



2017 ANNUAL CITIZEN'S REPORT

ANNUAL REPORT TO THE CITIZENS OF
CHEROKEE COUNTY FOR FISCAL YEAR 2017:
OCTOBER 1, 2016 – SEPTEMBER 30, 2017

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LETTER FROM THE CHAIRMAN

March 31, 2018

Citizens of Cherokee County, Georgia:

On behalf of the Cherokee County Board of Commissioners, I am pleased to present our annual Citizen's Report for Fiscal Year 2017 (FY17). This report is a summary of how your tax dollars and other revenues 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 www.cherokeega.com.

As part of our commitment to be transparent for our citizens, the Popular Annual Financial Report (PAFR) is 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 is prepared by Cherokee County to increase public understanding and confidence 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: Scott Gordon, Raymond Gunnin, Bob Kovacs, L.B. Ahrens, Jr., and Steve West

BOARD OF COMMISSIONERS

Chairman: L.B. Ahrens, Jr.

Board of Commissioners

District 1: Steve West

District 2: Raymond Gunnin

District 3: Bob Kovacs

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.

2017 Population Estimate	243,136
2010-2016 Population % Change	12.8%
Education Attainment:	
• High School Graduate	89.8%
• Bachelor's degree or higher	35.5%
Median Family Income	\$69,809
2017 Unemployment Rate:	
• United States	4.1%
• Georgia	4.3%
• Cherokee County	3.4%
Square Miles of Area	434
2017 General Millage Rate	5.483



Cherokee County ranked in Top 10 counties to live in Georgia

2017 safest places to live in Georgia:

- #15 Canton
- #17 Holly Springs
- #19 Woodstock

2nd lowest crime rate in 20 counties in Atlanta area. Second only to Forsyth County.

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 2017 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 400 jobs created by 2019.**

Yanmar EVO//Center, a multi-purpose showroom and training center, opened in 2017. **A \$23M capital investment, 50,000 square feet and 25 careers.**



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 opened a new facility in Ballground. The company 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.



Cherokee County Office of Economic Development received the **(Georgia Deal of the Year 2017' for Addias "Speedfactory."**

Addias opened its first robot-driven "Speedfactory" in the U.S. in Cherokee County. **A 74,000 square foot State of the Art Facility will be create 160 careers.**



Northside Hospital-Cherokee opened in 2017. It is an **84-bed, not-for-profit, full-service community hospital** with almost **600 physicians** on its medical staff and more than **1,400 employees.**



CHEROKEE'S RECOGNITIONS



RECREATION & PARKS



Cherokee Recreation and Parks Agency was honored to receive several Georgia Recreation & Parks Association district and state awards in 2017.

Held 47 softball and baseball tournaments in 2017

SHERIFF'S OFFICE

In 2017 the Sheriff's Office was awarded the CALEA Advanced Meritorious Accreditation with Excellence. They have been accredited since 1996.



Awards

Rotary Distinguished Leadership Award was awarded to Lt. Phillip Shrout.
2017 Smoke Diver recipients – Geordan Ganka; Justin Gilleand
2017 FLAMES recipient – Grace Robertson; Geordan Ganka; David Jones III

Fire Training Center - (1) first in-house Paramedic Training Course graduated 29 Paramedics. (2) Graduated 23 new firefighters/EMTs. - County signed Articulation Agreement with Chattahoochee Tech College for paramedic students to receive credit toward a degree program.

Shane West was appointed New Division Chief of Field Operations

Cherokee Fire and Emergency Services began process to pursue Accreditation with the Center for Public Safety Excellence.

FIRE & EMS

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

FINANCE

GFOA Certificate of Achievement for Excellence in Financial Reporting
GFOA Distinguished Budget Presentation Award

AA+ Bond Rating

GFOA Award for Outstanding Achievement in Popular Annual Financing Report.

MARSHAL'S OFFICE

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

State Certification – Marshal received State Certification 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 243,136 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	Jerry W. Cooper
County Clerk	Christy Black
County Attorney	Angela Davis



Canton, GA



Waleska, GA

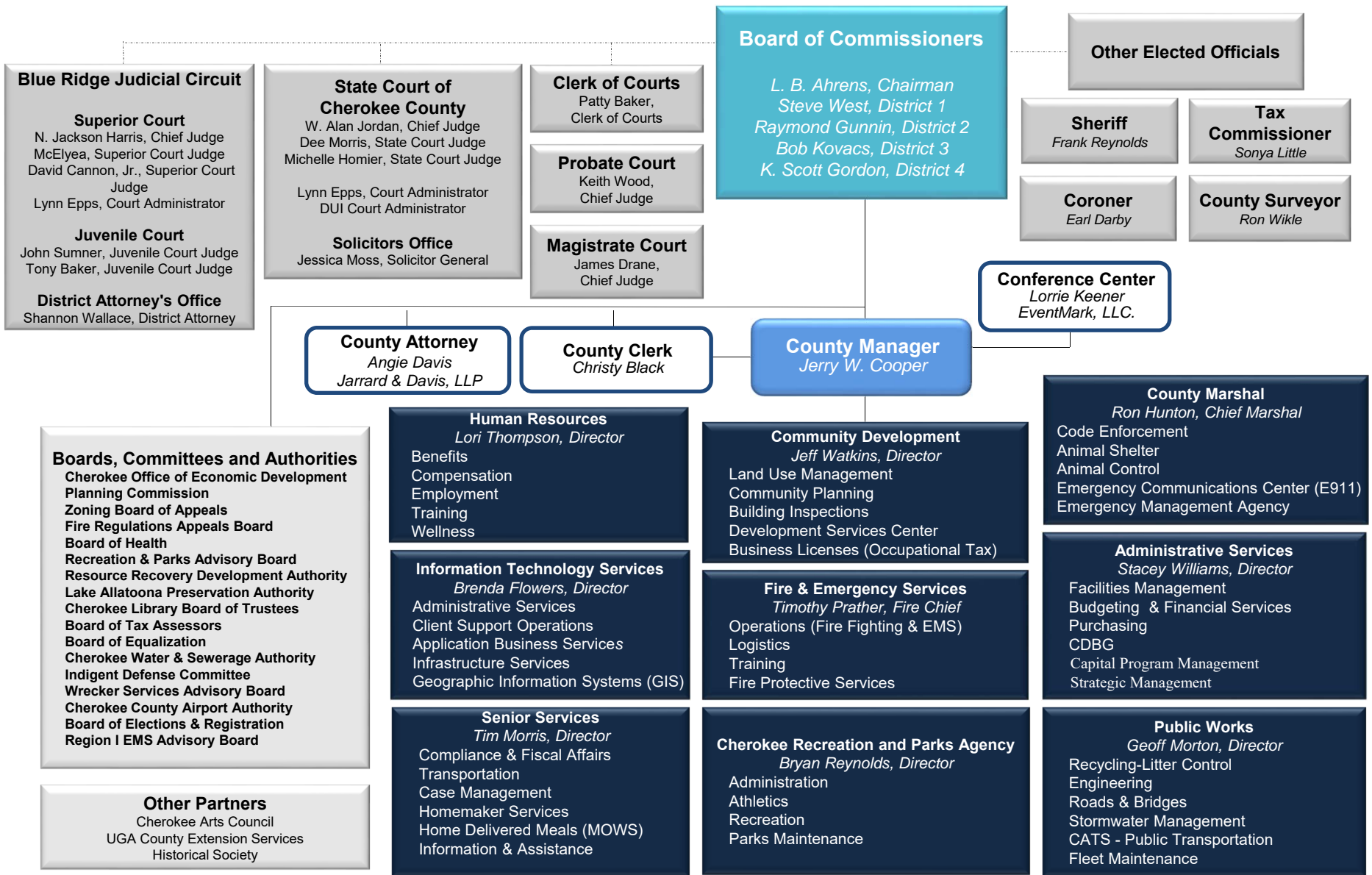


Etowah River

ELECTED OFFICIALS

Sheriff	Frank Reynolds
Tax Commissioners	Sonya Little
District Attorney	Shannon Wallace
Chief Judge	Jackson Harris
Superior Court Judges	David Cannon, Jr.
Superior Court Judges	Ellen McElyea
Clerk of Superior Court	Patty Baker
State Court Judge	Michelle Homier
State Court Judge	Alan Jordan
State Court Judge	Dee Morris
Juvenile & Family Court Judge	Anthony Baker
Juvenile & Family Court Judge	John B. Sumner
State Court Solicitor	Jessica Moss
Magistrate Court Judge	James Drane
Judge of Probate Court	Keith Wood
Coroner	Earl Darby
Surveyor	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.

AVERAGE RESPONSE TIME

00:04:56
Law Enforcement

00:06:02
Fire & Emergency Services

Sworn Officers	364
Firefighters/EMTS/Paramedics	349
Total Fire Incidents	624
Residential Structure Fire	100
Commercial Structure Fire	18
Non-Structural Fire	384
Total Non-Fire Incidents	25,643
Total Rescue/Recovery Incidents	18,882
Code Enforcement Complaints	3,673
Animal Control Complaints	4,426
E-911 Call Volume	332,693
911 Lines	103,182
Administrative Lines	152,011
Alarm Lines	19,934



PUBLIC WORKS



The County maintains **1,210** miles of paved roadways. In 2017, our Public Works crews resurfaced **32** miles.

These numbers of miles are approximate totals.

- 70** Bridges/Culverts
- 56** Traffic Signals
- 945** County Vehicles

CATS Transportation

21,700 riders
on the Fixed Route System

Demand Response Service

47,800 riders

2 County Recycling Locations

139 tons of roadside litter was collected on **1,115** miles of roadway.

DID YOU KNOW?

Upcoming Projects in 2018

- Bells Ferry Road @ Ridge Road intersection improvement.
- SR 140 @ Lower Burriss Road/Puckett Creek Road intersection improvement and traffic signal.
- East Cherokee Drive @ Tripp Road intersection improvement.
- Little Road improvement project.
- Earney Road improvement project.
- Batesville Road @ Lower Birmingham Road intersection improvement.

County residents recycled **294** tons of glass

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

Stormwater

Inspected **8,966** structures and pipes.

Maintained and repaired

326 structures, **26,890** feet of pipes.

Development Inspectors inspected

5,568 sites for development/construction.

RECREATION & PARKS



Average Homeowner paid \$7.07 operate and maintain County parks last year.

- Over 3.4 Million Visits to County Parks
- Total Park Acres 2,443
- Total Park Acres per 1,000 Residents 10.05
- Tournaments hosted in a County Park 47
- Aquatic Center Visits 222,564
- Operating Expense per Acre \$2,036
- Cost Recovered through Fees & Charges 52%

DID YOU KNOW?

CAPITAL PROJECTS COMPLETED

Recently Completed

- Patriot's Park
- Cherokee Veterans Park Phase I

Currently Under Construction

- Cherokee Veterans Park Phase II

Cherokee Recreation & Parks Agency received two awards in 2017.

- GRPA 5th Innovative Program
 - Strut Your Mutt
 - State Marketing & Visibility Award – Single Event Publication



COMMUNITY DEVELOPMENT

INDUSTRY GROWTH / INVESTMENT

ALMOST
\$178,000,000
IN INVESTMENT

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

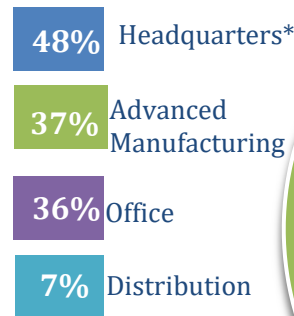
New jobs generated by existing industry **OVER 1200**

OVER 1600 New jobs generated from new project announcements/locations.

232 plans were submitted for site plan approval.



6628
Business Licenses issued
752
New Business Licenses

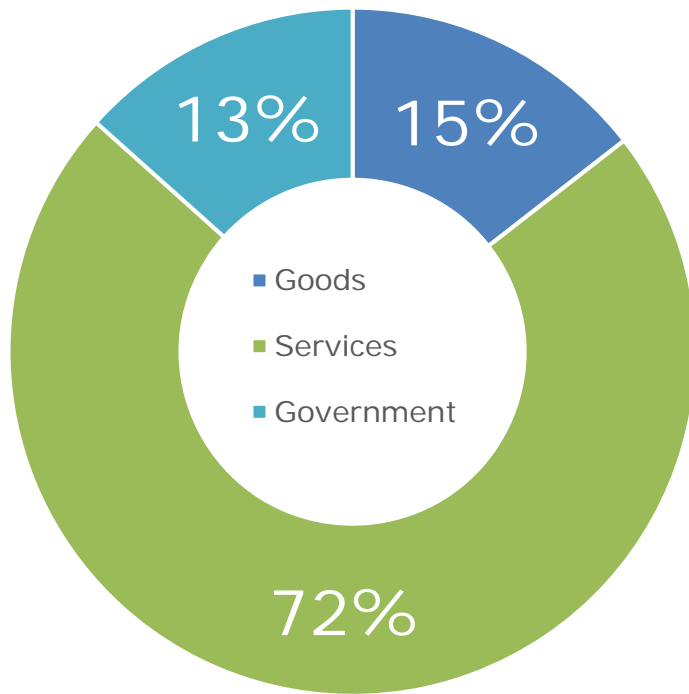


*Sectors can overlap as Headquarters could also be counted as Advanced Manufacturing, Office, or Distribution.

INDUSTRY MIX

The industry mix was relatively unchanged between 2014, 2015, and 2016. Between 2000-2016, Cherokee’s population grew 69.2% which created significant construction opportunities.

Note: At printing of this report the 2017 County Industry Mix had not been published so 2016 is being used instead. We anticipate only minor changes when it is published.



GOODS	
Agriculture, Forestry, Fishing	0.2%
Construction	7.6%
Manufacturing	8.0%

SERVICES	
Utilities	0.1%
Wholesale Trade	3.6%
Retail Trade	17.6%
Transportation/ Warehousing	1.7%
Information	1.0%
Finance & Insurance	2.7%
Real Estate, Rental & Leasing	1.2%
Professional, Scientific, Technical	4.8%
Administrative, Support, Waste Management	5.3%
Educational Services	1.6%
Health & Social Assistance	10.9%
Arts, Entertainment	2.1%
Accommodation & Food Service	12.7%
Other Services	3.3%

GOVERNMENT	
Federal Government	0.5%
State Government	0.7%
Local Government	13.5%

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 35.6% of 2017 expenditures or \$29.7 million which is more than double the prerecession 2007 cash balance levels estimated to total \$13 million.

FIRE DISTRICT FUND

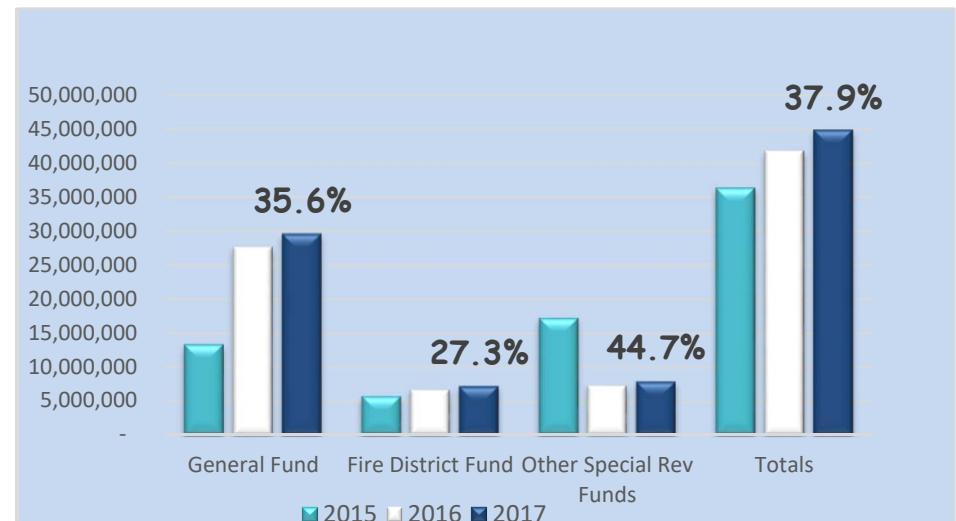
The Fire District Fund is another major operating fund which is primarily supported by property taxes for the operations of the fire department. At fiscal year-end 2017, the total fund balance totaled 27.3% of expenditures, driven primarily by the Department's tight control over expenditures and increased revenue.

OTHER SPECIAL REVENUE FUNDS

This category is a combination of all other special revenue fund. This does not include any construction or debt funds. These are the other funds that are needed in running the County. They include the E911 Fund, Hotel/Motel Tax Fund, Community Development Block Grant (CDBG) Fund, Parks and Recreation Fund, Animal Services Fund, and many other funds related to the Judicial and Public Safety sections of the County. At year-end 2017 the total fund balance of these Fund was 44.7% of expenditures.

Total Represents
37.9% of Expenditures on
 the 2 major operating
 funds and special
 revenue funds

FY2017 BALANCES



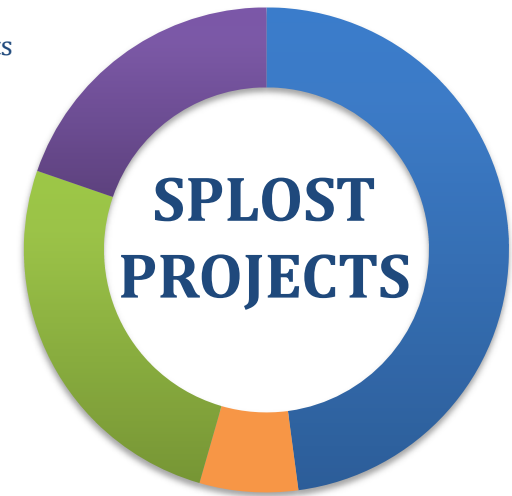
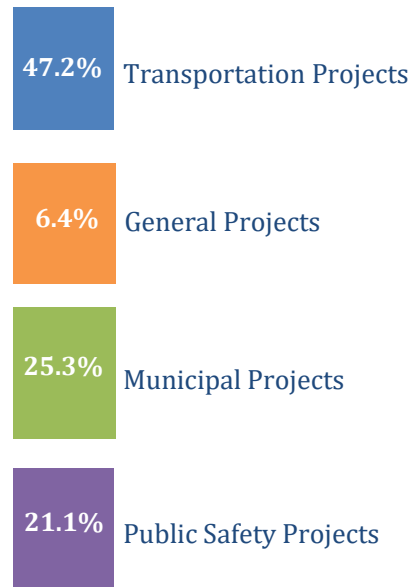
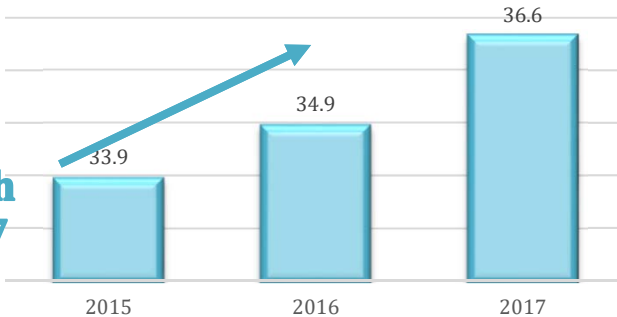
CHEROKEE'S 6-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP)

\$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.

15.2
Annual Growth
From 2014 to 2017
 Projection of 2.9%
 for 2018



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.

4,200 Park Land Acreage
 From 2008, the County has increased
 park land acreage by **180%**



CHEROKEE'S 3 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.

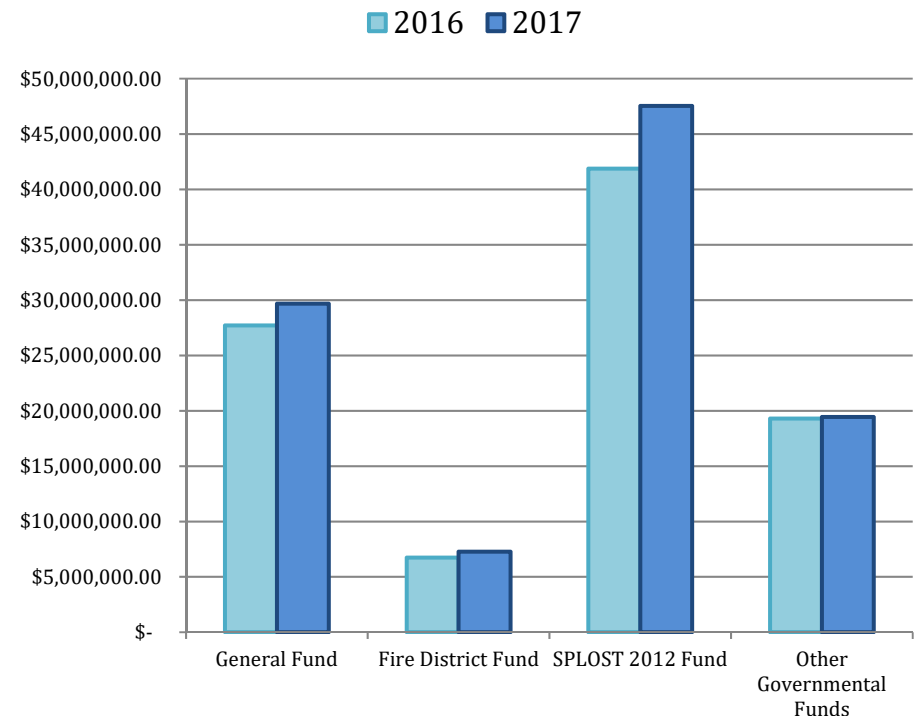
SPLOST 2012 FUND (SALES TAX)

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FIRE DISTRICT FUND

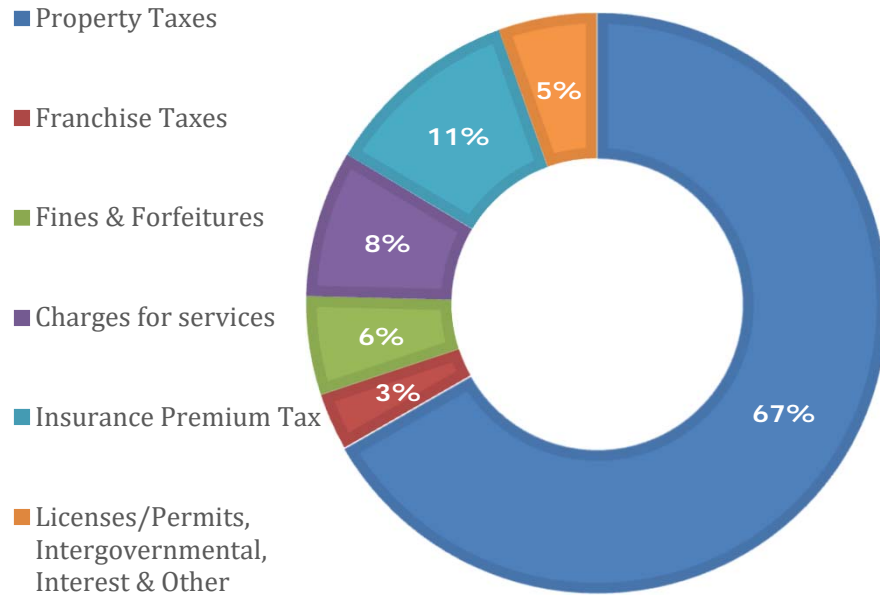
The Fire District Fund is another major fund of the County which is primarily supported by property taxes for the operations of the fire department within the County. At the year-end, the total fund balance was higher than 2016 balance driven primarily by the Department's tight control over expenditures.

FUND BALANCES



GENERAL FUND

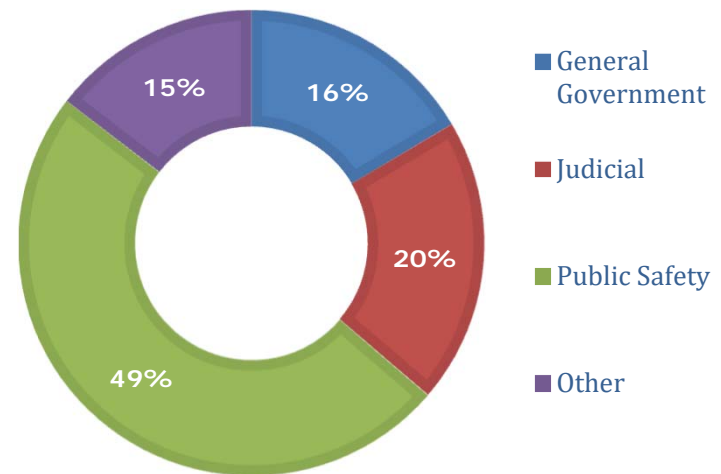
The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.



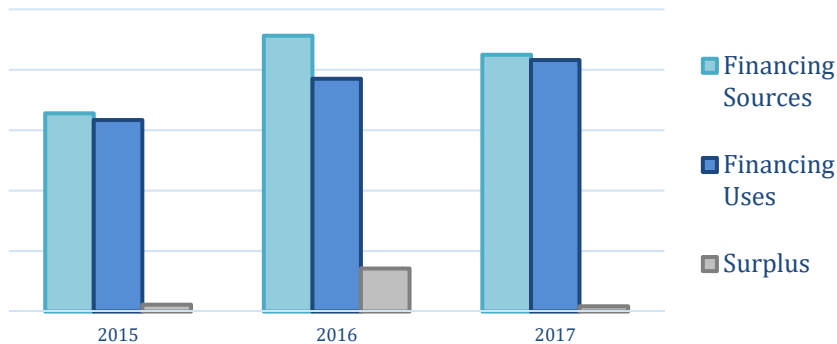
After the County collects taxes and other revenue, the monies must be spent efficiently to provide services to our citizens and businesses. The expenditures of the General Fund are classified by the type of service provided:

- | | |
|-----------------------------|----------------------------------|
| General Government | Culture & Recreation |
| Judicial Services | Housing & Development |
| Public Safety | Capital Outlay |
| Public Works | Intergovernmental |
| Health & Welfare | Debt Service |

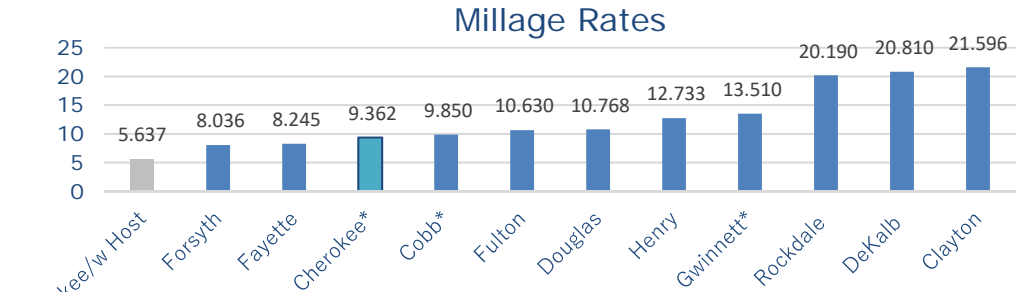
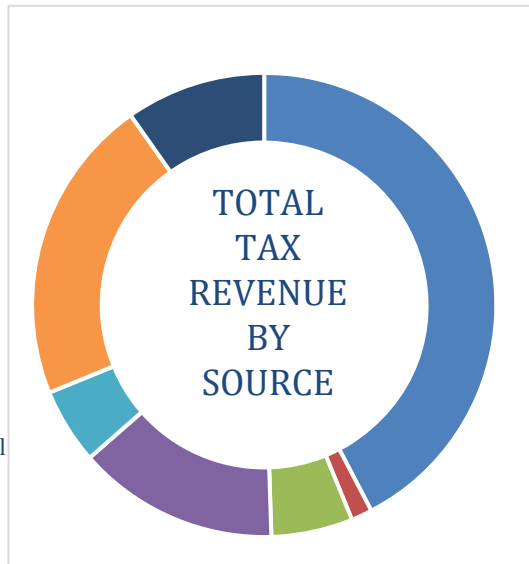
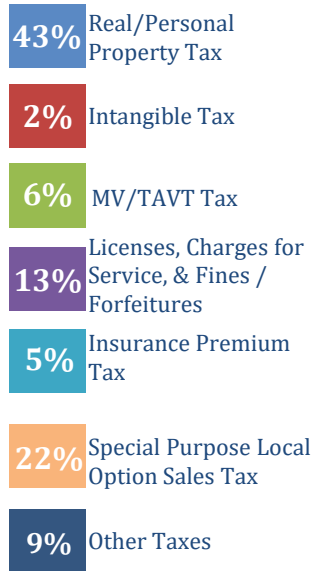
WHERE YOUR MONEY GOES



REVENUE VS. EXPENSES



MAJOR TAXES ASSESSED BY THE COUNTY



* Indicates Counties without 1 cent sales tax (LOST or HOST) Counties with this tax must reduce property tax rates, resulting in lower Millage rates.

PROPERTY TAX

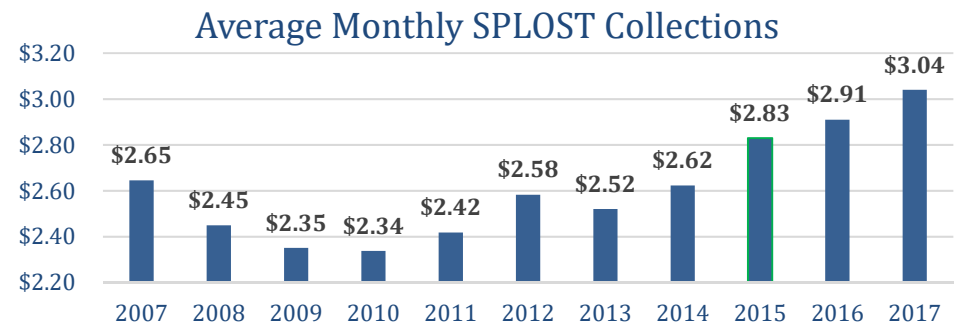
Property taxes are recognized as revenues in the fiscal year for which they are collected. Property taxes collected in September are for the next fiscal year beginning October 1. The 2017 Tax Digest increased 8.43% with 4.71% new growth. In July 2017, the County did complete a full rollback of millage rates with an additional .1%. Cherokee County has the third lowest combined millage rate in the metro-Atlanta area.

AD VALOREM TAX / TAVT

The 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. The revenue began to increase and 2015 taxes exceeded the 2007 totals. The total is now increasing each year. The amount collected in 2017 was almost 15% greater than the 2007 total.



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 FY2017 was \$248,100*

- Increased from \$229,300 in FY2016 -

County	\$516.72
Fire	\$327.29
Parks Bond	\$ 57.66

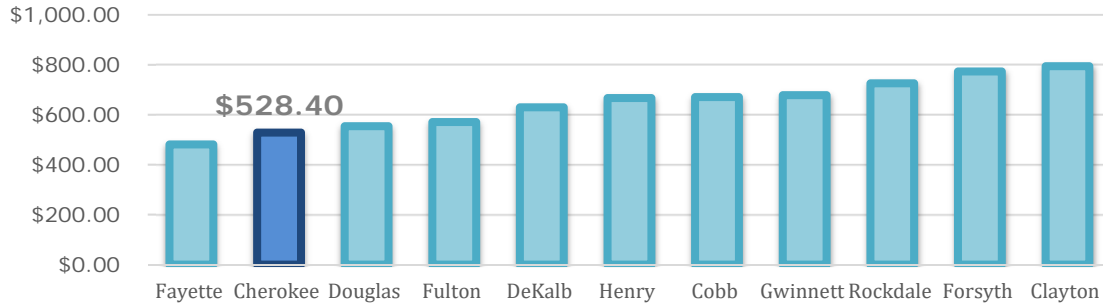
Year Total \$901.68

The average taxpayer paid **\$2.47** per day which is less than the price of **1** large cup of freshly brewed **coffee**.

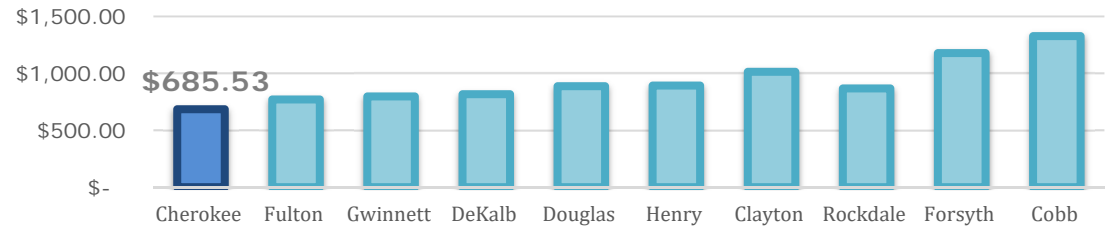
*Source: Cherokee County Tax Assessor

COMPARISONS PER CAPITA

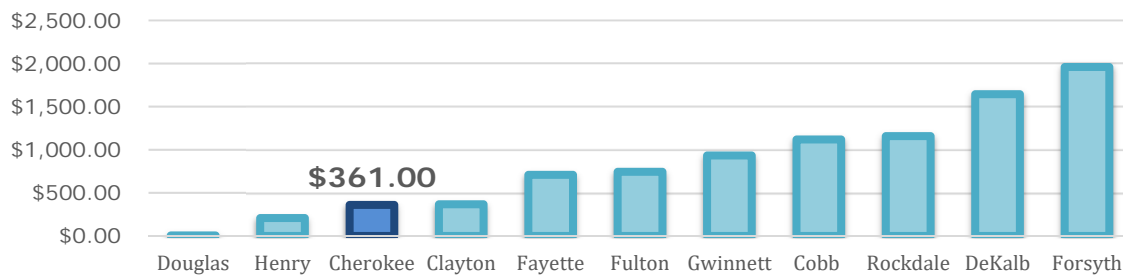
TAXES PER CAPITA



EXPENDITURES PER CAPITA



LONG TERM DEBT PER CAPITA



Source: Per Capita information is based on 2016 CAFR for all counties listed, as not all 2017 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 2015	FY 2016	FY 2017
Revenues:			
Property Taxes	\$76.5	\$81.1	\$85.4
Insurance Premium Taxes	8.2	8.7	9.3
Sales and Use Taxes	34.0	35.2	36.6
Other Taxes (Alcohol, Franchise, Other)	3.3	3.5	4.0
Licenses and Permits	2.6	3.0	3.3
Intergovernmental	4.7	7.6	9.5
Fines and Forfeitures	6.4	6.3	6.6
Charges for Services	17.3	19.6	18.0
Investment Earnings	0.2	0.4	0.9
Contributions and Donations	0.5	0.5	0.3
Other Revenues	5.9	2.0	1.6
Total Revenues:	\$159.4	\$167.9	\$175.6
Expenditures:			
General Government	\$10.2	\$11.8	\$12.4
Judicial	14.9	16.2	16.7
Public Safety	60.6	66.0	70.3
Public Works	8.3	9.5	9.3
Health and Welfare	2.8	3.1	3.1
Culture and Recreation	6.7	7.0	8.4
Housing And Development	7.5	6.5	4.3
Capital Outlay	13.6	28.1	31.2
Intergovernmental	14.1	9.8	10.3
Debt Service	7.8	8.7	11.4
Total Expenditures:	\$146.5	\$166.7	\$177.4
Excess (deficiency) of Revenues over (under) Expenditures	\$12.9	\$1.2	\$1.8
Other Financing Sources (Uses)	-\$1.6	-\$0.4	-\$0.9
Net Changes in Fund Balances	\$11.28	\$0.8	-\$0.27
Beginning Fund Balances	\$93.9	\$105.8	\$106.6
Prior Period Restatement	\$0.4		
Ending Fund Balances	\$105.4	\$106.6	\$103.9

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 2017, the county's governmental funds reported a combined ending fund balance of \$103.9 million, which indicates a decrease of \$2.7 million from the prior year. This decrease in fund balance is attributed to the depletion of the Parks Bond Fund as the Parks and Greenspace projects are reaching completion.

The County's proprietary funds reported a combined ending net position of \$4.1 million which was no change from 2016. The EMS and Conference Center fund balance declined \$4 million while the internal service funds for fleet and healthcare fund balance increased \$4 million.

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

Figures presented in millions. Totals subject to rounding

	FY 2015	FY 2016	FY 2017
Operating Revenues:			
Charges for Services	\$16.5	\$20.9	\$21.4
Miscellaneous Revenue	2.3	2.0	1.9
Total Operating Revenues:	\$18.8	\$22.9	\$23.3
Operating Expenses:			
Personal Services	\$5.0	\$6.1	\$6.3
Contractual Services	2.4	2.5	2.6
Claims Paid	12.7	14.6	14.0
Supplies	1.3	1.3	1.4
Bad Debt	0.0	0.0	0.0
Depreciation	0.2	0.3	0.5
Total Operating Expenditures:	\$21.5	\$24.8	\$24.8
Operating Income (Loss)	-\$2.8	-\$1.9	-\$1.5
Non-Operating Revenues			
Gain (Loss) on disposal of capital asset	\$0.0	\$1.6	-\$1.1
Contributions	0.7	0.0	0.0
Total Non-Operating Revenues	\$0.7	\$1.6	\$1.1
Capital Contributions	0.0	0.0	0.0
Transfers-in	0.2	1.3	1.5
Changes in Net Position	-\$0.1	\$1.0	\$1.0
Beginning Net Position as restated	\$3.1	\$3.0	\$4.1
Ending Net Position	\$3.0	\$4.1	\$4.1

*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 and 2017.

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, 2017, the County's revenues for all Governmental Funds totaled \$175.6 million. Revenues within governmental funds increased \$7.7 million. There were several factors contributing to this net variance:

- Revenue from Property Taxes increased \$4.3 million. The County did complete a full rollback plus .1% of millage rates in 2017. The increase in property taxes was due to the 2017 Tax Digest increasing 8.43% of which 4.71% was new growth.
- Sales taxes increased \$1.4 million in 2017. With the implementation of the new TAVT tax in 2013, vehicle sales no longer generate sales tax. However, sales tax have been steadily increasing due to the building and opening many new businesses, such as the Outlet Shoppes of Atlanta, located in Woodstock, and Cabela's.
- Intergovernmental revenue increased \$1.9 million in 2017. In 2016 the City of Canton gave their fire stations, equipment, and employees to the County to avoid duplication of services. This increase in 2017 is due to the City of Canton now paying the County to provide fire protection to the City.
- The Insurance Premium tax increased \$.6 million in 2017.

Expenditures

For fiscal year ending September 30, 2017, the County's governmental funds totaled \$177.4 million. Expenditures within Government Funds increased \$10.7 million between 2016 and 2017. Major expenditure variances include the following:

- The Fire Department used \$1.2 million of their reserves to help construct a new fire station and purchase needed equipment.
- Recreation spent \$1.5 million help to purchase vehicles and equipment to maintain parks and greenspace and operate the new parks that have been built with the Parks Bond Fund.
- The Library was sent \$1 million to assist in new construction.
- Capital Outlay increased \$3.1 million. The Impact Fee Fund provided \$2.2 million toward new fire stations and Parks Bond increased \$1.2M.
- The employees of the County received a 3% salary increase.

STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2017

	FY 2015	FY 2016	FY 2017
Total Assets	\$1,132,508,247	\$1,197,655,283	\$1,184,452,098
Deferred Outflows of Resources	2,770,701	12,403,307	19,002,569
Total Liabilities	(152,471,228)	(163,674,763)	(165,528,372)
Deferred Inflows of Resources	(160,523)	(71,816,178)	(76,026,991)
Net Position	\$982,647,197	\$974,567,649	\$961,899,304



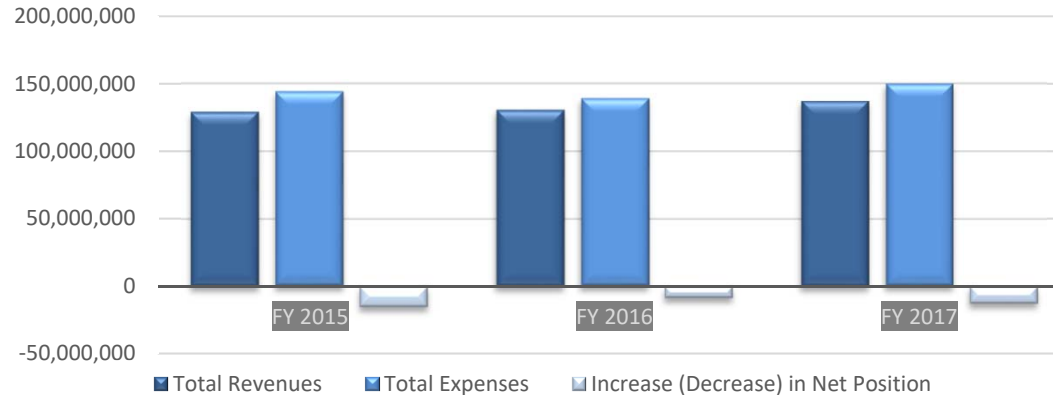
The Statement of Net Position is designed to provide readers with a broad overview of Cherokee County's governmental and business-type activities, in a manner similar to a private sector business. This statement presents the difference between the County's Assets and Deferred Outflows of Resources from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

The County's assets and deferred outflows recognized a decrease during the year ending September 30, 2017 by \$6.6 million. This decrease can be attributed to a decline in the donated assets during 2017. The County's liabilities and deferred inflows increased by \$6.1 million primarily attributed to an increase in the property tax revenue that was billed before the fiscal yearend but not yet collected.

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

STATEMENT OF ACTIVITIES

	FY 2015	FY 2016	FY 2017
Total Revenues	\$129,097,962	\$130,584,233	\$137,247,839
Total Expenses	(144,200,594)	(139,059,721)	(149,916,183)
Increase (Decrease) in Net Postion	(\$15,102,632)	(\$8,475,488)	(\$12,668,344)
Net Position, Beginning of Year	\$997,749,829	\$983,043,136	\$974,567,548
Ending Position, Pre GASB Adjustment	982,647,197	974,567,648	961,899,304
Fire Inventory Adj	395,939		-
Net Postion, End of Year	\$983,043,136	\$974,567,648	\$961,899,304

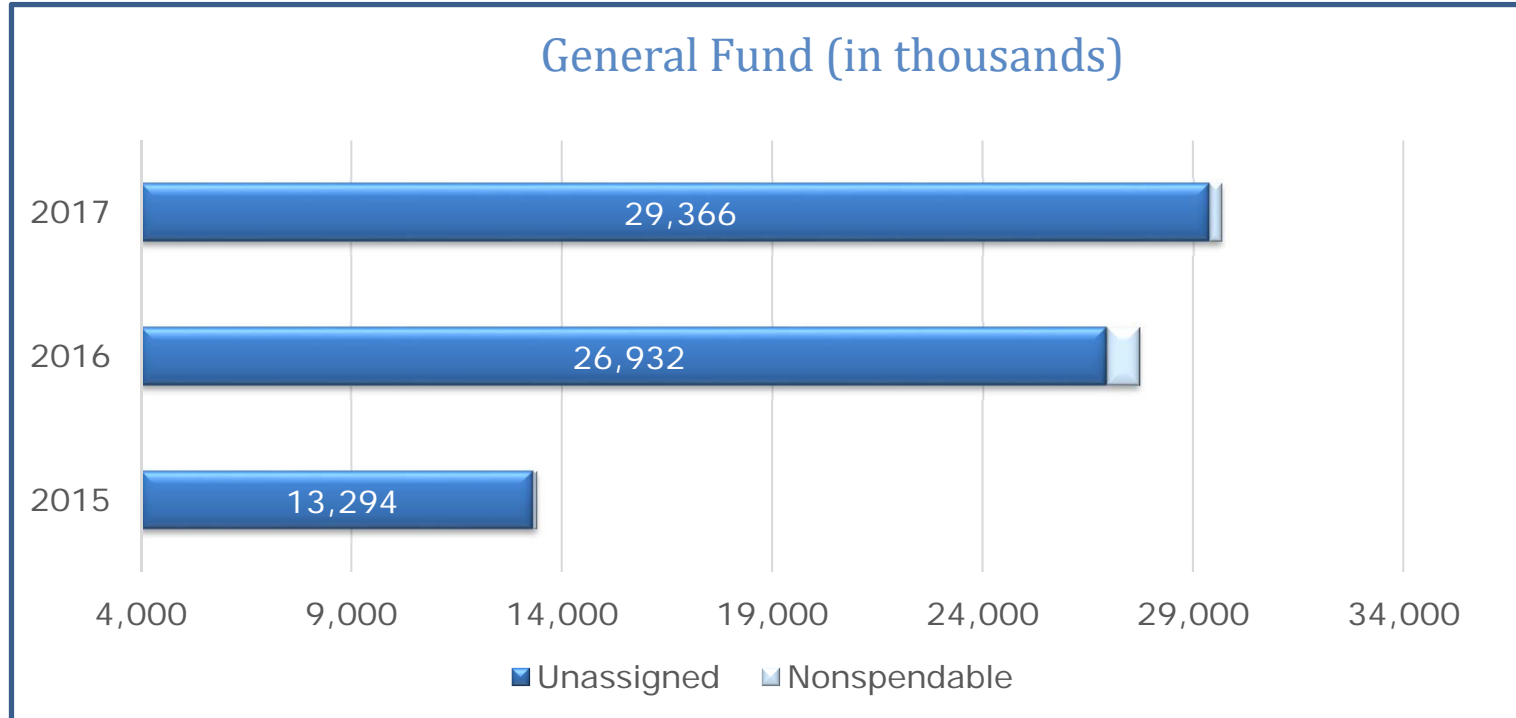


The Statement of Activities provides information on the County's governmental and business-type revenues and expenditures and reports the difference in net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving 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.

*Fiscal Year 2015 was restated for unrecorded inventory.

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, 2017, the County's Fund Balance for the General Fund totaled approximately \$29,669,007 or 35.3% of the expenditures and transfers 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.



99.0% of the County's General Fund Balance at September 30, 2017 is available for spending.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENT PROJECTS UNDER CONSTRUCTION COMPLETED DURING FISCAL YEAR 2017

Public Safety Projects

Sheriff Fire Arms Complex - Open
 Sheriff Court Service building improvements
 25 Sheriff vehicles
 4 License plate readers

Ribbon Cutting - Station 2 Ball Ground Fire Station
 Ribbon Cutting & Dedication to Volunteer Chief Larry Berry
 Station 3, Harmony on the Lakes
 Station 1 Bells Ferry Fire Station construction
 New Fire Pumpers placed in service (5)
 New Battalion Chief Vehicle placed in service
 New SAFE KIDS Van placed in service
 Property purchased for new Station 9, North Canton

Animal intake Trailer
 Animal Shelter - F150



Public Works

Completed
 29 Miles of Roads resurfaced
 Purchased land for PW building
 East Cherokee @ Dean Rusk
 East Cherokee @ Lower Union Hill Rd
 Kellogg Creek Rd @ Woodstock Rd
 Ragsdale Rd @ SR 92
 Bells Ferry Rd @ SR 92
 Robin Rd @ SR 92
 Trickum Rd @ Jamerson Rd
 Keeter Rd reconstruction

Under Construction
 East Cherokee Dr @ Holly Springs Pkwy

Equipment
 Ford F-150 (3)
 Kubota Tractor
 Asphalt Paver
 International 7500 (2)

Parks and Parks Improvements

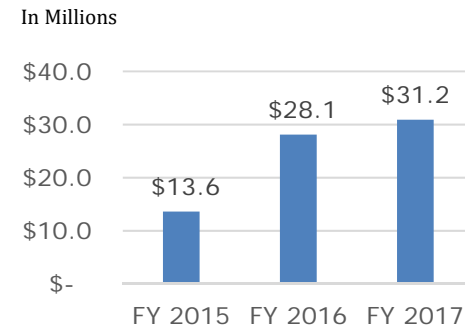
Completed
 Patriots Park
 Cherokee Veterans Park Phase I
 Woodstock Multi-Purpose Trails Phase III

Equipment
 Purchased additional equipment and vehicles to service and maintain new and existing parks

Other Projects

E-911 Back up Center
 New Animal Shelter
 Animal Shelter Barn
 Courthouse Expansion
 Senior Center Improvements
 2 Code Enforcement Vehicles

The chart to the right displays a 3 year history of the County's expenditures for capital assets and infrastructure. The amount spent in 2017 was \$31.2M. This is \$3M more than was spent in Fiscal Year 2016. SPLOST spending was \$.5M more than that of 2016. This SPLOST is reaching an end in 2018. Voters approved a new SPLOST in November, 2017 that will begin in 2018. In 2008 the voter's approved \$90M to be spent on parks purchase and expansion. The 2017 parks project construction was \$.8 more than that of 2016. This leaves 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

<p>911 Communications 150 Chattin Drive Canton, GA 30115 Priscilla Bridges, Director 678-493-4074</p>	<p>District Attorney 90 North St, Suite 390 Canton, GA 30114 Shannon Wallace, DA 770-479-1488</p>	<p>G.I.S 1130 Bluffs Parkway Canton, GA 30114 Brett Wehs, GIS Manager 678-493-6050</p>	<p>Planning & Zoning 1130 Bluffs Parkway Canton, GA 30114 Jeff Watkins, Director 678-493-6107</p>	<p>Storm Water Management 1130 Bluffs Parkway Canton, GA 30114 Ben Morgan, PE, CFM 678-493-6074</p>
<p>Animal Care & Control 1015 Univeter Road Canton, GA 30115 Susan Garcia, Director 770-345-7270</p>	<p>Elections 400 East Main Street Canton, GA 30114 Kim Stancil, Director 770-479-0407 x 227</p>	<p>Human Resources 1130 Bluffs Parkway Canton, GA 30114 Lori Thompson, Director 678-493-6000</p>	<p>Probate Court 90 North St Canton, GA 30114 Keith Wood, Probate Judge 678-493-6160</p>	<p>Superior Court 90 North St Canton, GA 30114 Jackson Harris, Chief Judge 678-493-6260</p>
<p>Board of Commissioners 1130 Bluffs Parkway Canton, GA 30114 LB “Buzz” Ahrens, Chairman 678-493-6000</p>	<p>Extension Services 1130 Bluffs Parkway Canton, GA 30114 Ashley Witcher, CEC 770-721-7803</p>	<p>Juvenile Court 90 North St, Suite 310 Canton, GA 30114 John B. Sumner, Presiding Judge 678-493-6250</p>	<p>Purchasing 1130 Bluffs Parkway Canton, GA 30114 Dale Jordan, Director 678-493-6034</p>	<p>Tax Assessor 2782 Marietta Highway Canton, GA 30114 Steve Swindell, Chief Appraiser 678-493-6120</p>
<p>Clerk of Court 90 North St Canton, GA 30114 Patty Baker, Clerk of Court 678-493-6160</p>	<p>Finance 1130 Bluffs Parkway Canton, GA 30114 Jimmy Marquis, Finance Dir 678-493-6025</p>	<p>Magistrate Court 90 North St Canton, GA 30114 James Drane, Chief Judge 678-493-6431</p>	<p>Senior Services 1001 Univeter Road Canton, GA 30115 Tim Morris, Director 770-479-7438</p>	<p>Tax Commissioner 2780 Marietta Highway Canton, GA 30114 Sonya Little, Tax Commissioner 678-493-6400</p>
<p>County Manager 1130 Bluffs Parkway Canton, GA 30114 Jerry Cooper, County Manager 678-493-6008</p>	<p>Fire Department 150 Chattin Drive Canton, GA 30115 Tim Prather, Chief 678-493-4031</p>	<p>Marshal’s Office 959 Marietta Highway, #100 Canton, GA 30114 Ron Hunton, Chief Marshal 678-493-6200</p>	<p>Sheriff’s Office 498 Chattin Drive Canton, GA 30115 Frank Reynolds, Sheriff 678-493-4100</p>	<p>Information Technology 1130 Bluffs Parkway Canton, GA 30114 Brenda Flowers, Director 678-493-6000</p>
<p>Development Authority One Innovation Way Woodstock, GA 30188 770-345-0600</p>	<p>Fleet Services 421 Chattin Drive Canton, GA 30115 Mike Dupuis, Director 770-345-0200</p>	<p>Parks & Recreation 7545 Main St, Bldg 200 Woodstock, GA 30188 Bryan Reynolds, Director 770-924-7768</p>	<p>State Court 90 North St Canton, GA 30114 W. Allan Jordan, Chief State Judge 678-493-6160</p>	<p>Transportation 884 Univeter Road Canton, GA 30115 Terry Hinton, Director 770-345-6238</p>



**Cherokee County
Board of Commissioners**

1130 Bluffs Parkway
Canton, GA 30114
(678) 493-6000
www.cherokeega.com

