



2016 ANNUAL CITIZEN'S REPORT

ANNUAL REPORT TO THE CITIZENS OF
CHEROKEE COUNTY FOR FISCAL YEAR 2016:
OCTOBER 1, 2015 – SEPTEMBER 30, 2016

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LETTER FROM THE CHAIRMAN

March 31, 2017

Ladies and Gentleman:

On behalf of the Cherokee County Board of Commissioners, I am pleased to present our first annual Citizen's Report for Fiscal Year 2016 (FY16). This report is a summary of how your tax dollars have been managed throughout the year. State law and local ordinances require that every general purpose local government publish a complete set of audited financial statements each fiscal year which is the Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on our [website](#).

As part of our commitment to be transparent for our citizens, the Popular Annual Financial Report (PAFR) has been published to summarize the County's financial activities. It provides an overview of our organizational structure, services offered to our citizens, and financial state. The information in this report is extracted from the County's CAFR. The PAFR was produced by Cherokee County to increase public understanding and assurance in County government through an informal, easy, and user-friendly financial report.

Regards,

Buzz

L.B. Ahrens, Jr.

Chairman, Cherokee County Board of Commissioners



From Left to Right: Steve West, Raymond Gunnin, Brian Poole, L.B. Ahrens, Jr., and K. Scott Gordon

BOARD OF COMMISSIONERS

Chairman: L.B. Ahrens, Jr.

Board of Commissioners

District 1: Steve West

District 2: Raymond Gunnin

District 3: Brian Poole

District 4: K. Scott Gordon

Term: 4 years

ABOUT CHEROKEE COUNTY



Cherokee County was formed in 1830 from lands previously held by the Cherokee Indians. The very name of the county honors the proud people who first settled here. We are perfectly located 30 miles north of Atlanta where "Metro Meets the Mountains". There are 5 main municipalities in Cherokee County: Canton, Woodstock, Ball Ground, Holly Springs, and Waleska.

2016 Population Estimate	240,100
2010-2015 Population % Change	10.1%
Education Attainment:	
• High School Graduate	89.4%
• Bachelor's degree or higher	34.7%
Median Family Income	\$68,926
2016 Unemployment Rate:	
• United States	4.7%
• Georgia	5.4%
• Cherokee County	4.0%
Square Miles of Area	421
2016 General Millage Rate	5.680



Cherokee County ranked in Top 10 counties to live in Georgia

2016 safest places to live in Georgia:

- #2 Holly Springs
- #11 Woodstock
- #21 Canton

OUR MISSION

OUR GOAL

To preserve the **beauty, unique character**, and **desirability** of the Community where we **live, work, and play**.

OUR PROMISE

Listen to you
Respect your Rights
Represent you with the highest standards of **ethics and integrity**.

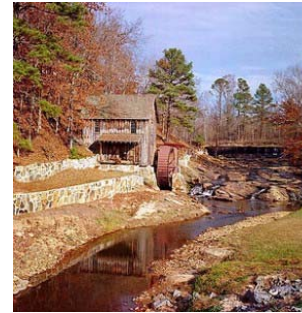
OUR COMMITMENT

Service Excellence & Continuous Improvement

Accelerate Infrastructure Improvements

State-of-the-art Public Safety facilities, training, and personnel

Fiscal Responsibility & Conservative planning to maintain lowest tax rates in ARC - Metro Atlanta.



THE 2016 HAPPENINGS



Inalfa Roof Systems, a Dutch company, announced plans to expand in Cherokee 75 Business Park. Cherokee will see a **capital investment of approximately \$20.7 million and almost 300 jobs created by 2019.**

The Outlet Shoppes at Atlanta in Woodstock opened four new stores; GAP, Banana Republic, Eddie Bauer and The Limited, **or 33,000 retail square feet and 115 jobs** for 2016.



Cherokee has 134 local properties listed on the state's Reel-Scout database. This film activity and unique character of our cities attracted tourism, making **Cherokee rank 11th in the State of Georgia for tourism expenditures.**



Universal Alloy Corporation was honored **as one of eight customers worldwide** for Airbus's BEST PERFORMER award and in April 2015 as Boeing's Supplier of the Year award



The Cherokee Regional Airport Authority expanded **5,000 linear feet to accommodate larger aircraft and jets** along with 17 acres to build seven additional hangers and a pad for a new maintenance hanger.

Northside Hospital-Cherokee construction continues NSH-Cherokee will be an **84-bed, not-for-profit, full-service community hospital** with almost **600 physicians** on its medical staff and more than **1,400 employees** opening in 2017.



CHEROKEE'S RECOGNITIONS



RECREATION & PARKS



Cherokee Recreation and Parks Agency was honored to receive several Georgia Recreation & Parks Association district and state awards in 2016.

Held 25 swim meets in 2016, which brings in out of town guests spending an average of \$126 overnight and \$59 for day trips. (GA Department of Economic Development 2013)

SHERIFF'S OFFICE

Re-Accreditation by CALEA



Re-certification for ARC
Green Communities

FIRE & EMS

Cherokee Fire received the **35 Year Award** supporting Georgia Firefighters Burn Foundation

Rotary Distinguished Leadership Award was awarded to Chief Eddie Robinson

National Level Explorer Leadership Award was awarded to Sgt. Michael Sims

Battalion Chief Danny West was elected **Chairperson of the Northwest Georgia EMS Council**

Battalion Chief Darrel Mitchell was elected **Vice President of the Northwest Georgia Fire Chief Association**

FINANCE

GFOA Certificate of Achievement for Excellence in Financial Reporting

AA+ Bond Rating



MARSHAL'S OFFICE

The Marshal's Office was awarded their initial **CALEA Accreditation** in 2016.



State Marshal Accreditation – only 2nd in GA to receive it and the 3rd in the nation.

E-911 was re-accredited by **CALEA** in 2014. The next accreditation will be in 2017.

WHAT YOUR GOVERNMENT DOES

Cherokee County is governed by the Commission Chairman and a four member Board of Commissioners. The commissioners are elected to staggered terms of four years and serves as the legislative and policymaking body of the County government. The commissioners enact ordinances, adopt County budgets, establish tax rates, appoint committees, and hire the County Manager and Attorney.

The County Manager works closely with the Board to assist them in developing policies and programs. Overseeing all county employees, the County manager is responsible for the efficient ongoing operations of the County government which includes directing and supervising staff, establishing and implementing long range plans for the County, developing and ensuring compliance with policy and procedures, overseeing and assessing County departments, developing and implementing budgets. The County Manager is also responsible for the administration of County and negotiates with chief administrative officers and/or elected officials.

Cherokee County ensures sufficient services are being provided to residents and businesses in order to maintain and grow its economy. There are approximately 240,000 citizens and 6,000 businesses in the County. Included in these services are traditional county functions such as public safety, code enforcement, judicial/court services, planning and zoning, business licenses, building permits, road maintenance, recreation and parks, senior services, animal shelter services, and bus transportation.

APPOINTED OFFICIALS

County Manager
County Clerk
County Attorney

Jerry W. Cooper
Christy Black
Angela Davis



Canton, GA



Waleska, GA



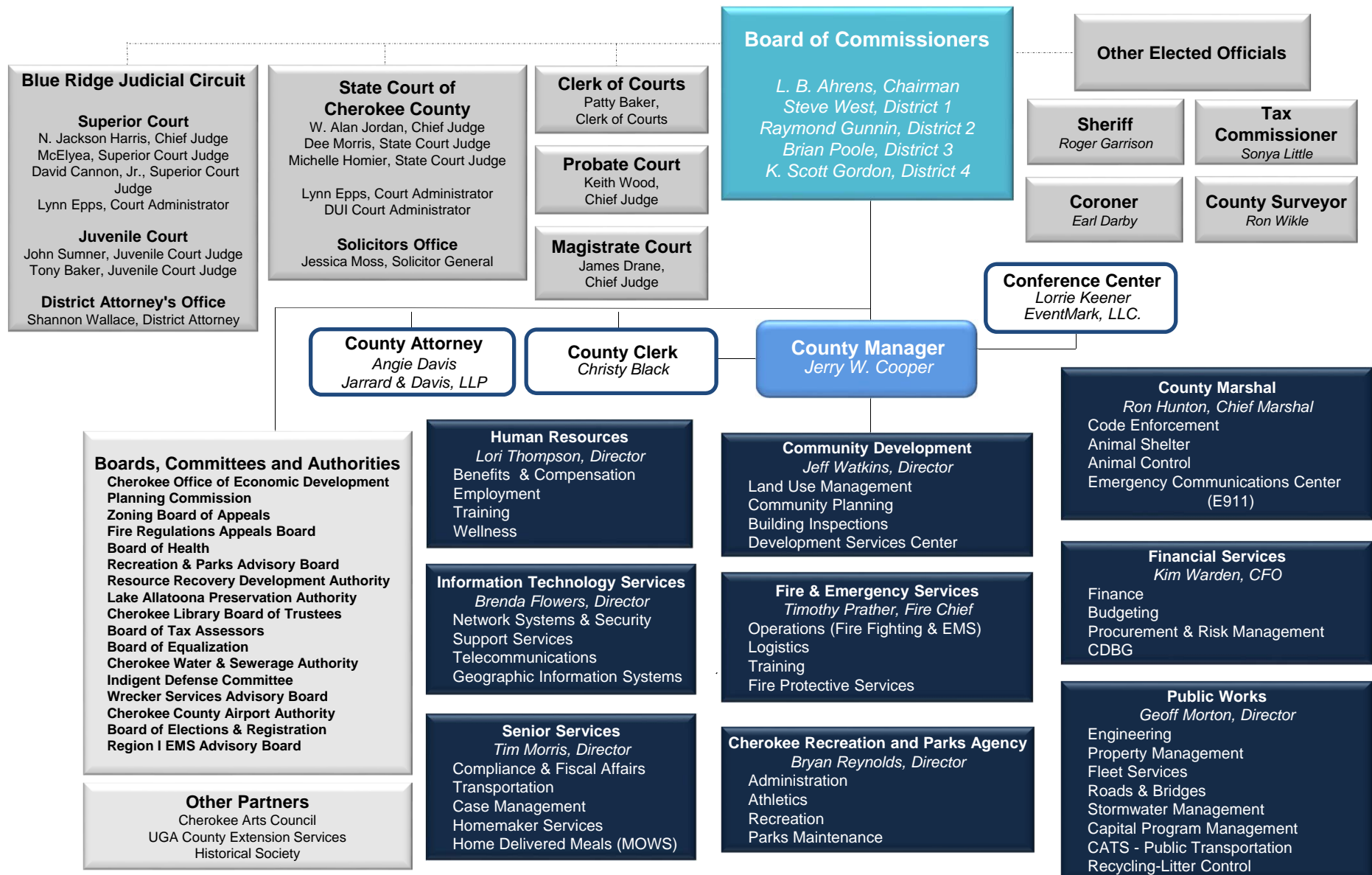
Etowah River

ELECTED OFFICIALS

Sheriff
Tax Commissioners
District Attorney
Chief Judge
Superior Court Judges
Superior Court Judges
Clerk of Superior Court
State Court Judge
State Court Judge
State Court Judge
Juvenile & Family Court Judge
Juvenile & Family Court Judge
State Court Solicitor
Magistrate Court Judge
Judge of Probate Court
Coroner
Surveyor

Roger Garrison
Sonya Little
Shannon Wallace
Jackson Harris
David Cannon, Jr.
Ellen McElyea
Patty Baker
Michelle Homier
Alan Jordan
Dee Morris
Anthony Baker
John B. Sumner
Jessica Moss
James Drane
Keith Wood
Earl Darby
Ron Wikle

ORGANIZATIONAL CHART



PUBLIC SAFETY

DID YOU KNOW?

Cherokee County Fire & Milton Fire signed an Automatic Aid Agreement which was instrumental in lowering the County's ISO Rating.

You can find County ordinances online at
www.municode.com.

Sworn Officers	355
Firefighters/EMTS/Paramedics	303
Total Fire Incidents	735
Residential Structure Fire	184
Commercial Structure Fire	48
Non-Structural Fire	503
Total Non-Fire Incidents	22,604
Total Rescue/Recovery Incidents	16,604
Code Enforcement Complaints	2,095
E-911 Call Volume	341,423
911 Lines	104,790
Administrative Lines	155,714
Alarm Lines	20,574

AVERAGE RESPONSE TIME

00:04:56

Law Enforcement

00:06:12

Fire & Emergency
Services



PUBLIC WORKS



The County maintains
1,200 miles of paved
roadways. In 2016, our
Public Works crews
resurfaced **29** miles.

These numbers of miles are approximate totals.

70 Bridges/Culverts

56 Traffic Signals

600 County Vehicles



CATS Transportation

28,275 riders
on the Fixed Route System

Demand Response Service

49,600 riders



2 County Recycling Locations

133 tons of roadside litter was
collected on **1,065** miles of roadway.

DID YOU KNOW?

Upcoming Projects in 2017

- E. Cherokee Drive @ Holly Springs Parkway intersection improvement.
- E. Cherokee Drive @ Gaddis Road intersection improvement/roundabout.
- Trickum Road @ Jamerson Road intersection improvement.
- Hickory Road @ Stringer Road intersection improvement/traffic signal.
- Batesville Road @ Lower Birmingham Road intersection improvement.

100 County facilities are maintained by
Property Maintenance with a total square
footage of **+/- 1 Million**

Stormwater inspected **8,680**
structures and pipes.

The County maintained and repaired
547 structures, **35,042** feet of pipes.

Erosion Control inspected **2,746** sites for
development/construction.

RECREATION & PARKS



Average Homeowner paid \$7.07 operate and maintain County parks last year. This number varies every year.

• Total Park Acres	2,443
• Total Park Acres per 1,000 Residents	10.17
• Tournaments hosted in a County Park	42
• Oasis Pool Visits	60,239
• Aquatic Center Visits	240,000+
• Operating Expense per Acre	\$1,836
• Cost Recovered through Fees & Charges	54%

DID YOU KNOW?

Cherokee Recreation & Parks Agency received six awards in 2016.

- GRPA 5th District Class A Agency of the Year
- GRPA State Volunteer of the Year - Amy Turcotte
- GRPA State Outstanding Online Media - www.crpa.net
- GRPA State Outstanding Special Event - Paws in the Pool
- GRPA 5th District Innovative Program - Senior Adventure Camp
- GRPA State Outstanding Aquatic Program - SPLASH

CAPITAL PROJECTS COMPLETED

Recently Completed

- Artificial Turf Field at Hobgood Park
- New Restrooms at Sequoyah Park

Currently Under Construction

Patriots Park Cherokee Veterans Park Phase II



COMMUNITY DEVELOPMENT

INDUSTRY GROWTH / INVESTMENT

ALMOST
\$214,400,000
IN INVESTMENT

On average, Cherokee County has seen over 34% of growth and investment.

New jobs generated by existing industry **OVER 1800**

OVER 1275

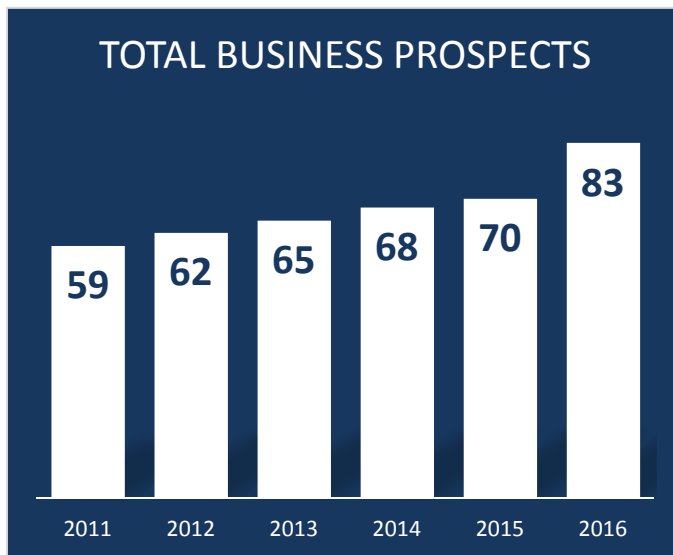
New jobs generated from new project announcements/locations.

296 plans were submitted for site plan approval.

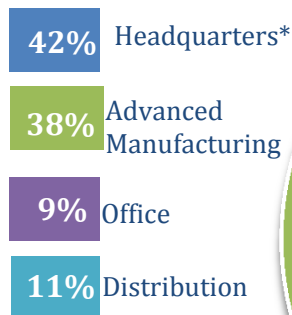
From 2015, that was an increase of

20%

TOTAL BUSINESS PROSPECTS



12.1%
increase
from 2015
in number
of Business
Licenses.

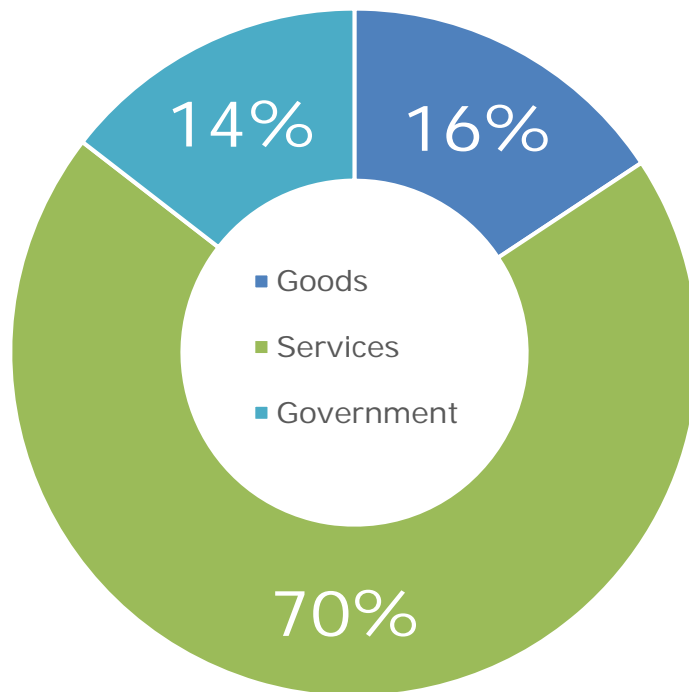


*Sectors can overlap as Headquarters could also be counted as Advanced Manufacturing, Office, or Distribution.

INDUSTRY MIX

The industry mix was relatively unchanged between 2014 and 2015. Between 2000-2015, Cherokee's population grew 66.2% which created significant construction opportunities.

Note: At printing of this report the 2016 County Industry Mix had not been published so 2015 is being used instead. We anticipate only minor changes when it is published.



GOODS

Agriculture, Forestry, Fishing	0.2%
Construction	7.5%
Manufacturing	8.0%

SERVICES

Utilities	0.1%
Wholesale Trade	3.7%
Retail Trade	17.3%
Transportation/ Warehousing	1.7%
Information	1.1%
Finance & Insurance	3.0%
Real Estate, Rental & Leasing	1.3%
Professional, Scientific, Technical	4.9%
Administrative, Support, Waste Management	5.7%
Educational Services	1.5%
Health & Social Assistance	10.7%
Arts, Entertainment	2.3%
Accommodation & Food Service	12.7%
Other Services	3.9%

GOVERNMENT

Federal Government	0.6%
State Government	0.7%
Local Government	13.2%

CHEROKEE'S OPERATING FUNDS

FUND BALANCE GROWING

GENERAL FUND

The General Fund is the general operating fund of the County and supports the regular day-to-day operations. Fund balance has grown to 36.0% of 2016 expenditures or \$27.7 million which is over the prerecession 2007 cash balance levels estimated to total \$13 million.

UNINCORPORATED SERVICES FUND

The Unincorporated County Services Fund includes insurance premium taxes and development fees for the benefit of providing services primarily to the unincorporated areas of the County. During 2016 this fund was closed and the activity moved and included in the General Fund. The 2015 fund balance of \$10,797,876 is now included in the fund balance of the General Fund.

FIRE DISTRICT FUND

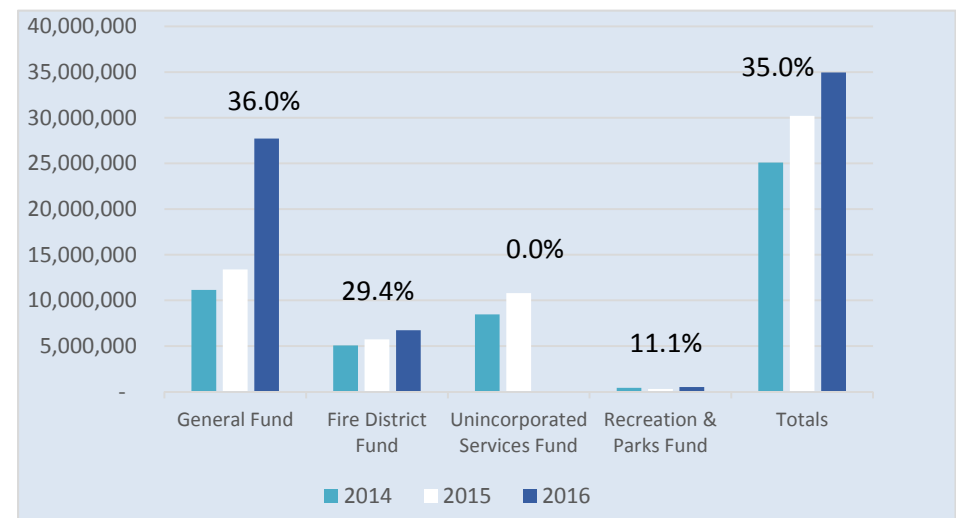
The Fire District Fund is another major operating fund which is primarily supported by property taxes for the operations of the fire department. At fiscal year-end 2016, the total fund balance totaled 29.4% of expenditures, driven primarily by the Department's tight control over expenditures and increased revenue.

RECREATION & PARKS FUND

The Recreation & Parks Fund is supported by users fees and alcohol excise taxes used for supporting parks and recreation operations and maintenance. Fund balance represented 11.1% of 2016 expenditures.

Total Represents
35.0% of Expenditures on
 the four major funds

FY2016 BALANCES



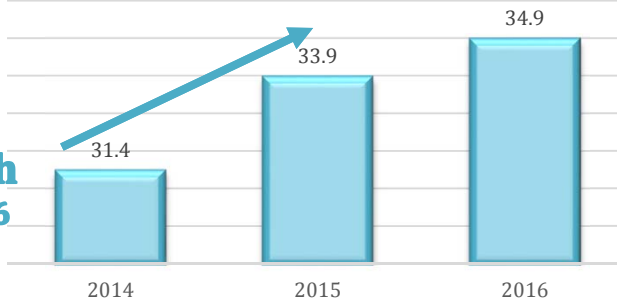
CHEROKEE'S 6-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP)

\$185 million SPLOST and \$90 million Parks & Recreation CIP

SPLOST 2012 FUND (SALES TAX)

The SPLOST 2012 Fund was established to account for collections of the renewed SPLOST Tax beginning in July 2012. Capital project spending is dependent on the progress of construction which is influenced by project management, weather, approvals, etc. As the fund collects sales tax revenue each month, if it is not spent in the current year, the balance will accumulate and carryforward, so the projects will be completed in future years.

10.9
Annual Growth
From 2014 to 2016
Projection of 2.9%
for 2017

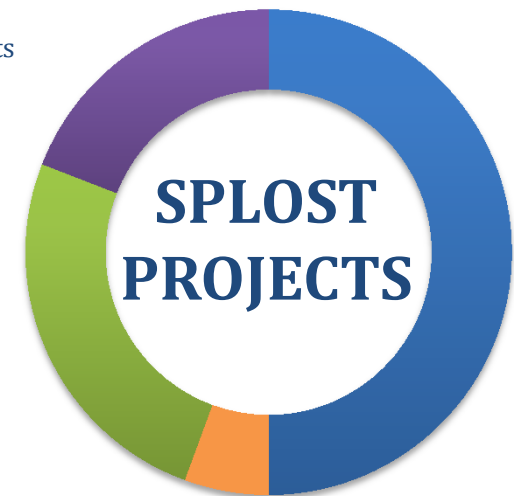


50.0% Transportation Projects

5.6% General Projects

25.3% Municipal Projects

19.1% Public Safety Projects



RECREATION BOND FUND

The Recreation Bond Fund accounts for the voter approved bond proceeds used to invest in recreation, parks, and greenspace. The Recreation Bond Fund is restricted only to the approved projects included in the 2008 referendum.



Cherokee Recreation & Parks Agency
"Quality People Delivering Quality Services For Your Quality of Life"



4,200 Park Land Acreage

From 2008, the County has increased
park land acreage by **180%**

CHEROKEE'S 4 MAJOR FUNDS

An appropriated budget is adopted annually by Cherokee County.

GENERAL FUND

The General Fund is the general operating fund of the County and supports the regular day-to-day operations. It is used to account for all revenues and expenditures of the County, except those required to be accounted for in another fund.

SPLOST 2012 FUND (SALES TAX)

The SPLOST 2012 Fund was established to account for collections of the renewed SPLOST Tax beginning in July 2012. Capital project spending is dependent on the progress of construction which is influenced by project management, weather, approvals, etc. As the fund collects sales tax revenue each month, if it is not spent in the current year, the balance will accumulate and carryforward, so the projects will be completed in future years.

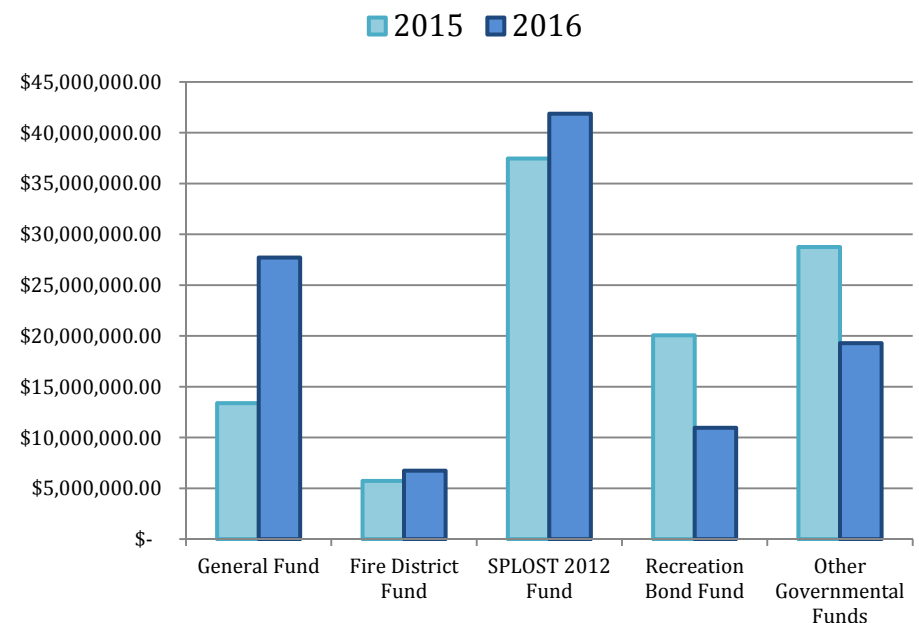
FIRE DISTRICT FUND

The Fire District Fund is another major fund of the County which is primarily supported by property taxes for the operations of the fire department within the County. At the year-end, the total fund balance was higher than 2015 balance driven primarily by the Department's tight control over expenditures.

RECREATION BOND FUND

The Recreation Bond Fund accounts for the voter approved bond proceeds used to invest in recreation, parks, and greenspace. The Recreation Bond Fund is restricted only to the approved projects included in the 2008 referendum.

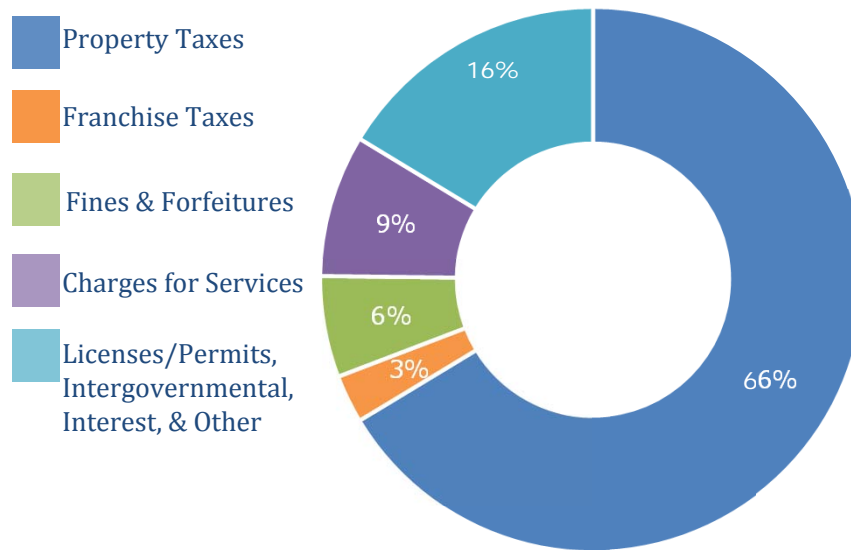
FUND BALANCES



GENERAL FUND

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.

WHERE OUR MONEY COMES FROM



After the County collects taxes and other revenue, the monies must be spent efficiently to provide services to our citizens and businesses. The expenditures of the General Fund are classified by the type of service provided:

General Government

Judicial Services

Public Safety

Public Works

Health & Welfare

Culture & Recreation

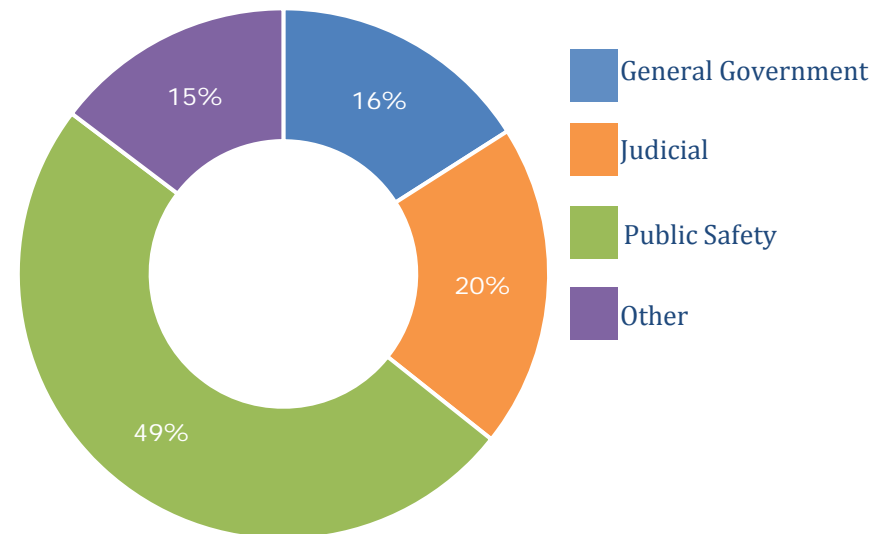
Housing & Development

Capital Outlay

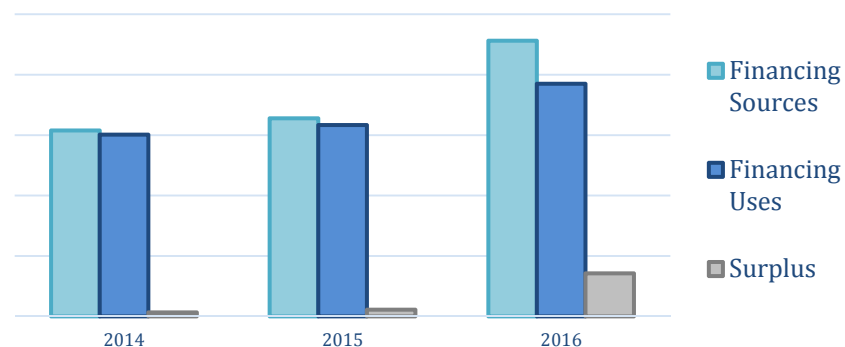
Intergovernmental

Debt Service

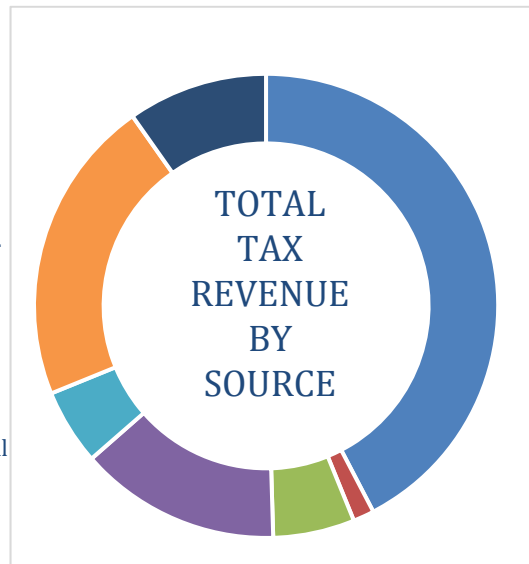
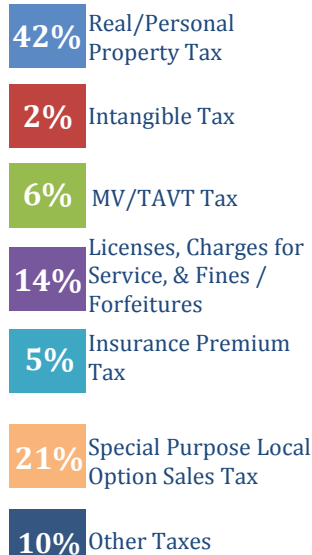
WHERE YOUR MONEY GOES



REVENUE VS. EXPENSES



MAJOR TAXES ASSESSED BY THE COUNTY



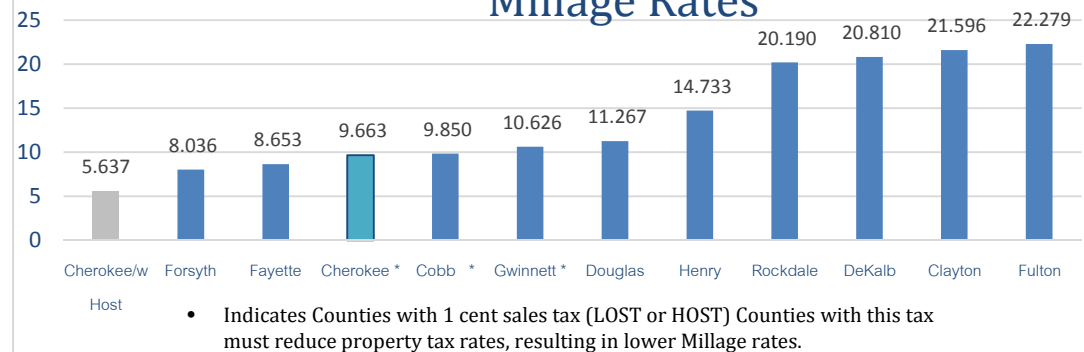
AD VALOREM TAX / TAVT

The new TAVT (Title Ad Valorem Tax) fee was implemented in 2013 and generated new revenue for the County's General Fund, but this fee eliminated sales tax on vehicle sales.

SALES TAX

SPLOST taxes peaked in 2007 but decreased until 2010 because of the economic downturn. In 2015, the revenue began to increase and 2016 taxes exceeded the 2007 totals. The County estimated \$2.0M in sales taxes was lost due to the new TAVT fee, but this variance has been recovered by the new Outlet Shoppes of Atlanta, Cabela's, and a general increase in all retail sales. Sales tax revenues increased 3% over 2015.

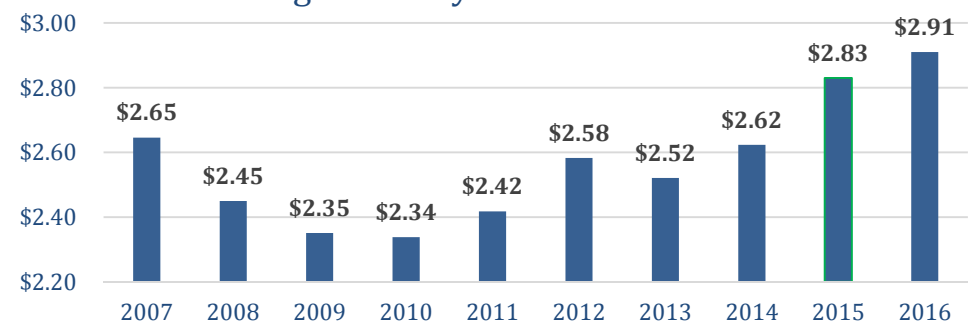
Millage Rates



PROPERTY TAX

Property taxes are recognized as revenues in the fiscal year for which they are collected. Property taxes collected in September are for the next fiscal year beginning October 1. The 2016 Tax Digest increased 6.63% with 3.56% new growth. In July 2016, the County did not complete a full rollback of millage rates in order to grant 2% salary increase to all employees. This increase was to improve recruitment and retention. Cherokee County has the third lowest combined millage rate in the metro-Atlanta area.

Average Monthly SPLOST Collections



WHERE DOES YOUR PROPERTY TAX DOLLAR GO?



\$0.67

Cherokee County
School District

\$0.19

Cherokee County

\$0.12

Cherokee County Fire
& Emergency Services

\$0.02

Cherokee County Parks



**Median value of a home in FY2016
was \$229,300***

- Increased from \$212,300 in FY2015 -

County	\$492.57
Fire	\$309.46
Parks Bond	\$ 55.86

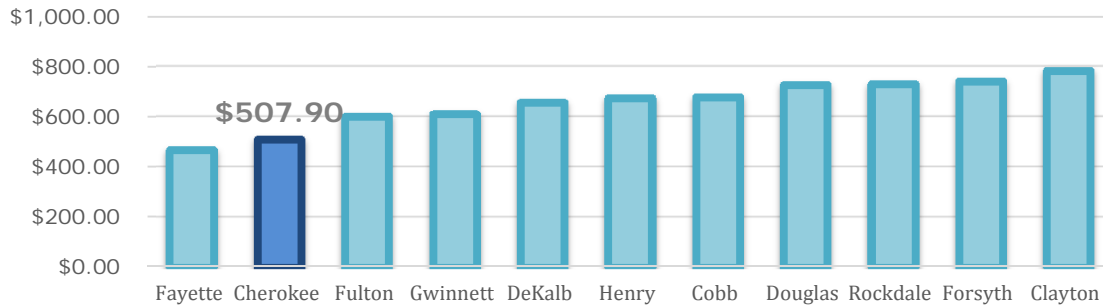
Year Total \$887.89

The average taxpayer
paid **\$2.26** per day
which is less than the price
of **1** large cup of freshly
brewed **coffee**.

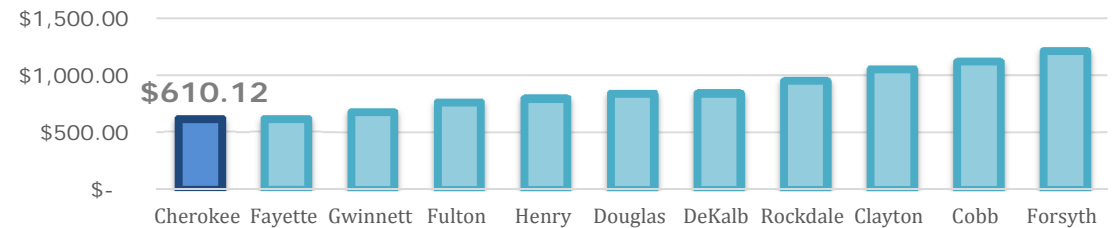
*Source: Cherokee County Tax Assessor

COMPARISONS PER CAPITA

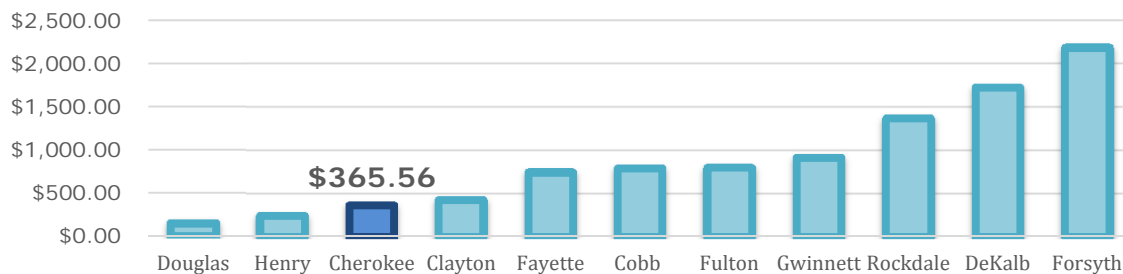
TAXES PER CAPITA



EXPENDITURES PER CAPITA



LONG TERM DEBT PER CAPITA



Source: Per Capita information is based on 2015 CAFR for all counties listed, as not all 2016 CAFR's were available.

FINANCIAL REVIEW OF FISCAL YEAR

Governmental Funds (e.g. General Fund, E-911 Fund, etc.)

Figures presented in millions. Totals subject to rounding

	FY 2014	FY 2015	FY 2016
Revenues:			
Property Taxes	70.5	\$76.5	\$81.1
Insurance Premium Taxes	7.6	8.2	8.7
Sales and Use Taxes	31.7	34.0	35.2
Other Taxes (Alcohol, Franchise, Other)	3.1	3.3	3.5
Licenses and Permits	2.1	2.6	3.0
Intergovernmental	4.3	4.7	7.6
Fines and Forfeitures	6.4	6.4	6.3
Charges for Services	16.6	17.3	19.6
Investment Earnings	0.1	0.2	0.4
Contributions and Donations	0.5	0.5	0.5
Other Revenues	1.9	5.9	2.0
Total Revenues:	\$144.8	\$159.4	\$167.9
Expenditures:			
General Government	\$9.7	\$10.2	\$11.8
Judicial	13.7	14.9	16.2
Public Safety	56.3	60.6	66.0
Public Works	10.4	8.3	9.5
Health and Welfare	2.9	2.8	3.1
Culture and Recreation	6.9	6.7	7.0
Housing And Development	4.3	7.5	6.5
Capital Outlay	15.7	13.6	28.1
Intergovernmental	8.0	14.1	9.8
Debt Service	6.7	7.8	8.7
Total Expenditures:	\$134.6	\$146.5	\$166.7
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$10.2</u>	<u>\$12.9</u>	<u>\$1.2</u>
Other Financing Sources (Uses)	<u>\$22.7</u>	<u>-\$1.6</u>	<u>-\$0.4</u>
Net Changes in Fund Balances	<u>\$32.9</u>	<u>\$11.28</u>	<u>\$0.8</u>
Beginning Fund Balances	\$61.1	\$93.9	\$105.8
Prior Period Restatement		\$0.4	
Ending Fund Balances	\$93.9	\$105.4	\$106.6

The Financial Review section is designed to provide details on the financial health and stability of Cherokee County. Included within this section are discussions of major revenue sources and major expenditure categories, analysis of fund balances, analysis of net position and significant financial trends. Information contained within this section is intended to provide the reader with an increased level of understanding of how available resources are utilized to provide services to the Citizens of Cherokee County.

During fiscal year 2016, the county's governmental funds reported a combined ending fund balance of \$106.6 million, which indicates an increase of \$1.2 million from the prior year. The increase in fund balance is attributed to the transfer of \$1.25 million we received from the City of Canton when an agreement was signed combining the City's fire department with the County.

The county's proprietary funds reported a combined ending net position of \$4.0 million which is a \$1.0 million increase from prior years. The EMS and Conference Center grew \$1.2 million while the internal service funds for fleet and healthcare lost \$0.2 million, due to the rising cost of healthcare.

Proprietary Funds (EMS, Conference Center with Internal Service Funds)

Figures presented in millions. Totals subject to rounding

	FY 2014	FY 2015	FY 2016
Operating Revenues:			
Charges for Services	\$18.2	\$16.5	\$20.9
Miscellaneous Revenue	1.1	2.3	2.0
Total Operating Revenues:	\$19.3	\$18.8	\$22.9
Operating Expenses:			
Personal Services	\$4.4	\$5.0	\$6.1
Contractual Services	2.1	2.4	2.5
Claims Paid	10.0	12.7	14.6
Supplies	1.2	1.3	1.3
Bad Debt	3.3	0.0	0.0
Depreciation	0.2	0.2	0.3
Total Operating Expenditures:	\$21.3	\$21.5	\$24.8
Operating Income (Loss)	-\$2.1	-\$2.8	-\$1.9
Non-Operating Revenues			
Gain (Loss) on disposal of capital asset	\$0.0	\$0.0	\$1.6
Contributions	0.0	0.7	0.0
Total Non-Operating Revenues	\$0.1	\$0.7	\$1.6
Capital Contributions	0.9	0.0	0.0
Transfers-in	0.0	2.0	1.3
Changes in Net Position	-\$1.1	-\$0.1	\$1.0
Beginning Net Position as restated	\$6.6	\$3.1	\$3.0
GASB Adjustments*	\$2.4		
Ending Net Position	\$3.1	\$3.0	\$4.0

*Implementation of GASB Statement No. 68 and No. 71 significantly changed the County's accounting for pension liability and in turn caused the additional funds to be applied to the Defined Benefits Plan in FY 2016.

Sources: Cherokee County Comprehensive Financial Report for the respective Fiscal Year Statement of Revenues, Expenditures & in Changes in Fund Balances (Governmental Funds)

Sources: Cherokee County Comprehensive Financial Report for the respective Fiscal Year Statement of Revenues, Expenditures & in Changes in Net Position (Proprietary Funds)

REVENUES AND EXPENDITURES

Revenues

For fiscal year ending September 30, 2016, the county's revenues for all Governmental Funds totaled \$167.9 million. Revenues within governmental funds increased \$8.4 million. There were several factors contributing to this net variance:

- Revenue from Property Taxes increased \$4.6 million. The county did not complete a full rollback of millage rates in 2015 which along with 6.14% growth, increased property tax revenue. The main reason the county did not complete a full rollback is because employees were granted a 2% salary increase effective October 1, 2015.
- Sales taxes increased \$1.2 million in 2016. With the implementation of the new TAVT tax in 2013, vehicle sales no longer generate sales tax, causing a drain on our sales tax dollars. However, sales tax had been steadily increasing due to the addition of the Outlet Shoppes of Atlanta, located in Woodstock, and Cabela's.
- Intergovernmental revenue increased \$2.8 million in 2016. The largest portion of this increase, \$1,250,000 was given to the County when an agreement was signed giving the City of Canton Fire Department to the County. Other major contributors to this increase were \$.6 million increase in CDBG (Community Development Block Grant) revenue and a \$.3 million increase in Georgia Department of Revenue grants for road construction.
- Charges for Services revenue increased \$2.3million in 2016. This increase was over all areas but the main drivers were Landfill use and Host Fees increased \$.9 million and Impact Fee revenue increased \$.6 million.

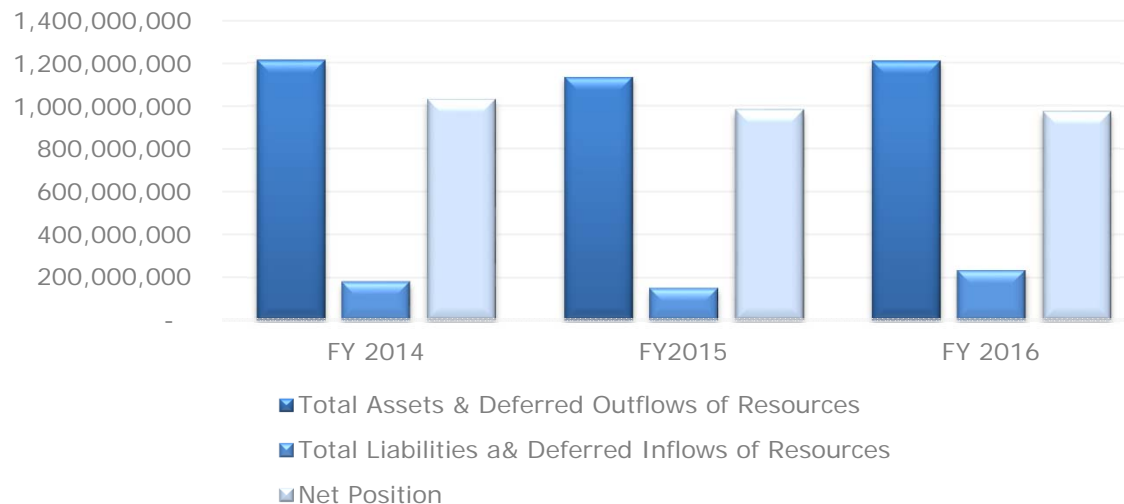
Expenditures

For fiscal year ending September 30, 2016, the county's governmental funds totaled \$166.7 million. Expenditures within Government Funds increased \$20.1 million between 2015 and 2016. Major expenditure variances include the following:

- All County employees received a 2% increase effective October 1, 2015, including benefits totaling \$1.65 million. After an actuarial study the County paid a total of \$1.29 million to comply with the latest GASB 67/68 requirements. The County employee health insurance is self-insured. The County paid \$2.25 million to the self-insurance fund to cover a shortfall.
- Capital Outlay increased \$14.5 million. SPLOST spending was the largest contributor to this increase. SPLOST spent \$9.7million as projects began to move from design phase to construction phase. The voter approved Park Bond projects construction increased \$4.6 million.
- Public Works expenditures increased \$1.3million. Public Works was given \$200,000 to bring employee salaries more in line with the market labor rates. The other increases were due to project timing.

STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2016

	FY 2014	FY 2015	FY 2016
Total Assets	\$1,214,095,138	\$1,132,508,247	\$1,197,655,283
Deferred Outflows of Resources	-	2,770,701	12,403,307
Total Liabilities	(120,732,593)	(152,471,228)	(163,674,763)
Deferred Inflows of Resources	(61,597,125)	(160,523)	(71,816,178)
Net Position	\$1,031,765,420	\$982,647,197	\$974,567,649



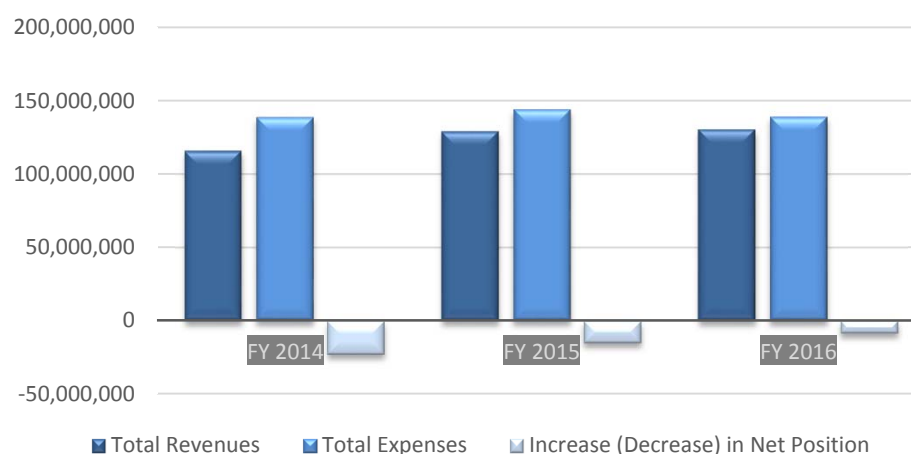
The Statement of Net Position is designed to provide readers with a broad overview of Cherokee County's governmental and business-type activities, in a manner similar to a private sector business. This statement presents the difference between the County's Assets and Deferred Outflows of Resources from Liabilities and Deferred Inflows of Resources as Net Position.

The County's assets and deferred outflows recognized an increase during the year ending September 30, 2016 by \$75 million. This increase can be attributed to the increase in Property Taxes Receivable. The County's liabilities and deferred inflows increased by \$83 million primarily attributed to the timing of the County's billing of the tax digest. There was no unearned revenues in 2015 since the digest was billed subsequent to September 30, 2015 and the next property tax billing was also in FY 2016 in September. So there were two property tax billings in 2016.

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

STATEMENT OF ACTIVITIES

	FY 2014	FY 2015	FY 2016
Total Revenues	\$115,803,963	\$129,097,962	\$130,584,233
Total Expenses	(138,808,056)	(144,200,594)	(139,059,721)
Increase (Decrease) in Net Postion	(\$23,004,093)	(\$15,102,632)	(\$8,475,488)
Net Position, Beginning of Year	\$1,054,769,513	\$997,749,829	\$983,043,136
Ending Position, Pre GASB Adjustment	1,031,765,420	982,647,197	974,567,648
GASB Adjustments*/Fire Inventory Adj	(34,015,591)	395,939	-
Net Postion, End of Year	\$997,749,829	\$983,043,136	\$974,567,648

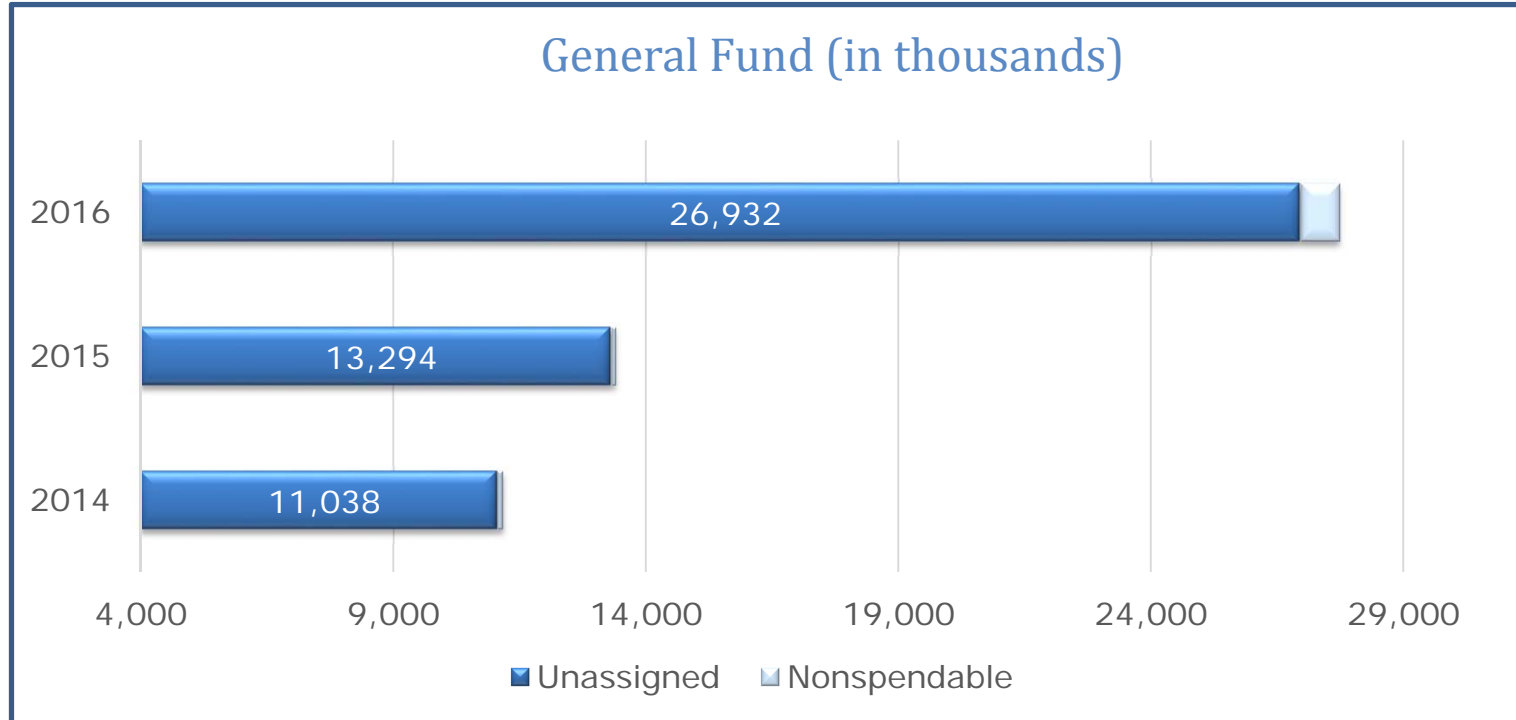


The Statement of Activities provides information on the County's governmental and business-type revenues and expenditures and reports the difference in net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Please note that a very large portion of the County's net position is capital assets net of related debt, which reflects the fact that the County has invested heavily in itself over the history of the organization.

*Implementation of GASB Statement No. 68 and No.71 significantly changed the County's accounting for pension liability and in turn caused the September 30, 2015, beginning Net Position to be restated. Implementation of GASB Statement No. 70 *Accounting for Nonexchange Financial Guarantees* caused the September 30, 2014 beginning Net Position to be restated.

FUND BALANCE OF THE GENERAL FUND

A key measure of Cherokee County's overall financial health is the fund balance. For fiscal year ending September 30, 2016, the county's Fund Balance for the General Fund totaled approximately \$26,932,247 or 35.0% of the expenditures for the General Fund. By resolution of policies, the county agreed to hold a minimum of 8% of budgeted expenditures to cover unforeseen emergencies and / or revenue shortages.



97.2% of the County's General Fund Balance at September 30, 2016 is available for spending.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENT PROJECTS UNDER CONSTRUCTION COMPLETED DURING FISCAL YEAR 2016

Public Safety Projects

Sheriff Live Scan Booking System
Construction of Sheriff Fire Arms Complex
Sheriff Court Service building Improvements
25 Sheriff vehicles
Mobile Breathing Air Unit
28 Thermal Imaging Cameras
1 Command Fire Vehicle
4 Hydraulic Rescue Tools/Equipment
6 Portable Radios for Fire
Purchased land for new Bells Ferry Fire Station
13 Styker stretchers for EMS
5 Ambulances for EMS
Generator for E-911
1 E-911 Vehicle
Station 1 Bells Ferry Fire Station construction began
Station 2 - Ball Ground Fire Station construction
Station 3 - Holly Springs Fire Station construction



Public Works

Signal - East Cherokee@Union Hill
29 Miles of Roads Resurfaced
Purchased land for PW Building
East Cherokee @ Dean Rusk
East Cherokee@ Old Hwy 5
East Cherokee@So. Holly Springs
East Cherokee@ Lower Union Hill
Ford F-150 (7)
Ford Escape (6)
JD Tractor/Alamo Mower
Carolina Trailer
Ford F-250

Parks and Parks Improvements

Completed:

New Restrooms at Sequoyah Park
Artificial Turf Field at Hobgood Park

Under Construction:

Patriots Park
Cherokee Veterans Park Phase I

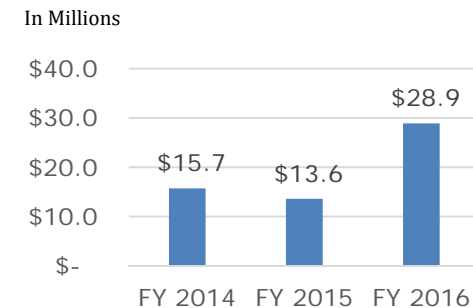
Upcoming:

Woodstock Multi-Purpose Trails Phase III

Other Projects

E-911 Back up Center
New Animal Shelter
Animal Control Vehicle
Courthouse Expansion
Senior Center Improvements

The chart to the right displays a 3 year history of the County's expenditures for capital assets and infrastructure. The amount spent in 2016 was \$28.9M. This is more than twice what was spent in Fiscal Year 2015. SPLOST spending was triple that of 2015. Many projects were in the design phase in 2015 and in 2016 began construction. The voter's approved \$90M to be spent on parks purchase and expansion in 2008. The 2016 parks project construction was double that of 2015. Most of the parks have been completed. We now have only a handful of Parks still under construction.



Source: Cherokee County, Comprehensive Annual Financial Report for the respective Fiscal Year, Statement of Revenues, Expenditures & Changes in Fund Balance (Governmental Funds).

DEFINITION OF KEY TERMS

Appropriations	An authorization granted by the Cherokee County Board of Commissioners to spend revenue for purposes specified in the appropriation act.
Assessed Valuation	The Cherokee County Board of Assessors determines the fair market value of all real and personal property in Cherokee County for property tax purposes. The Board then applies a statutory 40% to the fair market value to generate the assessed valuation on which property taxes are levied.
Bonds	A certificate of debt issued by the County government guaranteeing payment of the original investment plus interest by a specified future date.
Budget	A plan of financial operation using an estimate of proposed expenditures for a given period of time (a fiscal year) and an estimate of proposed revenue to finance the expenditures.
Capital Assets	Assets of a long-term character (beyond the current year) that are intended to continue to be held or used, such as land, buildings, vehicles, machinery, furniture, and other equipment.
Deferred Outflow of Resources	A consumption of net assets by the government that is applicable to a future reporting period. An example of a deferred outflow is a grant paid in advance of meeting the timing requirement.
Deferred Inflow of Resources	An acquisition of net assets by the government that is applicable to a future reporting period. An example of a deferred inflow of resources are taxes received in advance of the period for which they are levied.
Expenditures	Government purchases which can be financed by revenue and / or government borrowing, ie. bonds, tax anticipation notes, etc.
Fund	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.
Fund Balance	<p>Fund equity for governmental funds which reflects the accumulated excess of revenues and other financing sources over expenditures and other financing uses. Fund Balance can be further segmented as follows:</p> <ul style="list-style-type: none"> • Nonspendable – Represents fund balance not available to be spent or legally / contractually required to be maintained intact (e.g. prepaids and inventory). • Assigned – Represents fund balance utilized in subsequent periods for pay-as-you-go capital projects and one-time, non-recurring expenditures. • Committed – Represents fund balances that have been committed for future one-time capital investment or county initiatives. • Unassigned – Represents fund balances that are available for any purpose. However, the County Commissioners adopted policies that the county have on hand at least 8% of the General Fund expenditures to cover the cost of unforeseen emergencies, cover shortfalls by revenue declines, etc.

DEFINITION OF KEY TERMS

Governmental Fund	These funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used: current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities is referred to as “Fund Balance”. The primary measurement focus is “flow of current financial resources”. In other words, are there more or less resources that can be spent in the near future as a result of transactions of the period. Increases in spending are reported in the operating statement as revenues or other financing sources, and decreases are reported as expenditures or other financing uses. The General Fund is the county’s primary governmental fund.
Liabilities	<p>Future spending of revenue as a result of past transactions and other past events. Liabilities are reported on a balance sheet and are divided into two categories:</p> <ul style="list-style-type: none"> • Current liabilities: These liabilities are reasonably expected to be liquidated within a year. Usually include payables such as wages, taxes, accounts payable, unearned revenue, portions of long-term bonds to be paid this year, short-term obligations, and others. • Long-term liabilities: These liabilities are reasonably expected not to be liquidated within a year. Usually include long-term bonds, notes payable, leases, pension obligations, and long-term product warranties. In these liabilities, the county has to pay after a fixed period of time, usually longer than a year.
Millage Rate	The amount of property tax stated in term of a unit of the tax base. For example, each mill generates \$1.00 of tax for every \$1,000 of assessed valuation on real and personal property.
Net Position	Total assets minus total liabilities of either the county as a whole or for a specific fund (e.g. EMS and Conference Center).
Proprietary Fund	These funds are used to account for a government’s on-going activities which are similar to those often found in the private sector. The primary measurement focus is the economic condition of the fund as a result of the events and transactions of the period. Events and transactions that improve the economic position are reported as revenues or gains in the operating statement. Those events and transactions that diminish the economic position are reported as expenses or losses. The difference between fund assets and liabilities is referred to as “Net Position”.
Revenue	Financial resources other than from interfund transfers and debt issue proceeds. Cherokee County receive Revenue through property taxes, Sales and other taxes, licenses and permits, grants, fines and forfeitures, charges for services, administration fees, intergovernmental, investment income and miscellaneous sources.

CONTACT INFORMATION

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Animal Care & Control 1015 Univeter Road Canton, GA 30115 Susan Garcia, Director 770-345-7270	Elections 400 East Main Street Canton, GA 30114 Kim Stancil, Director 770-479-0407 x 227	Human Resources 1130 Bluffs Parkway Canton, GA 30114 Lori Thompson, Director 678-493-6000	Probate Court 90 North St Canton, GA 30114 Keith Wood, Probate Judge 678-493-6160	Superior Court 90 North St Canton, GA 30114 Jackson Harris, Chief Judge 678-493-6260
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Clerk of Court 90 North St Canton, GA 30114 Patty Baker, Clerk of Court 678-493-6160	Finance 1130 Bluffs Parkway Canton, GA 30114 Kim Warden, CFO 678-493-6025	Magistrate Court 90 North St Canton, GA 30114 James Drane, Chief Judge 678-493-6431	Senior Services 1001 Univeter Road Canton, GA 30115 Tim Morris, Director 770-479-7438	Tax Commissioner 2780 Marietta Highway Canton, GA 30114 Sonya Little, Tax Commissioner 678-493-6400
County Manager 1130 Bluffs Parkway Canton, GA 30114 Jerry Cooper, County Manager 678-493-6008	Fire Department 150 Chattin Drive Canton, GA 30115 Tim Prather, Chief 678-493-4031	Marshal’s Office 2782 Marietta Highway Canton, GA 30114 Ron Hunton, Chief Marshal 678-493-6200	Sheriff’s Office 498 Chattin Drive Canton, GA 30115 Roger Garrison, Sheriff 678-493-4100	Information Technology 1130 Bluffs Parkway Canton, GA 30114 Brenda Flowers, Director 678-493-6000
Development Authority One Innovation Way Woodstock, GA 30188 770-345-0600	Fleet Services 421 Chattin Drive Canton, GA 30115 Mike Dupois, Director 770-345-0200	Parks & Recreation 7545 Main St, Bldg 200 Woodstock, GA 30188 Bryan Reynolds, Director 770-924-7768	State Court 90 North St Canton, GA 30114 W. Allan Jordan, Chief State Judge 678-493-6160	Transportation 884 Univeter Road Canton, GA 30115 Terry Hinton, Director 770-345-6238



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