining \$7.3 million were appropriations between funds and establishing budgets for new grants received. Transfers of any unexpended balance, or any portion thereof, to any other appropriation account may not be made without approval by the Finance Committee, except that transfers within a fund may be made by the Administrator and Finance Director 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of expenditures over appropriations

Individual funds under formal budgetary control with an excess of expenditures over appropriations at the fund level for the year ended December 31, 2002 (September 30, 2002 for certain funds) are as follows:

	<u>Excess of Expenditures Over Appropriations</u>
Special Revenue Funds:	
Transportation System (2320)	\$ 1,713
Child Care – Probate (2920)	65,245

The over-expenditures in these funds were covered by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

Deposits made by the County with financial institutions consist of interest and noninterest bearing checking accounts, savings accounts, and certificates of deposit. The County maintains a pooled general checking account and a pooled payroll checking account which are shared by various County funds and component units.

At year end, the carrying amount of the County's deposits was \$21,039,913. The carrying amount of deposits for discretely presented component units was \$4,893,894. The bank balance of the pooled accounts which includes component units was \$22,529,485. Of the bank balance, \$1,049,600 was insured and \$21,479,885 was uninsured and uncollateralized.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments

Michigan statutes authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposit, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper, bankers' acceptance of U.S. banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds.

The Ottawa County Insurance Authority is authorized to invest in investment grade fixed income securities and common stock of U.S. companies in addition to the above authorized investments.

Investments are categorized as either (1) insured or registered, or securities held by the County or its agent in the County's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name, or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

The County's investment balances at year end, which were all in category 1 or not subject to categorization, were as follows:

	<u>Fair Value</u>
U.S. Government securities	\$ 86,222,395
Investments held by the Insurance Authority	<u>14,969,867</u>
	101,192,262
Investments not subject to categorization:	
Mutual funds	<u>5,416,012</u>
Total investments	<u>\$106,608,274</u>

The discretely presented component units' investment balances at year end were as follows:

	<u>Fair Value</u>
Investments not subject to categorization:	
Mutual funds	<u>\$17,446,232</u>
Total investments	<u>\$17,446,232</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments (continued)

During 2002, the County invested in mutual funds which hold investments authorized by Michigan State statutes. These investments are not subject to credit risk categorization as they are not evidenced by securities that exist in physical or book entry form.

The investments of the Insurance Authority (a Blended Component Unit) comply with the requirements of the Michigan Insurance Bureau. At year end the Insurance Authority's cash in the amount of \$24,311 was uninsured. Its short-term investments in money market mutual funds amounting to \$985,676 are not subject to risk categorization. The Authority's remaining investments were all in category 1.

The amortized cost and estimated fair values of the Insurance Authority's investments in fixed income and equity securities are as follows:

2002	Cost	<u>Unrealized</u>		Fair
		Gains	Losses	Value
Debt securities:	\$3,039,374	\$ 37,769	\$ 760	\$3,076,383
U.S. Government	1,189,048	157,115		1,346,163
Mortgage-backed	451,746	10,458		462,204
Corporate				
Equity Securities:				
Common Stocks	<u>4,818,856</u>	<u>280,431</u>	<u>406,903</u>	<u>4,692,384</u>
Totals	<u>\$9,499,024</u>	<u>\$485,773</u>	<u>\$407,663</u>	<u>\$9,577,134</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments (continued)

The cost and fair value of fixed income securities at December 31, 2002, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<u>Due:</u>	<u>2002</u>	
	<u>Cost</u>	<u>Fair Value</u>
One year or less	\$ 658,446	\$ 672,169
One through five years	2,193,418	2,218,957
Five through ten years	639,256	647,461
	<u>3,491,120</u>	<u>3,538,587</u>
Mortgage-backed securities	<u>1,189,048</u>	<u>1,346,163</u>
Total fixed income securities	<u>\$4,680,168</u>	<u>\$4,884,750</u>

Proceeds from sales and redemptions of investments during 2002 were \$12,698,673. A net loss of \$435,973 was realized on those sales in 2002.

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year were included as part of the change in the fair value of investments reported in the prior year(s) and the current year.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Investments (continued)

During 2002, to comply with Michigan Insurance Bureau regulations, the Authority transferred certain investments it had previously held to the Michigan Department of Treasury. The State Treasurer is holding these investments as of December 31, 2002 as summarized below, as security for the benefit of the Authority's policyholders:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Fair Value</u>
U.S. Treasury Notes	05/31/2003	5.500%	\$ 845,000	\$ 859,788
U.S. Treasury Notes	08/15/2003	5.750%	1,995,000	2,050,461
U.S. Treasury Notes	02/15/2007	6.250%	485,000	556,234
U.S. Treasury Notes	08/15/2007	6.125%	<u>1,675,000</u>	<u>1,926,250</u>
			<u>\$5,000,000</u>	<u>\$5,392,733</u>

C. Deferred 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 deferred 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 2003 fiscal year.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets

Capital asset activity for the year ended December 31, 2002 was as follows:

Primary Government	<u>Beginning</u>			<u>End of</u>
Governmental activities:	<u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Year</u>
Capital assets, not being depreciated:				
Land	\$11,411,468	\$320,032		\$11,731,500
Capital assets, being depreciated:				
Land improvements	5,824,707	436,125		6,260,832
Buildings	44,984,041	1,016,283	(\$199,203)	45,801,121
Machinery and equipment	18,576,122	1,348,618	(2,273,189)	17,651,551
Total capital assets, being depreciated	69,384,870	2,801,026	(2,472,392)	69,713,504
Less accumulated depreciation for:				
Land improvements	(2,057,220)	(313,689)		(2,370,909)
Buildings	(8,074,046)	(1,080,220)	65,918	(9,088,348)
Machinery and equipment	(13,890,216)	(1,589,575)	2,229,297	(13,250,494)
Total accumulated depreciation	(24,021,482)	(2,983,484)	2,295,215	(24,709,751)
Net capital assets, being depreciated	<u>45,363,388</u>	<u>(182,458)</u>	<u>(177,177)</u>	<u>45,003,753</u>
Net governmental activities capital assets	<u>\$56,774,856</u>	<u>\$137,574</u>	<u>(\$177,177)</u>	<u>\$56,735,253</u>
Business-type activities:	<u>Beginning</u>			<u>End of</u>
	<u>Of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Year</u>
Capital assets, being depreciated:				
Machinery and equipment	\$58,443			\$58,443
Less accumulated depreciation for:				
Machinery and equipment	(45,359)	(\$2,651)		(48,010)
Net business-type activities capital assets	<u>\$13,084</u>	<u>\$(2,651)</u>		<u>\$10,433</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

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

Governmental activities:

Judicial	\$9,942
General government	1,100,095
Public safety	273,497
Health and welfare	346,291
Culture and recreation	227,571
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,026,088</u>

Total depreciation expense – governmental activities \$2,983,484

Business-type activities:

Delinquent tax collection	<u>\$2,651</u>
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COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

Discretely Presented Component Units

Activity for the capital assets of the component units for the year ended 12/31/02, were as follows:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Capital assets, not being depreciated:				
Land and improvements	\$1,216,913	\$40,758		\$1,257,671
Construction in progress	1,195,701	4,295,498		5,491,199
Total capital assets, not being depreciated	<u>2,412,614</u>	<u>4,336,256</u>		<u>6,748,870</u>
Capital assets, being depreciated:				
Buildings	4,706,883	159,135		4,866,018
Machinery and equipment	18,678,260	2,504,866	(\$44,992)	21,138,134
Infrastructure	12,659,039	14,679,242		27,338,281
Total capital assets, being depreciated	36,044,182	17,343,243	(44,992)	53,342,433
Less accumulated depreciation for:				
Buildings	(1,631,377)	(106,688)		(1,738,065)
Machinery and equipment	(12,027,566)	(1,901,104)	44,992	(13,883,678)
Infrastructure	(210,984)	(666,623)		(877,607)
Total accumulated depreciation	<u>(13,869,927)</u>	<u>(2,674,415)</u>	<u>44,992</u>	<u>(16,499,350)</u>
Net capital assets, being depreciated	<u>22,174,255</u>	<u>14,668,828</u>		<u>36,843,083</u>
Net component unit capital assets	<u>\$24,586,869</u>	<u>\$19,005,084</u>		<u>\$43,591,953</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital assets (continued)

Commitments

At December 31, 2002, the County has \$985,000 in commitments for capital improvement projects at County parks, and \$53,000 in commitments for park engineering consultants. The County is also committed for \$606,000 of building projects, primarily for the jail addition and the Holland District Court building. \$95,000 is committed for consulting services in connection with the LinkMichigan regional telecommunications planning project. \$92,000 is committed for the conversion of Register of Deeds records to CD format. \$43,000 is committed for home renovations in connection with the Community Development Block Grant that provides funding for home repair for needy citizens. An additional \$18,000 is committed for general planning consultants.

The Ottawa County Public Utilities discrete component unit has commitments for various construction projects totaling approximately \$1,100,000. These commitments are being funded from bond proceeds issued in prior years.

As of December 31, 2002, the Ottawa County Central Dispatch Authority had entered into contracts for the purchase of equipment and software totaling approximately \$85,000.

As of September 30, 2002, the Ottawa County Road Commission had entered into contracts for construction of a various projects for approximately \$1,220,933.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2002, is as follows:

<u>Due to and from Other Funds:</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Primary Government:		
Major Governmental Funds:		
General Fund		\$4,339,855
Parks and Recreation	\$474,749	
Health		304,747
Public Improvement	901,018	
Major Enterprise Fund:		
Delinquent Tax Revolving	1,332,432	
Non-major Governmental Funds	811,595	
Internal Service Funds	<u>5,490,774</u>	<u>4,472,435</u>
 Total Primary Government	 \$9,010,568	 \$9,117,037
 September 30 due to paid before December 31 year end	 214,267	
September 30 due from paid before December 31 year end	<u> </u>	<u>107,798</u>
 Total	 <u>\$9,224,835</u>	 <u>\$9,224,835</u>

Interfund balances primarily reflect the interest on investments that will be allocated from the General Fund.

Also, included in the Internal Service Funds is \$4,453,120 which represents funds from the Worker's Compensation program that are invested by the Ottawa County Insurance Authority. There are no plans to pay off this liability within the next year.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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

	Due from Primary Government	Due to Component Units
Component Units:		
Ottawa County Drain Commissioner	\$3,345	
Primary Government:		
Major Governmental Fund:		
General Fund		\$3,345
Total	\$3,345	\$3,345

Due to and from Other Component Units

	Due from Other Component Units	Due to Other Component Units
Ottawa County Road Commission	\$107,086	\$17,021
Ottawa County Drains	20,366	
Ottawa County Public Utilities		333,208
December 31 due to set up after September 30 year end	226,122	
December 31 due from paid after September 30 year end		3,345
Total	\$353,574	\$353,574

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

Interfund Receivables and Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General Fund	\$679,085	
Non-major Governmental Funds		\$679,085
Total	<u>\$679,085</u>	<u>\$679,085</u>

Advances to and from Other Funds

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Major Governmental Funds:		
General Fund	\$ 1,100	
Non-major Governmental Funds:		
Ottawa County Building Authority		\$2,100
Major Enterprise Fund:		
Delinquent Tax Revolving	<u>1,000</u>	
Total	<u>\$2,100</u>	<u>\$2,100</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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

Interfund Transfers within the Primary Government

	<u>In (Out)</u>
Major Governmental Funds:	
General Fund	\$(14,446,919)
Parks and Recreation	530,000
Health	3,488,384
Mental Health	476,500
Public Improvement	3,045,227
Major Enterprise Fund:	
Delinquent Tax Revolving	(550,000)
Non-major Governmental Funds	7,506,077
Internal Service Funds	(156,281)
December 31, 2002 transfer out made after September 30, 2002 year end	203,094
December 31, 2002 transfer in received after September 30, 2002 year end	(96,082)
Total	None

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

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, 2002 amounted to \$376,994. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2003	<u>\$310,805</u>
2004	151,217
2005	85,269
2006	56,203
2007	<u>26,158</u>
Total	<u>\$629,652</u>

In addition, the County is a lessor under various operating lease agreements for office space and marinas. The original cost of these assets was \$11,496,979 and the accumulated depreciation totals \$2,404,614 leaving a carrying value of \$9,092,365.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Leases (continued)

Lease revenue for the year ending December 31, 2002 was \$1,421,877. Future lease revenues for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2003	\$816,546
2004	793,644
2005	754,308
2006	636,300
2007	636,300
2008 – 2012	3,181,500
2013 – 2014	<u>1,272,600</u>
Total	<u>\$8,091,198</u>

For the Community Mental Health lease agreements, these amounts are for fixed rent charges only. The variable portion is not determinable.

Capital Leases

The Ottawa County Central Dispatch Authority, a component unit, has entered into a capital lease agreement for the purchase and installation of a mobile data system. The agreement provided financing of \$3,200,000 for this project. As of December 31, 2002, fixed assets of approximately \$2,900,000 were included on the statement of net assets which were financed through this lease agreement. Terms for this agreement include annual payments ranging from \$358,742 to \$929,901 including interest at 4.07% through 2006.

Future minimum lease payments under the capital lease agreements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2003	\$832,466	\$97,435
2004	866,622	63,279
2005	331,021	27,721
2006	<u>344,604</u>	<u>14,139</u>
Total	<u>\$2,374,713</u>	<u>\$202,574</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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. 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 \$26,410,000. The original issue amount of the Drain Commissioner's and Ottawa County Public Utilities' bonds are \$1,350,000 and \$101,466,000 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:

Purpose	Interest Rate	Primary Government	Component Units			Total Ottawa County
			Ottawa County Drain Commissioner	Ottawa County Public Utilities System	Ottawa County Road Commission	
Governmental activities	2.00 – 9.5%	\$14,300,000	\$765,000	\$40,717,895	\$4,050,000	\$59,832,895
Governmental activities – refunding	2.75 – 7.6%	5,230,000		42,265,000		47,495,000
Total		<u>\$19,530,000</u>	<u>\$765,000</u>	<u>\$82,982,895</u>	<u>\$4,050,000</u>	<u>\$107,327,895</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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.

<u>Year Ending December 31</u>	<u>Government Activities</u>			
	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$1,340,000	\$963,820	\$7,637,000	\$3,563,822
2004	1,395,000	902,900	7,787,000	3,348,268
2005	1,460,000	840,450	6,842,000	3,049,090
2006	1,420,000	776,116	7,317,000	2,794,927
2007	1,515,000	710,535	6,812,000	2,514,407
2008 – 2012	6,985,000	2,390,739	26,755,000	8,742,217
2013 – 2017	5,415,000	877,854	16,262,000	4,004,316
2018 – 2022			7,980,895	987,131
2023 – 2027			140,000	86,613
2028 – 2032			160,000	48,176
2033 – 2036			105,000	8,076
	<u>\$19,530,000</u>	<u>\$7,462,414</u>	<u>\$87,797,895</u>	<u>\$29,147,043</u>

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2003	\$51,461	\$30,047
2004	56,043	25,464
2005	61,035	20,473
2006	66,471	15,037
2007	72,392	9,117
2008	28,840	2,668
	<u>\$336,242</u>	<u>\$102,806</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Current Year Advance Refundings. During fiscal year 2002, the Ottawa County Public Utilities System issued \$6,030,000, \$4,305,000, and \$3,000,000 of Ottawa County general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$5,795,000, \$4,130,000, and \$2,895,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$470,571, \$461,051, and \$411,165 respectively, which resulted in an economic gain of \$438,904, \$414,265, and \$372,438, respectively.

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, 2002, \$5,030,000 of bonds are considered defeased for the Building Authority, and \$5,795,000 are considered defeased for the Ottawa County Public Utilities System.

Changes in Long-Term Liabilities. Long-term liability activity for the year ended December 31, 2002 was as follows:

Primary Government	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$20,825,000		\$1,295,000	\$19,530,000	\$1,340,000
Landfill reclamation	7,007,500		720,762	6,286,738	
Parks & Recreation Land Contracts	391,595		55,353	336,242	51,461
Total	<u>\$28,224,095</u>		<u>\$2,071,115</u>	<u>\$26,152,980</u>	<u>\$1,391,461</u>

The reporting entity's legal debt margin at December 31, 2002 is \$753,503,054.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Long-term debt (continued)

Discretely Presented Component Units

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$83,276,021	\$26,321,874	\$21,800,000	\$87,797,895	\$7,637,000
Notes payable	37,500		37,500		
Claims payable	203,286	318,565	349,508	172,343	
Compensated absences	633,402	487	8,280	625,609	121,074
Capital leases	<u>3,200,000</u>		<u>825,287</u>	<u>2,374,713</u>	<u>832,466</u>
Total	<u>\$87,350,209</u>	<u>\$26,640,926</u>	<u>\$23,020,575</u>	<u>\$90,970,560</u>	<u>\$8,590,540</u>

H. Short-term debt

Short-term debt activity consisting of issuance and payment on notes for drain projects is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Drain project notes	<u>\$25,000</u>	<u>\$215,000</u>	<u>\$(155,000)</u>	<u>\$85,000</u>

I. 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.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Landfill reclamation (continued)

The pump and filter system has 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. The County has been in negotiation with the Michigan Department of Environmental Quality (MDEQ), formerly known as the DNR, over how best to move forward with this cleanup effort. Even though the contaminated water meets drinking water standards, the County has proposed bringing municipal water to the property owners in the path of the plume, and to work with the local unit of government to place institutional controls on future users moving into the area. In addition, the County is proposing a redesign of the pump and filter system in an effort to enhance the effectiveness of the system. Also under discussion is the recapping of the entire 40-acre landfill. The cost of these enhancements could well exceed \$4.7 million dollars.

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

<u>Estimated Cost</u>	<u>Year Ending</u>
2004	\$4,397,500
2005	317,000
2006	321,738
2007	200,000
2008	203,000
2009 – 2012	847,500

The current portion of the remaining liability is reflected in the Solid Waste Clean-Up Special Revenue Fund and the remaining balance of \$6,286,738 is reflected in the Long-Term Liabilities.

J. Segment information – enterprise funds

Because the Delinquent Tax Revolving Fund, an individual fund that accounts entirely for the government's delinquent tax activities, is a segment and is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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, 1134 Municipal Way, 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 5.00% to 27.13% as a percentage of annual covered payroll and varies by participating division. Certain employee groups are currently required to contribute to the Plan that ranges from 1% to 4.23% 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 6.65% to 9.43% as a percentage of annual covered payroll and varies by participating division; the current year amount was \$118,486. Employees are currently not required to contribute to the plan. The contribution requirements of the Road Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission, depending on the MERS contribution program adopted by the Road Commission.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Ottawa County Central Dispatch Authority:

The Dispatch Authority is required to contribute at an actuarially determined rate; the current rate ranges from 5.66% to 9.09% as a percentage of annual covered payroll and varies by participating division. Employees do not currently contribute to the plan. The contribution requirements of the Dispatch Authority are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Dispatch Authority, depending on the MERS contribution program adopted by the Dispatch Authority.

Annual Pension Cost - County of Ottawa:

For the year ended December 31, 2002, the County's annual pension cost of \$2,723,523 was greater than the County's required contribution of \$2,664,296. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit.

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The County's unfunded actuarial accrued liability, if any, 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, 2001, the date of the latest actuarial valuation, was 30 years.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Asset
12/31/00	\$2,718,222	98%	\$2,296,840
12/31/01	2,535,946	98	2,246,160
12/31/02	2,723,523	98	2,186,933

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/99	\$64,327,582	\$64,714,899	\$387,317	99%	\$26,737,145	1%
12/31/00	72,063,781	74,713,813	2,650,032	96	28,259,287	9
12/31/01	78,249,013	83,294,598	5,045,585	94	30,661,558	16

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

Actuarially determined contribution	\$2,664,296
Interest on Net Pension Asset	179,693
Adjustment to actuarially determined contribution	<u>(120,466)</u>
Annual pension cost	2,723,523
Contributions made	<u>2,664,296</u>
Decrease in Net Pension Asset	(59,227)
Net Pension Asset beginning of year	<u>2,246,160</u>
Net Pension Asset at end of year	<u>\$2,186,933</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Ottawa County Road Commission:

For the year ended September 30, 2002, the Road Commission's annual pension cost of \$118,486 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 1999 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Road Commission's unfunded actuarial accrued liability, if any, 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, 2001, the date of the latest actuarial valuation, was 30 years.

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2000	\$163,829	100%	\$ - 0 -
2001	656,752	100	- 0 -
2002	118,486	100	- 0-

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/99	\$25,248,034	\$22,575,664	\$(2,672,370)	112%	\$5,198,467	(51)%
12/31/00	26,957,808	27,591,978	634,170	98	5,809,691	11
12/31/01	28,000,821	28,783,338	782,517	97	5,791,419	14

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

A. Defined benefit pension plan (continued)

Ottawa County Central Dispatch Authority:

For the year ended December 31, 2002, the Dispatch Authority's annual pension expense of \$42,760 for MERS was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Dispatch Authority's unfunded actuarial accrued liability, if any, 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, 2001, the date of the latest actuarial valuation, was 30 years.

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/00	\$67,523	100%	\$ - 0 -
12/31/01	49,547	100	- 0 -
12/31/02	42,760	100	- 0 -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/99	\$609,433	\$665,197	\$55,764	91%	\$1,036,147	5%
12/31/00	731,998	781,688	49,690	94	1,026,396	5
12/31/01	784,633	806,480	21,847	97	723,538	3

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

B. Defined Contribution Pension Plan

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

The Authority and member contributions were each \$117,499.

Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility rests with MERS and the ICMA.

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, 2002 are based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The Ottawa County, Michigan Insurance Authority (the "Insurance Authority") blended component unit accounts for the self-insurance program for municipal excess liability, law enforcement liability, professional liability, and property liability. The Insurance Authority's participating members include the County of Ottawa and the Ottawa County Building Authority blended component unit. The Insurance Authority purchases municipal excess liability, auto liability, professional liability and property coverage. Property coverage carries a \$25,000 self-insured retention ("SIR"), the liability coverages attach above a \$ 1 million SIR and in total provide layers up to \$13,580,000 which is \$10 million less than the coverage from the prior year. Coverage was reduced due to

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

market unavailability. The property coverage is \$71,708,899, which is \$7,961,249 higher than the prior year. Coverage was increased to reflect several remodeling projects that have been recently completed.

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, 2001 and 2002 as recorded in the Insurance Authority blended component unit are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	End of Year <u>Liability</u>
2001	\$5,875,815	\$1,063,640	\$162,070	\$6,777,385
2002	6,777,385	1,476,262	296,860	7,956,787

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 \$11,000,000 excess above the \$500,000 self-insured retention. An independent third party administrator administers the program for an annual fee.

The self-insurance program for health insurance including prescription coverage is accounted for in the Protected Self-Funded Health fund (Internal Service fund 6771). An independent administrator is contracted to process the daily claims. The County is responsible for claims up to \$125,000 per individual, and purchases specific excess reinsurance to a lifetime maximum of \$2 million. There is no aggregate limit on the claims for which the county is responsible. There were no changes in insurance coverage from the prior year. The County is also responsible for paying administrative charges which are included in this fund. The revenues for this fund's operation are reimbursements from various funds, employee withholdings, and retiree co-payments. The liability at the end of the year is based on claims already incurred and not reported.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

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, 2001 and 2002 are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2001	\$302,564	\$4,967,269	\$4,782,701	\$487,132
2002	487,132	5,417,844	5,504,961	400,015

The self-insurance programs for unemployment, dental insurance and vision insurance are accounted for in the Protected Self-Funded Unemployment fund, Protected Self-Funded Dental Insurance fund and Protected Self-Funded Vision Insurance fund (Internal Service funds 6772, 6776, and 6777, respectively). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually. An independent administrator is contracted to process the daily dental and vision claims. Benefits for the dental program are capped at \$1,000 per person annually, and vision is capped at various dollar limits per person every two years for eye exams, frames, and lenses. There were no changes in these benefits. The County is also responsible for paying administrative charges which are included in this fund. The revenues for these fund's operations are reimbursements from various funds, employee withholdings, and retiree co-payments. The liabilities at the end of the year are based on claims already incurred and reported. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liabilities for the years ended December 31, 2001 and 2002 are as follows:

	<u>Beginning Of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2001	\$31,168	\$469,102	\$449,959	\$50,311
2002	50,311	554,817	534,375	70,753

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

C. Self-insurance (continued)

Discretely Presented Component Units:

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

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

The Road Commission's self-funded workers' compensation program contains stop-loss and coverage of \$250,000 per incident. This limits the Commissions' responsibility for payment to \$250,000 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. Changes in the estimates are as follows:

	<u>MCRCSIP Liability Plan</u>	<u>Workers' Compensation Plan</u>	<u>Total</u>
Estimated liability – October 1, 2001	\$44,768	\$158,518	\$203,286
Estimated claims incurred including changes in estimates and re-insurance	224,449	94,116	318,565
Claims and premiums paid	<u>(207,119)</u>	<u>(142,389)</u>	<u>(349,508)</u>
Estimated liability – September 30, 2002	<u>\$62,098</u>	<u>\$110,245</u>	<u>\$172,343</u>

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

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 missions, and employee injuries, as well as medical benefits provided to employees. The Authority has purchased commercial insurance for the above risks of loss. Settled claims have not exceeded insurance coverage for the last three years.

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

D. Litigation

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

E. Other post-employment benefits

In addition to the pension benefits described in Note IV. A., the County provides post retirement health care benefits to the Police Officers Association of Michigan and the Command Officers Association of Michigan in accordance with their contracts in which the County will credit the retiree \$4 - \$8 for each year of service, to a maximum of \$100 - \$200 per month, to be applied toward health coverage through the County for the retiree and spouse until age 65. Currently, fifteen retirees meet the eligibility requirements. A credit against the retiree's insurance premium is given each month that a retiree and or spouse qualify for the benefit. During the year, the County's expense for such credits given to retirees for health care benefits was \$21,080.

COUNTY OF OTTAWA, MICHIGAN

Notes to the Financial Statements

For the Year Ended December 31, 2002

IV. OTHER INFORMATION (CONTINUED)

F. Related party transactions

The County (primary government) collects taxes related to a .4464 millage property tax and transfers the tax revenue to the Ottawa County Central Dispatch Authority. At December 31, 2002, the County's financial statements included cash of \$174,931, taxes receivable of \$3,106,850 and deferred revenue of \$3,281,781 relating to such millage, which was levied for use in 2003. In addition, during the year ended December 31, 2002, Ottawa County provided operating grants of \$2,893,780 to the Ottawa County Central Dispatch Authority.

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 2002, the following assessments were paid to the Drain Commissioner by:

Ottawa County	<u>\$202,972</u>
Ottawa County Road Commission	<u>\$189,112</u>

G. Restatements

As a result of an error in prior year revenue and expenditure recognition, a reduction of \$39,273 was made to beginning fund balance and net asset account balances of the Ottawa County Central Dispatch Authority.

H. Subsequent Events

In January of 2003, the Board of Commissioners approved the purchase of 325 acres in Zeeland Township for \$3,054,000 to provide additional park/open space land.

In March of 2003, the State of Michigan transferred the ownership of the 164 acre Rosy Mound Property which is located on the Lake Michigan shoreline. The estimated value of this land is \$6.1 million.

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2002

SPECIAL REVENUE FUNDS

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

Friend of the Court Fund (2160) - This Fund accounts for the operations of the Friend of the Court including the Co-op Reimbursement Grant, and the Medical Support Enforcement Grant.

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

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

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

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

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

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

Lippert Grant Fund (2590) - This Fund is used to account for monies received thru a Michigan Community Development Block Grant to expand and create jobs in the community.

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

WEMET Fund (2602) - This fund accounts for the revenues and expenditures of the West Michigan Enforcement Team, an organization specializing in drug enforcement.

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2002

SPECIAL REVENUE FUNDS

Community Oriented Policing Services (C.O.P.S.) Funds (2605, 2606, 2608 and 2610) - These Funds account for Federal monies granted to the townships who contract with the County to improve the long-term ability of local law enforcement agencies public safety through innovative crime prevention, including community policing.

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

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

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

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

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

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

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

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

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2002

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

**COUNTY OF OTTAWA
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2002

DEBT SERVICE FUND

Building Authority Fund (5690-5693) - 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. A portion of the 1985 and 1990 bonds were refunded during 1993. A portion of the 1992 bonds were refunded during 1997. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa.

CAPITAL PROJECTS FUND

Building Authority Fund (5690-5693) - This Fund was established to account for construction projects of the building authority which currently includes the Jail addition and administrative annex. Financing is provided by bond proceeds, interest income and a State grant.

PERMANENT FUND

Cemetery Trust Fund (7110) - 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 grave sites.

COUNTY OF OTTAWA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2002

(with comparative totals for December 31, 2001)

	Special Revenue					Infrastructure (2444)
	Friend of the Court (2160)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	
ASSETS						
Cash and pooled investments		\$7,539,733	\$1,301,492	\$25,787	\$60,611	\$3,401,059
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts			50,324			
Due from other funds		403,545				181,850
Due from other governmental units	\$433,045			23,125		
Inventory of supplies						
Prepaid expenditures			33,120			
Total assets	\$433,045	\$7,943,278	\$1,384,936	\$48,912	\$60,611	\$3,582,909
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$86,457	\$220,377	\$7,980	\$23,125	\$3,521	
Due to other funds						
Due to other governmental units						
Interfund payable	346,588					
Advances from other governmental units						
Compensated absences						
Deferred revenue						
Advances from other funds						
Total liabilities	433,045	220,377	7,980	23,125	3,521	
Fund balances:						
Reserved for prepaid expenditures			33,120			
Reserved for perpetual care						
Reserved for debt service						
Unreserved:						
Designated for construction						
Undesignated		7,722,901	1,343,836	25,787	57,090	\$3,582,909
Total fund balances		7,722,901	1,376,956	25,787	57,090	3,582,909
Total liabilities and fund balances	\$433,045	\$7,943,278	\$1,384,936	\$48,912	\$60,611	\$3,582,909

Special Revenue

Stabilization (2570)	Lippert Grant (2590)	Prosecuting Attorney Grants (2601)	WEMET (2602)	COPS Ahead (2605)	COPS Fast- Georgetown (2606)	COPS Fast- Allendale (2608)
\$6,231,099		\$12,026	\$735,724			\$3,173
	\$94,488		24,323			
		26,769				6,932
<u>\$6,231,099</u>	<u>\$94,488</u>	<u>\$38,795</u>	<u>\$760,047</u>	<u>None</u>	<u>None</u>	<u>\$10,105</u>
		\$10,891	\$252,558			\$3,305
	\$94,488		26,160			
						6,800
	<u>94,488</u>	<u>10,891</u>	<u>278,718</u>			<u>10,105</u>
<u>\$6,231,099</u>		<u>27,904</u>	<u>481,329</u>			
<u>6,231,099</u>		<u>27,904</u>	<u>481,329</u>			
<u>\$6,231,099</u>	<u>\$94,488</u>	<u>\$38,795</u>	<u>\$760,047</u>	<u>None</u>	<u>None</u>	<u>\$10,105</u>

(Continued on next page)

COUNTY OF OTTAWA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2002

(with comparative totals for December 31, 2001)

	Special Revenue						Workforce
	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)	Sheriff Road Patrol (2661)	Law Library (2690)	Investment Act - ACP (2740)
ASSETS							
Cash and short-term investments				\$21,038		\$23,554	
Investments							
Receivables (net of allowance for estimated uncollectibles):							
Accounts		\$62,575					
Due from other funds							
Due from other governmental units	81,523	\$132,906	101,447	38,939	\$43,143		\$3,604
Inventory of supplies							
Prepaid expenditures							
Total assets	<u>\$81,523</u>	<u>\$195,481</u>	<u>\$101,447</u>	<u>\$59,977</u>	<u>\$43,143</u>	<u>\$23,554</u>	<u>\$3,604</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$20,740	\$54,043	\$19,031	\$13,874	\$6,272	\$3,331	\$1,250
Due to other funds							
Due to other governmental units							
Interfund payable	60,783	102,040	22,947		36,871		2,054
Advances from other governmental units		33,806	59,469	46,103			
Compensated absences							
Deferred revenue							
Advances from other funds							
Total liabilities	<u>81,523</u>	<u>189,889</u>	<u>101,447</u>	<u>59,977</u>	<u>43,143</u>	<u>3,331</u>	<u>3,304</u>
Fund balances:							
Reserved for prepaid expenditures							
Reserved for perpetual care							
Reserved for debt service							
Unreserved:							
Designated for construction							
Undesignated		5,592				20,223	300
Total fund balances		<u>5,592</u>				<u>20,223</u>	<u>300</u>
Total liabilities and fund balances	<u>\$81,523</u>	<u>\$195,481</u>	<u>\$101,447</u>	<u>\$59,977</u>	<u>\$43,143</u>	<u>\$23,554</u>	<u>\$3,604</u>

Special Revenue

Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)	Workforce Investment Act - 12/31 Grant Programs (2744)	Workforce Investment Act- 9/30 Grant Programs (2748)	Workforce Investment Act- 3/31 Grant Programs (2749)
		\$84,796		\$179,563	
		285		\$1,350	
\$17,310	\$32,025	192,357 521	\$61,076	224,896	5,131
<u>\$17,310</u>	<u>\$32,025</u>	<u>\$277,959</u>	<u>\$61,076</u>	<u>\$405,809</u>	<u>\$5,131</u>
\$7,021	\$17,151	\$159,864	\$2,910	\$250,988	\$761
10,289	554 13,788	18,667	7,114		4,370
		82,621	51,052	154,821	
<u>17,310</u>	<u>31,493</u>	<u>261,152</u>	<u>61,076</u>	<u>405,809</u>	<u>5,131</u>
	532	16,807			
	<u>532</u>	<u>16,807</u>			
<u>\$17,310</u>	<u>\$32,025</u>	<u>\$277,959</u>	<u>\$61,076</u>	<u>\$405,809</u>	<u>\$5,131</u>

(Continued on next page)

COUNTY OF OTTAWA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2002

(with comparative totals for December 31, 2001)

	Special Revenue					
	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)
ASSETS						
Cash and short-term investments		\$6,801		\$366,553	\$45,750	
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts				44,206		
Due from other funds						
Due from other governmental units	85,221			12,105	74,811	\$79,620
Inventory of supplies						
Prepaid expenditures						
Total assets	\$85,221	\$6,801	None	\$422,864	\$120,561	\$79,620
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$83,990	\$6,740		\$52,165	\$24,962	\$8,442
Due to other funds						
Due to other governmental units		61			11	
Interfund payable	1,231					71,010
Advances from other governmental units						
Compensated absences						
Deferred revenue						
Advances from other funds						
Total liabilities	\$85,221	\$6,801		\$52,165	\$24,973	\$79,452
Fund balances:						
Reserved for prepaid expenditures						
Reserved for perpetual care						
Reserved for debt service						
Unreserved:						
Designated for construction						
Undesignated				370,699	95,588	168
Total fund balances				370,699	95,588	168
Total liabilities and fund balances	\$85,221	\$6,801	None	\$422,864	\$120,561	\$79,620

Special Revenue							Debt Service
Family Independence Agency (2900)	Child Care - Probate (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)	Total	Ottawa County Building Authority (5690-5693)
\$497,133	\$217,607	\$54,009	\$31,107	\$1,930	\$3,389,961	\$24,230,506	\$528,074
2,976						256,204	
					201,877	811,595	
46,001	75,007	2,831				1,799,824	
						521	
						33,120	
<u>\$546,110</u>	<u>\$292,614</u>	<u>\$56,840</u>	<u>\$31,107</u>	<u>\$1,930</u>	<u>\$3,591,838</u>	<u>\$27,131,770</u>	<u>\$528,074</u>
\$20,491	\$292,614		\$60	\$1,172		\$1,656,086	
						139,941	
						679,085	
50,000						196,178	
					\$2,912,753	2,912,753	
						288,494	
<u>70,491</u>	<u>292,614</u>		<u>60</u>	<u>1,172</u>	<u>2,912,753</u>	<u>5,872,537</u>	<u>\$2,100</u>
							<u>2,100</u>
						33,120	
							525,974
475,619		\$56,840	31,047	\$758	679,085	21,226,113	
475,619		56,840	31,047	758	679,085	21,259,233	525,974
<u>\$546,110</u>	<u>\$292,614</u>	<u>\$56,840</u>	<u>\$31,107</u>	<u>\$1,930</u>	<u>\$3,591,838</u>	<u>\$27,131,770</u>	<u>\$528,074</u>

(Continued on next page)

COUNTY OF OTTAWA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2002

(with comparative totals for December 31, 2001)

	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>	
	Ottawa County Building Authority (5690-5693)	Cemetery Trust (7110)	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>				
Cash and short-term investments		\$98	\$24,758,678	\$20,910,700
Investments		5,770	5,770	5,770
Receivables (net of allowance for estimated uncollectibles):				
Accounts			256,204	221,546
Due from other funds			811,595	732,477
Due from other governmental units			1,799,824	1,756,236
Inventory of supplies			521	
Prepaid expenditures			33,120	150
			<u>33,120</u>	<u>150</u>
Total assets	<u>None</u>	<u>\$5,868</u>	<u>\$27,665,712</u>	<u>\$23,626,879</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable			\$1,656,086	\$1,280,337
Due to other funds				\$6,583
Due to other governmental units			139,941	174,850
Interfund payable			679,085	607,130
Advances from other governmental units			196,178	200,493
Compensated absences			2,912,753	2,939,379
Deferred revenue			288,494	87,553
Advances from other funds			2,100	1,200
Total liabilities			<u>5,874,637</u>	<u>5,297,525</u>
Fund balances:				
Reserved for prepaid expenditures			33,120	150
Reserved for perpetual care		\$5,868	5,868	7,574
Reserved for debt service			525,974	481,040
Unreserved:				
Designated for construction				4,996
Undesignated			21,226,113	17,835,594
Total fund balances		<u>5,868</u>	<u>21,791,075</u>	<u>18,329,354</u>
Total liabilities and fund balances	<u>None</u>	<u>\$5,868</u>	<u>\$27,665,712</u>	<u>\$23,626,879</u>

(Concluded)

COUNTY OF OTTAWA

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Special Revenue					
	Friend of the Court (2160)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	Infrastructure (2444)
Revenues:						
Intergovernmental revenues	\$1,585,760	\$78,301		\$44,537	\$8,737	
Charges for services	150,646		\$445,492			\$36,322
Fines and Forfeits						
Interest on investments		403,545				181,850
Rental income						
Other					72	
Total revenues	1,736,406	481,846	445,492	44,537	8,809	218,172
Expenditures:						
Current operations:						
Judicial	2,106,203					
General government						238,880
Public safety					67,176	
Public works		186,436	300,733	44,537		
Health and welfare						
Debt service						
Capital projects						
Total expenditures	2,106,203	186,436	300,733	44,537	67,176	238,880
Revenues over (under) expenditure	(369,797)	295,410	144,759		(58,367)	(20,708)
Other financing sources (uses):						
Transfers in (out):						
General Fund	369,797	1,650,000			18,411	1,066,934
Total other financing sources (uses)	369,797	1,650,000			18,411	1,066,934
Revenues and other financing sources over (under) expenditures and other financing uses		1,945,410	144,759		(39,956)	1,046,226
Fund balances, beginning of year		5,777,491	1,232,197	25,787	97,046	2,536,683
Fund balances, end of year	None	<u>\$7,722,901</u>	<u>\$1,376,956</u>	<u>\$25,787</u>	<u>\$57,090</u>	<u>\$3,582,909</u>

Special Revenue

Stabilization (2570)	Lippert Grant (2590)	Prosecuting Attorney Grants (2601)	WEMET (2602)	COPS Ahead (2605)	COPS Fast- Georgetown (2606)	COPS Fast- Allendale (2608)
		\$109,800	\$17,446	\$15,927	\$16,010	\$75,705
			24,323			
		644	275,479			
		110,444	317,248	15,927	16,010	75,705
		119,448	342,041	15,927	16,010	75,705
		119,448	342,041	15,927	16,010	75,705
		(9,004)	(24,793)			
\$290,809		9,004				
290,809		9,004				
290,809			(24,793)			
5,940,290		27,904	506,122			
<u>\$6,231,099</u>	<u>None</u>	<u>\$27,904</u>	<u>\$481,329</u>	<u>None</u>	<u>None</u>	<u>None</u>

COUNTY OF OTTAWA

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Special Revenue					
	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)	Sheriff Road Patrol (2661)	Law Library (2690)
Revenues:						
Intergovernmental revenues	\$190,637	\$1,199,371	\$739,788	\$574,292	\$236,193	
Charges for services						
Fines and Forfeits						\$6,500
Interest on investments						
Rental income						
Other		20				
Total revenues	190,637	1,199,391	739,788	574,292	236,193	6,500
Expenditures:						
Current operations:						
Judicial						21,174
General government						
Public safety	196,142	1,308,792	739,788	574,292	236,193	
Public works						
Health and welfare						
Debt service						
Capital projects						
Total expenditures	196,142	1,308,792	739,788	574,292	236,193	21,174
Revenues over (under) expenditures	(5,505)	(109,401)				(14,674)
Other financing sources (uses):						
Transfers in (out):						
General Fund	5,505	102,628				26,500
Total other financing sources (uses)	5,505	102,628				26,500
Revenues and other financing sources over (under) expenditures and other financing uses		(6,773)				11,826
Fund balances, beginning of year		12,365				8,397
Fund balances, end of year	None	\$5,592	None	None	None	\$20,223

Special Revenue

Workforce Investment Act - ACP (2740)	Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)	Workforce Investment Act - 12/31 Grant Programs (2744)	Workforce Investment Act - 9/30 Grant Programs (2748)	Workforce Investment Act - 3/31 Grant Programs (2749)
\$60,704	\$148,610	\$123,579	\$889,316	\$274,819 16,229	\$1,044,783	\$350,525
300				21,820		10,985
61,004	148,610	123,579	889,316	312,868	1,044,783	361,510
60,704	148,610	124,132	872,509	347,868	1,044,783	382,396
60,704	148,610	124,132	872,509	347,868	1,044,783	382,396
300		(553)	16,807	(35,000)		(20,886)
				35,000		
				35,000		
300		(553)	16,807			(20,886)
\$300	None	1,085 \$532	\$16,807	None	None	20,886 None

COUNTY OF OTTAWA

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Special Revenue					
	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)
Revenues:						
Intergovernmental revenues	\$496,524	\$22,187	\$6,500	\$289,223	\$343,091	\$213,480
Charges for services				489,403		
Fines and Forfeits						
Interest on investments						
Rental income						
Other				8,156	50,703	
Total revenues	496,524	22,187	6,500	786,782	393,794	213,480
Expenditures:						
Current operations:						
Judicial	83,030			1,398,947		
General government						
Public safety	384,141					
Public works						
Health and welfare	41,854	23,507	6,500		418,742	213,480
Debt service						
Capital projects						
Total expenditures	509,025	23,507	6,500	1,398,947	418,742	213,480
Revenues over (under) expenditures	(12,501)	(1,320)		(612,165)	(24,948)	
Other financing sources (uses):						
Transfers in (out):						
General Fund		1,320		758,949	29,000	
Total other financing sources (uses)		1,320		758,949	29,000	
Revenues and other financing sources over (under) expenditures and other financing uses	(12,501)			146,784	4,052	
Fund balances, beginning of year	12,501			223,915	91,536	168
Fund balances, end of year	None	None	None	\$370,699	\$95,588	\$168

Special Revenue							Debt Service
Family Independence Agency (2900)	Child Care - Probate (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)	Total	Ottawa County Building Authority (5690-5693)
\$487,330 33,108	\$1,037,028	\$16,771		\$32,670		\$10,729,644 1,171,200 6,500	
					\$201,877	811,595	\$3,391
755	318,817					687,751	2,357,518
521,193	1,355,845	16,771		32,670	201,877	13,406,690	2,360,909
						3,609,354 421,883 3,956,207 531,706	
1,105,009	4,092,951	36,604	\$18,510	31,969	63,555	8,970,128	2,315,975
1,105,009	4,092,951	36,604	18,510	31,969	63,555	17,489,278	2,315,975
(583,816)	(2,737,106)	(19,833)	(18,510)	701	138,322	(4,082,588)	44,934
635,498	2,474,410	22,312	10,000			7,506,077	
635,498	2,474,410	22,312	10,000			7,506,077	
51,682	(262,696)	2,479	(8,510)	701	138,322	3,423,489	44,934
423,937	262,696	54,361	39,557	57	540,763	17,835,744	481,040
\$475,619	None	\$56,840	\$31,047	\$758	\$679,085	\$21,259,233	\$525,974

COUNTY OF OTTAWA

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	<u>Capital Projects</u> Ottawa County Building Authority (5690-5693)	<u>Permanent</u> Cemetary Trust (7110)	<u>Total Nonmajor Governmental Funds</u>	
			<u>2002</u>	<u>2001</u>
Revenues:				
Intergovernmental revenues			\$10,729,644	\$10,609,406
Charges for services			1,171,200	1,215,183
Fines and Forfeits			6,500	6,500
Interest on investments		\$98	815,084	736,914
Rental income			2,357,518	2,359,120
Other			687,751	562,070
Total revenues		<u>98</u>	<u>15,767,697</u>	<u>15,489,193</u>
Expenditures:				
Current operations:				
Judicial			3,609,354	3,485,168
General government		1,804	423,687	435,710
Public safety			3,956,207	3,683,192
Public works			531,706	469,331
Health and welfare			8,970,128	8,948,322
Debt service			2,315,975	2,317,564
Capital projects	4,996		4,996	50,081
Total expenditures	<u>4,996</u>	<u>1,804</u>	<u>19,812,053</u>	<u>19,389,368</u>
Revenues over (under) expenditures	<u>(4,996)</u>	<u>(1,706)</u>	<u>(4,044,356)</u>	<u>(3,900,175)</u>
Other financing sources (uses):				
Transfers in (out):				
General Fund			7,506,077	6,568,704
Total other financing sources (uses)			<u>7,506,077</u>	<u>6,568,704</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(4,996)	(1,706)	3,461,721	2,668,529
Fund balances, beginning of year	4,996	7,574	18,329,354	15,660,825
Fund balances, end of year	<u>None</u>	<u>\$5,868</u>	<u>\$21,791,075</u>	<u>\$18,329,354</u>

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002			Variance	2001 Actual
	Original Budget	Final Amended Budget	Actual		
Revenues:					
Intergovernmental revenues	\$1,428,338	\$1,408,591	\$1,585,760	\$177,169	\$1,401,085
Charges for services	179,750	163,732	150,646	(13,086)	152,758
Interest on investments	20	20		(20)	
Licenses and permits					
Rental income					
Other					
Total revenues	1,608,108	1,572,343	1,736,406	164,063	1,553,843
Expenditures:					
Current operations:					
Personnel services	1,614,462	1,635,454	1,611,918	23,536	1,414,496
Supplies	224,554	221,554	168,013	53,541	155,320
Other services and charges	350,932	360,824	326,272	34,552	325,155
Capital outlay					
Total expenditures	2,189,948	2,217,832	2,106,203	111,629	1,894,971
Revenues over (under) expenditures	(581,840)	(645,489)	(369,797)	275,692	(341,128)
Other financing sources (uses):					
Transfers in (out):					
General Fund	581,840	645,489	369,797	(275,692)	341,128
Total other financing sources (uses)	581,840	645,489	369,797	(275,692)	341,128
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$78,301	\$78,301		\$76,085
Charges for services					
Interest on investments	\$181,710	350,000	403,545	\$53,545	275,745
Licenses and permits					
Rental income					
Other					
Total revenues	181,710	428,301	481,846	53,545	351,830
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	215,500	215,500	186,436	29,064	135,894
Capital outlay					
Total expenditures	215,500	215,500	186,436	29,064	135,894
Revenues over (under) expenditures	(33,790)	212,801	295,410	82,609	215,936
Other financing sources (uses):					
Transfers in (out):					
General Fund		1,650,000	1,650,000		2,092,719
Total other financing sources (uses)		1,650,000	1,650,000		2,092,719
Revenues and other financing sources over (under) expenditures and other financing uses	(33,790)	1,862,801	1,945,410	82,609	2,308,655
Fund balance, beginning of year	5,777,491	5,777,491	5,777,491		3,468,836
Fund balance, end of year	\$5,743,701	\$7,640,292	\$7,722,901	\$82,609	\$5,777,491

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	\$424,000	\$424,000	\$445,492	\$21,492	\$432,764
Interest on investments					
Licenses and permits					
Rental income					
Other					495
Total revenues	424,000	424,000	445,492	21,492	433,259
Expenditures:					
Current operations:					
Personnel services	108,233	108,805	101,689	7,116	86,119
Supplies	20,200	51,345	9,050	42,295	8,217
Other services and charges	233,154	232,588	189,994	42,594	196,277
Capital outlay					
Total expenditures	361,587	392,738	300,733	92,005	290,613
Revenues over (under) expenditures	62,413	31,262	144,759	113,497	142,646
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses	62,413	31,262	144,759	113,497	142,646
Fund balance, beginning of year	1,232,197	1,232,197	1,232,197		1,089,551
Fund balance, end of year	\$1,294,610	\$1,263,459	\$1,376,956	\$113,497	\$1,232,197

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$42,824	\$42,824	\$44,537	\$1,713	\$42,824
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>42,824</u>	<u>42,824</u>	<u>44,537</u>	<u>1,713</u>	<u>42,824</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	42,824	42,824	44,537	(1,713)	42,824
Capital outlay					
Total expenditures	<u>42,824</u>	<u>42,824</u>	<u>44,537</u>	<u>(1,713)</u>	<u>42,824</u>
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year	<u>25,787</u>	<u>25,787</u>	<u>25,787</u>		<u>25,787</u>
Fund balance, end of year	<u>\$25,787</u>	<u>\$25,787</u>	<u>\$25,787</u>	None	<u>\$25,787</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues		\$8,738	\$8,737	(\$1)	\$5,131
Charges for services	\$1,475	1,475		(\$1,475)	813
Interest on investments					
Licenses and permits					
Rental income					
Other		72	72		6,000
Total revenues	1,475	10,285	8,809	(1,476)	11,944
Expenditures:					
Current operations:					
Personnel services	1,102	1,102	669	433	696
Supplies	5,783	6,847	3,586	3,261	7,095
Other services and charges	13,001	103,663	62,921	40,742	33,690
Capital outlay					
Total expenditures	19,886	111,612	67,176	44,436	41,481
Revenues over (under) expenditures	(18,411)	(101,327)	(58,367)	42,960	(29,537)
Other financing sources (uses):					
Transfers in (out):					
General Fund	18,411	18,411	18,411		10,287
Total other financing sources (uses)	18,411	18,411	18,411		10,287
Revenues and other financing sources over (under) expenditures and other financing uses		(82,916)	(39,956)	42,960	(19,250)
Fund balance, beginning of year	97,046	97,046	97,046		116,296
Fund balance, end of year	\$97,046	\$14,130	\$57,090	\$42,960	\$97,046

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services	36,322	\$36,322	\$36,322		\$72,495
Interest on investments	\$118,719	118,719	181,850	63,131	173,427
Licenses and permits					
Rental income					
Other					
Total revenues	155,041	155,041	218,172	63,131	245,922
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges		238,880	238,880		
Capital outlay	150,000				238,500
Total expenditures	150,000	238,880	238,880		238,500
Revenues over (under) expenditures	5,041	(83,839)	(20,708)	63,131	7,422
Other financing sources (uses):					
Transfers in (out):					
General Fund		1,066,934	1,066,934		
Total other financing sources (uses)		1,066,934	1,066,934		
Revenues and other financing sources over (under) expenditures and other financing uses	5,041	983,095	1,046,226	63,131	7,422
Fund balance, beginning of year	2,536,683	2,536,683	2,536,683		2,529,261
Fund balance, end of year	<u>\$2,541,724</u>	<u>\$3,519,778</u>	<u>\$3,582,909</u>	<u>\$63,131</u>	<u>\$2,536,683</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges					
Capital outlay					
Total expenditures					
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund	\$290,809	\$290,809	\$290,809		\$375,967
Total other financing sources (uses)	290,809	290,809	290,809		375,967
Revenues and other financing sources over (under) expenditures and other financing uses	290,809	290,809	290,809		375,967
Fund balance, beginning of year	5,940,290	5,940,290	5,940,290		5,564,323
Fund balance, end of year	<u>\$6,231,099</u>	<u>\$6,231,099</u>	<u>\$6,231,099</u>	None	<u>\$5,940,290</u>

COUNTY OF OTTAWA

**LIPPERT GRANT SPECIAL REVENUE FUND (2590) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges					
Capital outlay					
Total expenditures					
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$109,800	\$109,800	\$109,800		\$109,376
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	607	425	644	219	688
Total revenues	110,407	110,225	110,444	219	110,064
Expenditures:					
Current operations:					
Personnel services	101,474	103,150	101,845	1,305	94,026
Supplies	11,472	11,911	11,813	98	9,399
Other services and charges	7,452	7,013	5,790	1,223	6,027
Capital outlay					
Total expenditures	120,398	122,074	119,448	2,626	109,452
Revenues over (under) expenditures	(9,991)	(11,849)	(9,004)	2,845	612
Other financing sources (uses):					
Transfers in (out):					
General Fund	9,991	11,849	9,004	(2,845)	
Total other financing sources (uses)	9,991	11,849	9,004	(2,845)	
Revenues and other financing sources over (under) expenditures and other financing uses					612
Fund balance, beginning of year	27,904	27,904	27,904		27,292
Fund balance, end of year	<u>\$27,904</u>	<u>\$27,904</u>	<u>\$27,904</u>	None	<u>\$27,904</u>

COUNTY OF OTTAWA

**WEMET SPECIAL REVENUE FUND (2602) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$27,198	\$27,198	\$17,446	(\$9,752)	\$21,072
Charges for services					
Interest on investments	31,295	31,295	24,323	(6,972)	48,328
Licenses and permits					
Rental income					
Other	176,000	290,000	275,479	(14,521)	179,816
Total revenues	234,493	348,493	317,248	(31,245)	249,216
Expenditures:					
Current operations:					
Personnel services					
Supplies	10,000	20,000	23,166	(3,166)	21,435
Other services and charges	272,876	337,322	318,875	18,447	315,923
Capital outlay					5,013
Debt service					
Total expenditures	282,876	357,322	342,041	15,281	342,371
Revenues over (under) expenditures	(48,383)	(8,829)	(24,793)	(15,964)	(93,155)
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses	(48,383)	(8,829)	(24,793)	(15,964)	(93,155)
Fund balance, beginning of year	506,122	506,122	506,122		599,277
Fund balance, end of year	\$457,739	\$497,293	\$481,329	(\$15,964)	\$506,122

COUNTY OF OTTAWA

**COPS AHEAD SPECIAL REVENUE FUND (2605) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$81,178	\$16,023	\$15,927	(\$96)	\$58,425
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	81,178	16,023	15,927	(96)	58,425
Expenditures:					
Current operations:					
Personnel services	63,957	13,966	13,961	5	51,907
Supplies	1,750	534	533	1	730
Other services and charges	15,471	1,523	1,433	90	5,788
Capital outlay					
Total expenditures	81,178	16,023	15,927	96	58,425
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

**COPS FAST - GEORGETOWN SPECIAL REVENUE FUND (2606) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$78,209	\$16,045	\$16,010	(\$35)	\$64,699
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	78,209	16,045	16,010	(35)	64,699
Expenditures:					
Current operations:					
Personnel services	67,533	14,830	14,823	7	59,069
Supplies	1,750	300	300		691
Other services and charges	8,926	915	887	28	4,939
Capital outlay					
Total expenditures	78,209	16,045	16,010	35	64,699
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$73,597	\$86,716	\$75,705	(\$11,011)	\$60,327
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	73,597	86,716	75,705	(11,011)	60,327
Expenditures:					
Current operations:					
Personnel services	63,841	68,960	64,942	4,018	54,406
Supplies	1,750	1,850	2,026	(176)	563
Other services and charges	8,006	15,906	8,737	7,169	5,358
Capital outlay					
Total expenditures	73,597	86,716	75,705	11,011	60,327
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$101,487	\$322,451	\$190,637	(\$131,814)	\$109,864
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	101,487	322,451	190,637	(131,814)	109,864
Expenditures:					
Current operations:					
Personnel services	14,731	20,963	16,570	4,393	168,630
Supplies		86,143	74,136	12,007	5,868
Other services and charges	28,269	31,085	23,821	7,264	70,869
Capital outlay	64,336	210,914	81,615	129,299	70,000
Total expenditures	107,336	349,105	196,142	152,963	315,367
Revenues over (under) expenditures	(5,849)	(26,654)	(5,505)	21,149	(205,503)
Other financing sources (uses):					
Transfers in (out):					
General Fund	5,849	26,654	5,505	(21,149)	205,503
Total other financing sources (uses)	5,849	26,654	5,505	(21,149)	205,503
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,178,573	\$1,347,371	\$1,199,371	(\$148,000)	\$864,829
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	5,000	5,000	20	(4,980)	12,150
Total revenues	1,183,573	1,352,371	1,199,391	(152,980)	876,979
Expenditures:					
Current operations:					
Personnel services	1,037,169	1,171,248	1,069,629	101,619	760,250
Supplies	42,950	60,628	40,189	20,439	55,447
Other services and charges	237,690	256,631	198,974	57,657	159,751
Capital outlay					
Total expenditures	1,317,809	1,488,507	1,308,792	179,715	975,448
Revenues over (under) expenditures	(134,236)	(136,136)	(109,401)	26,735	(98,469)
Other financing sources (uses):					
Transfers in (out):					
General Fund	134,236	136,136	102,628	(33,508)	110,834
Total other financing sources (uses)	134,236	136,136	102,628	(33,508)	110,834
Revenues and other financing sources over (under) expenditures and other financing uses			(6,773)	(6,773)	12,365
Fund balance, beginning of year	12,365	12,365	12,365		
Fund balance, end of year	\$12,365	\$12,365	\$5,592	(\$6,773)	\$12,365

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$706,769	\$761,968	\$739,788	(\$22,180)	\$658,472
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	706,769	761,968	739,788	(22,180)	658,472
Expenditures:					
Current operations:					
Personnel services	629,085	677,124	660,283	16,841	585,410
Supplies	11,150	14,050	12,804	1,246	16,800
Other services and charges	66,534	70,794	66,701	4,093	56,262
Capital outlay					
Total expenditures	706,769	761,968	739,788	22,180	658,472
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$553,231	\$613,904	\$574,292	(\$39,612)	\$535,888
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	553,231	613,904	574,292	(39,612)	535,888
Expenditures:					
Current operations:					
Personnel services	491,316	540,089	503,479	36,610	467,586
Supplies	10,970	21,070	20,291	779	6,211
Other services and charges	50,945	52,745	50,522	2,223	62,091
Capital outlay					
Total expenditures	553,231	613,904	574,292	39,612	535,888
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$248,481	\$236,193	\$236,193		\$251,228
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	248,481	236,193	236,193		251,228
Expenditures:					
Current operations:					
Personnel services	208,631	206,731	198,799	7,932	196,880
Supplies	2,600	5,100	5,032	68	5,313
Other services and charges	37,250	33,362	32,362	1,000	40,825
Capital outlay					10,330
Total expenditures	248,481	245,193	236,193	9,000	253,348
Revenues over (under) expenditures		(9,000)		9,000	(2,120)
Other financing sources (uses):					
Transfers in (out):					
General Fund		9,000		(9,000)	2,120
Total other financing sources (uses)		9,000		(9,000)	2,120
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Fines and forfeits	\$6,500	\$6,500	\$6,500		\$6,500
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	6,500	6,500	6,500		6,500
Expenditures:					
Current operations:					
Personnel services					
Supplies	33,000	33,000	21,174	\$11,826	31,625
Other services and charges					
Capital outlay					
Total expenditures	33,000	33,000	21,174	11,826	31,625
Revenues over (under) expenditures	(26,500)	(26,500)	(14,674)	11,826	(25,125)
Other financing sources (uses):					
Transfers in (out):					
General Fund	26,500	26,500	26,500		26,500
Total other financing sources (uses)	26,500	26,500	26,500		26,500
Revenues and other financing sources over (under) expenditures and other financing uses			11,826	11,826	1,375
Fund balance, beginning of year	8,397	8,397	8,397		7,022
Fund balance, end of year	<u>\$8,397</u>	<u>\$8,397</u>	<u>\$20,223</u>	<u>\$11,826</u>	<u>\$8,397</u>

COUNTY OF OTTAWA

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

For the Year Ended June 30, 2002
(with comparative actual amounts for the year ended June 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$45,782	\$75,246	\$60,704	(\$14,542)	\$28,480
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other		300	300		
Total revenues	45,782	75,546	61,004	(14,542)	28,480
Expenditures:					
Current operations:					
Personnel services	34,456	44,084	36,324	7,760	3,604
Supplies	1,609	4,244	3,198	1,046	750
Other services and charges	17,690	27,218	21,182	6,036	24,126
Capital outlay					
Total expenditures	53,755	75,546	60,704	14,842	28,480
Revenues over (under) expenditures	(7,973)		300	300	
Other financing sources (uses):					
Transfers in (out):					
General Fund	7,973				
Total other financing sources (uses)	7,973				
Revenues and other financing sources over (under) expenditures and other financing uses			300	300	
Fund balance, beginning of year					
Fund balance, end of year	None	None	\$300	\$300	None

COUNTY OF OTTAWA

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

For the Year Ended June 30, 2002
(with comparative actual amounts for the year ended June 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$130,962	\$174,715	\$148,610	(\$26,105)	\$115,009
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	130,962	174,715	148,610	(26,105)	115,009
Expenditures:					
Current operations:					
Personnel services	15,899	15,684	10,463	5,221	4,727
Supplies	966	851	205	646	156
Other services and charges	114,097	158,180	137,942	20,238	110,126
Capital outlay					
Total expenditures	130,962	174,715	148,610	26,105	115,009
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended June 30, 2002
(with comparative actual amounts for the year ended June 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$103,982	\$131,836	\$123,579	(\$8,257)	\$110,079
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					560
Total revenues	103,982	131,836	123,579	(8,257)	110,639
Expenditures:					
Current operations:					
Personnel services	12,590	12,358	10,658	1,700	2,711
Supplies	644	626	719	(93)	11
Other services and charges	90,748	118,852	112,755	6,097	107,355
Capital outlay					
Total expenditures	103,982	131,836	124,132	7,704	110,077
Revenues over (under) expenditures			(553)	(553)	562
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses			(553)	(553)	562
Fund balance, beginning of year	1,085	1,085	1,085		523
Fund balance, end of year	<u>\$1,085</u>	<u>\$1,085</u>	<u>\$532</u>	<u>(\$553)</u>	<u>\$1,085</u>

COUNTY OF OTTAWA

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

For the Year Ended June 30, 2002
(with comparative actual amounts for the year ended June 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,072,759	\$1,321,605	\$889,316	(\$432,289)	\$835,285
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>1,072,759</u>	<u>1,321,605</u>	<u>889,316</u>	<u>(432,289)</u>	<u>835,285</u>
Expenditures:					
Current operations:					
Personnel services	109,377	155,894	54,013	101,881	73,502
Supplies	44,946	73,640	7,929	65,711	17,036
Other services and charges	918,436	1,092,071	810,567	281,504	744,747
Total expenditures	<u>1,072,759</u>	<u>1,321,605</u>	<u>872,509</u>	<u>449,096</u>	<u>835,285</u>
Revenues over (under) expenditures			<u>16,807</u>	<u>16,807</u>	
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses			<u>16,807</u>	<u>16,807</u>	
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>\$16,807</u>	<u>\$16,807</u>	<u>None</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002			2001 Actual	
	Original Budget	Final Amended Budget	Actual		Variance
Revenues:					
Intergovernmental revenues		\$735,695	\$274,819	(\$460,876)	\$356,096
Charges for services		45,000	16,229	(28,771)	
Interest on investments					
Licenses and permits					
Rental income					
Other		101,000	21,820	(79,180)	
Total revenues		881,695	312,868	(568,827)	356,096
Expenditures:					
Current operations:					
Personnel services		83,064	42,342	40,722	18,164
Supplies		8,045	4,492	3,553	2,755
Other services and charges		850,586	301,034	549,552	335,177
Total expenditures		941,695	347,868	593,827	356,096
Revenues over (under) expenditures		(60,000)	(35,000)	25,000	
Other financing sources (uses):					
Transfers in (out):		60,000	35,000	(25,000)	
Total other financing sources (uses)		60,000	35,000	(25,000)	
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$713,927	\$1,313,817	\$1,044,783	(\$269,034)	\$1,476,628
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					198
Total revenues	713,927	1,313,817	1,044,783	(269,034)	1,476,826
Expenditures:					
Current operations:					
Personnel services	129,904	150,663	102,958	47,705	155,769
Supplies	6,113	77,749	33,168	44,581	184,843
Other services and charges	577,910	1,085,405	908,657	176,748	1,107,903
Capital outlay					28,311
Total expenditures	713,927	1,313,817	1,044,783	269,034	1,476,826
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended March 31, 2002
(with comparative actual amounts for the year ended March 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$403,807	\$404,008	\$350,525	(\$53,483)	\$129,026
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	101,000	101,000	10,985	(90,015)	46,418
Total revenues	504,807	505,008	361,510	(143,498)	175,444
Expenditures:					
Current operations:					
Personnel services	51,754	51,464	35,990	15,474	12,681
Supplies	4,000	4,170	2,177	1,993	2,934
Other services and charges	449,053	449,374	344,229	105,145	159,293
Capital outlay					
Total expenditures	504,807	505,008	382,396	122,612	174,908
Revenues over (under) expenditures			(20,886)	(20,886)	536
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses			(20,886)	(20,886)	536
Fund balance, beginning of year	20,886	20,886	20,886		20,350
Fund balance, end of year	<u>\$20,886</u>	<u>\$20,886</u>	<u>None</u>	<u>(\$20,886)</u>	<u>\$20,886</u>

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$535,509	\$507,627	\$496,524	(\$11,103)	\$880,262
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	2,000				2,025
Total revenues	537,509	507,627	496,524	(11,103)	882,287
Expenditures:					
Current operations:					
Personnel services	59,667	63,927	58,571	5,356	43,902
Supplies	3,050	2,603	1,529	1,074	1,423
Other services and charges	474,792	453,597	448,925	4,672	836,960
Capital outlay					
Total expenditures	537,509	520,127	509,025	11,102	882,285
Revenues over (under) expenditures		(12,500)	(12,501)	(1)	2
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses		(12,500)	(12,501)	(1)	2
Fund balance, beginning of year	12,501	12,501	12,501		12,499
Fund balance, end of year	<u>\$12,501</u>	<u>\$1</u>	<u>None</u>	<u>(\$1)</u>	<u>\$12,501</u>

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$25,000	\$26,570	\$22,187	(\$4,383)	\$30,738
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	25,000	26,570	22,187	(4,383)	30,738
Expenditures:					
Current operations:					
Personnel services	3,402	3,177	2,400	777	6,496
Supplies	644	7,459	7,063	396	444
Other services and charges	21,586	16,566	14,044	2,522	23,798
Capital outlay					
Total expenditures	25,632	27,202	23,507	3,695	30,738
Revenues over (under) expenditures	(632)	(632)	(1,320)	(688)	
Other financing sources (uses):					
Transfers in (out):					
General Fund	632	632	1,320	688	
Total other financing sources (uses)	632	632	1,320	688	
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$8,600	\$6,500	\$6,500		\$8,600
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	8,600	6,500	6,500		8,600
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	8,600	6,500	6,500		8,600
Capital outlay					
Total expenditures	8,600	6,500	6,500		8,600
Revenues over (under) expenditures					
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$291,545	\$291,545	\$289,223	(\$2,322)	\$258,306
Charges for services	522,780	511,882	489,403	(22,479)	528,789
Interest on investments					
Licenses and permits					
Rental income					
Other	10,250	10,250	8,156	(2,094)	10,045
Total revenues	824,575	813,677	786,782	(26,895)	797,140
Expenditures:					
Current operations:					
Personnel services	1,124,258	1,068,497	980,423	88,074	995,267
Supplies	26,790	22,290	19,432	2,858	24,678
Other services and charges	432,476	405,765	399,092	6,673	389,894
Capital outlay					
Total expenditures	1,583,524	1,496,552	1,398,947	97,605	1,409,839
Revenues over (under) expenditures	(758,949)	(682,875)	(612,165)	70,710	(612,699)
Other financing sources (uses):					
Transfers in (out):					
General Fund	758,949	758,949	758,949		695,960
Total other financing sources (uses)	758,949	758,949	758,949		695,960
Revenues and other financing sources over (under) expenditures and other financing uses		76,074	146,784	70,710	83,261
Fund balance, beginning of year	223,915	223,915	223,915		140,654
Fund balance, end of year	<u>\$223,915</u>	<u>\$299,989</u>	<u>\$370,699</u>	<u>\$70,710</u>	<u>\$223,915</u>

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$301,312	\$450,605	\$343,091	(\$107,514)	\$226,214
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	12,000	51,850	50,703	(1,147)	15,196
Total revenues	313,312	502,455	393,794	(108,661)	241,410
Expenditures:					
Current operations:					
Personnel services	212,217	268,806	207,777	61,029	113,848
Supplies	16,420	33,324	20,581	12,743	21,963
Other services and charges	113,675	255,893	190,384	65,509	100,142
Capital outlay					4,668
Total expenditures	342,312	558,023	418,742	139,281	240,621
Revenues over (under) expenditures	(29,000)	(55,568)	(24,948)	30,620	789
Other financing sources (uses):					
Transfers in (out):					
General Fund	29,000	29,000	29,000		29,000
Total other financing sources (uses)	29,000	29,000	29,000		29,000
Revenues and other financing sources over (under) expenditures and other financing uses		(26,568)	4,052	30,620	29,789
Fund balance, beginning of year	91,536	91,536	91,536		61,747
Fund balance, end of year	\$91,536	\$64,968	\$95,588	\$30,620	\$91,536

COUNTY OF OTTAWA

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

For the Year Ended March 31, 2002
(with comparative actual amounts for the year ended March 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$293,430	\$293,430	\$213,480	(\$79,950)	\$217,978
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>293,430</u>	<u>293,430</u>	<u>213,480</u>	<u>(79,950)</u>	<u>217,978</u>
Expenditures:					
Current operations:					
Personnel services	66,389	66,192	56,161	10,031	41,464
Supplies	124,122	120,979	84,412	36,567	100,617
Other services and charges	107,946	111,286	72,907	38,379	79,293
Capital outlay					
Total expenditures	<u>298,457</u>	<u>298,457</u>	<u>213,480</u>	<u>84,977</u>	<u>221,374</u>
Revenues over (under) expenditures	<u>(5,027)</u>	<u>(5,027)</u>		<u>5,027</u>	<u>(3,396)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	5,027	5,027		(5,027)	3,395
Total other financing sources (uses)	<u>5,027</u>	<u>5,027</u>		<u>(5,027)</u>	<u>3,395</u>
Revenues and other financing sources over (under) expenditures and other financing uses					(1)
Fund balance, beginning of year	<u>168</u>	<u>168</u>	<u>168</u>		<u>169</u>
Fund balance, end of year	<u>\$168</u>	<u>\$168</u>	<u>\$168</u>	<u>None</u>	<u>\$168</u>

COUNTY OF OTTAWA

**FAMILY INDEPENDENCE AGENCY SPECIAL REVENUE FUND (2900) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$570,000	\$520,000	\$487,330	(\$32,670)	\$601,829
Charges for services	29,884	37,184	33,108	(4,076)	34,064
Interest on investments					
Licenses and permits					
Rental income					
Other	1,160	855	755	(100)	9,185
Total revenues	601,044	558,039	521,193	(36,846)	645,078
Expenditures:					
Current operations:					
Personnel services	565,676	557,228	523,928	33,300	529,220
Supplies	560,461	509,942	474,152	35,790	595,741
Other services and charges	110,405	110,135	106,929	3,206	105,831
Capital outlay					
Total expenditures	1,236,542	1,177,305	1,105,009	72,296	1,230,792
Revenues over (under) expenditures	(635,498)	(619,266)	(583,816)	35,450	(585,714)
Other financing sources (uses):					
Transfers in (out):					
General Fund	635,498	635,498	635,498		623,092
Total other financing sources (uses)	635,498	635,498	635,498		623,092
Revenues and other financing sources over (under) expenditures and other financing uses		16,232	51,682	35,450	37,378
Fund balance, beginning of year	423,937	423,937	423,937		386,559
Fund balance, end of year	\$423,937	\$440,169	\$475,619	\$35,450	\$423,937

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$1,251,300	\$1,234,458	\$1,037,028	(\$197,430)	\$1,019,106
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	247,000	320,370	318,817	(1,553)	279,294
Total revenues	1,498,300	1,554,828	1,355,845	(198,983)	1,298,400
Expenditures:					
Current operations:					
Personnel services	1,359,275	1,379,107	1,344,022	35,085	1,266,744
Supplies	178,538	171,139	142,941	28,198	159,973
Other services and charges	2,312,968	2,477,460	2,605,988	(128,528)	2,242,316
Capital outlay					
Total expenditures	3,850,781	4,027,706	4,092,951	(65,245)	3,669,033
Revenues over (under) expenditures	(2,352,481)	(2,472,878)	(2,737,106)	(264,228)	(2,370,633)
Other financing sources (uses):					
Transfers in (out):					
General Fund	2,282,481	2,284,138	2,474,410	190,272	2,019,887
Total other financing sources (uses)	2,282,481	2,284,138	2,474,410	190,272	2,019,887
Revenues and other financing sources over (under) expenditures and other financing uses	(70,000)	(188,740)	(262,696)	(73,956)	(350,746)
Fund balance, beginning of year	262,696	262,696	262,696		613,442
Fund balance, end of year	\$192,696	\$73,956	None	(\$73,956)	\$262,696

COUNTY OF OTTAWA

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

For the Year Ended September 30, 2002
(with comparative actual amounts for the year ended September 30, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$17,572	\$17,572	\$16,771	(\$801)	\$14,236
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>17,572</u>	<u>17,572</u>	<u>16,771</u>	<u>(801)</u>	<u>14,236</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	39,884	39,884	36,604	3,280	28,973
Capital outlay					
Total expenditures	<u>39,884</u>	<u>39,884</u>	<u>36,604</u>	<u>3,280</u>	<u>28,973</u>
Revenues over (under) expenditures	<u>(22,312)</u>	<u>(22,312)</u>	<u>(19,833)</u>	<u>2,479</u>	<u>(14,737)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund	22,312	22,312	22,312		22,312
Total other financing sources (uses)	<u>22,312</u>	<u>22,312</u>	<u>22,312</u>		<u>22,312</u>
Revenues and other financing sources over (under) expenditures and other financing uses			2,479	2,479	7,575
Fund balance, beginning of year	<u>54,361</u>	<u>54,361</u>	<u>54,361</u>		<u>46,786</u>
Fund balance, end of year	<u>\$54,361</u>	<u>\$54,361</u>	<u>\$56,840</u>	<u>\$2,479</u>	<u>\$54,361</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	\$15,000	\$19,500	\$18,510	\$990	\$28,604
Capital outlay					
Total expenditures	15,000	19,500	18,510	990	28,604
Revenues over (under) expenditures	(15,000)	(19,500)	(18,510)	990	(28,604)
Other financing sources (uses):					
Transfers in (out):					
General Fund	10,000	10,000	10,000		10,000
Total other financing sources (uses)	10,000	10,000	10,000		10,000
Revenues and other financing sources over (under) expenditures and other financing uses	(5,000)	(9,500)	(8,510)	990	(18,604)
Fund balance, beginning of year	39,557	39,557	39,557		58,161
Fund balance, end of year	\$34,557	\$30,057	\$31,047	\$990	\$39,557

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues	\$18,969	\$32,670	\$32,670		\$29,950
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>18,969</u>	<u>32,670</u>	<u>32,670</u>		<u>29,950</u>
Expenditures:					
Current operations:					
Personnel services					
Supplies					
Other services and charges	18,969	32,670	31,969	\$701	\$30,941
Capital outlay					
Total expenditures	<u>18,969</u>	<u>32,670</u>	<u>31,969</u>	<u>701</u>	<u>30,941</u>
Revenues over (under) expenditures			<u>701</u>	<u>701</u>	<u>(991)</u>
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses			<u>701</u>	<u>701</u>	<u>(991)</u>
Fund balance, beginning of year	<u>57</u>	<u>57</u>	<u>57</u>		<u>1,048</u>
Fund balance, end of year	<u>\$57</u>	<u>\$57</u>	<u>\$758</u>	<u>\$701</u>	<u>\$57</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments	\$175,000	\$230,000	\$201,877	(\$28,123)	\$228,394
Licenses and permits					
Rental income					
Other					
Total revenues	175,000	230,000	201,877	(28,123)	228,394
Expenditures:					
Current operations:					
Personnel services	78,935	227,000	63,555	163,445	87,758
Supplies					
Other services and charges					
Capital outlay					
Total expenditures	78,935	227,000	63,555	163,445	87,758
Revenues over (under) expenditures	96,065	3,000	138,322	135,322	140,636
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses	96,065	3,000	138,322	135,322	140,636
Fund balance, beginning of year	540,763	540,763	540,763		400,127
Fund balance, end of year	\$636,828	\$543,763	\$679,085	\$135,322	\$540,763

COUNTY OF OTTAWA

**OTTAWA COUNTY BUILDING AUTHORITY DEBT SERVICE FUND (5690 - 5693) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Interest on investments	\$14,400	\$3,572	\$3,391	(\$181)	\$10,032
Rental income	2,359,167	2,359,167	2,357,518	(1,649)	2,359,120
Total revenues	2,373,567	2,362,739	2,360,909	(1,830)	2,369,152
Expenditures:					
Principal retirement	1,295,000	1,295,000	1,295,000		1,245,000
Interest and fiscal charges	1,020,986	1,020,986	1,020,975	11	1,072,564
Total expenditures	2,315,986	2,315,986	2,315,975	11	2,317,564
Revenues over (under) expenditures	57,581	46,753	44,934	(1,819)	51,588
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenue and other financing sources over (under) expenditures and other financing uses	57,581	46,753	44,934	(1,819)	51,588
Fund balances, beginning of year	481,040	481,040	481,040		429,452
Fund balances, end of year	\$538,621	\$527,793	\$525,974	(\$1,819)	\$481,040

COUNTY OF OTTAWA

OTTAWA COUNTY BUILDING AUTHORITY CAPITAL PROJECTS FUND (5690 - 5693) -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Interest on investments					670
Total revenues					670
Expenditures:					
Construction contracts		4,996	4,996		50,081
Total expenditures		4,996	4,996		50,081
Revenues over (under) expenditures		(4,996)	(4,996)		(49,411)
Other financing sources (uses):					
General obligation bond proceeds					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses		(4,996)	(4,996)		(49,411)
Fund balances, beginning of year	\$4,996	4,996	4,996		54,407
Fund balances, end of year	<u>\$4,996</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>\$4,996</u>

COUNTY OF OTTAWA

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

For the Year Ended December 31, 2002
(with comparative actual amounts for the year ended December 31, 2001)

	2002				2001 Actual
	Original Budget	Final Amended Budget	Actual	Variance	
Revenues:					
Intergovernmental revenues					
Charges for services					
Interest on investments		400	\$98	(\$302)	\$318
Licenses and permits					
Rental income					
Other					
Total revenues		400	98	(302)	318
Expenditures:					
Personnel services					
Supplies					
Other services and charges		1,805	1,804	1	
Capital outlay					
Other					
Total expenditures		1,805	1,804	1	
Revenues over (under) expenditures		(1,405)	(1,706)	(301)	318
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Revenues and other financing sources over (under) expenditures and other financing uses		(1,405)	(1,706)	(301)	318
Fund balance, beginning of year	\$7,574	\$7,574	7,574		7,256
Fund balance, end of year	<u>\$7,574</u>	<u>\$6,169</u>	<u>\$5,868</u>	<u>(\$301)</u>	<u>\$7,574</u>

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2002

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.

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

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

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

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

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

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

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

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

COUNTY OF OTTAWA

INTERNAL SERVICE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2002

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

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

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

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

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS**
December 31, 2002
(with comparative totals for December 31, 2001)

	Management Information Services (6360)	Duplicating (6450)	Tele- communications (6550)
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Current assets:			
Cash and pooled investments	\$2,368,921	\$520,860	\$2,858,700
Investments			
Accounts receivable	5,263		26,488
Accrued interest on investments			
Due from other funds	226,756	30,821	156,273
Inventory of supplies			
Inventory of supplies			
Prepaid expenses	<u>67,737</u>		<u>10,400</u>
Total current assets	<u>2,668,677</u>	<u>551,681</u>	<u>3,051,861</u>
Noncurrent assets:			
Capital assets:			
Office furniture and equipment	43,000		
Copy machines		203,904	
Telephone equipment			2,036,885
Vehicles			
Less accumulated depreciation	<u>(43,000)</u>	<u>(113,137)</u>	<u>(1,685,694)</u>
Net capital assets		<u>90,767</u>	<u>351,191</u>
Total assets	<u>2,668,677</u>	<u>642,448</u>	<u>3,403,052</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	58,006	5,968	10,791
Due to other funds			
Total current liabilities	<u>58,006</u>	<u>5,968</u>	<u>10,791</u>
<u>NET ASSETS</u>			
Investment in capital assets		90,767	351,191
Restricted for managed care risk exposure			
Unrestricted	<u>2,610,671</u>	<u>545,713</u>	<u>3,041,070</u>
Total net assets	<u>\$2,610,671</u>	<u>\$636,480</u>	<u>\$3,392,261</u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$3,623,632	\$932,399	\$1,692,332	\$1,544,150	\$121,197	\$195,973	\$30,001
		11,146				
208,043	4,534,941	135,293	92,167	7,102	12,837	3,066
			200			8,100
<u>3,831,675</u>	<u>5,467,340</u>	<u>1,838,771</u>	<u>1,636,517</u>	<u>128,299</u>	<u>208,810</u>	<u>41,167</u>
2,941,150	8,732					
3,185,233 (4,519,561)	(8,732)					
<u>1,606,822</u>						
<u>5,438,497</u>	<u>5,467,340</u>	<u>1,838,771</u>	<u>1,636,517</u>	<u>128,299</u>	<u>208,810</u>	<u>41,167</u>
11,155	735,155	402,179	57,477	9,570	21,223	14,282
<u>11,155</u>	<u>735,155</u>	<u>402,179</u>	<u>57,477</u>	<u>9,570</u>	<u>21,223</u>	<u>14,282</u>
1,606,822						
<u>3,820,520</u>	<u>4,732,185</u>	<u>1,436,592</u>	<u>1,579,040</u>	<u>118,729</u>	<u>187,587</u>	<u>26,885</u>
<u>\$5,427,342</u>	<u>\$4,732,185</u>	<u>\$1,436,592</u>	<u>\$1,579,040</u>	<u>\$118,729</u>	<u>\$187,587</u>	<u>\$26,885</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2002
(with comparative totals for December 31, 2001)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2002	2001
<u>ASSETS</u>				
Current assets:				
Cash and pooled investments	\$1,009,987	\$1,751,897	\$16,650,049	\$15,381,723
Investments	14,969,867		14,969,867	15,562,881
Accounts receivable			42,897	54,393
Accrued interest on investments	154,101		154,101	205,156
Due from other funds		83,475	5,490,774	5,079,582
Inventory of supplies				
Inventory of supplies				
Prepaid expenses	118,892		205,329	130,957
Total current assets	16,252,847	1,835,372	37,513,017	36,414,692
Noncurrent assets:				
Capital assets:				
Office furniture and equipment			2,992,882	3,970,514
Copy machines			203,904	191,632
Telephone equipment			2,036,885	2,451,323
Vehicles			3,185,233	2,815,428
Less accumulated depreciation			(6,370,124)	(7,170,991)
Net capital assets			2,048,780	2,257,906
Total assets	16,252,847	1,835,372	39,561,797	38,672,598
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	8,270,527		9,596,333	8,334,535
Due to other funds	4,472,435		4,472,435	4,182,291
Total current liabilities	12,742,962		14,068,768	12,516,826
<u>NET ASSETS</u>				
Investment in capital assets			2,048,780	2,257,906
Restricted for managed care risk exposure		1,835,372	1,835,372	
Unrestricted	3,509,885		21,608,877	23,897,866
Total net assets	\$3,509,885	\$1,835,372	\$25,493,029	\$26,155,772

(Concluded)

COUNTY OF OTTAWA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED December 31, 2002
(with comparative totals for the year ended December 31, 2001)**

	Management Information Services (6360)	Duplicating (6450)	Tele- communications (6550)
Operating revenues:			
Charges for services	\$2,049,093	\$124,640	\$1,076,764
Other revenue			
Total operating revenues	<u>2,049,093</u>	<u>124,640</u>	<u>1,076,764</u>
Operating expenses:			
Personnel services	1,233,666	4,716	107,417
Contractual services	216,187	51,208	356,738
Supplies	110,255	35,274	3,637
Depreciation		36,766	230,798
Building and equipment rental	117,514		
Claims and legal			
Miscellaneous	<u>203,329</u>	<u>5,543</u>	<u>14,805</u>
Total operating expenses	<u>1,880,951</u>	<u>133,507</u>	<u>713,395</u>
Operating income (loss)	<u>168,142</u>	<u>(8,867)</u>	<u>363,369</u>
Nonoperating revenues (expenses):			
Interest on investments	226,756	30,821	156,273
Net change in the fair value of investments			
Gain (loss) on retirement of fixed assets	<u>(25,942)</u>		
Total nonoperating revenues (expenses)	<u>200,814</u>	<u>30,821</u>	<u>156,273</u>
Income (loss) before operating transfers	368,956	21,954	519,642
Transfers in (out):			
General fund	<u>70,000</u>		
Total operating transfers	<u>70,000</u>		
Change in net assets	438,956	21,954	519,642
Total net assets, beginning of year	<u>2,171,715</u>	<u>614,526</u>	<u>2,872,619</u>
Total net assets, end of year	<u><u>\$2,610,671</u></u>	<u><u>\$636,480</u></u>	<u><u>\$3,392,261</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$859,575	\$537,092	\$5,088,413	\$174,334	\$132,091	\$421,213	\$100,448
<u>859,575</u>	<u>537,092</u>	<u>5,088,413</u>	<u>174,334</u>	<u>132,091</u>	<u>421,213</u>	<u>100,448</u>
25,237	142,414	81,403	42,821	2,920	17,471	17,470
	48,960	495,818	14,208	125,320	31,197	17,217
230	1,142	16,308				
758,524						
	(6,918)	5,417,844	36,907		419,254	95,656
4,868	2,716	6,381	78,115	2,233	3,206	2,176
<u>788,859</u>	<u>188,314</u>	<u>6,017,754</u>	<u>172,051</u>	<u>130,473</u>	<u>471,128</u>	<u>132,519</u>
<u>70,716</u>	<u>348,778</u>	<u>(929,341)</u>	<u>2,283</u>	<u>1,618</u>	<u>(49,915)</u>	<u>(32,071)</u>
208,043	240,634	135,293	92,167	7,102	12,837	3,067
(1,626)						
<u>206,417</u>	<u>240,634</u>	<u>135,293</u>	<u>92,167</u>	<u>7,102</u>	<u>12,837</u>	<u>3,067</u>
277,133	589,412	(794,048)	94,450	8,720	(37,078)	(29,004)
<u>277,133</u>	<u>589,412</u>	<u>(794,048)</u>	<u>94,450</u>	<u>8,720</u>	<u>(37,078)</u>	<u>(29,004)</u>
<u>5,150,209</u>	<u>4,142,773</u>	<u>2,230,640</u>	<u>1,484,590</u>	<u>110,009</u>	<u>224,665</u>	<u>55,889</u>
<u>\$5,427,342</u>	<u>\$4,732,185</u>	<u>\$1,436,592</u>	<u>\$1,579,040</u>	<u>\$118,729</u>	<u>\$187,587</u>	<u>\$26,885</u>

(Continued on next page)

COUNTY OF OTTAWA

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

FOR THE YEAR ENDED December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2002	2001
Operating revenues:				
Charges for services	\$1,193,767	\$311,852	\$12,069,282	\$10,833,470
Other revenue	30,590		30,590	7,485
Total operating revenues	<u>1,224,357</u>	<u>311,852</u>	<u>12,099,872</u>	<u>10,840,955</u>
Operating expenses:				
Personnel services			1,675,535	1,551,087
Contractual services	694,440		2,051,293	1,751,268
Supplies			166,846	144,069
Depreciation			1,026,088	1,033,186
Building and equipment rental			117,514	134,158
Claims and legal	1,709,000		7,671,743	7,100,505
Miscellaneous			323,372	329,910
Total operating expenses	<u>2,403,440</u>		<u>13,032,391</u>	<u>12,044,183</u>
Operating income (loss)	<u>(1,179,083)</u>	<u>311,852</u>	<u>(932,519)</u>	<u>(1,203,228)</u>
Nonoperating revenues (expenses):				
Interest on investments	464,219	83,476	1,660,688	1,731,082
Net change in the fair value of investments	(1,207,063)		(1,207,063)	(560,286)
Gain (loss) on retirement of fixed assets			(27,568)	9,293
Total nonoperating revenues (expenses)	<u>(742,844)</u>	<u>83,476</u>	<u>426,057</u>	<u>1,180,089</u>
Income (loss) before operating transfers	<u>(1,921,927)</u>	<u>395,328</u>	<u>(506,462)</u>	<u>(23,139)</u>
Operating transfers in (out):				
General fund	(226,281)		(156,281)	(297,174)
Total operating transfers	<u>(226,281)</u>		<u>(156,281)</u>	<u>(297,174)</u>
Change in net assets	<u>(2,148,208)</u>	<u>395,328</u>	<u>(662,743)</u>	<u>(320,313)</u>
Total net assets, beginning of year	<u>5,658,093</u>	<u>1,440,044</u>	<u>26,155,772</u>	<u>26,476,085</u>
Total net assets, end of year	<u>\$3,509,885</u>	<u>\$1,835,372</u>	<u>\$25,493,029</u>	<u>\$26,155,772</u>

Concluded

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Management Information Services (6360)	Duplicating (6450)	Tele- communications (6550)
Cash flows from operating activities:			
Cash received from interfund services provided	\$2,044,025	\$124,640	\$1,083,640
Cash payments to suppliers for goods and services	(661,724)	(98,593)	(379,724)
Cash payments for self-funded insurance claims			
Cash payments to employees for services	<u>(1,233,666)</u>	<u>(4,716)</u>	<u>(107,417)</u>
Net cash provided by (used for) operating activities	<u>148,635</u>	<u>21,331</u>	<u>596,499</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	70,000		
Transfers out to other funds			
Net cash provided by (used for) noncapital financing activities	<u>70,000</u>		
Cash flows from capital and related financing activities:			
Acquisition of capital assets		(12,272)	(26,421)
Proceeds from sale of equipment			
Net cash provided by (used for) capital and related financing activities		<u>(12,272)</u>	<u>(26,421)</u>
Cash flows from investing activities:			
Purchase of investments			
Interest on investments	136,039	33,481	127,447
Proceeds on sale of investments			
Net cash provided by (used for) investing activities	<u>136,039</u>	<u>33,481</u>	<u>127,447</u>
Net increase (decrease) in cash and pooled investments	354,674	42,540	697,525
Cash and pooled investments, beginning of year	<u>2,014,247</u>	<u>478,320</u>	<u>2,161,175</u>
Cash and pooled investments, end of year	<u><u>\$2,368,921</u></u>	<u><u>\$520,860</u></u>	<u><u>\$2,858,700</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$859,575	\$126,967	\$5,090,135	\$174,334	\$132,091	\$421,213	\$100,448
(5,098)	(52,818)	(518,507)	(92,523)	(127,305)	(34,403)	(27,493)
	(100,360)	(5,504,707)	(21,760)		(418,162)	(90,234)
(25,237)	(142,414)	(81,403)	(42,821)	(2,920)	(17,471)	(17,470)
829,240	(168,625)	(1,014,482)	17,230	1,866	(48,823)	(34,749)
(869,183)						
10,465						
(858,718)						
206,614	245,477	188,482	95,507	7,893	16,567	4,678
206,614	245,477	188,482	95,507	7,893	16,567	4,678
177,136	76,852	(826,000)	112,737	9,759	(32,256)	(30,071)
3,446,496	855,547	2,518,332	1,431,413	111,438	228,229	60,072
\$3,623,632	\$932,399	\$1,692,332	\$1,544,150	\$121,197	\$195,973	\$30,001

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2002	2001
Cash flows from operating activities:				
Cash received from interfund services provided	\$1,633,292	\$311,852	\$12,102,212	\$10,828,606
Cash payments to suppliers for goods and services	(197,130)		(2,195,318)	(2,059,398)
Cash payments for self-funded insurance claims	(750,764)	(119,981)	(7,005,968)	(5,998,932)
Cash payments to employees for services			(1,675,535)	(1,551,087)
Net cash provided by (used for) operating activities	<u>685,398</u>	<u>191,871</u>	<u>1,225,391</u>	<u>1,219,189</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds			70,000	70,000
Transfers out to other funds	(226,281)		(226,281)	(367,174)
Net cash provided by (used for) noncapital financing activities	<u>(226,281)</u>		<u>(156,281)</u>	<u>(297,174)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(907,876)	(799,007)
Proceeds from sale of equipment			10,465	16,914
Net cash provided by (used for) capital and related financing activities			<u>(897,411)</u>	<u>(782,093)</u>
Cash flows from investing activities:				
Purchase of investments	(13,312,722)		(13,312,722)	(4,169,069)
Interest on investments	515,274	133,217	1,710,676	1,798,430
Proceeds on sale of investments	12,698,673		12,698,673	3,443,134
Net cash provided by (used for) investing activities	<u>(98,775)</u>	<u>133,217</u>	<u>1,096,627</u>	<u>1,072,495</u>
Net increase (decrease) in cash and pooled investments	360,342	325,088	1,268,326	1,212,417
Cash and short-term investments, beginning of year	649,645	1,426,809	15,381,723	14,169,306
Cash and short-term investments, end of year	<u>\$1,009,987</u>	<u>\$1,751,897</u>	<u>\$16,650,049</u>	<u>\$15,381,723</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Management Information Services <u>(6360)</u>	Duplicating <u>(6450)</u>	Tele- communications <u>(6550)</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$168,142	(\$8,867)	\$363,369
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation		36,766	230,798
Change in assets and liabilities not affecting cash provided by (used for) operating activities:			
(Increase) decrease in receivables	(5,068)		6,876
(Increase) decrease in due from other funds			
(Increase) decrease in prepaid expenses	(33,231)		9,933
Increase (decrease) in unpaid claims liability			
Increase (decrease) in accounts payable	18,792	(6,568)	(14,477)
Increase (decrease) in due to other funds			
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used for) operating activities	<u><u>\$148,635</u></u>	<u><u>\$21,331</u></u>	<u><u>\$596,499</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$70,716	\$348,778	(\$929,341)	\$2,283	\$1,618	(\$49,915)	(\$32,071)
758,524		1,722				
	(410,125)		(200)			(8,100)
	(107,278)	(86,863)	15,147	248	1,092	5,422
<u>\$829,240</u>	<u>(\$168,625)</u>	<u>(\$1,014,482)</u>	<u>\$17,230</u>	<u>\$1,866</u>	<u>(\$48,823)</u>	<u>(\$34,749)</u>

(Continued on next page)

COUNTY OF OTTAWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002
(with comparative totals for the year ended December 31, 2001)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2002	2001
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(\$1,179,083)	\$311,852	(\$932,519)	(\$1,203,228)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			1,026,088	1,033,186
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables	3,988		7,518	(7,258)
(Increase) decrease in due from other funds			(410,125)	(234,219)
(Increase) decrease in prepaid expenses	(42,774)		(74,372)	(25,698)
Increase (decrease) in unpaid claims liability	1,493,142		1,493,142	901,570
Increase (decrease) in accounts payable			(174,485)	400,636
Increase (decrease) in due to other funds	410,125	(119,981)	290,144	354,200
Net cash provided by (used for) operating activities	<u>\$685,398</u>	<u>\$191,871</u>	<u>\$1,225,391</u>	<u>\$1,219,189</u>

(Concluded)

COUNTY OF OTTAWA

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2002

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

AGENCY FUNDS

Trust and Agency Fund (7010) - This Fund was established to account for monies received by the County for later distribution to other agencies or persons.

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

Imprest Payroll Fund (7500) - 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.

COUNTY OF OTTAWA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS**

December 31, 2002
(with comparative totals for December 31, 2001)

	Agency Funds			Total	
	Trust and Agency 7010	Library Penal Fine 7210	Imprest Payroll 7500	2002	2001
ASSETS					
Cash and short-term investments	\$2,845,739	\$465,860	\$217,621	\$3,529,220	\$3,121,395
Receivables:					
Accounts	24,078			24,078	45,852
Due from other governmental units	12,352			12,352	26,513
Total assets	\$2,882,169	\$465,860	\$217,621	\$3,565,650	\$3,193,760
LIABILITIES					
Liabilities:					
Due to other governmental units:					
Due to State of Michigan	\$1,778,937		\$119,567	\$1,898,504	\$1,534,275
Fines and fees due to local libraries		\$465,860		465,860	453,241
Agency deposits	1,103,232		98,054	1,201,286	1,206,244
Total liabilities	\$2,882,169	\$465,860	\$217,621	\$3,565,650	\$3,193,760

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

FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Balances January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances December 31, 2002</u>
<u>TRUST AND AGENCY FUND (7010)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$2,480,494	\$121,795,144	\$121,429,899	\$2,845,739
Accounts receivable	45,852	448,971	470,745	24,078
Due from other governmental units	26,513	105,159	119,320	12,352
Total assets	<u>\$2,552,859</u>	<u>\$122,349,274</u>	<u>\$122,019,964</u>	<u>\$2,882,169</u>
<u>LIABILITIES</u>				
Due to other taxing units		\$29,381,588	\$29,381,588	
Due to State of Michigan	\$1,425,475	51,662,023	51,308,561	\$1,778,937
Agency deposits	1,127,384	127,896,888	127,921,040	1,103,232
Total liabilities	<u>\$2,552,859</u>	<u>\$208,940,499</u>	<u>\$208,611,189</u>	<u>\$2,882,169</u>
 <u>LIBRARY PENAL FINE FUND (7210)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$453,241	\$976,983	\$964,364	\$465,860
Total assets	<u>\$453,241</u>	<u>\$976,983</u>	<u>\$964,364</u>	<u>\$465,860</u>
<u>LIABILITIES</u>				
Fines and fees due to local libraries	\$453,241	\$976,983	\$964,364	\$465,860
Agency deposits		943,918	943,918	
Total liabilities	<u>\$453,241</u>	<u>\$1,920,901</u>	<u>\$1,908,282</u>	<u>\$465,860</u>

(Continued on next page)

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

FOR THE YEAR ENDED DECEMBER 31, 2002

	Balances January 1, 2002	Additions	Deductions	Balances December 31, 2002
<u>IMPREST PAYROLL FUND (7500)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$187,660	\$50,433,018	\$50,403,057	\$217,621
Accounts receivable		47,145,890	47,145,890	
Total assets	<u>\$187,660</u>	<u>\$97,578,908</u>	<u>\$97,548,947</u>	<u>\$217,621</u>
<u>LIABILITIES</u>				
Due to State of Michigan	\$108,800	\$1,476,531	\$1,465,764	\$119,567
Agency deposits	78,860	51,777,342	51,758,148	98,054
Total liabilities	<u>\$187,660</u>	<u>\$53,253,873</u>	<u>\$53,223,912</u>	<u>\$217,621</u>

TOTALS - AGENCY FUNDS

ASSETS

Cash and pooled investments	\$3,121,395	\$173,205,145	\$172,797,320	\$3,529,220
Accounts receivable	45,852	47,594,861	47,616,635	24,078
Due from other governmental units	26,513	105,159	119,320	12,352
Total assets	<u>\$3,193,760</u>	<u>\$220,905,165</u>	<u>\$220,533,275</u>	<u>\$3,565,650</u>

LIABILITIES

Due to other taxing units		\$29,381,588	\$29,381,588	
Due to State of Michigan	\$1,534,275	53,138,554	52,774,325	\$1,898,504
Fines and fees due to local libraries	453,241	976,983	964,364	465,860
Agency deposits	1,206,244	180,618,148	180,623,106	1,201,286
Total liabilities	<u>\$3,193,760</u>	<u>\$264,115,273</u>	<u>\$263,743,383</u>	<u>\$3,565,650</u>

(Concluded)

COUNTY OF OTTAWA

Capital Assets Used in the Operation of Governmental Funds Comparative Schedules by Source

December 31, 2002

(with comparative totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Governmental funds capital assets:		
Land and improvements	\$17,992,332	\$17,236,175
Buildings	45,801,121	44,984,041
Machinery and equipment	9,232,647	9,147,225
Total governmental funds capital assets	<u>\$73,026,100</u>	<u>\$71,367,441</u>
Investments in governmental funds capital assets by source:		
General Fund	\$10,842,235	\$10,569,840
Special Revenue Funds	30,487,354	28,944,802
Capital Projects Funds	31,696,511	31,852,799
Total governmental funds capital assets	<u>\$73,026,100</u>	<u>\$71,367,441</u>

COUNTY OF OTTAWA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity

December 31, 2002

<u>Function/Activity</u>	Governmental Funds Capital Assets <u>12/31/2002</u>	Land and Improvements	Buildings	Machinery and Equipment
Judicial:				
Courts	\$366,811	\$25,201	\$38,452	\$303,158
Total Judicial	<u>366,811</u>	<u>25,201</u>	<u>38,452</u>	<u>303,158</u>
General Government:				
Elections	693,009			693,009
Finance				
Prosecutor				
Human resources				
Other general government	<u>47,313,968</u>	<u>3,352,443</u>	<u>42,748,821</u>	<u>1,212,704</u>
Total general government	<u>48,006,977</u>	<u>3,352,443</u>	<u>42,748,821</u>	<u>1,905,713</u>
Public safety:				
Sheriff	789,646		159,676	629,970
Emergency Services				
Corrections				
Central Dispatch	3,800,172	94,522	478,873	3,226,777
Marine Safety	<u>276,534</u>			<u>276,534</u>
Total public safety	<u>4,866,352</u>	<u>94,522</u>	<u>638,549</u>	<u>4,133,281</u>
Public works	348,653	252,170	96,483	
Health and Mental Health	4,744,950	189,133	1,665,322	2,890,495
Public welfare				
Culture and recreation	<u>14,692,357</u>	<u>14,078,863</u>	<u>613,494</u>	
Construction in progress				
Total governmental funds capital assets	<u><u>\$73,026,100</u></u>	<u><u>\$17,992,332</u></u>	<u><u>\$45,801,121</u></u>	<u><u>\$9,232,647</u></u>

COUNTY OF OTTAWA
Capital Assets Used in the Operation Governmental Funds
Schedule of Changes by Function and Activity

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Function/Activity</u>	<u>Governmental Funds Capital Assets January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers In (Out)</u>	<u>Governmental Funds Capital Assets December 31, 2002</u>
Judicial:					
Courts	\$348,899	\$77,378	\$59,466		\$366,811
Total Judicial	<u>348,899</u>	<u>77,378</u>	<u>59,466</u>		<u>366,811</u>
General Government:					
Elections	642,279	50,730			693,009
Finance	38,263			(\$38,263)	
Prosecutor	5,001		5,001		
Human resources	31,756			(31,756)	
Other general government	<u>40,243,213</u>	<u>1,002,250</u>	<u>66,443</u>	<u>6,134,948</u>	<u>47,313,968</u>
Total general government	<u>40,960,512</u>	<u>1,052,980</u>	<u>71,444</u>	<u>6,064,929</u>	<u>48,006,977</u>
Public safety:					
Sheriff	11,189,634	130,487	180,392	(10,350,083)	789,646
Emergency services	90,467		37,923	(52,544)	
Corrections	44,914		29,199	(15,715)	
Central dispatch				3,800,172	3,800,172
Marine safety				<u>276,534</u>	<u>276,534</u>
Total public safety	<u>11,325,015</u>	<u>130,487</u>	<u>247,514</u>	<u>(6,341,636)</u>	<u>4,866,352</u>
Public works				348,653	348,653
Health and welfare	4,738,374	249,060	228,979	(13,505)	4,744,950
Public welfare	58,441			(58,441)	
Culture and recreation	<u>13,936,200</u>	<u>756,157</u>			<u>14,692,357</u>
Total governmental funds capital assets	<u>\$71,367,441</u>	<u>\$2,266,062</u>	<u>\$607,403</u>	<u>None</u>	<u>\$73,026,100</u>

COUNTY OF OTTAWA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS

<u>Year Ended December 31</u>	<u>Legislative</u>	<u>Judicial</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>
1993	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A
2000	\$492,308	\$11,870,542	\$8,686,499	\$18,290,754	\$549,657
2001	475,045	12,314,531	9,462,268	19,734,031	4,567,437
2002	495,502	12,742,673	11,048,540	22,417,791	26,442

<u>Year Ended December 31</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Interest on Long-term Debt</u>	<u>Business- type Activities</u>	<u>Total</u>
1993	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A
2000	\$38,534,629	\$1,150,464	\$1,120,902	\$1,882,086	\$82,577,841
2001	39,924,234	1,324,736	1,274,567	1,884,112	90,960,961
2002	43,436,806	1,310,229	1,009,585	1,893,669	94,381,237

N/A - Information not available

COUNTY OF OTTAWA

GOVERNMENT-WIDE REVENUES

FOR THE LAST TEN FISCAL YEARS

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous		
Governmental activities:									
1993	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	\$17,104,352	\$37,362,996	\$815,479	\$26,228,129	\$4,063,864	\$6,891,430	\$228,759	\$92,695,009	
2001	19,049,448	38,045,513	613,085	27,635,964	5,456,975	5,974,915	629,538	97,405,438	
2002	20,334,073	39,075,902	412,699	29,108,216	4,759,864	4,896,600	413,552	99,000,906	
Business-type activities:									
1993	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1994	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1996	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	\$1,157,093	N/A	N/A	N/A	N/A	\$1,699,367	N/A	\$2,856,460	
2001	1,234,332	N/A	N/A	N/A	N/A	1,421,743	N/A	2,656,075	
2002	1,175,605	N/A	N/A	N/A	N/A	1,332,432	N/A	2,508,037	

N/A - Information not available

COUNTY OF OTTAWA

GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

FOR THE LAST TEN FISCAL YEARS

<u>Year Ended December 31</u>	<u>Legislative</u>	<u>Judicial</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	
1993	\$257,867	\$6,222,639	\$5,378,164	\$7,076,242	\$596,207	
1994	268,700	7,027,425	6,730,457	8,189,470	517,739	
1995	276,489	8,606,115	7,094,867	9,851,996	641,678	
1996	340,006	9,219,395	7,439,802	10,593,218	564,276	
1997	310,415	10,036,066	6,749,058	11,344,348	623,611	
1998	302,595	9,961,093	7,988,605	12,118,515	474,062	
1999	364,344	10,603,396	11,703,261	13,321,138	552,978	
2000	483,042	11,682,651	9,135,010	15,061,039	536,191	
2001	469,478	12,190,228	8,667,703	19,101,304	637,981	
2002	489,564	12,727,750	10,766,482	21,681,471	746,928	

<u>Year Ended December 31</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Other</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
1993	\$27,767,579	\$788,284	\$404,922	\$2,629,232	\$781,370	\$51,902,506
1994	29,183,409	1,256,158	126,205	3,754,107	1,121,023	58,174,693
1995	31,228,108	775,458	230,973	0	1,087,508	59,793,192
1996	32,216,765	990,346	212,176	60,891	1,072,701	62,709,576
1997	31,652,991	1,789,688	266,668	4,743,808	1,218,795	68,735,448
1998	33,273,749	1,737,166	1,249,406	10,218,191	2,102,246	79,425,628
1999	35,212,144	5,759,894	1,070,854	1,280,767	2,300,832	82,169,608
2000	39,744,250	2,919,619	54,464	431,414	2,320,902	82,368,582
2001	41,006,221	2,736,808	49,341	50,081	2,317,564	87,226,709
2002	43,103,091	1,882,841	60,411	4,996	2,315,975	93,779,509

(1) Includes the primary government only

COUNTY OF OTTAWA
GOVERNMENTAL REVENUES BY SOURCE (1)
FOR THE LAST TEN FISCAL YEARS

Year Ended December 31	Taxes	Inter- governmental	Charges for Services	Fines and Forfeits	Interest on Investments
1993	\$17,576,294	\$25,568,791	\$5,124,204	\$576,355	\$1,008,130
1994	18,487,065	26,978,368	5,543,918	665,768	1,323,697
1995	21,248,295	30,344,231	6,540,599	759,036	1,938,323
1996	22,523,670	30,510,621	6,966,214	747,738	2,116,625
1997	23,118,765	32,807,225	6,937,263	1,030,815	2,784,431
1998	24,745,645	35,147,772	7,353,232	1,154,175	3,588,694
1999	25,332,297	38,846,726	7,432,594	1,101,646	1,257,425
2000	26,228,129	43,826,796	7,636,824	1,016,413	3,811,029
2001	27,635,964	46,792,519	8,468,512	1,083,225	4,804,119
2002	29,108,216	46,857,944	9,335,988	1,068,804	4,442,975

Year Ended December 31	Licenses and Permits	Rental Income	Other	Total
1993	\$387,386	\$2,003,692	\$1,908,279	\$54,153,131
1994	430,499	2,593,993	1,579,025	57,602,333
1995	416,043	3,107,180	1,006,935	65,360,642
1996	465,587	3,220,210	1,014,986	67,565,651
1997	465,312	3,519,740	888,626	71,552,177
1998	452,160	4,611,609	1,036,065	78,089,352
1999	454,486	4,622,025	3,830,534	82,877,733
2000	478,711	5,028,340	2,811,400	90,837,642
2001	533,326	5,424,089	1,378,215	96,119,969
2002	545,031	5,504,855	1,153,830	98,017,643

(1) Includes the primary government only

COUNTY OF OTTAWA

PROPERTY TAX LEVIES AND COLLECTIONS

FOR THE LAST TEN FISCAL YEARS

<u>Year Ended December 31</u>	<u>Total Tax Levy</u>	<u>Collections To March 1 Each Year</u>	<u>Percent of Levy Collected</u>
1993	\$ 18,063,793	\$ 16,627,292	92.05 %
1994	20,824,859	19,409,328	93.20
1995	22,017,775	20,544,412	93.31
1996	22,619,335	21,165,873	93.57
1997	24,156,828	22,534,035	93.28
1998	24,700,201	23,347,405	94.52
1999	25,572,191	24,145,161	94.42
2000	27,099,572	25,426,821	93.83
2001	28,526,575	26,691,849	93.57
2002	29,917,491	28,073,617	93.84

NOTE: Ottawa County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1, of each year. Said fund pays all local units, school districts, villages, townships and the County General Fund for the full amount of taxes levied against real property. Uncollected personal property taxes must be collected by the local treasurers and are negligible.

COUNTY OF OTTAWA

ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY

FOR THE LAST TEN FISCAL YEARS

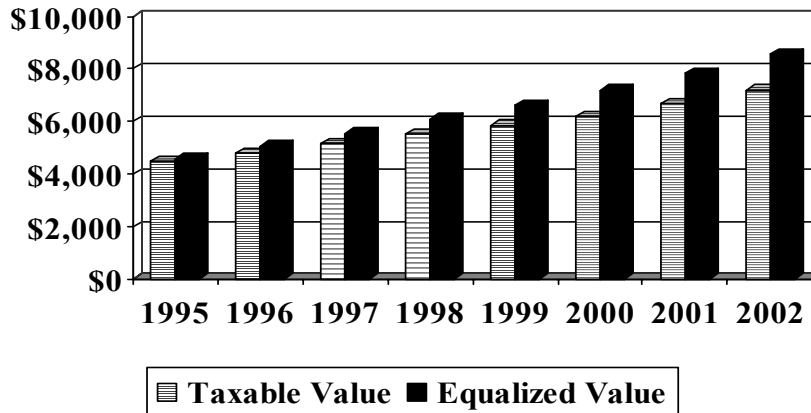
Year Ended December 31	Real Property		Personal Property Assessed and Equalized	Total Equalized Value (1)	Total Taxable Value (2)	Percent of Taxable Value to Equalized Value
	Assessed	Equalized				
1993	\$3,671,906,681	\$3,671,789,287	\$341,316,749	\$4,013,106,036	N/A	N/A
1994	3,883,315,020	3,886,214,829	364,624,738	4,250,839,567	N/A	N/A
1995	4,167,161,932	4,166,447,879	411,534,920	4,577,982,799	\$4,494,340,630	98.17 %
1996	4,605,467,319	4,605,319,221	441,260,446	5,046,579,667	4,795,788,161	95.03
1997	5,075,360,797	5,076,464,019	467,067,035	5,543,531,054	5,141,390,896	92.75
1998	5,612,414,569	5,611,433,129	500,332,186	6,111,765,315	5,512,945,217	90.20
1999	6,091,633,150	6,091,633,150	531,823,269	6,623,456,419	5,836,800,522	88.12
2000	6,634,673,417	6,634,673,417	546,677,934	7,181,351,351	6,192,771,645	86.23
2001	7,242,481,898	7,242,481,898	595,338,563	7,837,820,461	6,677,256,800	85.19
2002	7,932,800,572	7,932,800,572	623,836,771	8,556,637,343	7,179,278,659	83.90

- (1) The Michigan Constitution and Statutes provide that property is to be assessed and equalized at 50% of its fair market value.
- (2) Sweeping and complex changes have been made in the property tax system by the constitutional amendment adopted March 15, 1994 and the implementing legislation. The entire system of assessing and equalization remains in place and is required by law. However, a "capped value" is now required to be computed for each and every parcel and the lower of the capped value or SEV will be that parcel's "Taxable Value." The graph below illustrates the gap between equalized and taxable value.

N/A - Not applicable

Taxable Value vs. Equalized Value

Millions



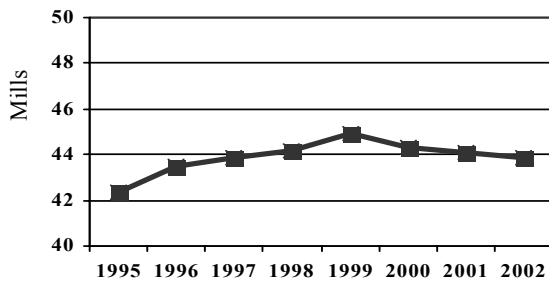
COUNTY OF OTTAWA
PROPERTY TAX RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE LAST TEN FISCAL YEARS

<u>Year Ended</u> <u>December 31</u>	<u>City and</u> <u>Villages</u>	<u>School</u> <u>Districts</u> <u>Intermediate</u> <u>and State</u> <u>Education</u>	<u>County</u>	<u>Township</u>	<u>Total</u>
Tax rates: (Per \$1,000 of equalized value)					
1993	12.51	38.73	4.5012	2.99	58.7312
1994	12.93	21.44	4.8990	3.14	42.4090
1995	12.93	21.20	4.8990	3.35	42.3790
1996	12.86	22.27	4.7165	3.67	43.5165
1997	13.12	22.12	4.6985	3.92	43.8585
1998	13.66	22.15	4.4804	3.85	44.1404
1999	13.53	23.14	4.3812	3.91	44.9612
2000	13.30	22.90	4.3760	3.77	44.3460
2001	13.11	22.95	4.2722	3.74	44.0722
2002	12.80	23.16	4.1672	3.75	43.8772

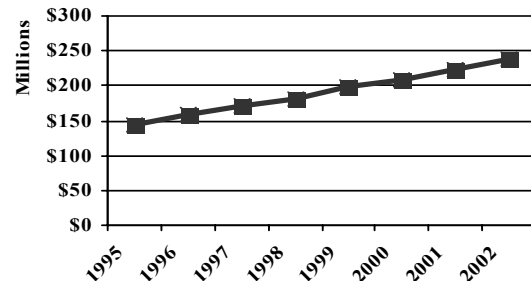
Tax levies:

1993	\$13,644,679	\$155,429,846	\$18,063,793	\$8,743,689	\$195,882,007
1994	14,920,664	91,136,116	20,824,859	9,737,877	136,619,516
1995	15,523,858	95,284,011	22,017,775	11,029,842	143,855,486
1996	16,243,941	106,815,016	22,619,335	12,971,476	158,649,768
1997	17,475,933	113,735,411	24,156,828	14,921,871	170,290,043
1998	19,268,296	122,107,518	24,700,201	16,028,410	182,104,425
1999	19,924,977	135,040,922	25,572,191	17,083,227	197,621,317
2000	20,299,326	141,827,081	27,099,572	17,867,187	207,093,166
2001	21,381,983	153,211,397	28,526,575	19,161,496	222,281,451
2002	21,838,093	166,247,083	29,917,491	20,820,560	238,823,227

Total Tax Levies



Total Tax Levy Collections



COUNTY OF OTTAWA
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS

<u>Year Ended December 31</u>	<u>Billed and Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1993	\$7,498,000	\$7,498,000	100 %	\$87,646,971
1994	4,843,971	4,843,971	100	95,798,000
1995	5,188,000	5,188,000	100	94,275,000
1996	6,732,962	6,732,962	100	92,271,000
1997	10,392,500	10,392,500	100	86,308,050
1998	24,742,620	24,742,620	100	85,403,862
1999	7,153,310	7,153,310	100	93,049,023
2000	7,855,810	7,855,810	100	88,420,291
2001	19,348,810	19,348,810	100	83,313,521
2002	21,387,500	21,387,500	100	84,883,021

COUNTY OF OTTAWA

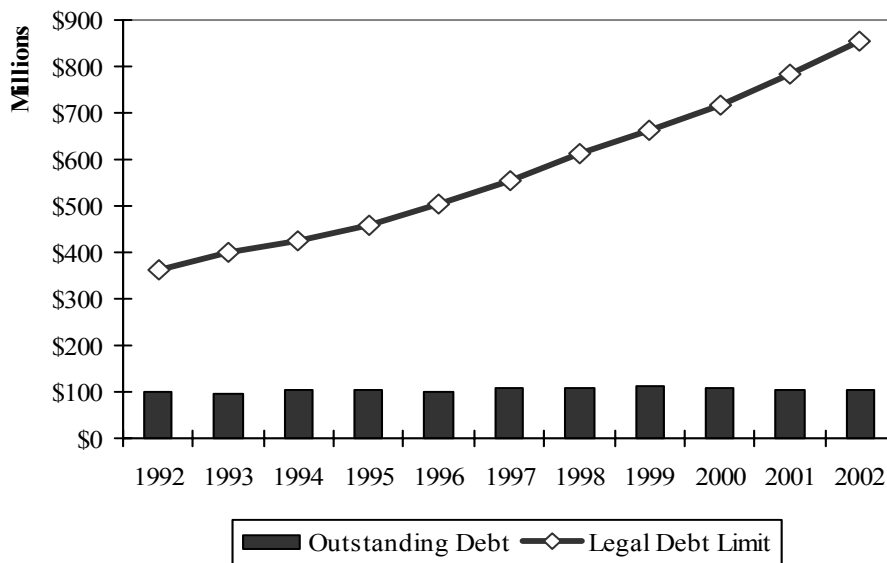
COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2002

State equalized value	<u>\$8,556,637,343</u>
Debt limit 10 percent of equalized value	<u>855,663,734</u>
Amount of debt applicable to debt limit:	
Total bonded debt (1)	103,277,895
Other debt	<u>336,242</u>
Total	103,614,137
Less:	
Assets available for debt retirement	<u>1,453,457</u>
Total amount of debt applicable to debt limit	<u>102,160,680</u>
Legal debt margin	<u><u>\$753,503,054</u></u>

(1) Total bonded debt does not include the Road Commission Bonds because the County does not guarantee them.

County of Ottawa Legal Debt Limit and Debt Outstanding



COUNTY OF OTTAWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To County of Ottawa</u>	<u>Amount Applicable To County of Ottawa</u>
Direct:			
County at large	\$19,530,000	100 %	\$19,530,000
Townships (1)	<u>81,483,498</u>	100	<u>81,483,498</u>
Total Direct	<u>\$101,013,498</u>		<u>\$101,013,498</u>
Overlapping:			
School districts	\$732,352,920	78.5	\$575,155,374
Cities and villages (1)	73,013,913	73.7	53,775,762
Grand Rapids Community College	59,805,000	1.3	765,504
Warner Baird District Library	<u>4,400,000</u>	100.0	<u>4,400,000</u>
Total Overlapping	<u>\$869,571,833</u>		<u>\$634,096,640</u>
Grand Total	<u><u>\$970,585,331</u></u>		<u><u>\$735,110,138</u></u>

(1) Includes county-issued bonds paid by local municipalities

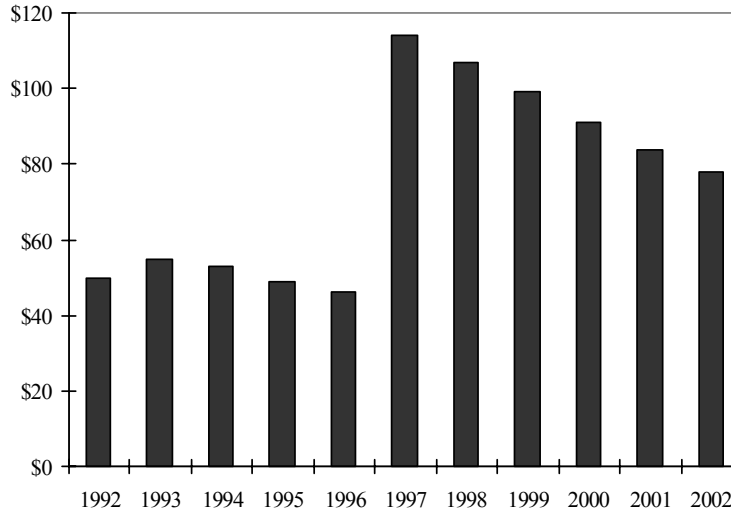
COUNTY OF OTTAWA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Equalized Value</u>	<u>Gross Bonded Debt (2)</u>	<u>Less Amount Available for Debt Retirement</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
1993	203,986	\$4,013,106,036	\$11,315,000	\$192,807	\$11,122,193	0.28 %	\$55
1994	205,333	4,250,839,567	10,815,000	0	10,815,000	0.25	53
1995	210,389	4,577,982,799	10,345,000	82,032	10,262,968	0.22	49
1996	212,163	5,046,579,667	9,855,000	171,825	9,683,175	0.19	46
1997	220,403	5,543,531,054	25,305,000	266,486	25,038,514	0.45	114
1998	224,357	6,111,765,315	24,405,000	321,630	24,083,370	0.39	107
1999	230,261	6,623,456,419	23,270,000	377,083	22,892,917	0.35	99
2000	238,314	7,181,351,351	22,070,000	429,452	21,640,548	0.30	91
2001	243,571	7,837,820,461	20,825,000	481,040	20,343,960	0.26	84
2002	245,913	8,556,637,343	19,530,000	335,361	19,194,639	0.22	78

(1) U.S. Department of Commerce, Grand Valley State University - Small Business Development Center, Census Bureau

(2) Gross Bonded Debt for the reporting entity includes general obligation building authority bonds.

Net Bonded Debt per Capita



COUNTY OF OTTAWA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT
TO TOTAL GOVERNMENTAL EXPENDITURES**

FOR THE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (1)</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1993	\$280,000	\$507,963	\$787,963	\$51,902,506	1.52 %
1994	500,000	621,023	1,121,023	58,174,693	1.93
1995	470,000	617,508	1,087,508	59,793,192	1.82
1996	490,000	582,701	1,072,701	62,709,576	1.71
1997	520,000	698,795	1,218,795	68,735,448	1.77
1998	900,000	1,202,246	2,102,246	79,425,628	2.65
1999	1,135,000	1,165,832	2,300,832	82,169,608	2.80
2000	1,200,000	1,120,902	2,320,902	82,368,582	2.82
2001	1,245,000	1,072,564	2,317,564	87,226,709	2.66
2002	1,295,000	1,020,975	2,315,975	93,779,509	2.47

(1) Total Debt Service includes general obligation building authority bonds.

COUNTY OF OTTAWA
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year	New Commercial Construction Value (2)	New Industrial Construction Value (2)	New Residential Construction Value (2)	Bank Deposits (In Thousands) (1)	State Equalized Value (2)
1993	\$16,189,031	\$16,985,585	\$76,870,741	\$1,742,448	\$4,013,106,036
1994	19,439,048	16,207,540	103,492,988	1,964,645	4,250,839,567
1995	20,209,848	19,706,440	103,954,788	1,948,341	4,577,982,799
1996	28,581,244	28,322,428	120,724,945	2,035,368	5,046,579,667
1997	35,250,928	21,935,338	143,850,569	2,326,481	5,543,531,054
1998	39,174,671	21,768,524	151,610,405	2,454,482	6,111,765,315
1999	32,030,685	17,399,761	134,832,545	2,577,071	6,623,456,419
2000	31,443,044	20,744,786	158,526,668	2,595,070	7,181,351,351
2001	28,875,814	30,548,584	145,741,768	2,658,663	7,837,820,461
2002	27,227,024	33,701,351	153,455,833	2,875,000	8,556,637,343

(1) Source: FDIC, BANKS AND BRANCHES, Summary of deposits in all commercial and savings banks, Table 8. Figures are as of 6/30.

(2) Ottawa County Equalization Department

COUNTY OF OTTAWA
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1993	203,986	\$21,058	46,562	4.6 %
1994	205,333	22,697	46,749	3.8
1995	210,389	23,776	48,799	3.2
1996	212,163	24,858	50,183	3.1
1997	220,403	25,689	51,152	2.7
1998	224,357	26,676	51,823	2.5
1999	230,261	27,285	53,213	2.7
2000	238,314	28,033	54,068	2.4
2001	243,571	n/a	54,620	4.0
2002	245,913	n/a	55,293	5.3

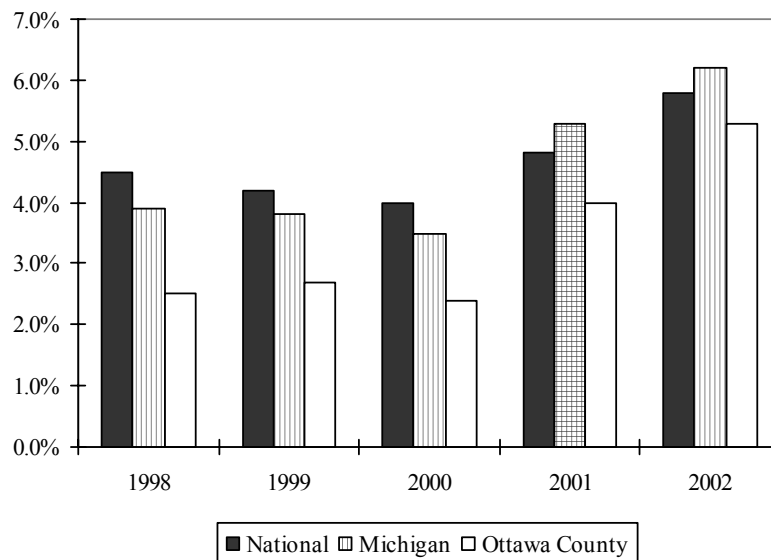
Median ages of individuals residing within Ottawa County for years 2000 and 1990 were 32.3 and 30.3, respectively.

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Grand Valley State University - Small Business Development Center, Census Bureau
- (2) Grand Valley State University Seidman Business Services, U.S. Dept of Commerce
- (3) Fourth Friday Count, Ottawa Area Intermediate School District
- (4) Michigan Employment Security Commission

National, State and County Unemployment Rates



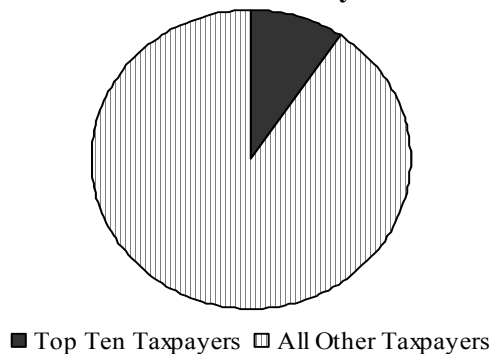
COUNTY OF OTTAWA
PRINCIPAL TAXPAYERS

DECEMBER 31, 2002

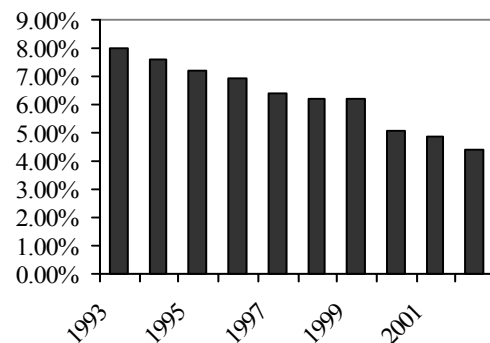
Taxpayer	Type of Business	Taxable Valuation (1)	Percent of Valuation
Consumers Energy	Utility	\$317,260,520	4.42 %
Herman Miller	Office Furniture	82,119,681	1.14
Parke-Davis Co.	Pharmaceutical	57,355,518	0.80
Magna Donnelly	Automotive Components	42,943,541	0.60
Johnson Controls	Automotive Components	39,015,861	0.54
Delphi Automotive Systems	Automotive Components	37,347,054	0.52
Shape Corp.	Metal Extrusion	32,062,390	0.45
Bil Mar Foods Inc.	Food Products	30,547,217	0.43
Meijer, Inc.	Retail Stores	23,325,021	0.32
SEMCO	Gas Pipeline	21,205,351	0.30
		<u>\$683,182,154</u>	<u>9.52 %</u>

(1) Ottawa County Equalization Department. The 2002 total Taxable Value was \$7,179,278,659.

**Concentration of Taxpayers in
Ottawa County**



**Consumers Energy as a
Percentage of Tax Base**



COUNTY OF OTTAWA
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond*</u>
Mary Richardson - Treasurer	\$62,631	\$1,000,000
Gary Rosema - Sheriff	79,692	1,000,000
Daniel C. Krueger - Clerk	71,776	1,000,000
Gary Scholten - Register of Deeds	62,631	1,000,000
Paul Geerlings - Drain Commissioner	57,134	1,000,000
Joseph Kozakiewicz - Friend of the Court	68,453	1,000,000
Ronald Frantz - Prosecutor	99,145	1,000,000

*The Public Employee Blanket Bond covers for Honesty and Faithful Performance by Position. (Bond No. 81 BPEAK 1415)

COUNTY OF OTTAWA

LABOR AGREEMENTS

DECEMBER 31, 2002

<u>Name of Contract</u>	<u>Number of Employees December 31, 2002</u>	<u>Expiration</u>
Command Officers Association (P.A. 312 Eligible)	21	December 31, 2002 *
Command Officers Association (P.A. 312 Non-Eligible)	8	December 31, 2002 *
Police Officers Association of Michigan (P.A. 312 Eligible)	95	December 31, 2002 *
Police Officers Association of Michigan (P.A. 312 Non-Eligible)	76	December 31, 2002 *
Teamsters Local 214 (General County Employees)	348	December 31, 2002 *
Local 4014 Ottawa County Michigan Friend of the Court	29	December 31, 2002 *
Michigan Nurses Association	43	December 31, 2002 *
Probate/Juvenile Association	51	December 31, 2005
58th District Court Association	<u>48</u>	December 31, 2002 *
Total employees covered by labor agreements	719	
Employees not covered by labor agreements	<u>191</u>	
Total employees	<u>910</u>	

* *In negotiations*

COUNTY OF OTTAWA

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2002

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy</u> <u>Number</u>	<u>Annual</u> <u>Term</u>	<u>Premium</u>	<u>Details of Coverage</u>
<u>Property Liability</u>				
Chubb Insurance Co.	3531-68-64	04/01/02 04/01/03	\$52,102	Blanket Buildings and Contents Replacement Cost Agreed Amount Extra Expense Difference in: Conditions for Flood/Earthquake \$50,000 Deductible Property/Boiler \$25,000 Deductible Flood/Earthquake
Limits:				
\$71,595,331	- Blanket Real & Personal Property			
1,000,000	- Blanket Extra Expense			
5,000,000	- Earthquake			
5,000,000	- Flood			
71,708,899	- Boiler and Machinery			
 <u>Automobile Liability</u>				
Royal Indemnity Insurance	RHJ090252	04/01/02 04/01/03	134,206	Automobile Liability No-fault Coverages
Limit: \$500,000 - Combined Single Limit				
 <u>Crime Policy</u>				
Hartford Insurance Co.	81BPEAK1415	04/01/02 04/01/03	6,700	Employees Blanket Bond
Limits:				
\$1,000,000	- Faithful Performance			\$10,000 Deductible - Employee Theft
100,000	- Forgery			\$1,000 Deductible - Depositors Forgery
100,000	- Theft, Disappearance, and Destruction			\$5,000 Deductible - Faithful Performance
				\$5,000 Deductible - Theft, Disappearance, and Destruction

COUNTY OF OTTAWA

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2002

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy</u> <u>Number</u>	<u>Term</u>	<u>Annual</u> <u>Premium</u>	<u>Details of Coverage</u>
<u>Municipal Excess Liability</u>				
Crum & Forster Specialty	921 000017 7	04/01/02 04/01/03	\$81,704	Excess General Liability \$1,000,000 Self-Insured Retention
Limits:				Public Officials
\$1,000,000 - Each Occurrence				Errors and Omissions
1,000,000 - Aggregate				Law Enforcement Liability
				Auto Liability
				Employee Benefits
				Occurrence Form Liability
				Exclusions: Pollution, Asbestos
 <u>Excess Liability</u>				
North River	9190000038	04/01/02 04/01/03	79,101	Excess Liability - First Layer Excess General Liability Public Officials
Limits:				Errors and Omissions
\$5,000,000 - Each Occurrence				Law Enforcement
5,000,000 - Aggregate				Auto Liability
				Excess Employers' Liability

COUNTY OF OTTAWA
SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2002

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy Number</u>	<u>Term</u>	<u>Annual Premium</u>	<u>Details of Coverage</u>
Interstate Indemnity	FFX6100014	04/01/02 04/01/03	\$59,340	Excess Liability - Second Layer Excess General Liability Professional Liability Public Officials Errors and Omissions Law Enforcement Automobile Liability Excess Employers' Liability
Limits:				
\$5,000,000 - Each Occurrence				
5,000,000 - Aggregate				

Professional Liability

American Empire Surplus Lines	2GL 7 14 42	04/01/02 04/01/03	97,500	Professional Liability - Health, Mental Health
Limits:				
\$1,000,000 - Each Claim				\$500 Deductible
1,000,000 - Aggregate			625	SL Tax Occurrence Form

Worker's Compensation

Employers Reinsurance	0003610	02/01/01 02/01/03	22,252	Estimated Annual Premium Deposited Specific Reinsurance Retention \$500,000
Limit: Worker's Compensation				
\$1,000,000 - Employers' Liability				

COUNTY OF OTTAWA
SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 2002

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy</u> <u>Number</u>	<u>Term</u>	<u>Annual</u> <u>Premium</u>	<u>Details of Coverage</u>
<u>Faithful Performance</u>				
<u>Scheduled Position Bond</u>				
Hartford Fire Insurance Limits: \$20,000 - Scheduled Position	81-SUN-260364	03/18/98 till canceled	\$70	Magistrate Bond District Court
Hartford Fire Insurance Limits: \$20,000 - Scheduled Position	81-SUN-260363	03/18/98 till canceled	70	Magistrate Bond District Court
Hartford Fire Insurance Limits: \$ 20,000 - Scheduled Position	81-SUN-270105	03/18/98 till canceled	70	Public Official Bond
Hartford Fire Insurance Limits: \$20,000 - Scheduled Position	81-BSB-AG1646	09/17/99 till canceled	100	Public Official Bond Magistrate Bond
<u>Group Health Insurance</u>				
Sun Life	748	11/02	201,921	Specific Stop Loss Reinsurance \$125,000 Specific Deductible

COUNTY OF OTTAWA

MISCELLANEOUS STATISTICAL DATA

DECEMBER 31, 2002

Date of Incorporation: December 29, 1837

Form of Government: The County's legislative body is a thirteen-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.

Location and Description: The County is located in the west-central part of Michigan's lower peninsula, having over 30 miles of Lake Michigan shoreline. The County is bordered by the City of Muskegon on its northwesterly boundary and the City of Grand Rapids on approximately half of its easterly boundary.

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.

Area: 565 square miles

Police Protection:

Number of Employees	184
Vehicular Patrol Units	128
Correctional Facility:	
Jail/Work Release	369

Education: Higher educational opportunities are available to County residents at: Grand Valley State University in Allendale; Aquinas College, Calvin College, Calvin Theological Seminary, Cornerstone University, Davenport College, Grace Bible College, Grand Rapids Community College, ITT Technical Institute, Kendall College of Art and Design, and Reformed Bible College in Grand Rapids; Career Line Tech Center, Hope College, and Western Theological Seminary in Holland; Baker College and Muskegon Community College in Muskegon.

**COUNTY OF OTTAWA
MISCELLANEOUS STATISTICAL DATA**

DECEMBER 31, 2002

CHARACTERISTICS

Industrial: The County's major industrial employers are located throughout the County with, major concentrations in the Grand Haven, Holland, and Zeeland areas, and produce a wide variety of products including furniture, processed foods, motors, metal, die castings, drugs, boats, automobile parts and accessories, lifesavers, foundry parts, printing equipment, leather tanning, plastic parts, bakery products, musical instruments, pneumatic tools and hydraulic presses.

Residential: According to the 2000 U.S. Census, there are 86,856 housing units in Ottawa County; of these, 81,662 or 94% are occupied. Residential development is concentrated around the incorporated cities, with the bulk of the County's population located in and around Holland, Grand Haven, and Georgetown Township. Occupancy statistics are as follows:

Owner-occupied	80.7%
Renter-occupied	19.3%

Equalized Value: \$8,556,637,343

<u>By Use:</u>		<u>By Class:</u>	
Residential	67.25%	Real property	92.71%
Commercial	14.25	Personal property	7.29
Industrial	11.92		
Agricultural	4.92		
Other	1.66		

Ten (10) largest employers in Ottawa County in terms of employment:

<u>Company</u>	<u>Business</u>	<u>Approximate Number Employees</u>
Johnson Controls (1)	Automotive Components	5,230
Herman Miller (1,2)	Office Furniture	4,607
Magna Donnelly (1)	Automotive Windows & Mirrors	2,147
Grand Valley State University	Higher Education	1,887
Haworth (1)	Office Furniture	1,886
Gentex Corporation	Automotive Mirrors	1,871
Meijer, Inc. (1)	Retail Stores	1,688
Holland Community Hospital	Health Care	1,523
County of Ottawa	Government	1,134
Shape Corp	Metal Extrusion	1,038

SOURCE: Ottawa County Economic Development Office, Inc.
 (1) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County
 (2) Includes all subsidiaries