

CHEROKEE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016

PREPARED BY:
FINANCE DEPARTMENT

CHEROKEE COUNTY FINANCE DEPARTMENT
1130 BLUFFS PARKWAY- CANTON, GEORGIA 30114

**CHEROKEE COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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(Unaudited)**

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March 29, 2017

Honorable L.B. Ahrens, Jr., Commission Chairman

Cherokee County Board of Commissioners

And the Citizens of Cherokee County

Gentleman:

State law and local ordinances require that every general purpose local government publish a complete set of audited financial statements each fiscal year. This report, the 2016 Comprehensive Annual Financial Report (CAFR), is published to fulfill that requirement for the fiscal year ended September 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based on a comprehensive framework of internal controls established for this purpose.

Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable assurance that the financial statements are free of any material misstatements.

The report has been prepared in accordance with generally accepted accounting principles, and to the best of our knowledge, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the financial position and results of operations of Cherokee County.

The County receives financial assistance through various federal grant programs, and is therefore required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the amendments of 1996 and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the schedule of federal financial assistance, findings, questioned costs, and auditor's reports on the internal control over financial reporting and compliance, are included in a separate report.

Cherokee County's financial statements have been audited by Nichols, Cauley & Associates, LLC, a firm of licensed public accountants. Nichols, Cauley & Associates, LLC, have issued an unmodified ("clean") opinion on Cherokee County's financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.



Introduction

Our History

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. Its 6,900 square miles were subsequently divided into 24 other counties. Cherokee first attracted permanent residents through a land lottery while others settled along the Etowah River and dreamed of finding gold, like their Indian predecessors. Canton, the county seat, was named after the city in China, based on the city founders' attempt to establish silk production. The Canton Cotton Mills opened in 1899.



Canton Mill #2
Canton, GA

Canton Cotton Mill #2 was built in 1923, and is located northeast of the city of Canton. The mill was designed and built by C.E. Blank, an architect and builder for Dressler Industries, headquartered in New England.

Canton Cotton Mills, later Canton Textile Mills, was one of the largest manufacturers in the south. "Canton Denim" was known for its high quality and was sought by people throughout the country.

The old cotton mills have recently been transformed into a new apartment community along the Etowah River.

Although cotton was king, the marble finishing business in the north end of the county would prove to be the county's largest revenue producer for a number of years to come.

Georgia Marble Finishing Works was the largest marble company in the area. This white Georgia marble façade was created in 1927 for the Cherokee County courthouse. A much larger courthouse was built in 1994, but the County still uses the beautiful historic courthouse to house smaller departments.

Georgia Marble Company purchased Georgia Marble Finishing works in 1941. Their stone can be found in monuments and public buildings around the world, including New York's Stock Exchange annex, the Lincoln Memorial, and the 24 columns of the U.S. Capitol in Washington, D.C.



historic Cherokee County Courthouse



Cherokee County Present Day

Cherokee County is perfectly located 30 miles north of Atlanta where “Metro Meets the Mountains.” The county is now 434 square miles in area, and with a population of approximately 240,000, it is the 7th largest of Georgia’s 159 counties. When people think of Cherokee County, Georgia, they often think of its rugged beauty and eclectic community. For example, the county boasts over 4,000+/- acres of parks and greenspace. And under the \$90 Million Parks, Recreation, and Greenspace Bond which was successfully approved by the citizens of Cherokee County on the November 4, 2008 election ballot, funds are being used to improve existing parks and develop parks for active recreation and passive enjoyment.

In addition to the county’s natural beauty and recreation, Cherokee County is one of Georgia's most exciting markets. Cherokee County offers a well-educated and well-equipped workforce, and exceptional transportation necessary for sustainable, long-term growth. For professionals and their families, Cherokee County offers a diverse range of housing, impressive healthcare, excellent education, low property taxes, and cultural opportunities necessary for comfortable living and continuous personal growth. There are five major municipalities in Cherokee County: Canton, Woodstock, Ball Ground, Holly Springs, and Waleska.



Cannon Park, Canton



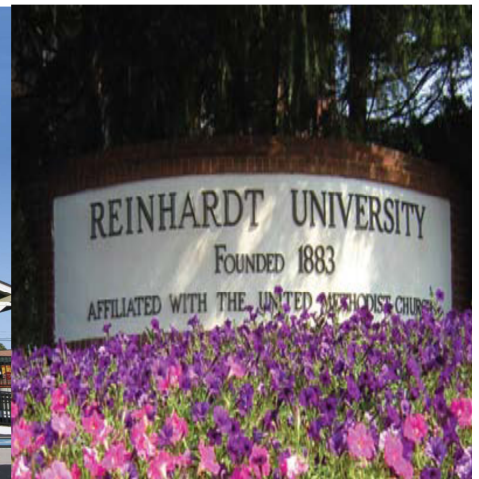
Downtown Woodstock



Gibbs Gardens, Ball Ground



Holly Springs Train Depot & Community Center



Reinhardt University, Waleska



Profile of Government

Cherokee County is governed by the Commission Chairman and a four member Board of Commissioners.

The Board serves as the legislative and policymaking body of the county government. It enacts county ordinances and appropriates funds to conduct county business and provides policy direction to the administrative staff.

The County Manager works closely with the Board to assist them in developing policies and programs. Overseeing all county employees, the manager is responsible for the efficient ongoing operation of all county services. Cherokee County provides services to approximately 240,000 citizens and 6,000 businesses. Included in these services are traditional county functions such as public safety (sheriff office, fire protection, and emergency/ambulance services), code enforcement, judicial/court services, planning and zoning, business licenses and building permits, road maintenance, parks and recreation, senior services, animal shelter services, and bus transportation.

The financial statements, schedules, and statistical tables in this report include all the funds of the primary government

which are directly under the control of the Board of Commissioners, as well as its component units. A component unit is a separate legal entity for which the primary government is financially accountable. The Cherokee County Department of Public Health, the Cherokee County Development Authority, the Development Authority of Cherokee County, and the Sequoyah Regional Library System are all included as discretely presented component units in the financial statements.



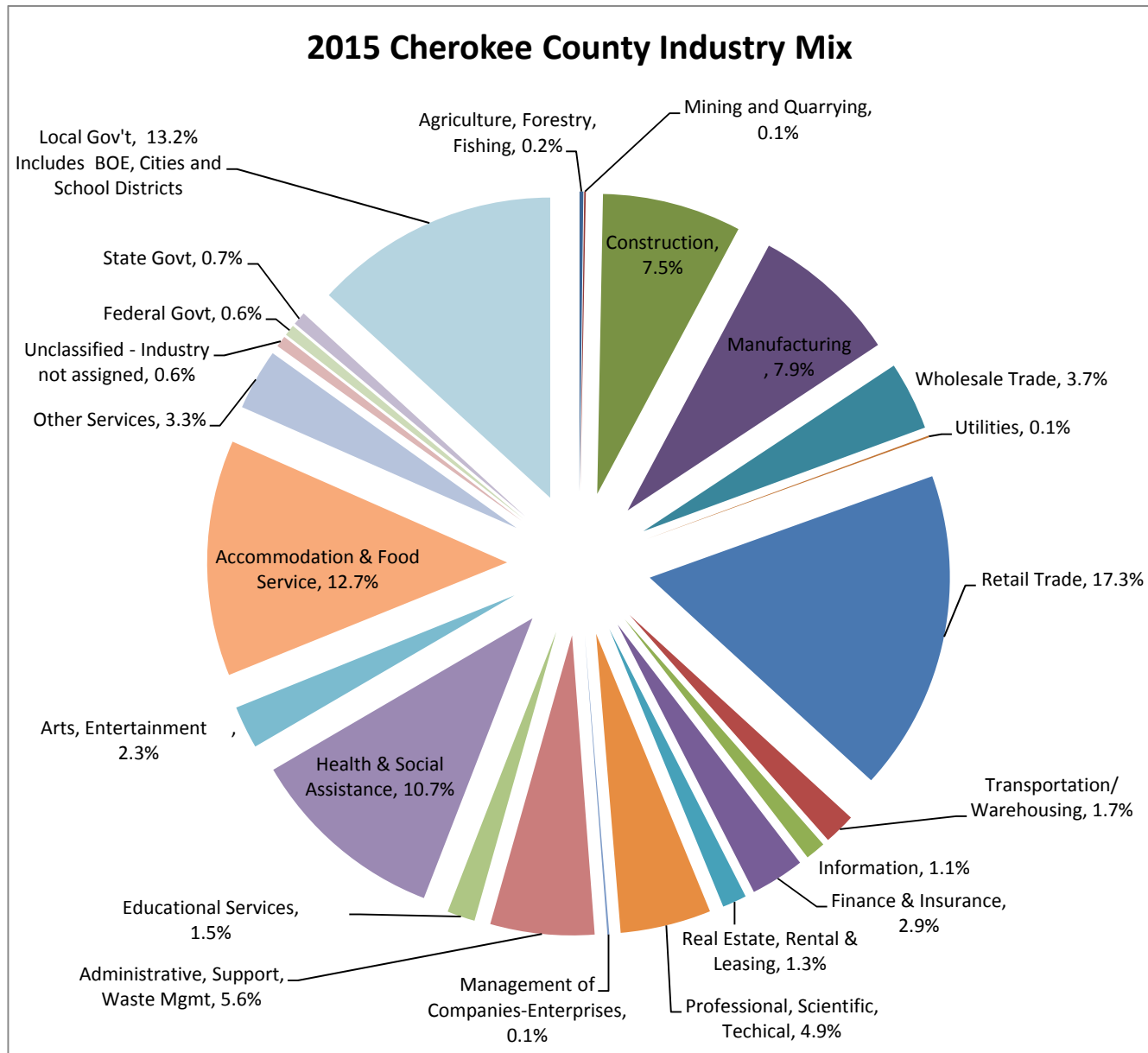
*Front Row: Commissioner Raymond Gunnin and Chairman L.B. Ahrens, Jr.,
Back Row: Commissioners Steve West, Brian Poole, and Scott Gordon.*



Local Economy

INDUSTRY MIX

Cherokee County's Industry mix is: 69% Services, 16% Goods, and 15% Government.



Source: <http://explorer.dol.state.ga.us/mis/Profiles/Counties/Cherokee.pdf>

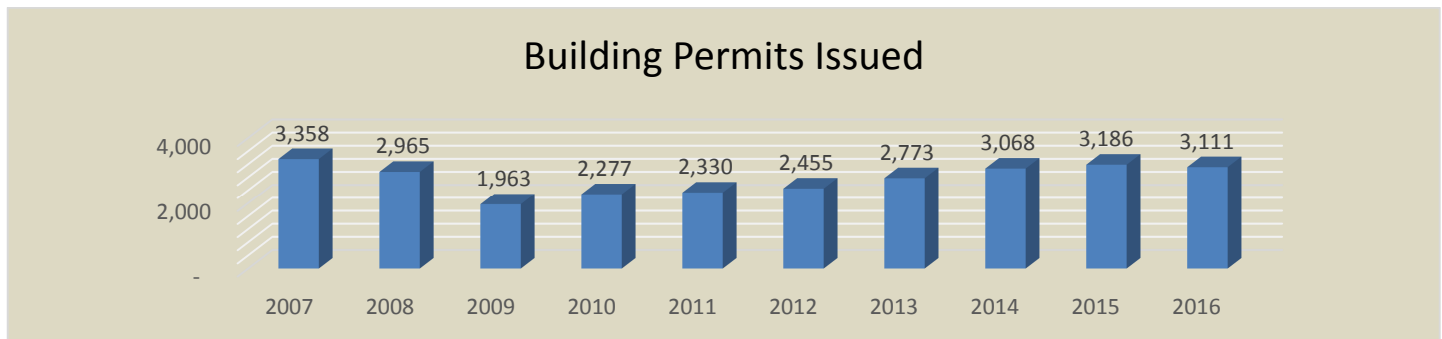
The industry mix was relatively unchanged between 2014 and 2015. Over several years, the most significant change Cherokee County has experienced in its industry mix is the decline in the construction business. Between 2000 and 2016, Cherokee's population grew 69%, which created significant construction opportunities. Near the height of Cherokee's growth in 2008, the construction industry represented 13.9% of the mix; however, in 2015 it was only 7.5%.

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



BUILDING PERMITS

Construction has been steadily increasing in Cherokee County as building permits have increased for six years. The County's peak was in 2007 when 3,358 permits were issued, then dropped to a low of 1,963 in 2009, the number has increased steadily each year, topping out at 3,186 in 2015 and remaining nearly constant in 2016 at 3111. This is an indicator of economic recovery and we experienced positive growth and a return of construction jobs. In addition, new developments in the county provide construction jobs in the short term, which generate new operational jobs and more visitors (driving more sales tax dollars and new property tax assessments), in the long term.



UNEMPLOYMENT

At December 2016, Cherokee County's jobless rate was again 4%; this was a tie with Forsyth County as the lowest in the metro-Atlanta region. The statewide unemployment rate was 5.4%. Cherokee County remained the same as 2015 while state of Georgia was relatively stable increasing from 5.3% to 5.4%.

TAX DIGEST

Between 2003 - 2008, our Tax Digest increased each year by double-digit percentages. However, like most counties, Cherokee County was negatively impacted by the downturn in the economy beginning in 2008, and by 2012 our Tax Digest had decreased 23% as compared to the 2008 peak. Fortunately, our 2016 Tax Digest increased 6.63%, of which 3.562% was new growth. We anticipate the 2017 Digest will increase approximately 5% in total, including 2.5% new growth.

CURRENT 2016 TAX DIGEST AND HISTORY OF LEVY								
		2010	2011	2012	2013	2014	2015	2016
REAL		7,349,380,507	6,859,719,623	6,246,009,678	6,382,143,754	7,207,313,837	7,920,292,172	8,654,298,944
PERSONAL		314,773,190	321,378,768	325,003,272	329,863,024	353,938,885	380,908,234	416,085,312
MOTOR VEHICLES		565,223,170	563,264,880	610,288,270	641,593,210	530,574,960	393,947,430	300,355,630
MOBILE HOMES		16,462,520	15,166,160	14,743,880	13,696,480	13,488,200	13,357,414	13,985,440
TIMBER		713,006	485,201	284,156	871,524	1,527,767	666,872	547,150
GROSS M&O DIGEST		8,246,552,393	7,760,014,632	7,196,329,256	7,368,167,992	8,106,843,649	8,709,172,122	9,385,272,476
LESS M&O EXEMPTIONS		593,933,133	559,628,730	522,421,889	524,486,775	608,219,193	749,979,861	898,410,551
NET M&O DIGEST		7,652,619,260	7,200,385,902	6,673,907,367	6,843,681,217	7,498,624,456	7,959,192,261	8,486,861,925
NET M&O DIGEST CHANGE		-8.51%	-5.91%	-7.31%	2.54%	9.57%	6.14%	6.63%



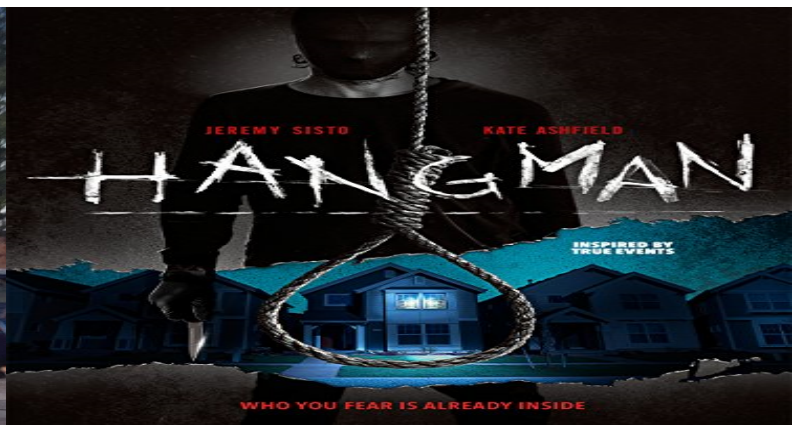
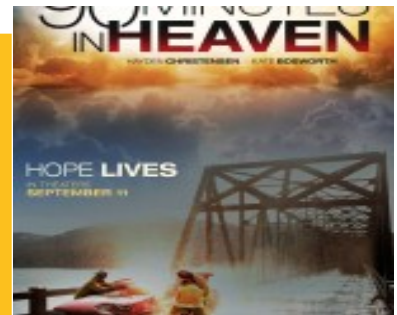
RECENT DEVELOPMENT

Cherokee County Film Activity

Cherokee County was home to both TV and movie filming projects over the course of 2016. *Diary of a Wimpy Kid* which was filmed in Waleska and *Hangman* with Al Pacino was filmed in Canton. Both of these movies are to be released in 2017. There were also 9 TV episodes and 5 commercials filmed in Cherokee County.

Netflix is filming a new series, *Ozark* starring Jason Bateman, in Cherokee County. Filming will take place over much of the county but one primary filming location will be the former Little River Grill on Lake Allatoona. The historical buildings in Canton will be used for the filming of the movie, *Hidden Figures*. Kevin Costner will co-star in the film along with Taraji P. Henson, Octavia Spencer, and Janelle Monae.

Cherokee County has 134 local properties listed on the state's Reel-Scout database. There has been a 464% increase in film prospects since becoming a Georgia 'Camera Ready Community' in 2011.





Thyssen Krupp Materials NA, Inc. (Cherokee 75 Office Park)

ThyssenKrupp Materials NA, Inc., a German company which provides solutions to business for materials management and industrial services. The company focuses on value-added processing and distribution of a full line of Aluminum, copper, brass, specialty metals, steel, and plastics products. Supply chain management, logistics, business process solutions and industrial services are among the services provided to customers. ThyssenKrupp is investing \$17.2 million in Cherokee County and will lease approximately 150,000 square feet of the new Cherokee 75 Office Park. ThyssenKrupp Materials estimates it will create approximately 100 jobs with an average wage of \$50k per year.



Jaipur Rugs (Cherokee 75 Office Park)

Jaipur Rugs, is one of India's largest manufacturers of hand knotted rugs. Jaipur Rugs has continued a rich heritage of designing rugs and pillows for homes in more than 40 countries around the world. Jaipur Rugs is investing \$11.3 million in Cherokee County and will lease approximately 170,000 square feet of the new Cherokee 75 Office Park. Jaipur Rugs estimates it will create approximately 100 jobs with an average wage of \$52k per year

The Outlet Shoppes at Atlanta

The Outlet Shoppes at Atlanta has been so successful that Horizon Group Properties invested an additional \$5.5m to build out and lease their second phase, which added 33,000 square feet in front of the mall. The additional space created the following new stores; GAP, Banana Republic, Eddie Bauer, The Limited and soon to open 50 East Shoes. The Outlet expansion is estimated to provide an additional 115 new jobs for Cherokee County.





Cherokee Regional Airport



The Cherokee County Regional Airport recently expanded to over 5,000 linear feet and is able to accommodate larger aircraft and corporate jets. The airport terminal is a luxurious location for flight crews to relax and rest between flights. The Cherokee County Airport Authority purchased 17 acres to accommodate seven additional hangars and recently completed construction of the pad to accommodate a new maintenance hangar.

This \$34 million project was awarded the General Aviation Project of the Year by the Georgia Airports Association, recognizing the airport helps support the economic development demands of Cherokee County and the region.

New Northside Hospital Medical Facility

In order to address capacity constraints caused by the growing population, Northside Hospital is constructing a new hospital on 300 acres (with plans to relocate its current facility) near I-575 and GA Hwy 20. The new site will have excellent visibility from major roads and thoroughfares, and there will be ample room for further expansion as the community's needs grow.

The new state-of-the-art, \$250 million, 84-bed facility is expected to open in mid-2017 and create hundreds of new healthcare and office jobs in the county.



New and Expanding Businesses Inalfa Roof Systems

Inalfa Roof Systems is one of the world's largest suppliers and manufacturers of vehicle roof systems to OEM's in the automotive industry. Inalfa opened their first location in January of 2014 and began construction of their second location and regional headquarters in Cherokee County. Inalfa is making an investment of \$20.7 million in the new Cherokee 75 business park and is expecting to add approximately 300 jobs over three years when construction is complete.



LAT Apparel

LAT Apparel, a logo T-Shirt company that has been in operation for more than 30 years, is investing \$9.6 million to build their corporate headquarters in Cherokee County. The building is 166,000 square feet and should be completed in 2016. LAT Apparel estimates they will be able to add approximately 30 additional jobs when completed.



Universal Alloy Corporation

Universal Alloy Corporation, a leading provider of aerospace aluminum extrusions, continues to grow in Cherokee County. The longtime Cherokee County business recently purchased another 44 acres in Ball Ground. Universal Alloy was recently honored as one of eight companies worldwide to be recognized and awarded Airbus's BEST PERFORMER award. On April 16, 2015, Boeing presented Universal Alloy Corporation with a Supplier of the Year award.

Additional industry expansions included Piolax USA, a leading supplier of plastics and metal fastening products technology is expanding 82k square feet and investing \$15 million in Canton which should add 30 additional jobs.

The Cherokee office of Economic Development interviewed 31 industries in Cherokee County, the industries surveyed reported the following:

- 60% average job growth
- 87% increased sales
- 87% plan to expand in the next three years
- Creating a potential for 740 jobs and \$122M in investment for Cherokee County.



Profile of County Population 2016

RACE	Cherokee	Georgia	US
White	79.8%	53.9%	61.6%
Black	6.7%	31.7%	13.3%
Hispanic	10.1%	9.4%	17.6%
Asian	2.0%	4.0%	5.6%
Other	1.4%	1.0%	1.9%
Total	100.0%	100.0%	100.0%

GROWTH	Cherokee	Georgia	US
Population % Change 2000 - 2015	9.4%	5.4%	4.1%

INCOME	Cherokee	Georgia	US
Median Household Income	\$68,926	\$49,620	\$53,889

HOMEOWNERSHIP	Cherokee	Georgia	US
Homeownership Rate	77.4%	63.3%	63.9%

EDUCATION (age25+)	Cherokee	Georgia	US
High School Graduates	89.4%	85.4%	86.7%
Bachelor's Degree or Higher	34.7%	28.8%	29.8%

POVERTY	Cherokee	Georgia	US
Persons Below Poverty Level	9.4%	17.0%	13.5%

Source: <http://quickfacts.census.gov>

Current Year Results

Current Funding Sources (Revenues, Interfund Transfers, Asset Sales, and Other Financing Sources – Excludes Reserves)

Our reported total current funding sources were greater than budget by \$7.3 million. Many funds exceeded the revenue budget, but the funds that increased the most significantly were Special Purpose Local Option Sales Tax (SPLOST program) 2012 Fund increasing \$1.7 million, Impact Fee Fund increasing \$1.2 million, and the General Fund increasing \$2.9 million.

- During 2016 the County moved the Unincorporated County fund to be included in the General Fund. So although the General Fund revenues exceeded budget by \$2.9 million, not all of that was from General fund revenues. The Unincorporated County Services portion of the Fund increased \$850,000, leaving the General Fund's increase of \$2.0 million.
- The increase in General Fund revenue was not due to any one area but a general increase in Charges for Services, Licenses and Permits, and Fines and Forfeitures. The General Fund also benefitted from increased insurance premium tax which was \$750,000 better than budget, and an increase in building permit revenue which exceeded budget by almost \$0.4 million. We are especially pleased by the building permit revenue results because it is a sign of continued economic recovery for the County.



- The SPLOST 2012 Fund performed better than budget primarily due to sales tax receipts which exceeded the budget by \$1.7 million. This is driven by a combination of the Outlet Mall, Cabela's, and existing stores seeing higher sales. Please see our discussion of Sales Taxes under Long-Term Financial Planning later in this report.
- The Proprietary EMS Fund ended the year with revenues \$900,000 higher than budgeted. This is a result of changing the billing company in 2013. After the initial set up period, these revenues continue to climb.

Funding Uses (Expenditures + Transfers Out to Other Funds)

Due to a very rigorous budget process and commitment from County Agencies and Departments, County-wide funding uses were \$21.7 million less than budget. In addition, final budget totaling \$213.2 million compares to spending of \$191.5 million. This positive variance was primarily driven by lower capital spending due to project timing totaling \$17.7 million. The General Fund's funding uses were less than budget by \$1.0 million. The fiscal management of the Fire Department allowed the fund to end the year with \$1.0 million less expended than was budgeted. The County continues to manage vacant positions, keep an eye on maintenance/replacement operating expenditures to manage costs.

The chart on the following page reflects budget performance by fund. Please note that while some funds have negative revenue variances, in most cases these were offset by positive expenditure variances. In cases where expenditures were not reduced to match the revenue flow the fund had reserves to utilize. The last column of the chart reflects the final net impact to the fund and is most important to understanding the county's use and conservation of financial resources.



CHEROKEE COUNTY BOARD OF COMMISSIONERS
2016 RESULTS BY FUND

	REVENUES/FUNDING SOURCES			EXPENDITURES/FUNDING USES			NET IMPACT
	2016 Final Budget	2016 Actual	Revenue Variance Better/(Worse)	2016 Final Budget	2016 Actual	Expenditure Variance Better/(Worse)	Net Increase/(Decrease) to Budget
GENERAL	\$77,048,305	\$79,940,460	\$2,892,155	\$73,397,425	\$72,326,469	\$1,070,956	\$3,963,111
LAW LIBRARY	\$145,900	\$97,275	(\$48,625)	\$145,900	\$125,691	\$20,209	(\$28,416)
SHERIFF FORFEITURES	\$150,000	\$4,041	(\$145,959)	\$150,000	\$43,328	\$106,672	(\$39,287)
E911 TELEPHONE	\$4,476,695	\$4,655,728	\$179,033	\$4,537,926	\$4,370,319	\$167,607	\$346,640
SENIOR SERVICES	\$686,502	\$672,995	(\$13,507)	\$1,179,739	\$1,158,190	\$21,549	\$8,042
PARKS AND RECREATION	\$3,682,305	\$3,628,342	(\$53,963)	\$4,747,674	\$4,486,264	\$261,410	\$207,447
TRANSPORTATION	\$923,953	\$852,007	(\$71,946)	\$1,166,392	\$974,408	\$191,984	\$120,038
MULTIPLE GRANTS	\$1,370,550	\$1,072,687	(\$297,863)	\$1,830,283	\$1,193,663	\$636,620	\$338,757
CDBG	\$1,674,700	\$1,674,699	(\$1)	\$1,674,700	\$1,674,700	\$0	(\$1)
ANIMAL SERVICES	\$693,248	\$862,968	\$169,720	\$1,126,780	\$1,057,633	\$69,147	\$238,867
DA's CONDEMNATION	\$30,000	\$5,615	(\$24,385)	\$30,000	\$8,858	\$21,142	(\$3,243)
DRUG ABUSE & TRMT	\$216,677	\$270,156	\$53,479	\$110,521	\$109,493	\$1,028	\$54,507
VICTIM/WITNESS	\$205,473	\$199,021	(\$6,452)	\$213,013	\$213,013	\$0	(\$6,452)
DUI COURT	\$762,790	\$865,489	\$102,699	\$767,790	\$705,355	\$62,435	\$165,134
DRUG ACCOUNTABILITY COURT	\$317,467	\$348,416	\$30,949	\$440,144	\$391,035	\$49,109	\$80,058
MENTAL HEALTH COURT	\$67,305	\$47,158	(\$20,147)	\$74,784	\$53,221	\$21,563	\$1,416
FIRE	\$22,633,000	\$23,526,128	\$893,128	\$23,977,947	\$22,942,438	\$1,035,509	\$1,928,637
JAIL	\$430,200	\$395,514	(\$34,686)	\$652,825	\$652,824	\$1	(\$34,685)
SHERIFF'S COMMISSARY	\$485,213	\$676,912	\$191,699	\$485,213	\$485,213	\$0	\$191,699
CONFISCATED ASSETS	\$224,000	\$112,178	(\$111,822)	\$224,000	\$135,513	\$88,487	(\$23,335)
HOTEL/ MOTEL TAX	\$207,340	\$207,340	\$0	\$90,000	\$90,000	\$0	\$0
RRDA	\$142,243	\$142,243	\$0	\$1,256,538	\$1,252,177	\$4,361	\$4,361
CONFERENCE CENTER	\$595,160	\$344,779	(\$250,381)	\$716,500	\$538,245	\$178,255	(\$72,126)
EMERGENCY MEDICAL SERVICES	\$4,096,293	\$4,997,112	\$900,819	\$6,440,265	\$6,570,402	(\$130,137)	\$770,682
INSURANCE AND BENEFITS	\$16,287,489	\$16,133,649	(\$153,840)	\$16,287,489	\$16,287,488	\$1	(\$153,839)
FLEET MAINTENANCE	\$1,516,502	\$1,434,631	(\$81,871)	\$1,516,502	\$1,441,953	\$74,549	(\$7,322)
TOTAL OPERATING	\$139,069,310	\$143,167,543	\$4,098,233	\$143,240,350	\$139,287,893	\$3,952,457	\$8,050,690
DEBT SERVICE	\$6,617,116	\$6,873,819	\$256,703	\$7,645,731	\$7,644,246	\$1,485	\$258,188
IMPACT FEE	\$1,332,837	\$2,542,257	\$1,209,420	\$3,290,754	\$482,907	\$2,807,847	\$4,017,267
PARKS BOND	\$32,741	\$63,165	\$30,424	\$14,252,040	\$9,157,650	\$5,094,390	\$5,124,814
SPLOST V	\$2,000	\$10,890	\$8,890	\$1,418,919	\$1,086,300	\$332,619	\$341,509
SPLOST 2012	\$36,469,573	\$38,171,830	\$1,702,257	\$43,364,496	\$33,855,935	\$9,508,561	\$11,210,818
TOTAL CAPITAL RELATED	\$44,454,267	\$47,661,961	\$3,207,694	\$69,971,940	\$52,227,038	\$17,744,902	\$20,952,596
TOTAL	\$183,523,577	\$190,829,504	\$7,305,927	\$213,212,290	\$191,514,931	\$21,697,359	\$29,003,286

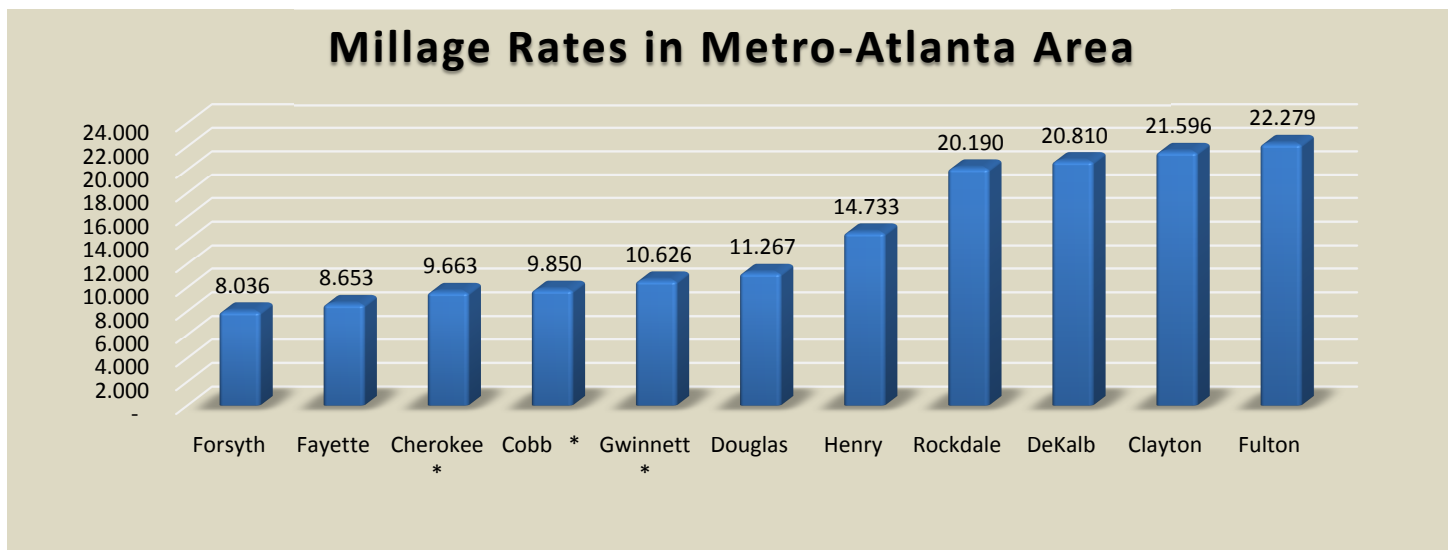


Long-Term Financial Planning

While the county experienced positive growth from 2000 – 2008, like most counties, Cherokee County was negatively impacted by the downturn in the economy beginning in 2008. Although our revenue sources were already diversified, nearly all of these sources declined putting significant pressure on the County Budget. Fortunately, we are seeing economic recovery in Cherokee County.

Property Taxes

The 2016 Tax Digest increased 6.63%, of which 3.56% was new growth. In July 2016, the county rolled back all but .125% of our M&O rate. The Board of Commissioners were concerned about the recent difficulties experienced in funding for Public Safety and healthcare costs. Even so, Cherokee County has the third lowest combined millage rate (9.663) in the metro-Atlanta region. In addition, 156 counties have an additional 1 cent sales tax (referred to as LOST or HOST) used to lower county millage rates. If Cherokee County had such a tax, we estimate our combined millage rate would be ~ 6.000, which would be within the 10 lowest of all Georgia counties. It is important to note that the current 10 lowest counties have average populations of ~ 40,000 and do not provide the same level of services that Cherokee County provides.



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



Sales Taxes

Annual SPLOST revenue peaked in 2007 at \$31.7 million. By 2010 the total dropped to \$28.1 million, but fortunately we have seen higher collections each year after signaling economic recovery. In 2016 we increased to \$34.9M in collections. This is especially impressive because our SPLOST tax collections have been negatively impacted by the new TAVT (Title Ad Valorem Tax) fee which was implemented in 2013 and generated new revenue for our General Fund, but eliminated sales taxes on vehicle sales. We estimate the county lost approximately \$2.0M in sales taxes due to this change, but this variance has been recovered by the Outlet Shoppes of Atlanta, Cabela's, and a general increase in all retail sales. Therefore, our operational funds are benefitting from the TAVT fee, and our SPLOST has surpassed the 2007 peak. In addition, given the new business developments discussed earlier, we believe Cherokee County's financial sustainability is promising.

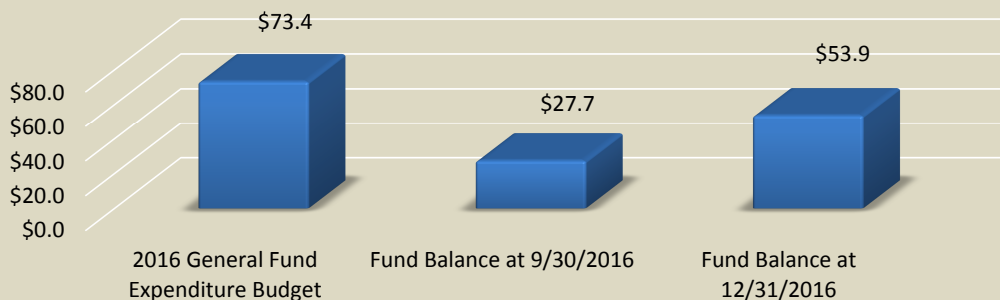
Average Monthly SPLOST Collections



Fund Balance

Counties that report on a calendar fiscal year will have much higher fund balances than counties that do not. This is because property taxes in Georgia are received in November/December, therefore inflating fund balances for that point in time. If our fund balances were measured at December 31, 2016 after a significant portion of property taxes had been received, we would report much higher fund balances. When compared to annual expenditures, our percentages are quite high, even higher than recommended levels.

Comparison of Fund Balance Levels to General Fund Expenditure Budget





OTHER INFORMATION

Independent Audit Cherokee County requires an annual independent audit of County financial records by a certified public accountant selected by the Board of Commissioners. The accounting firm of Nichols, Cauley & Associates, LLC was selected to fulfill this requirement, and a copy of the auditor's report on the financial statements is included in the financial section of this report.

Single Audit As a recipient of federal and state financial assistance, the County also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and internal staff.

As part of the County's annual single audit, required in conformity with provisions of the Single Audit Act of 1984 and the amendments of 1996 and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

Budgetary Controls The County maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Board of Commissioners. Activities of the general fund, special revenue funds and capital project funds are included in the annual appropriated budget. The official level of county budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department, function, or activity within each fund. Administrative transfers of appropriations within a department may be authorized by the County Manager to meet unforeseen needs without Commission actions. Transfers of appropriations outside departments or functions are reviewed with the Board of Commissioners prior to approval. The County's budget procedures, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements. The County maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year end are carried forward to the ensuing year's budget on a case by case basis.

Acknowledgments The preparation of the report could not have been accomplished without the efficient and dedicated efforts of the staff of the Finance Department, the auditors for the County and its component units, and the cooperation of the various elected officials and county management. In addition, some content and photos have been reproduced courtesy of Cherokee County Chamber of Commerce and the Cherokee County Development Authority. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

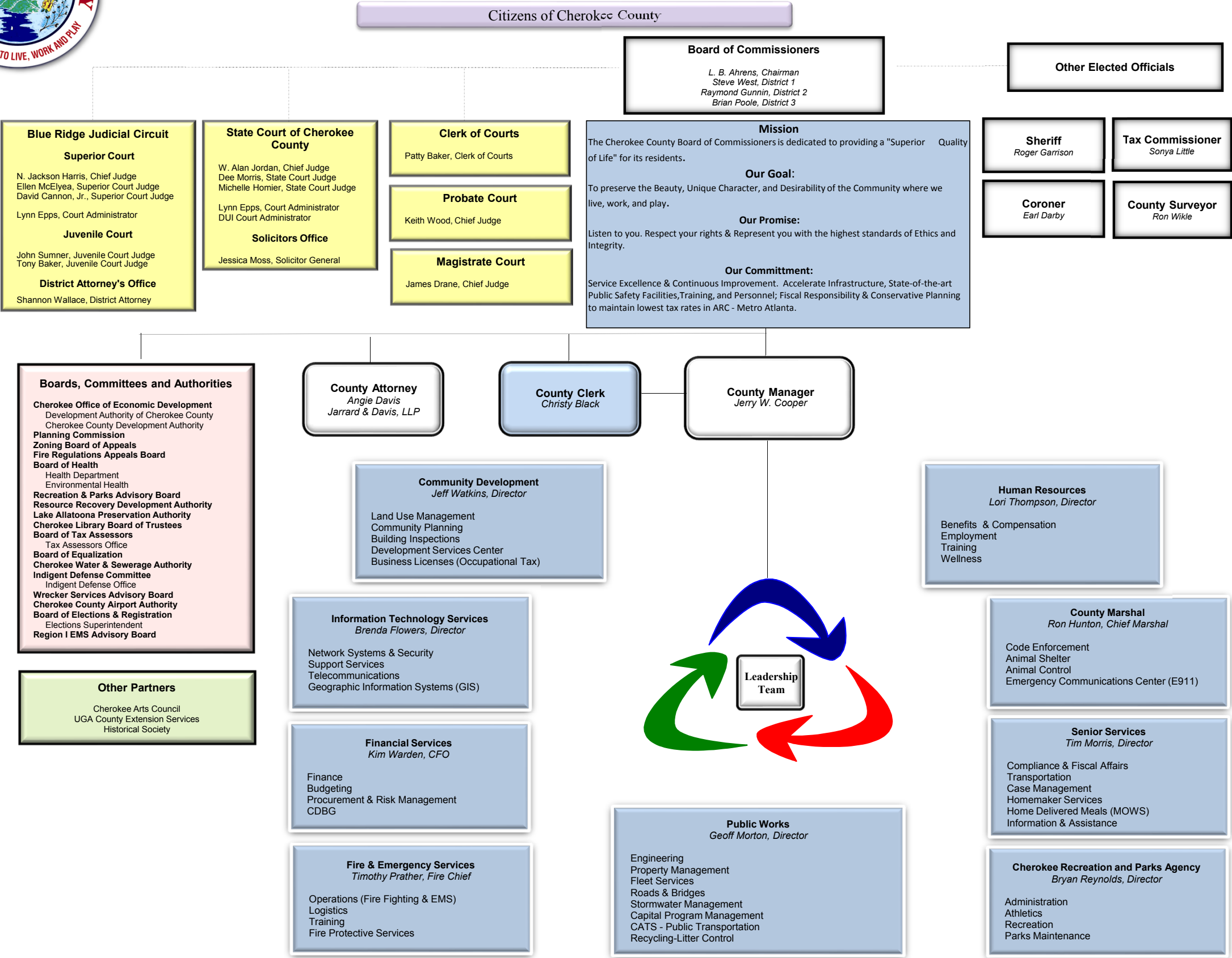
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jimmy Marquis".

Jimmy Marquis
Finance Director



Cherokee County Government Organizational Chart



CHEROKEE COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2016

Commission Chairman and District Commissioners

L.B. Ahrens, Jr.
Commission Chairman

Steve West
Raymond Gunnin
Brian Poole
K. Scott Gordon

District One
District Two
District Three
District Four

Constitutional Officers

Jessica Moss
Solicitor General
Earl W. Darby
Coroner
Sonya Little
Tax Commissioner
Roger D. Garrison
Sheriff
W. Alan Jordan
Chief State Court Judge

Allen D. Morris
State Court Judge
Michelle Homier
State Court Judge
John B. Sumner
Presiding Juvenile Court Judge
Tony Baker
Juvenile Court Judge
Keith Wood
Probate Court Judge
Jackson Harris
Chief Superior Court Judge

David Cannon, Jr.
Superior Court Judge
Ellen McElyea
Superior Court Judge
Patty Baker
Clerk of Courts
Shannon Wallace
District Attorney
James Drane
Chief Magistrate Court Judge

County Administration

Jerry W. Cooper
County Manager

Steve Swindell
Tax Assessor
Susan Garcia
Animal Shelter Director
Lori Thompson
Human Resources Director
Christy Black
County Clerk
Jeff Bass
Building Inspections Director
Tim Prather
Fire-Emergency Services Director

Kim Warden
Chief Financial Officer
Mike E. Dupuis
Fleet Maintenance Director
Brett Wehs
GIS/Mapping Manager
Tim Morris
Senior Services Director
Charles C. Harden
Roads and Bridges Director
Matt Williams
Property Management Director

Geoff Morton
Public Works Director
Brenda Flowers
CIO / IT Services Director
Kim Stancil
Elections Director
Ron Hunton
County Marshal
Jeff F. Watkins
Community Services Director
Bryan Reynolds
*Cherokee Recreation and
Parks Director*



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cherokee County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015



Executive Director/CEO



NICHOLS, CAULEY & ASSOCIATES, LLC

1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com

INDEPENDENT AUDITOR'S REPORT

Cherokee County Board of Commissioners
Cherokee County, Georgia
Canton, Georgia

Report on the Financial Statements

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 Cherokee County, Georgia (the County), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sequoyah Regional Library System, which represent 41%, 107%, and 22%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sequoyah Regional Library System is based solely on the report of the other auditors. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, 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, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedules for the General Fund and Fire District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 15), the schedule of funding progress (page 58), the schedule of changes in the County's net pension liability and related ratios (page 59), the schedule of contributions (page 60), the schedule of employer's proportionate share of the net pension liability – Cherokee County Board of Health (page 61), the schedule of employer's pension contributions – Cherokee County Board of Health (page 62), the schedule of employer's proportionate share of the net pension liability – Sequoyah Regional Library System (page 63), and the schedule of employer's pension contributions – Sequoyah Regional Library System (page 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Projects Constructed with Special Local Option Sales Tax and other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales Tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Nichols, Cauley + Associates, LLC

Kennesaw, Georgia
March 29, 2017

Management's Discussion and Analysis

As management of Cherokee County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Cherokee County for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter.

FINANCIAL HIGHLIGHTS

- ❖ **Assets & Liabilities:** The total assets and deferred outflows of Cherokee County were \$1,210,058,589, which exceeded its liabilities and deferred inflows of \$235,490,941. In other words, the assets and deferred outflows were more than five times greater than liabilities and deferred inflows.
- ❖ **Net Position:** Net position is defined as Total Assets + Deferred Outflows – Total Liabilities – Deferred Inflows. The primary government's total net position decreased 1% from \$983,043,136 to \$974,567,648. The main driver for the decrease was excess of depreciation expense when compared to capital additions.
- ❖ **Fund Balances:** As of September 30, 2016 the fiscal year-end, Cherokee County's governmental funds reported combined ending fund balances of \$106,580,938. The 2015 fiscal year-end reported a balance of \$105,775,875. This is a net increase of \$805,063, driven mainly by capital funds and by increases in the General Fund.
 - Since we follow a pay-as-you-go philosophy in our SPLOST 2012 Fund, we spent significantly less than collected in sales tax revenue which increased the fund balance by \$4,413,346. This balance will be carried over to future years and expended according to the project plan. In addition, all voter approved Parks, Recreation, and Greenspace tranches have been issued, so this year's spending decreased the fund balance by \$9,094,485. Like the SPLOST 2012 Fund, this balance will carry over to future years and be expended according to the project plan.
 - Of the total combined fund balances, \$26,932,069 or 25.3%, is available for spending at the government's discretion (unassigned fund balances). This is a \$13,641,127 improvement over 2015, when only \$13,290,942 was unassigned.
 - Cherokee County's General Fund Balance was \$27,715,202. Of this, \$26,932,247 or 97.2% is unassigned and is available for spending at the government's discretion. Unassigned reserves continue to increase over the 2015 when \$13,293,833 was unassigned.
 - Unincorporated County Services Fund was moved to become a portion of the General Fund during 2016. Therefore, the \$936,864 increase in revenues that would have been in the Unincorporated County Fund is now a part of the General Fund. This growth includes both insurance tax and issuance of business permits. A sign of population and economic growth for the County.
 - Cherokee County and the City of Canton entered into an agreement during FY2016 to transfer their Fire Department to the County in FY2017. The County recognized \$1,250,000 in FY2016 relating to this agreement.
- ❖ **Debt:** Bonds Payable decreased from \$86,765,000 to \$85,830,000. This represents a decrease of \$935,000 (1.1%). This decrease is comprised of:
 - a decrease in the balance of the 2009, 2010, 2012 and 2014 Parks, Recreation and, Greenspace Bonds due to scheduled payments of bond principal totaling \$3,680,000, and
 - The scheduled principal payment of \$410,000 for the RRDA Bonds.
 - The 2009 Parks, Recreation, and Greenspace Bond tranche was refunded in 2016. This resulted in an issuance of \$28,450,000 in bonds and the payment to refunded bond escrow of \$28,201,489.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Cherokee County's basic financial statements. Cherokee County's basic financial statements are comprised of 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.

1. Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Cherokee County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Cherokee County's assets, deferred outflows and liabilities, deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cherokee County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cherokee 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 Cherokee County include general government, public safety, judicial services, health and welfare, highways and streets, culture and recreation and housing and development. The business-type activities of Cherokee County include Emergency Medical Services (ambulance service), and the Cherokee Conference Center.

The government-wide financial statements include not only Cherokee County itself (known as the *primary government*), but also the Cherokee County Board of Health, Cherokee County Development Authority, Development Authority of Cherokee County, and Sequoyah Regional Library, all legally separate entities, for which Cherokee County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

Please reference the index for the location of the government-wide financial statements in this report.

2. 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. Cherokee 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 Cherokee County can be divided into three categories: A. Governmental funds, B. Proprietary funds, and C. Fiduciary funds.

A. Definition of Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the governmental-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*.

Cherokee County maintains 28 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 four major funds: General Fund, Fire District Fund, SPLOST 2012 Fund (Special Purpose Local Option Sales Tax), and the Recreation Bond Fund. Data for the other 24 governmental funds are combined into a single, aggregated presentation, titled "Other Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Cherokee County adopts an annual appropriated budget for its General Fund, as well as all special revenue, proprietary and all other governmental fund types, including capital projects. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with this budget.

Please reference the index for the location of the basic governmental fund financial statements in this report.

B. Definition of Proprietary Funds

Cherokee County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Cherokee County uses enterprise funds to account for its Emergency Medical Services and Cherokee Conference Center funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Cherokee County's various functions. Cherokee County uses internal service funds to account for its fleet of vehicles and for its employee benefits claims. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Emergency Medical Services and Cherokee Conference Center funds. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, titled "Governmental Activities – Internal Service Funds." Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

Please reference the index for the location of the basic proprietary fund financial statements in this report.

C. Definition of 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 statement because the resources of those funds are *not* available to support Cherokee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Please reference the index for the location of the basic fiduciary fund financial statements in this report.

D. Fund Balance Procedures Under GASB Statement 54

Prior to 2011 fund balances were designated as either *reserved* or *unreserved*. In accordance with the governmental accounting standard, GASB Statement 54, which became effective in 2011, governmental entities are now required to present fund balance in the following five categories:

- i. *Nonspendable Fund Balance* – non-cash assets such as inventories or prepaid items.
- ii. *Restricted Fund Balance* – funds legally restricted for specific purposes, such as grant funds.
- iii. *Committed Fund Balance* – amounts that can only be used for specific purposes pursuant to a formal resolution of the Board of Commissioners.
- iv. *Assigned Fund Balance* – amounts intended to be used for specific purposes, either by the Board of Commissioners or the Board’s delegate. (For Cherokee County the Board delegated authority to assign balances to the County Manager).
- v. *Unassigned Fund Balance* – residual spendable fund balance after subtracting all above amounts.

3. 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.

4. Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Cherokee County’s progress in funding its obligation to provide pension benefits and OPEB benefits to its employees. Effective October 1, 2014, the County implemented the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB 71, which significantly changed the County’s accounting for pension amounts by requiring that the total net pension liability and the deferred inflows and outflows related to the net pension liability be reported in the government-wide financial statements as an adjustment to opening and ending fund balance.

Please reference the index for the location of the required supplementary information in this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

1. Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Cherokee County, assets and deferred outflows (excluding component units) exceeded liabilities and deferred inflows by \$974,567,648 at the close of the most recent fiscal year. Said another way, Cherokee County assets and deferred outflows are more than five times greater than its liabilities and deferred inflows.

	Governmental Activities		Business-type Activities		Total	
	2016	2015 (restated)	2016	2015	2016	2015 (restated)
Assets						
Current and Other Assets	\$ 192,280,816	\$ 117,934,425	\$ 2,873,379	\$ 2,685,445	\$ 195,154,195	\$ 120,619,870
Capital Assets	998,637,698	1,009,939,067	3,863,389	2,345,249	1,002,501,087	1,012,284,316
Total Assets	1,190,918,514	1,127,873,492	6,736,768	5,030,694	1,197,655,282	1,132,904,186
Deferred Outflows	11,637,668	2,614,057	765,639	156,644	12,403,307	2,770,701
Liabilities						
Current Liabilities	25,728,613	23,863,255	915,238	2,940,754	26,643,851	26,804,009
Long Term Liabilities	133,770,372	125,538,406	3,260,540	128,813	137,030,912	125,667,219
Total Liabilities	159,498,985	149,401,661	4,175,778	3,069,567	163,674,763	152,471,228
Deferred Inflows	71,816,178	160,523	-	-	71,816,178	160,523
Net Position						
Investment in capital assets, net of related debt	922,812,280	943,020,930	3,863,389	2,345,249	926,675,669	945,366,179
Restricted	66,862,941	70,835,182	-	-	66,862,941	70,835,182
Unrestricted	(18,434,202)	(32,930,747)	(536,760)	(227,478)	(18,970,962)	(33,158,225)
Total Net Position	\$ 971,241,019	\$ 980,925,365	\$ 3,326,629	\$ 2,117,771	\$ 974,567,648	\$ 983,043,136

By far the largest portion of Cherokee County's net position, \$926,675,669 or 95.0%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Cherokee County uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Cherokee 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

2. Statement of Activities

As compared to 2015, revenue from governmental activities increased \$8,649,598 or 5.0%. Significant drivers of this increase are related to property taxes \$4,936,823, capital grants \$2,628,304, sales taxes \$1,192,459. All revenue lines increased except Other Taxes which decreased \$3,190 and Other Revenues which decreased \$5,270,011. Most of this decrease was due to the fact that in 2015 we received a one-time payment from the Cherokee County Development Authority. The Development Authority sold a piece of land and transferred \$3,532,089 to the County. This was used to pay off a loan we had been paying for them. This was not repeated in 2016. The County did not complete a full rollback of millage rates in 2016, which along with 6.14% growth in the 2016 digest, increased property tax revenue. The County uses the prior year's property tax to fund the current year operations as explained in the introductory session entitled Change in Fiscal Year. The County did not complete a full rollback because all employees were granted a 2% salary increase and the rise in employee healthcare costs.

Summary of Activities

	Governmental Activities		Business-type Activities		Total	
	2016	2015 (restated)	2016	2015	2016	2015 (restated)
Program Revenue:						
Charges for Services	\$ 28,733,644	\$ 26,444,167	\$ 5,341,891	\$ 3,926,212	\$ 34,075,535	\$ 30,370,379
Operating Grants	5,928,258	3,952,156	21,000	21,000	5,949,258	3,973,156
Capital Grants:	15,954,463	13,326,159	42,165	-	15,996,628	13,326,159
General Revenue:						
Property Taxes	81,038,620	76,101,797	-	-	81,038,620	76,101,797
Alcoholic Beverage Taxes	1,056,462	1,029,826	-	-	1,056,462	1,029,826
Franchise Taxes	2,283,347	2,064,581	-	-	2,283,347	2,064,581
Sales Taxes	35,173,128	33,980,669	-	-	35,173,128	33,980,669
Insurance Premium Taxes	8,689,185	8,166,299	-	-	8,689,185	8,166,299
Other Taxes	207,340	210,530	-	-	207,340	210,530
Interest	261,309	129,993	-	-	261,309	129,993
Other	1,870,842	7,140,853	4,000	273,414	1,874,842	7,414,267
TOTAL REVENUES	\$ 181,196,598	\$ 172,547,030	\$ 5,409,056	\$ 4,220,626	\$ 186,605,654	\$ 176,767,656
Program Expenses:						
General Government	\$ 12,557,749	\$ 18,207,140	\$ -	\$ -	\$ 12,557,749	\$ 18,207,140
Judicial	16,970,402	15,621,410	-	-	16,970,402	15,621,410
Public Safety	76,378,048	65,843,729	-	-	76,378,048	65,843,729
Public Works	46,782,022	64,397,596	-	-	46,782,022	64,397,596
Health and Welfare	3,053,838	2,906,259	-	-	3,053,838	2,906,259
Culture and Recreation	18,747,709	10,098,987	-	-	18,747,709	10,098,987
Housing and Development	7,392,892	5,543,535	-	-	7,392,892	5,543,535
Interest	6,089,835	3,432,595	-	-	6,089,835	3,432,595
Emergency Medical Services	-	-	6,570,402	5,446,416	6,570,402	5,446,416
Conference Center	-	-	538,245	372,621	538,245	372,621
TOTAL EXPENDITURES	\$ 187,972,495	\$ 186,051,251	\$ 7,108,647	\$ 5,819,037	\$ 195,081,142	\$ 191,870,288
Change in Net Position Before Transfers	(6,775,897)	(13,504,221)	(1,699,591)	(1,598,411)	(8,475,488)	(15,102,632)
Transfers	(2,908,449)	(2,639,990)	2,908,449	2,639,990	-	-
Changes in Net Position	(9,684,346)	(16,144,211)	1,208,858	1,041,579	(8,475,488)	(15,102,632)
Beginning Net Position	980,925,365	996,673,637	2,117,771	1,076,192	983,043,136	997,749,829
Restatement	-	395,939	-	-	-	395,939
Ending Net Position	\$ 971,241,019	\$ 980,925,365	\$ 3,326,629	\$ 2,117,771	\$ 974,567,648	\$ 983,043,136

As compared to 2015 governmental activities expenses increased \$1,921,244 or 1.0%. There were two main drivers of this increase. The first was from the implementation of GASB 67 and GASB 68. The results of the actuarial studies and the GebCorp reports made it clear that we were short in our Defined Benefit Contributions. Each department was charged their portion of the Defined Benefits due for 2015 and 2016. The amount of Defined Benefit expense that was charged for 2016 was \$1,110,000 and the amount due for 2015 was \$179,925. We are now in compliance with both GASB 67 and GASB 68. The second driver of the increase was health insurance. The County is self-insured and it became evident that we were going to have a shortfall in the Insurance Fund. As with the Defined Benefit, we divided the shortfall of \$2,254,454 between the departments according to the employees they had covered by the insurance.

If we had not covered these two expense shortfalls, the County would have had less expense than in 2015. That is the result of effective control of expenses.

There were however, shifts in expenses that can be explained:

- General Government expenses were \$5,649,391 less in 2016 than 2015. This has several contributing factors. The main factor is tight cost controls, and more depreciation taken than assets added in 2016. The County has also been allocating costs to the departments that were once paid by General Government.
- Public Works expenses in 2016 were \$17,615,574 less than 2015. That is explained by timing. Many projects were still in the planning phase in 2016 so the construction costs were far less than they were in 2015.

- Culture and Recreation increased expenses \$8,648,722 in 2016. This is attributed to the Parks, Recreation and, Greenspace Bond projects are in high gear, in anticipation of completion of all projects in 2018.
- Public Safety expenses increased \$10,534,319, in 2016. This was in part due to Sheriff and Fire together acquiring 2,962,138 in new assets. But the bulk of the added expense was in payroll and benefits. All employees received a 2% salary increase. Public Safety in the General Fund added 11 new employees and the Fire Fund added 10 new employees. The added costs of the new employees, including training, along with the additional health insurance and defined benefit costs were the main driver of this increase.
- Sales taxes increased \$1,192,459 from \$33,980,669 in 2015 to \$35,173,128 in 2016.

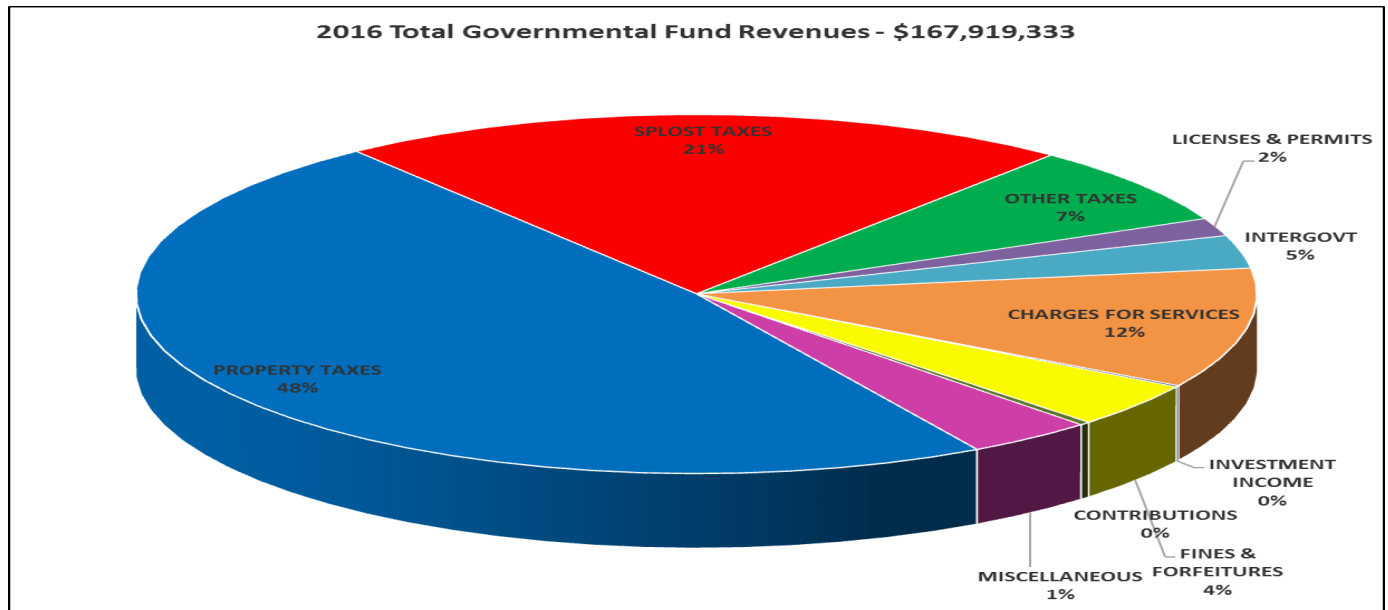
FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, Cherokee County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Cherokee County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Cherokee County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

1. Revenues

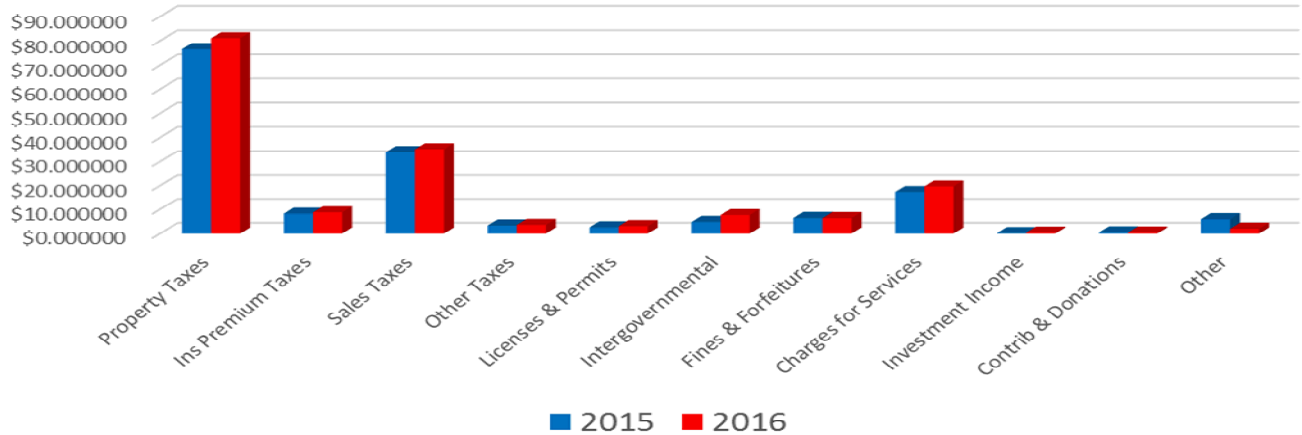
Revenues for Cherokee County's governmental funds in 2016 totaled \$167,919,333.

The majority of funding was generated from taxes at \$128,474,185 which is comprised of property taxes of \$81,064,723, sales taxes of \$35,173,128, insurance premium taxes of \$8,689,185, alcohol taxes of \$1,056,462 and other miscellaneous taxes of \$2,490,687.



Total revenues increased \$8,383,583 from \$159,535,750 in 2015 to \$167,919,333 in 2016. There were several factors contributing to this net variance:

Total Governmental Revenues 2015 (\$159.5M) v 2016 (\$167.9M)

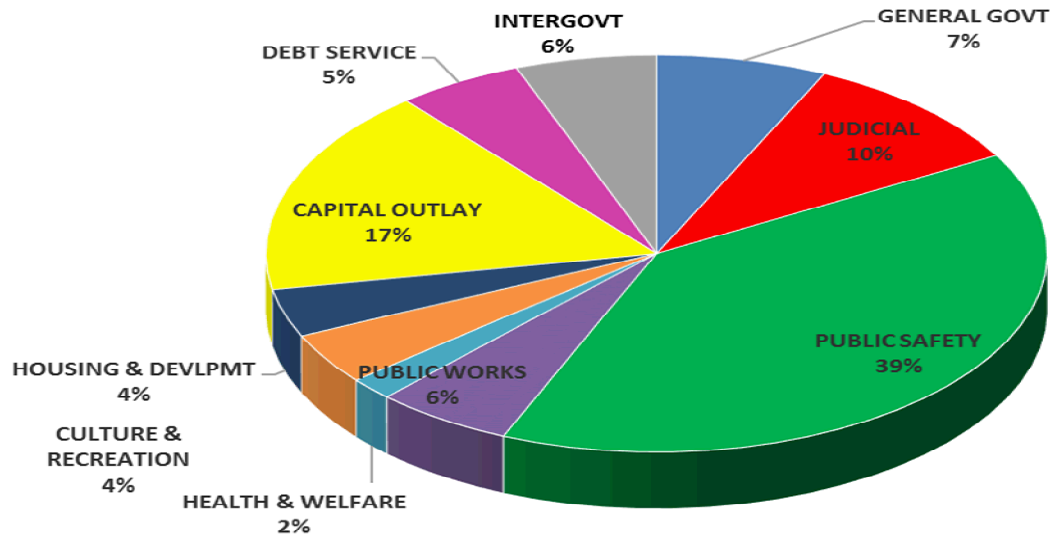


- Revenue from Property Taxes increased \$4,569,977. As previously explained, the county did not complete a full rollback of millage rates in 2015 or 2016, which along with 6.14% growth in the 2015 digest, increased property tax revenue. The main reason the county did not complete a full rollback is because all employees were given a 2% salary increase.
- Sales taxes increased \$1,192,459 from \$33,980,669 in 2015 to \$35,173,128 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 before the implementation of the new TAVT tax. In addition, in July 2013 the Outlet Shoppes of Atlanta opened in Woodstock, and Cabela's opened in August 2014. While we have lost sales taxes due to the new TAVT, this is being more than offset by sales taxes generated from the new stores.
- Intergovernmental revenue increased from \$4,754,515 in 2015 to \$7,575,190 in 2016. The largest portion of this increase, \$1,250,000 was given to the county by the City of Canton when their Fire Department was given to the County. Other major contributors to this increase was a \$585,956.16 increase in CDBG revenues, \$344,439.95 increase in Georgia Department of Revenue grants for road construction, and \$236,826 increase in grant revenue. The County also receive reimbursements from the City of Woodstock for \$274,545 and the City of Ball Ground for \$100,000.
- Charges for Services revenue increased from \$17,287,781 in 2015 to \$19,636,433 in 2016. The main driver of this increase is \$890,781.46 jump in Landfill use and Host Fees. Now that the RRDA Landfill has been leased and is operational the revenue has begun to climb. Impact Fees increased from \$1,383,190 in 2015 to \$1,937,303 in 2016 for an increase of \$554,113. All Impact Fee revenue is from new construction, thus is another sign that the County is continuing to improve economically.

2. Expenditures

Governmental expenditures totaled \$166,677,021. Of this total, 49.3% was required to support public safety and judicial services.

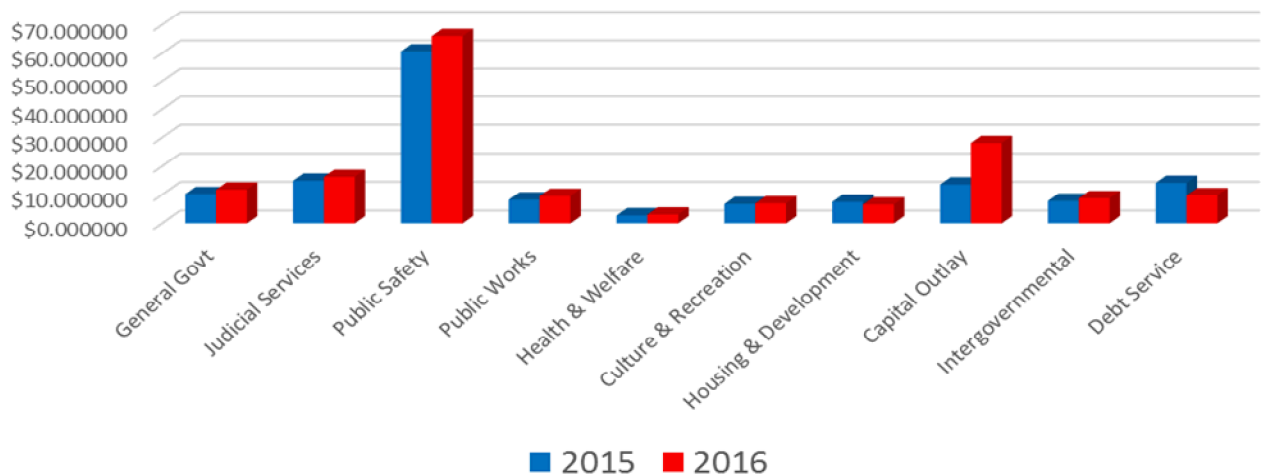
2016 Total Governmental Fund Expenditures \$166,677,021



As compared to 2015, governmental fund expenditures increased \$20,188,148, or approximately 13.8%. The primary drivers of the increases were as follows:

- Public Safety increased spending \$5,360,527. Not only did employees received a 2% salary increase effective October 1, 2015 Fire had 10 more employees in 2016 and Sheriff had 11 additional employees.
- Public Works expenditures increased \$1,265,718 in 2016. After having a salary freeze for five years, during the lean times, the salary levels for Public Works were below market average and was becoming difficult to get and keep good employees. They were given \$200,000 to bring their salaries more in line with the market. The other increases were due to project timing.
- Capital Outlay increase \$14,542,672. The major increases in Capital Outlay were in two funds. SPLOST 2012 fund increased spending \$9,644,837 while Park Bond Fund increased \$4,692,727. Both of these increases are due to timing of projects. During the lean years road construction was slowed and it has taken a couple of years to ramp up the work.

Total Governmental Fund Expenditures 2015 (\$146.5M) v 2016 (\$166.8M)



3. Fund Balance

As of the end of the current fiscal year, Cherokee County's governmental funds reported combined ending fund balances of \$106,580,938, a net increase of \$805,063 from the prior year. This increase is due to the combining of the City of Canton's fire department with the County's. It was determined that areas of coverage were being duplicated by the City and the County, and it would be advantageous to both governments and the citizens to combine them. Although the agreement was signed in September most of the changes were not to occur until Fiscal Year 2017. However, the one part of the agreement that was effective in Fiscal Year 2016 was the transfer of \$243,150 in SPLOST revenue, \$583,714 in Impact Fee revenue, and \$423,136 in property tax revenues that they had allocated to the fire department. Therefore, \$1,250,000 was due to the County in 2016.

Since the change in total governmental fund balance was due to a transfer from City of Canton to the County, it would appear that there were not a lot of changes in other funds. This is not true. Even though the changes added together had little effect on the total fund balance, there were substantial changes within the other funds. For example, the General Fund increased \$14,328,943 in 2016 from \$13,386,259 in 2015 to \$27,715,202 in 2016. One major factor in this increase was moving the Unincorporated County Services Fund to be included with the General Fund. At the end of Fiscal Year 2015 the Fund Balance of this fund was \$10,797,876. This was transferred to the General Fund. The General Fund not only increased fund balance from \$6,527,536 in additional taxes, and \$2,348,656 from additional Charges for Services, it also benefited from the \$936,864 in additional revenue created in the accounts moved from the Unincorporated County Services Fund.

The General Fund is the chief operating fund of Cherokee County. At the end of the current fiscal year, the total fund balance of the General Fund was \$27,715,202 of which \$26,932,247, or 97.2%, represents the *unassigned* portion. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance to total funding uses; the unassigned fund balance represents 35% of General Fund expenditures and transfers to other funds

The SPLOST 2012 Fund was established in 2012 to account for collections of the renewed SPLOST Tax beginning in July 2012. At year end, the total fund balance of the SPLOST 2012 Fund had grown from \$37,459,576 to \$41,872,922. The SPLOST 2012 Fund added \$4,413,346 to the fund balance. This was accomplished because the SPLOST receipts continued to increase over 2016 while expenditures were down. All funds are classified as restricted or nonspendable. 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.

The Recreation Bond Fund accounts for the voter approved bond proceeds used to invest in recreation, parks, and greenspace. The fund balance at year-end was \$10,962,111, which is \$9,094,485 less than 2015. This large decrease in fund balance is one of the reasons there was not an overall fund balance increase for the governmental fund. This decrease was expected and budgeted accordingly as we completed or made significant progress on projects and the fund balance will continue to be depleted as parks are built. The fund balance is restricted only to the approved projects included in the 2008 referendum.

The Fire District Fund is another major fund of the County which is primarily supported by property taxes. At year-end, the total fund balance of this fund was \$6,735,192, which was \$608,340 higher than the 2015 restated balance. The increase was primarily driven by the Department's tight control over expenditures.

4. General Fund Budgetary Highlights

The original budget for the General Fund expenditures was \$62,327,310, but was amended by \$11,070,115 to \$73,397,425. The primary reason for the amendment was related to moving the Unincorporated County Services

Fund into the General Fund. The budget in the Unincorporated County Services Fund at the time it was transferred was \$8,898,777. Included in the budget amendments were \$908,278 for County vehicles and construction of a Sheriff Fire Arms Complex.

Readers can review variances for each department in the Budget and Actual Schedules; however, this positive variance stems from personnel attrition and vacancies throughout the organization, as well as tight management of other operating costs.

CAPITAL ASSET AND DEBT ANALYSIS

1. Capital Assets

As of September 30, 2016, Cherokee County's investment in capital assets for its governmental activities totaled \$998,637,698 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, roads, highways, and bridges. The total of these capital assets decreased \$11,301,369, or 1%, as compared to FY2015. This is not unusual; typically every year the capital assets decrease because the annual depreciation expense is greater than new purchases and construction.

Due to budget constraints, major capital asset additions were limited mainly to SPLOST and Parks Bond funding and included the following:

- New Sheriff vehicles and Marshal vehicles
- Construction of Sheriff Fire Arms Complex
- Command Fire vehicle
- 4 hydraulic rescue tools/equipment
- 5 ambulances for EMS
- Land for Bells Ferry fire station
- Machinery and Vehicles for Public Works
- Various road improvements
- Various Parks Bond construction including both new development and renovations

Additional information on Cherokee County's capital assets can be found in Note 6 of this report.

2. Long-Term Debt

At the end of the current fiscal year, Cherokee County had total long term bonded debt outstanding of \$85,830,000.

Of this debt:

- \$15,715,000 is debt issued by the Resource Recovery Development Authority (RRDA), a blended component unit of the County. When this debt was issued, it was expected to be covered by the third party operator and lessee of the recycling facility; however, it was guaranteed by the County's pledge of up to 1 mil to cover the

annual debt service payments if the lessee defaulted. In 2012 the County was forced to cancel the lease due to the operator's inability to meet its obligations. The County has not been required to increase the millage rate to cover the debt service. However, if it did, the required increase equivalent to the annual debt service would be only 0.15 mills. During 2015 the County signed a contract with Chris Cowart Properties for a lease-purchase of the property. We now receive \$142,244 per year for the property.

- \$70,115,000 is supported by a separate bond millage rate of 0.609 mills. This debt was approved by voters in 2008 for investment in parks, recreation, and greenspace.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for Cherokee County is \$925,528,296; with outstanding debt of \$85,830,000, we are significantly under the legal limit (less than 1% rather than 10%).

Cherokee County's long term bonded debt decreased by \$935,000. Cherokee County's total reductions of principal were \$29,385,000 during the current fiscal year which included refunding the first tranche of the Parks and Recreation Bonds. The refunding also issued \$28,450,000 of new debt. This brings the total General Obligation Bonds outstanding to \$85,830,000. The County holds a rating of "Aa2" from Moody's Rating Agency and a "AA+" from Standard & Poor's Rating agency.

Additional information on Cherokee County's long-term debt can be found in Note 7 of this report.

STATUS OF CHEROKEE COUNTY'S ECONOMY

- As of December 31, 2016, the unemployment rate for Cherokee County was 4.0%, which was lower than the state rate of 5.4%. There has been no change to the County 2015 rate while the state increased from 5.3% to 5.4%.
- Beginning in late 2008, the construction industry has suffered from the economic recession. This has impacted building permits in most counties. However, over the past years Cherokee County has experienced steady recovery in the issuance of building permits, which we believe is a sign of an improving economy. In 2007 the County issued 3,358 building permits, which dropped to 1,963 at our lowest point in 2009, but rebounded to an issuance of 3,186 permits in 2015. This number leveled off in 2016 to 3111.
- Sales tax revenues increased \$1,192,459 or 4% over 2015. We consider this extremely good news because the TAVT tax eliminated sales tax on motor vehicle purchases, therefore we actually would have suffered a drop in revenues. Fortunately the Outlet Shoppes of Atlanta and Cabela's have helped to drive increasing sales tax revenues for the County. We have highlighted an expansion of the Outlet Shoppes of Atlanta in our Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Cherokee 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 the Finance Department, Cherokee County Board of Commissioners, 1130 Bluffs Parkway, Canton, Georgia, 30114.

Cherokee County, Georgia
Statement of Net Position
September 30, 2016

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Cherokee County Development Authority	Development Authority of Cherokee County	Library
Assets							
Cash and cash equivalents	\$ 101,207,225	\$ 2,115,144	\$ 103,322,369	\$ 1,331,351	\$ 225,695	\$ 912,367	\$ 1,356,071
Investments	251,795	-	251,795	100,130	-	-	-
Property taxes receivable	71,692,673	-	71,692,673	-	-	-	-
Accounts receivable	11,330,934	752,994	12,083,928	82,991	-	96,001	96,416
Due from other governments	5,822,858	-	5,822,858	2,127,224	-	401,670	42,949
Inventory	1,001,067	-	1,001,067	-	-	-	-
Prepaid items	640,939	5,241	646,180	7,500	-	14,332	21,789
Restricted cash and cash equivalents	-	-	-	-	-	-	135,801
Net OPEB asset	333,325	-	333,325	-	-	-	-
Capital assets, non-depreciable	306,361,062	-	306,361,062	-	3,172,001	3,207,196	1,104,098
Capital assets, depreciable (net of accumulated depreciation)	692,276,636	3,863,389	696,140,025	281,117	120,911	865,055	6,061,363
Total assets	1,190,918,514	6,736,768	1,197,655,282	3,930,313	3,518,607	5,496,621	8,818,487
Deferred Outflows of Resources							
Net difference between projected and actual earnings on pension plan investments and assumption changes	8,009,164	526,921	8,536,085	-	-	-	-
Employer contributions subsequent to the measurement date	3,628,504	238,718	3,867,222	1,087,979	-	-	242,702
Total Deferred Outflows of Resources	11,637,668	765,639	12,403,307	1,087,979	-	-	242,702
Liabilities							
Current Liabilities							
Accounts payable	9,477,281	332,443	9,809,724	257,091	-	-	115,783
Accrued liabilities	3,100,901	125,954	3,226,855	67	1,976	3,603	54,296
Due to other governments	-	-	-	311,701	401,670	-	-
Due to primary government	-	-	-	-	4,207,496	-	-
Noncurrent liabilities							
Due within one year	13,150,431	456,841	13,607,272	-	351,000	-	11,296
Due in more than one year	133,770,372	3,260,540	137,030,912	7,855,585	252,531	-	2,359,689
Total Liabilities	159,498,985	4,175,778	163,674,763	8,424,444	5,214,673	3,603	2,541,064
Deferred Inflows of Resources							
Unearned revenue	212,763	-	212,763	-	-	2,500	-
Deferred revenue	71,603,415	-	71,603,415	-	-	-	-
Difference between expected and actual experience	-	-	-	59,162	-	-	20,357
Net difference between projected and actual earnings on pension plan investments	-	-	-	534,261	-	-	195,231
Change in proportion and difference between employer contributions and proportionate share of contributions - pension	-	-	-	192,093	-	-	105,537
Total Deferred Inflows of Resources	71,816,178	-	71,816,178	785,516	-	2,500	321,125
Net Position							
Net investment in capital assets	922,812,280	3,863,389	926,675,669	281,117	3,292,912	4,072,251	7,165,461
Restricted for:							
Law library operations	561,679	-	561,679	-	-	-	(3,091)
Senior services	29,489	-	29,489	-	-	-	-
Public safety	90,165	-	90,165	-	-	-	-
Court services	1,501,577	-	1,501,577	-	-	-	-
Grant activities	615,788	-	615,788	-	-	-	-
Jail operation and construction	782,584	-	782,584	-	-	-	-
E911 operations	2,545,925	-	2,545,925	-	-	-	-
Health and welfare	189,539	-	189,539	-	-	-	-
Impact fees	8,615,558	-	8,615,558	-	-	-	-
Debt service	485,080	-	485,080	-	-	-	-
Cultural and recreation construction	-	-	-	-	-	-	133,065
SPLOST projects	44,710,365	-	44,710,365	-	-	-	-
Fire protection services	6,735,192	-	6,735,192	-	-	-	-
Public health programs	-	-	-	819,324	-	-	-
Unrestricted (deficit)	(18,434,202)	(536,760)	(18,970,962)	(5,292,109)	(4,988,978)	1,418,267	(1,096,435)
Total Net Position	\$ 971,241,019	\$ 3,326,629	\$ 974,567,648	\$ (4,191,668)	\$ (1,696,066)	\$ 5,490,518	\$ 6,199,000

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Statement of Activities
For the Year Ended September 30, 2016

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Department of Public Health	Cherokee County Development Authority	Development Authority of Cherokee County	Library
Primary Government											
Governmental Activities											
General government	\$ 12,557,749	\$ 7,076,481	\$ 447,878	\$ -	\$ (5,033,390)	\$ -	\$ (5,033,390)				
Judicial	16,970,402	6,229,489	1,123,289	-	(9,617,624)	-	(9,617,624)				
Public safety	76,378,048	8,286,895	1,610,096	-	(66,481,057)	-	(66,481,057)				
Public works	46,782,022	4,247,236	-	15,748,087	(26,786,699)	-	(26,786,699)				
Health and welfare	3,053,838	370,667	1,037,081	206,376	(1,439,714)	-	(1,439,714)				
Culture and recreation	18,747,709	2,522,876	35,215	-	(16,189,618)	-	(16,189,618)				
Housing and development	7,392,892	-	1,674,699	-	(5,718,193)	-	(5,718,193)				
Interest and fiscal charges	6,089,835	-	-	-	(6,089,835)	-	(6,089,835)				
Total Governmental Activities	187,972,495	28,733,644	5,928,258	15,954,463	(137,356,130)	-	(137,356,130)				
Business-type Activities											
Emergency medical services	6,570,402	4,997,112	-	42,165	-	(1,531,125)	(1,531,125)				
Conference center	538,245	344,779	21,000	-	-	(172,466)	(172,466)				
Total Business-type Activities	7,108,647	5,341,891	21,000	42,165	-	(1,703,591)	(1,703,591)				
Total Primary Government	\$ 195,081,142	\$ 34,075,535	\$ 5,949,258	\$ 15,996,628	(137,356,130)	(1,703,591)	(139,059,721)				
Component Unit											
Department of Public Health	\$ 11,867,829	\$ 1,890,487	\$ 9,401,807	\$ -				\$ (575,535)	\$ -	\$ -	\$ -
Cherokee County Development Authority	460,546	22,512	400,000	-				-	(38,034)	-	-
Development Authority of Cherokee County	656,810	60,000	525,137	-				-	-	(71,673)	-
Library	4,396,461	278,318	643,518	478,527				-	-	-	(2,996,098)
	\$ 17,381,646	\$ 2,251,317	\$ 10,970,462	\$ 478,527				(575,535)	(38,034)	(71,673)	(2,996,098)
General Revenues											
Property taxes					81,038,620	-	81,038,620	-	-	-	-
Alcoholic beverage taxes					1,056,462	-	1,056,462	-	-	-	-
Franchise taxes					2,283,347	-	2,283,347	-	-	-	-
Sales taxes					35,173,128	-	35,173,128	-	-	-	-
Insurance premium taxes					8,689,185	-	8,689,185	-	-	-	-
Other taxes					207,340	-	207,340	-	-	-	-
Miscellaneous					1,870,842	-	1,870,842	2,134,164	-	-	2,886,541
Unrestricted investment earnings					261,309	-	261,309	-	115	316	2,064
Gain on sale of capital assets					-	4,000	4,000	-	-	542,617	-
Transfers					(2,908,449)	2,908,449	-	-	-	-	-
Total General Revenues					127,671,784	2,912,449	130,584,233	2,134,164	115	542,933	2,888,605
Change in Net Position					(9,684,346)	1,208,858	(8,475,488)	1,558,629	(37,919)	471,260	(107,493)
Net Position Beginning of Year, as restated					980,925,365	2,117,771	983,043,136	(5,750,297)	(1,658,147)	5,019,258	6,306,493
Net Position End of Year					\$ 971,241,019	\$ 3,326,629	\$ 974,567,648	\$ (4,191,668)	\$ (1,696,066)	\$ 5,490,518	\$ 6,199,000

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Balance Sheet
Governmental Funds
September 30, 2016

	General Fund	Fire District Fund	SPLOST 2012 Fund	Recreation Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 19,830,572	\$ 6,550,870	\$ 42,667,328	\$ 13,190,811	\$ 17,420,657	\$ 99,660,238
Investments	-	-	-	-	251,795	251,795
Property taxes receivable, net	46,225,201	20,171,987	-	-	5,295,485	71,692,673
Accounts receivable, net	9,835,401	13,088	44,440	-	1,174,163	11,067,092
Due from other governments	20,775	426,482	3,331,326	-	2,044,275	5,822,858
Due from other funds	112,030	-	-	-	-	112,030
Inventory	5,349	804,091	-	-	-	809,440
Advances from other funds	500,000	-	-	-	-	500,000
Prepaid items	277,606	6,287	96	273	355,469	639,731
Total assets	<u>\$ 76,806,934</u>	<u>\$ 27,972,805</u>	<u>\$ 46,043,190</u>	<u>\$ 13,191,084</u>	<u>\$ 26,541,844</u>	<u>\$190,555,857</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 1,179,156	\$ 651,339	\$ 4,042,654	\$ 2,223,378	\$ 990,398	\$ 9,086,925
Accrued liabilities	1,523,608	347,126	127,614	5,595	172,091	2,176,034
Due to other funds	-	-	-	-	56,237	56,237
Advances to other funds	-	-	-	-	500,000	500,000
Total liabilities	<u>2,702,764</u>	<u>998,465</u>	<u>4,170,268</u>	<u>2,228,973</u>	<u>1,718,726</u>	<u>11,819,196</u>
Deferred Inflows of Resources						
Unearned revenue-advance registration fees	-	-	-	-	212,763	212,763
Unavailable revenue- property taxes	46,388,968	20,239,148	-	-	5,314,844	71,942,960
Total deferred inflows of resources	<u>46,388,968</u>	<u>20,239,148</u>	<u>-</u>	<u>-</u>	<u>5,527,607</u>	<u>72,155,723</u>
Fund Balances						
Nonspendable:						
Prepaid items	277,606	6,287	96	273	355,469	639,731
Advances from other funds	500,000	-	-	-	-	500,000
Inventory	5,349	804,091	-	-	-	809,440
Restricted:						
Law library operations	-	-	-	-	561,679	561,679
Senior services	-	-	-	-	26,895	26,895
Public safety	-	-	-	-	90,165	90,165
Court services	-	-	-	-	1,501,402	1,501,402
Grant activities	-	-	-	-	615,484	615,484
Jail operation and construction	-	-	-	-	771,302	771,302
E911 operations	-	-	-	-	2,531,110	2,531,110
Health and welfare	-	-	-	-	179,445	179,445
Impact fees	-	-	-	-	8,615,558	8,615,558
Debt service	-	-	-	-	180,029	180,029
Cultural and recreation construction	-	-	-	10,961,838	-	10,961,838
SPLOST projects	-	-	41,872,826	-	2,837,443	44,710,269
Fire protection services	-	5,924,814	-	-	-	5,924,814
Committed						
Jail and inmate services	-	-	-	-	243,618	243,618
Animal control	-	-	-	-	298,110	298,110
Park and recreation activities	-	-	-	-	487,980	487,980
Unassigned	<u>26,932,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(178)</u>	<u>26,932,069</u>
Total fund balances	<u>27,715,202</u>	<u>6,735,192</u>	<u>41,872,922</u>	<u>10,962,111</u>	<u>19,295,511</u>	<u>106,580,938</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 76,806,934</u>	<u>\$ 27,972,805</u>	<u>\$ 46,043,190</u>	<u>\$ 13,191,084</u>	<u>\$ 26,541,844</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.	998,379,769
Other long-term assets are not available to pay for current period expenditures, and therefore, are unavailable in the funds.	339,545
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	(99,799,375)
Net pension liability, along with related amounts, is not due and payable in the current period and is, therefore, not reported in governmental funds.	(35,307,394)
Net OPEB asset does not consume current financial resources and, therefore, not reported in governmental funds.	333,325
Internal service funds are used by management to charge the costs of various benefits and services to individual funds.	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	714,211
Net position of governmental activities.	<u>\$971,241,019</u>

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2016

	General Fund	Fire District Fund	SPLOST 2012 Fund	Recreation Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 53,038,313	\$ 21,430,285	\$ -	\$ -	\$ 6,596,125	\$ 81,064,723
Alcoholic beverage taxes	-	-	-	-	1,056,462	1,056,462
Franchise taxes	2,283,347	-	-	-	-	2,283,347
Insurance premium taxes	8,689,185	-	-	-	-	8,689,185
Sales taxes	-	-	35,173,128	-	-	35,173,128
Other taxes	-	-	-	-	207,340	207,340
Licenses and permits	2,981,455	59,574	-	-	-	3,041,029
Intergovernmental	52,691	423,136	2,535,597	-	4,563,766	7,575,190
Fines and forfeitures	4,784,752	-	-	-	1,547,118	6,331,870
Charges for services	6,779,082	1,550,485	-	-	11,306,866	19,636,433
Investment earnings	125,685	42,579	141,382	62,489	41,446	413,581
Contributions and donations	-	-	-	-	459,380	459,380
Miscellaneous	1,205,950	20,069	321,723	676	439,247	1,987,665
Total revenues	79,940,460	23,526,128	38,171,830	63,165	26,217,750	167,919,333
Expenditures						
Current:						
General government	11,548,302	-	-	-	237,950	11,786,252
Judicial	14,268,828	-	-	-	1,947,364	16,216,192
Public safety	35,891,205	22,942,438	-	-	7,172,228	66,005,871
Public works	4,929,265	-	4,555,047	-	33,194	9,517,506
Health and welfare	420,658	-	-	-	2,629,611	3,050,269
Culture and recreation	2,130,707	-	-	314,046	4,522,620	6,967,373
Housing and development	3,124,055	-	1,658,838	-	1,764,700	6,547,593
Capital Outlay	-	-	17,982,674	8,843,604	1,271,783	28,098,061
Intergovernmental	-	-	9,656,629	-	100,000	9,756,629
Debt Service						
Principal	11,047	-	2,286	-	4,090,000	4,103,333
Interest	2,402	-	461	-	4,382,075	4,384,938
Bond issuance cost	-	-	-	-	243,004	243,004
Total expenditures	72,326,469	22,942,438	33,855,935	9,157,650	28,394,529	166,677,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,613,991	583,690	4,315,895	(9,094,485)	(2,176,779)	1,242,312
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	66,640	24,650	-	-	3,000	94,290
Issuance of capital lease	510,073	-	97,451	-	-	607,524
Refunded bonds issued	-	-	-	-	28,450,000	28,450,000
Payment to refunded bond escrow	-	-	-	-	(28,201,489)	(28,201,489)
Transfers in	10,829,876	-	-	-	3,526,143	14,356,019
Transfers out	(4,691,637)	-	-	-	(11,051,956)	(15,743,593)
Total other financing sources (uses)	6,714,952	24,650	97,451	-	(7,274,302)	(437,249)
Net Change in Fund Balances	14,328,943	608,340	4,413,346	(9,094,485)	(9,451,081)	805,063
Fund Balances Beginning of Year, as Restated	13,386,259	6,126,852	37,459,576	20,056,596	28,746,592	105,775,875
Fund Balances End of Year	\$ 27,715,202	\$ 6,735,192	\$ 41,872,922	\$ 10,962,111	\$ 19,295,511	\$ 106,580,938

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended September 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 805,063
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(22,489,779)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations, sales and trade-ins) is to increase net position.	11,214,061
The current fiscal year increase to the net OPEB asset decreases net expenses of the functions on the government wide statements.	297,460
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(26,103)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds.	
Principal payments on bonds payable	29,385,000
Principal payments on capital leases	13,333
Refunding bonds issued	(28,450,000)
Capital leases issued	(607,524)
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 governmental funds.	335,304
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(161,161)
Change in net position of governmental activities	\$ (9,684,346)

See accompanying notes to the basic financial statements

Cherokee County, Georgia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budget			Variance With Final Budget
	Original	Final	Actual	
Revenues				
Property taxes	\$ 52,971,558	\$ 53,657,094	\$ 53,038,313	\$ (618,781)
Franchise taxes	1,900,000	2,000,000	2,283,347	283,347
Insurance premiums taxes	-	7,933,459	8,689,185	755,726
Licenses and permits	774,500	2,538,543	2,981,455	442,912
Intergovernmental	48,000	48,000	52,691	4,691
Fines and forfeitures	4,031,420	4,031,420	4,784,752	753,332
Charges for services	5,466,449	5,779,831	6,779,082	999,251
Interest	35,000	53,241	125,685	72,444
Other	924,019	1,006,717	1,205,950	199,233
Total revenues	66,150,946	77,048,305	79,940,460	2,892,155
Expenditures				
Current:				
General government				
County commission	283,135	286,132	273,440	12,692
County manager	368,637	393,268	393,267	1
County clerk	120,333	125,938	125,938	-
Administrative services agencies	-	-	1,882	(1,882)
Elections	811,125	817,492	773,214	44,278
Finance	895,433	914,149	893,713	20,436
County attorney	218,539	442,664	442,664	-
Data processing	2,108,886	2,253,089	2,120,451	132,638
Human resources	347,080	351,298	310,087	41,211
Tax commissioner	1,924,374	1,988,340	1,988,339	1
Tax assessor	2,241,296	2,391,232	2,386,740	4,492
Development services administration	-	380,117	363,015	17,102
GIS/mapping	-	424,762	383,333	41,429
Building and grounds	1,078,492	1,087,536	997,990	89,546
General administration	154,225	154,225	94,229	59,996
Total General Government	10,551,555	12,010,242	11,548,302	461,940
Judicial				
Court administration	1,554,147	1,561,496	1,446,424	115,072
Superior court	384,228	387,324	384,891	2,433
Clerk of superior court	3,317,419	3,423,430	3,423,430	-
Board of equalization	26,713	26,713	17,008	9,705
Clerk of court technology fund	100,000	100,000	88,518	11,482
District attorney	2,119,113	2,267,317	2,267,314	3
State court	833,227	836,766	788,129	48,637
State court solicitor	1,575,706	1,633,317	1,633,646	(329)
Magistrate court	356,003	360,733	327,652	33,081
Probate court	789,264	800,434	794,474	5,960
Indigent defense	1,893,367	1,897,287	1,859,062	38,225
Juvenile court	1,156,346	1,238,280	1,238,280	-
Total Judicial	14,105,533	14,533,097	14,268,828	264,269
Public safety				
Sheriff	34,876,177	35,324,780	35,283,870	40,910
Coroner	180,441	191,932	191,932	-
Animal control	-	446,277	415,403	30,874
Total Public Safety	35,056,618	35,962,989	35,891,205	71,784

(continued)

Cherokee County, Georgia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
Public works				
Recycling	-	216,472	216,513	(41)
Roads	-	4,808,850	4,543,260	265,590
Postclosure care	-	169,492	169,492	-
Total Public Safety	-	5,194,814	4,929,265	265,549
Health and welfare				
Public health administration	203,493	203,493	202,366	1,127
Aid to dependent children	97,000	97,000	88,035	8,965
Aid to the disabled	12,000	12,000	12,000	-
Children and youth services	36,300	36,300	31,700	4,600
County extension	83,418	83,418	82,272	1,146
Senior Center	6,004	6,004	4,285	1,719
Total health and welfare	438,215	438,215	420,658	17,557
Housing and development				
Code enforcement	-	840,012	840,013	(1)
Conservation	-	68,098	68,098	-
Planning and zoning	-	760,646	760,645	1
Permits and inspections	-	670,634	667,010	3,624
Forestry services	-	14,561	14,561	-
Economic development	45,000	773,728	773,728	-
Total housing and development	45,000	3,127,679	3,124,055	3,624
Culture and recreation				
Community arts centers	70,315	70,315	70,633	(318)
Library	2,060,074	2,060,074	2,060,074	-
Total Recreation and Culture	2,130,389	2,130,389	2,130,707	(318)
Debt service:				
Principal	-	-	11,047	(11,047)
Interest	-	-	2,402	(2,402)
Total debt service	-	-	13,449	(13,449)
Total expenditures	62,327,310	73,397,425	72,326,469	1,070,956
Excess (deficiency) of revenues over (under) expenditures	3,823,636	3,650,880	7,613,991	3,963,111
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	66,640	66,640
Issuance of capital lease	-	357,752	510,073	152,321
Transfers in	-	32,000	10,829,876	10,797,876
Transfers out	(4,472,425)	(4,735,932)	(4,691,637)	44,295
Total other financing sources (uses)	(4,472,425)	(4,346,180)	6,714,952	11,061,132
Net change in fund balance	(648,789)	(695,300)	14,328,943	15,024,243
Fund balance, beginning of year	13,386,259	13,386,259	13,386,259	-
Fund balance, end of year	\$ 12,737,470	\$ 12,690,959	\$ 27,715,202	\$ 15,024,243

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Fire District Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Property taxes	\$20,989,816	\$21,250,871	\$ 21,430,285	\$ 179,414
Licenses and permits	35,000	35,000	59,574	24,574
Intergovernmental	3,000	3,000	423,136	420,136
Charges for services	1,293,803	1,336,129	1,550,485	214,356
Interest	8,000	8,000	42,579	34,579
Other	-	-	20,069	20,069
Total revenues	<u>22,329,619</u>	<u>22,633,000</u>	<u>23,526,128</u>	<u>893,128</u>
Expenditures				
Current				
Public safety	<u>22,674,566</u>	<u>23,977,947</u>	<u>22,942,438</u>	<u>1,035,509</u>
Total expenditures	<u>22,674,566</u>	<u>23,977,947</u>	<u>22,942,438</u>	<u>1,035,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(344,947)</u>	<u>(1,344,947)</u>	<u>583,690</u>	<u>1,928,637</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>24,650</u>	<u>24,650</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24,650</u>	<u>24,650</u>
Net Change in Fund Balances	<u>(344,947)</u>	<u>(1,344,947)</u>	<u>608,340</u>	<u>1,953,287</u>
Fund Balances Beginning of Year, as Restated	<u>6,126,852</u>	<u>6,126,852</u>	<u>6,126,852</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 5,781,905</u>	<u>\$ 4,781,905</u>	<u>\$ 6,735,192</u>	<u>\$ 1,953,287</u>

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Statement of Net Position
Proprietary Funds
September 30, 2016

	EMS	Non-major Conference Center	Totals	Governmental Activities - Internal Service Funds
Assets				
Current assets				
Cash	\$ 1,595,533	\$ 519,611	\$ 2,115,144	\$ 1,546,987
Receivables, net of allowance	751,594	1,400	752,994	263,842
Prepaid items	-	5,241	5,241	1,208
Inventories	-	-	-	191,627
Total current assets	<u>2,347,127</u>	<u>526,252</u>	<u>2,873,379</u>	<u>2,003,664</u>
Noncurrent assets				
Capital assets, net of depreciation	<u>3,808,355</u>	<u>55,034</u>	<u>3,863,389</u>	<u>257,929</u>
Total assets	<u>6,155,482</u>	<u>581,286</u>	<u>6,736,768</u>	<u>2,261,593</u>
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments and assumption changes	526,921	-	526,921	67,546
Employer contributions subsequent to the measurement date	<u>238,718</u>	<u>-</u>	<u>238,718</u>	<u>30,601</u>
Total deferred outflows of resources	<u>765,639</u>	<u>-</u>	<u>765,639</u>	<u>98,147</u>
Liabilities				
Current liabilities				
Accounts payable	298,350	34,093	332,443	390,356
Accrued liabilities	107,886	18,068	125,954	728,567
Due to other funds	-	-	-	55,793
Compensated absences, due within one year	<u>456,841</u>	<u>-</u>	<u>456,841</u>	<u>54,274</u>
Total current liabilities	<u>863,077</u>	<u>52,161</u>	<u>915,238</u>	<u>1,228,990</u>
Long-term Liabilities (net of current portion)				
Compensated absences, due in more than one year	152,280	-	152,280	18,091
Net pension liability	<u>3,108,260</u>	<u>-</u>	<u>3,108,260</u>	<u>398,448</u>
Total long-term liabilities	<u>3,260,540</u>	<u>-</u>	<u>3,260,540</u>	<u>416,539</u>
Total Liabilities	<u>4,123,617</u>	<u>52,161</u>	<u>4,175,778</u>	<u>1,645,529</u>
Net Position				
Investment in capital assets	3,808,355	55,034	3,863,389	257,929
Unrestricted (deficit)	<u>(1,010,851)</u>	<u>474,091</u>	<u>(536,760)</u>	<u>456,282</u>
Total Net Position	<u>\$ 2,797,504</u>	<u>\$ 529,125</u>	<u>\$ 3,326,629</u>	<u>\$ 714,211</u>

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2016

	EMS	Non-major Conference Center	Totals	Governmental Activities- Internal Service Fund
Operating Revenues				
Charges for services	\$ 4,993,492	\$ 18,893	\$ 5,012,385	\$ 15,920,333
Miscellaneous revenue	3,620	325,886	329,506	1,647,947
Total operating revenues	4,997,112	344,779	5,341,891	17,568,280
Operating Expenses				
Personal services	5,251,368	-	5,251,368	831,650
Contractual services	601,176	330,221	931,397	1,556,238
Claims paid	-	-	-	14,576,703
Supplies	448,640	190,168	638,808	739,199
Depreciation	269,218	17,856	287,074	25,651
Total operating expenses	6,570,402	538,245	7,108,647	17,729,441
Operating loss	(1,573,290)	(193,466)	(1,766,756)	(161,161)
Nonoperating Revenue				
Contributions	-	21,000	21,000	-
Gain on sale of capital assets	4,000	-	4,000	-
Total nonoperating revenue	4,000	21,000	25,000	-
Change in net position before transfers and capital contributions	(1,569,290)	(172,466)	(1,741,756)	(161,161)
Capital contributions	1,563,040		1,563,040	-
Transfers				
Transfers in	1,270,234	117,340	1,387,574	-
Total transfers	1,270,234	117,340	1,387,574	-
Change in net position	1,263,984	(55,126)	1,208,858	(161,161)
Net Position Beginning of Year	1,533,520	584,251	2,117,771	875,372
Net Position End of Year	<u>\$ 2,797,504</u>	<u>\$ 529,125</u>	<u>\$ 3,326,629</u>	<u>\$ 714,211</u>

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2016

	<u>EMS</u>	<u>Non-major Conference Center</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities				
Receipts from customers	\$ 4,663,625	\$ 364,331	\$ 5,027,956	\$ -
Receipts from other funds	-	-	-	17,925,121
Payments to employees	(4,927,386)	-	(4,927,386)	(829,230)
Payments to suppliers for services provided	(911,782)	(487,710)	(1,399,492)	(16,151,187)
Net Cash Provided by (Used in) Operating Activities	<u>(1,175,543)</u>	<u>(123,379)</u>	<u>(1,298,922)</u>	<u>944,704</u>
Cash Flows from Capital Financing Activities				
Purchase of capital assets	(259,500)	(24,841)	(284,341)	-
Capital contributions	42,165	-	42,165	-
Proceeds from sale of capital assets	4,000	-	4,000	-
Net Cash Used in Capital Financing Activities	<u>(213,335)</u>	<u>(24,841)</u>	<u>(238,176)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities				
Transfers in	1,270,234	117,340	1,387,574	-
Donations for operations	-	21,000	21,000	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>1,270,234</u>	<u>138,340</u>	<u>1,408,574</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(118,644)</u>	<u>(9,880)</u>	<u>(128,524)</u>	<u>944,704</u>
Cash and Cash Equivalents Beginning of Year	<u>1,714,177</u>	<u>529,491</u>	<u>2,243,668</u>	<u>602,283</u>
Cash and Cash Equivalents End of Year	<u>\$ 1,595,533</u>	<u>\$ 519,611</u>	<u>\$ 2,115,144</u>	<u>\$ 1,546,987</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ (1,573,290)	\$ (193,466)	\$ (1,766,756)	\$ (161,161)
Adjustments -				
Depreciation	269,218	17,856	287,074	25,651
(Increase) Decrease in:				
Accounts receivable	(333,487)	19,552	(313,935)	352,020
Prepaid items	-	(2,523)	(2,523)	57
Inventories	-	-	-	(19,191)
Deferred outflows of resources	(608,995)	-	(608,995)	(75,969)
Increase (Decrease) in:				
Accounts payable	256,794	26,447	283,241	49,300
Accrued expenses	(118,760)	8,755	(110,005)	690,787
Due to other funds	-	-	-	4,821
Compensated absences payable	93,869	-	93,869	1,200
Net pension liability	839,108	-	839,108	77,189
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,175,543)</u>	<u>\$ (123,379)</u>	<u>\$ (1,298,922)</u>	<u>\$ 944,704</u>
Noncash Capital Financing Activities				
Transfer of capital assets from governmental activities	<u>\$ 1,520,875</u>	<u>\$ -</u>	<u>\$ 1,520,875</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

Cherokee County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2016

	Agency Funds
Assets	
Cash	\$ 11,294,137
Other receivable	207,947
Taxes receivable	<u>209,193,810</u>
Total assets	<u><u>\$ 220,695,894</u></u>
Liabilities	
Due to others	\$ 11,502,084
Taxes payable to others upon collection	<u>209,193,810</u>
Total Liabilities	<u><u>\$ 220,695,894</u></u>

See accompanying notes to the basic financial statements

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County is a political subdivision of the State of Georgia governed by the Commission Chairman and a four-member Board of Commissioners. The financial statements of the County and its discretely presented component units, the Development Authority of Cherokee County, the Cherokee County Development Authority, the Sequoyah Regional Library, and the Cherokee County Department of Public Health have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 61, "*The Financial Reporting Entity: Omnibus - An amendment of GASB Statements No. 14 and No. 34*" the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Based upon the application of these criteria, the following is a brief review of the component units addressed in defining the County's reporting entity.

The **Development Authority of Cherokee County** (the "Development Authority") provides a means to issue industrial development bonds to develop and promote trade, commerce, industry and employment opportunities within Cherokee County. The Development Authority is frequently referred to as "the Cherokee County Office of Economic Development" and exists to promote economic development in the County by working with existing industries to expand as well as by recruiting additional business to the community. The Development Authority was created by resolution of the Board of Commissioners. All board members of the Development Authority are appointed by the County. The Development Authority is dependent on the County for its operational costs. The Development Authority is presented as a governmental fund type component unit. There are no separately issued financial statements available for the Development Authority of Cherokee County. The fiscal year end of the Development Authority is September 30th.

The **Cherokee County Development Authority** (the "CCDA") provides a means to issue industrial development bonds to develop and promote trade, commerce, industry and employment opportunities within Cherokee County. The CCDA was established by State constitution. Cherokee County does not appoint a majority of the Board; however, the CCDA does require the approval of Cherokee County in order to issue bonded debt. The CCDA is dependent on the County to service the debt service payments on their bonds. The CCDA is presented as a governmental fund type component unit. There are no separately issued financial statements available for the Cherokee County Development Authority. The fiscal year end of the CCDA is September 30th.

The **Sequoyah Regional Library** (the "Library") provides library services to the citizens of Cherokee, Gilmer, and Pickens Counties. The County appoints a majority of the Library's board members and provides significant funding to the Library. During the fiscal year ended September 30, 2016 the Library received \$2,060,074 from the County. The Library is presented as a governmental fund type component unit.

The Sequoyah Regional Library operates on a June 30 fiscal year end. The financial statements of the Sequoyah Regional Library were audited by other auditors, and a complete report can be obtained from the Sequoyah Regional Library, 116 Brown Industrial Parkway, Canton, Georgia 30114.

The **Cherokee County Department of Public Health** (the "Department of Public Health") provides health related services to residents of Cherokee County. Programs include disease screening, child health services,

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

family planning, health services, and environmental health programs. The County appoints a voting majority of the board members of the Department of Public Health and provides significant funding to the Department of Public Health.

The Department of Public Health operates on a June 30 fiscal year end. Complete financial statements of the Department of Public Health can be obtained from their administrative offices at Department of Public Health, 1219 Univeter Road, Canton, Georgia 30114.

A blended component unit, although a legally separate entity, is in substance part of the County's operations and so financial data from this unit is combined with the financial data of the primary government. The following is presented as a blended component unit.

The Resource Recovery Development Authority of Cherokee County (the "RR Development Authority") provides a means to issue industrial development bonds used to help develop and promote recycling opportunities within Cherokee County. The RR Development Authority is governed by a board comprised of four of the County's elected Commissioners and the one additional public member. The County has guaranteed the bonds issued by the RR Development Authority with the County's millage rate. The RR Development Authority is presented as a blended governmental fund type component unit as the sole purpose was to finance a recycling center to be leased and operated by a third party and subsequently the County has assumed the debt service payments, as the third party operator has defaulted. There are no separately issued financial statements available for the RR Development Authority.

The Atlanta Regional Commission (the "ARC") is considered a joint venture based upon the criteria in GASB Statement No. 14, as amended by GASB Statement No. 61. Under Georgia law, the County, in conjunction with other cities and counties in the 10-county metropolitan Atlanta, Georgia area, is a member of the ARC. Membership in a Regional Commission is required by the O.C.G.A 50-8-34, which provides for the organizational structure of the RDC in Georgia. The County paid dues in the amount of \$228,450 to the ARC for the fiscal year ended September 30, 2016. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A 50-39-1 provides that the member government are liable for any debts or obligations of a Regional Commission. Complete financial statements of the RDC may be obtained from the Atlanta Regional Commission, 40 Courtland Street, N.E., Atlanta, Georgia 30303.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those 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 fund are reported as separate columns in the fund financial statements.

C. 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 the fiduciary fund financial statements. Agency funds are custodial in nature and do present the results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of the

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

related cash flows. Property taxes are recognized as revenues in which the fiscal year for which they are levied. Property taxes levied in September are for the next fiscal year beginning October 1. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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 County considers most revenues to be available if they are collected within 60 days of the end of the current fiscal year, however, grant revenues are considered available if they are collected within 180 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the County.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

The **Fire District Fund** is used to account for monies received from a restricted property tax levy for the operations of the fire departments within the County.

The **Special Purpose Local Option Sales Tax ("SPLOST") 2012 Fund** is used to account for proceeds of a special 1% local sales tax levy approved by voters in 2011 for an authorized period of six years, between July 2012-June 2018, and for a total amount of up to \$185.5 million. The proceeds of this special tax are designated for 1) jail expansion, law enforcement and fire/EMS training facilities and equipment, advance life support (ALS) vehicles and equipment, and animal shelter facilities and equipment 2) transportation facilities, equipment, improvement, and airport facilities and expansion, 3) library facilities, 4) senior center facilities, 5) law enforcement, E-911 and county marshal facilities, vehicle and equipment, 6) business and economic development land acquisition, infrastructure, facilities, debt service, sewer system improvements, 7) courthouse expansion, and 8) fire and emergency services facilities, vehicles and equipment.

The **Recreation Bond Fund** is used to account for proceeds of the 2009, 2010, 2012, and 2014 recreation bonds and the recreation projects funded by the bonds.

The County reports the following major proprietary fund:

The **EMS Fund** is used to account for the provisions of emergency medical services to the residents of the County.

Additionally, the County reports the following fund types:

Special revenue funds account for the revenue sources that are legally restricted or committed to expenditure for specific purposes, such as grant programs, certain fines and forfeitures, E-911 charges, and law enforcement services.

Capital projects funds account for the capital expenditures made by the County.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Internal service funds account for fleet management services and to account for the County's contributions and employee premiums for health, disability, and life insurance, and the related payments for associated costs.

The ***Enterprise fund*** is used to account for the operations of the County's conference center. Activities of the fund include administration, operations, and collection activities.

The ***Agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Constitutional officers use these funds to temporarily hold assets.

In accounting and reporting for its proprietary operations, the government applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporated in the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

As a general rule the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other changes between the County's emergency medical services and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise funds and of the County's internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents, and Investments

Cash includes cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; obligations of the State of Georgia; obligations of other counties; municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by a bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by the U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Investments are stated at fair value, based on quoted market prices.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Operating funds are currently invested in the Georgia Fund 1 Liquidity Pool; U.S. Government agencies; or maintained in demand deposit, savings, and public funds money market accounts with financial institutions.

The investment in the Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. Fair value of the investment in the Georgia Fund 1 is equal to the value of the pool of shares. As of September 30, 2016, the County's investment in Georgia 1 was rated AA+ by Standard & Poor's. Funds included in this Pool are not required to be collateralized.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal period as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by a nonspendable fund balance category, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

Payments to vendors for services that will benefit periods beyond September 30, 2016, are recorded as prepaid items. Prepaid items reported in the governmental funds are also equally offset by a nonspendable fund balance category, which indicates that they do not constitute "available, spendable financial resources" even though they are a component of net current assets.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets, not including infrastructure, are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All infrastructure assets are capitalized, regardless of cost. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

<u>Asset Class</u>	<u>Estimate Useful Life</u>
Buildings and improvements	50
Machinery and equipment	5-20
Vehicles	5
Infrastructure	25-50

H. Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The County has two items which qualify for reporting in this category. One is the deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The governmental funds balance sheet and government wide statement of net position will report unearned advance registration fee revenues as a deferred inflow of resources. Additionally, the governmental funds balance sheet and government wide statement of net position will report property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed non-exchange revenue transaction received or reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied. Deferred inflows of resources relating to pension are also reported in the government wide statement of net position.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees can accumulate up to 320 hours of vacation leave for regular employees and up to 480 hours of vacation leave for fire district employees. The amount of sick leave that can be accumulated is unlimited.

Employees are entitled to all accrued vacation and fifty percent (50%) of all accrued sick leave upon separation, regardless if retirement qualifications are met. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote (resolution) action of the County Commission. Only the County Commission may modify or rescind the commitment through the passage of a resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted or committed. The Board of Commissioners retains the authority to make assignments.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e. the amount that the County has spent) for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any deferred bond premiums, discounts or refunding amounts. Net position is reported as restricted using the same definition as

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resource, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Cherokee County Defined Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Interfund Transfers

Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other fund transactions, except interfund reimbursement transactions are reported as transfers.

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflows of resources, and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. LEGAL COMPLIANCE- BUDGETS

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or around September 1, the County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. At least one public hearing is conducted to obtain taxpayer comments.
3. The budget is formally approved at the first Board meeting in October, or shortly thereafter as deemed appropriate by the Budget Officer.
4. The County Manager is authorized to transfer amounts between accounts within any department. All supplemental appropriations must be enacted by the County Commission.
5. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is typically at the department level. For the capital project fund budgets the legal level of control is typically the fund as a whole.
6. Annual appropriated budgets are adopted for the General Fund, each Special Revenue Fund, each Capital Projects Fund, and the Debt Service Fund for the fiscal year ended September 30, 2016. Budget amounts are as originally adopted, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made are reflected in the final budget numbers. Unencumbered appropriations lapse at fiscal year-end. The budgets were adopted on the GAAP basis of accounting.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 3. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are reported in the funds. The details of the \$99,799,375 difference are as follows:

Bonds payable:	\$ (85,830,000)
Less: Underwriters discount	156,280
Add: Original issue premium	(899,585)
Capital lease payable	(594,191)
Accrued interest payable	(196,301)
Claims payable	(452,729)
Landfill postclosure costs	(1,672,637)
Compensated absences	<u>(10,310,212)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$ (99,799,375)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balance – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “the net effect of various miscellaneous transactions involving capital assets (i.e., donations, sales and trade-ins is to increase net assets.” The details of this \$11,214,061 difference are as follows:

Donations of capital assets	\$ 13,303,368
Disposal of capital assets	<u>(2,089,307)</u>
Net adjustment to increase fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 11,214,061</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$22,489,779 difference are as follows:

Capital outlay	\$ 27,548,419
Depreciation expense	<u>(50,038,198)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (22,489,779)</u>

CHEROKEE COUNTY, GEORGIA
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Another element of that reconciliation explains that “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 governmental funds.” The details of this \$335,304 are as follows:

Compensated absences	\$ (965,056)
Insurance claims	42,028
Amortization expense	105,915
Pension expense	(353,358)
Landfill monitoring costs	167,095
Accrued interest payable	<u>1,338,680</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 335,304</u>

NOTE 4. DEPOSITS AND INVESTMENTS

A. Credit Risk

State statutes authorize the County to invest in obligations of the State of Georgia or other States; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime banker’s acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County does not have an investment policy and, therefore, has elected to follow State statutes for limiting credit risk on investments.

At September 30, 2016, the County had the following investments:

Investment	Maturity	Amount
Certificate of deposit	18 month	\$ 251,795
Georgia Fund 1	44 day WAM	27,264,014
Money market	1 day	<u>70,267,462</u>
		<u>\$ 97,783,271</u>

The County is reporting its investments in Georgia Fund 1 and the money market investments as cash equivalents in the financial statements as of September 30, 2016.

B. Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the County limits at least half of the County’s investment portfolio to maturities of less than one year.

C. Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government. Or bonds of public authorities, counties, or municipalities. As of September 30, 2016, the County’s cash accounts were secured, insured or collateralized in accordance with state law.

CHEROKEE COUNTY, GEORGIA
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D. Fair Value Measurements

In fiscal year 2016, the County adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the County has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the County's own assumptions, as there is little, if any, related market activity.

The County's recurring fair value measurements as of September 30, 2016 are as follows:

Investment		Fair Value Measurement		
		Level 1	Level 2	Level 3
Certificate of deposit	\$ 251,795	\$ 251,795	\$ -	\$ -
Georgia Fund 1	27,264,014	27,264,014	-	-
Money market	70,267,462	70,267,462	-	-
	<u>\$ 97,783,271</u>	<u>\$ 97,783,271</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5. RECEIVABLES

Receivables at September 30, 2016, for the County's individual major funds and nonmajor funds are as follows:

	General Fund	Fire District	SPLOST 2012 Fund	Nonmajor Governmental Funds
Receivables:				
Property taxes	\$ 46,493,182	\$ 20,294,541	\$ -	\$ 5,327,707
Accounts	10,148,005	13,088	44,440	1,174,163
Gross receivables	56,641,187	20,307,629	44,440	6,501,870
Less allowance for uncollectibles	580,585	122,554	-	32,222
Net receivables	<u>\$ 56,060,602</u>	<u>\$ 20,185,075</u>	<u>\$ 44,440</u>	<u>\$ 6,469,648</u>
		Non-major Conference Center	Internal Service Funds	
Receivables:	EMS			
Accounts	\$ 9,575,983	\$ 1,400	\$ 263,842	
Less allowance for uncollectibles	8,824,389	-	-	
Net total receivables	<u>\$ 751,594</u>	<u>\$ 1,400</u>	<u>\$ 263,842</u>	

CHEROKEE COUNTY, GEORGIA
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The County bills and collects its own property taxes as well as taxes for the Cherokee County School System ("School System") and some municipalities within the County. Collections of the County taxes and remittance of them to the General Fund, Fire District Fund, Debt Service Fund, the School System, the City of Ball Ground, and the State are accounted for in the Tax Commissioner Agency Fund. County property taxes are recognized when levied to the extent that they result in current receivables. Property taxes are levied in August based on assessed values on January 1st and are due on December 20th of each year. Collections of property taxes are made throughout the year. Liens may be attached to property for unpaid taxes at any time within three years after the due date.

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvement	\$ 274,889,709	\$ 3,462,252	\$ 343,596	\$ -	\$ 278,695,557
Construction in progress	6,361,328	21,956,857	(589,266)	(63,414)	27,665,505
Total	<u>281,251,037</u>	<u>25,419,109</u>	<u>(245,670)</u>	<u>(63,414)</u>	<u>306,361,062</u>
Capital assets, being depreciated:					
Buildings and improvements	169,134,315	218,316	245,670	(521,801)	169,076,500
Machinery and equipment	20,270,290	2,033,548	(726,200)	(951,573)	20,626,065
Vehicles	26,949,271	2,723,818	(794,675)	(1,561,497)	27,316,917
Infrastructure	1,029,544,727	10,456,996	-	-	1,040,001,723
Total	<u>1,245,898,603</u>	<u>15,432,678</u>	<u>(1,275,205)</u>	<u>(3,034,871)</u>	<u>1,257,021,205</u>
Less accumulated depreciation for:					
Buildings and improvements	39,460,586	5,227,272	-	(117,543)	44,570,315
Machinery and equipment	16,851,080	1,293,517	-	(870,995)	17,273,602
Vehicles	17,454,561	1,780,152	-	(1,541,315)	17,693,398
Infrastructure	443,444,346	41,762,908	-	-	485,207,254
Total	<u>517,210,573</u>	<u>50,063,849</u>	<u>-</u>	<u>(2,529,853)</u>	<u>564,744,569</u>
Total capital assets, being depreciated, net	<u>728,688,030</u>	<u>(34,631,171)</u>	<u>(1,275,205)</u>	<u>(505,018)</u>	<u>692,276,636</u>
Governmental activities capital assets, net	<u>\$ 1,009,939,067</u>	<u>\$ (9,212,062)</u>	<u>\$ (1,520,875)</u>	<u>\$ (568,432)</u>	<u>\$ 998,637,698</u>

Internal service funds predominately serve the governmental funds. Accordingly, capital assets for the Fleet Services Internal Service Fund totaling \$745,965 with accumulated depreciation of \$488,036 are included as part of the above totals for governmental activities at the current fiscal year end.

CHEROKEE COUNTY, GEORGIA
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	Beginning Balance	Additions/ Transfers	Deductions	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 3,447,020	\$ 1,805,214	\$ (237,922)	\$ 5,014,312
Less accumulated depreciation for:				
Machinery and equipment	1,101,771	287,074	(237,922)	1,150,923
Total depreciable capital assets, net	<u>\$ 2,345,249</u>	<u>\$ 1,518,140</u>	<u>\$ -</u>	<u>\$ 3,863,389</u>

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

General government	\$ 658,619
Judicial	442,822
Public safety	3,827,672
Public works	42,091,424
Health and welfare	154,421
Culture and recreation	2,829,563
Housing and development	33,677
Fleet services	25,651
Total depreciation expense- governmental activities	<u><u>\$ 50,063,849</u></u>

Business-type activities:	
Emergency Medical Services Fund	269,218
Conference Center Fund	17,856
	<u><u>\$ 287,074</u></u>

The following table provides a summary of the County's investment in capital assets less any related debt.

	Governmental Activities	Business-type Activities	Total
Capital assets, nondepreciable	\$ 306,361,062	\$ -	\$ 306,361,062
Capital assets, depreciable, net	692,276,636	3,863,389	696,140,025
Bonds payable	(86,573,305)	-	(86,573,305)
Capital leases payable	(594,191)	-	(594,191)
Retainage payable	(1,848,733)	-	(1,848,733)
Unspent bond proceeds	13,190,811	-	13,190,811
Net investment in capital assets	<u><u>\$ 922,812,280</u></u>	<u><u>\$ 3,863,389</u></u>	<u><u>\$ 926,675,669</u></u>

CHEROKEE COUNTY, GEORGIA
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B. Discretely Presented Component Unit- Cherokee County Development Authority

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 3,172,001	\$ -	\$ -	\$ 3,172,001
Capital assets, being depreciated				
Infrastructure	-	120,911	-	120,911
Less accumulated depreciation for:				
Infrastructure	-	-	-	-
Total capital assets, being depreciated, net	-	120,911	-	120,911
Total capital assets, net	\$ 3,172,001	\$ 120,911	\$ -	\$ 3,292,912

C. Discretely Presented Component Unit- Development Authority of Cherokee County

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,972,931	\$ 1,825,933	\$ (1,210,666)	\$ 2,588,198
Construction in progress	385,475	233,523	-	618,998
Total capital assets, not being depreciated	2,358,406	2,059,456	(1,210,666)	3,207,196
Capital assets, being depreciated				
Machinery and equipment	1,052,095	-	-	1,052,095
Less accumulated depreciation for:				
Machinery and equipment	93,520	93,520	-	187,040
Total capital assets, being depreciated, net	958,575	(93,520)	-	865,055
Total capital assets, net	\$ 3,316,981	\$ 1,965,936	\$ (1,210,666)	\$ 4,072,251

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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D. Discretely Presented Component Unit- Library

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated				
Land and land improvements	\$ 1,062,000	\$ -	\$ -	\$ 1,062,000
Construction in progress	-	42,098	-	42,098
Total capital assets, not being depreciated	1,062,000	42,098	-	1,104,098
Depreciable capital assets:				
Buildings	8,880,550	-	-	8,880,550
Improvements	400,353	-	-	400,353
Vehicles	89,611	-	(18,038)	71,573
Furniture and equipment	704,355	-	(27,926)	676,429
Books and collections	4,411,671	333,104	(529,611)	4,215,164
Total depreciable capital assets	14,486,540	333,104	(575,575)	14,244,069
Less accumulated depreciation for:				
Buildings	3,774,695	222,015	-	3,996,710
Improvements	192,620	20,018	-	212,638
Vehicles	87,364	1,500	(18,038)	70,826
Furniture and equipment	534,395	31,424	(23,824)	541,995
Books and collections	3,453,829	436,319	(529,611)	3,360,537
Total accumulated depreciation	8,042,903	711,276	(571,473)	8,182,706
Total capital assets, being depreciated, net	6,443,637	(378,172)	(4,102)	6,061,363
Total capital assets, net	\$ 7,503,637	\$ (378,172)	\$ (4,102)	\$ 7,123,363

E. Discretely Presented Component Unit- Department of Public Health

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, being depreciated				
Furniture and equipment	\$ 1,695,899	\$ 67,576	\$ -	\$ 1,763,475
Improvements	103,288	102,720	-	206,008
Total depreciable capital assets	1,799,187	170,296	-	1,969,483
Less accumulated depreciation for:				
Furniture and equipment	1,539,499	80,528	-	1,620,027
Improvements	61,535	6,804	-	68,339
Total accumulated depreciation	1,601,034	87,332	-	1,688,366
Total capital assets, net	\$ 198,153	\$ 82,964	\$ -	\$ 281,117

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 7. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable	\$ 86,765,000	\$ 28,450,000	\$ (29,385,000)	\$ 85,830,000	\$ 4,730,000
Less: discounts	(169,099)	-	12,819	(156,280)	-
Add: premiums	1,018,319	-	(118,734)	899,585	-
Bonds payable, net	87,614,220	28,450,000	(29,490,915)	86,573,305	4,730,000
Capital leases	-	607,524	(13,333)	594,191	120,901
Net pension liability	37,867,174	14,322,116	(4,943,926)	47,245,364	-
Claims payable	494,757	796,318	(838,346)	452,729	339,547
Compensated absences	9,416,321	13,573,744	(12,607,488)	10,382,577	7,786,934
Landfill postclosure	1,839,732	-	(167,095)	1,672,637	173,049
Governmental activities					
Long-term liabilities	<u>\$ 137,232,204</u>	<u>\$ 57,749,702</u>	<u>\$ (48,061,103)</u>	<u>\$ 146,920,803</u>	<u>\$ 13,150,431</u>

For governmental activities, claims payable, compensated absences, and landfill postclosure costs are generally liquidated by the General Fund. The net pension liability is primarily liquidated through the General Fund and Fire District Fund.

Business-type activities:

Compensated absences	\$ 515,252	\$ 717,401	\$ (623,532)	\$ 609,121	\$ 456,841
Net pension liability	2,269,152	11,097,036	(10,257,928)	3,108,260	-
Business-type activities					
Long-term liabilities	<u>\$ 2,784,404</u>	<u>\$ 11,814,437</u>	<u>\$ (10,881,460)</u>	<u>\$ 3,717,381</u>	<u>\$ 456,841</u>

Bonds payable – The County has general obligation bonds payable and a solid waste disposal revenue bond outstanding at September 30, 2016, which includes the following individual issues:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Parks and recreation- 2009	2.00% - 5.00%	20 years	2029	\$ 45,000,000	\$ 5,510,000
Resource recovery revenue bond-2007A	4.65% - 5.00%	30 years	2037	13,205,000	13,205,000
Resource recovery revenue bond-2007B	5.80%	15 years	2022	4,940,000	2,510,000
Recovery zone economic development bond-2010	4.52%	15 years	2025	10,767,000	9,417,000
Recreation bond- 2012	1.90%	15 years	2026	11,410,000	5,610,000
Recreation bond- 2014	2.84%	15 years	2029	22,823,000	21,128,000
Refunding bond- 2016	1.67%	14 years	2029	28,450,000	28,450,000
				Plus unamortized premium	899,585
				Less unamortized discount	(156,280)
					<u>\$ 86,573,305</u>
				Less current maturities	4,730,000
					<u>\$ 81,843,305</u>

The 2016 Refunding bonds were issued to refund a portion of the Series 2009 Parks and Recreation bonds.

CHEROKEE COUNTY, GEORGIA
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Annual debt service requirements on the general obligation bonds are as follows:

Fiscal Year Ending September 30,	Principal	Interest
2017	\$ 4,730,000	\$ 2,600,567
2018	4,915,000	2,451,619
2019	5,115,000	2,291,034
2020	5,345,000	2,088,119
2021	5,540,000	1,939,971
2022-2026	30,880,000	7,226,209
2027-2031	23,125,000	3,026,258
2032-2036	5,020,000	1,067,250
2037	1,160,000	58,000
	<u>\$ 85,830,000</u>	<u>\$ 22,749,027</u>

Landfill Postclosure Costs. The County owns and operated a landfill site which began operating in November 1976. State and federal regulations require the County to close its landfill once its capacity was reached on July 1, 1994, and to monitor and maintain the site for 30 years after closure.

The County elected an early closure date of October 3, 1993, and for that reason was exempt from the 30 year rule, and was required to monitor the landfill for only five years. However, recent monitoring has detected levels of contamination higher than permissible, and engineers are in the process of assessing the corrective measures to be taken. At this time, engineering studies estimate postclosure costs of approximately \$1,672,637 over the next 9 years. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2016. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Discretely Presented Component Unit – Cherokee County Development Authority

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Notes payable	\$ 2,582,449	\$ -	\$ (1,978,918)	\$ 603,531	\$ 351,000
Cherokee County Development Authority- Long-term liabilities	<u>\$ 2,582,449</u>	<u>\$ -</u>	<u>\$ (1,978,918)</u>	<u>\$ 603,531</u>	<u>\$ 351,000</u>

In 2009, the Cherokee County Development Authority entered into a note agreement to finance land development in the County. Monthly payments on the note are \$30,722 with a maturity date of September 1, 2018. The interest rate on the note is 5.35%.

In 2010, the Cherokee County Development Authority entered into a note agreement to finance land development in the County. The note matured on January 1, 2016, respectively.

The Authority's debt service requirements to maturity on the notes are as follows:

Fiscal Year Ending September 30,	Principal	Interest
2017	\$ 351,000	\$ 17,666
2018	252,531	3,402
	<u>\$ 603,531</u>	<u>\$ 21,068</u>

CHEROKEE COUNTY, GEORGIA
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The County has guaranteed these debt service payments for the Authority and made \$2,027,519 in principal and interest payments on these notes during fiscal year 2016. As a result of these past payments made by the County, the Authority reports a due to the primary government of \$4,207,496 at September 30, 2016.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 56,237
General Fund	Internal service funds	55,793
		<u>\$ 112,030</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) transactions are recorded in the accounting system.

Advances between the funds represent long-term borrowings between two funds which will be repaid over more than one fiscal year. The advances as of September 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	<u>\$ 500,000</u>

Transfers between the funds as of September 30, 2016 are as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Nonmajor governmental funds	<u>\$ 10,829,876</u>
Nonmajor governmental funds	General fund	3,421,403
Nonmajor governmental funds	Nonmajor governmental funds	<u>104,740</u>
		3,526,143
EMS	General fund	1,270,234
Nonmajor enterprise funds	Nonmajor governmental funds	<u>117,340</u>
		<u>1,387,574</u>
		<u>\$ 15,743,593</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description. The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Cherokee County Defined Benefit Plan (the Plan), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by the GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004

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whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership. As of January 1, 2016, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees, Beneficiaries, and Disables receiving benefits	310
Terminated plan participants entitled to but not yet receiving benefits	648
Active employees participating in the Plan	1,189
Total number of Plan participants	<u>2,147</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended September 30, 2016, the County's contribution rate was 8.5% of annual payroll. County contributions to the Plan were \$4,729,308 for the year ended September 30, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00% - 5.50%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study through December 31, 2014.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term

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expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.78%
Large Cap equity	30%	9.77%
International equity	15%	7.48%
Other equity	20%	9.23%
Real estate	5%	10.63%
	<u>100%</u>	

*Rates shown are net of the 3.00% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended September 30, 2016 were as follows:

	Pension Liability (a)	Net Fiduciary Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2015	\$ 98,824,368	\$ 58,688,042	\$ 40,136,326
Changes for the year:			
Service cost	3,343,650	-	3,343,650
Interest	7,411,828	-	7,411,828
Contributions - employer	-	3,211,208	(3,211,208)
Contributions - employee	-	3,415,883	(3,415,883)
Net investment income	-	462,301	(462,301)
Benefit payments, including refunds of employee contributions	(5,402,934)	(5,207,647)	(195,287)
Administrative expense	-	(189,319)	189,319
Changes in assumptions	3,165,452	-	3,165,452
Differences in expected and actual experience	2,722,097	-	2,722,097
Other changes	-	(669,631)	669,631
Net changes	11,240,093	1,022,795	10,217,298
Balances at September 30, 2016	\$ 110,064,461	\$ 59,710,837	\$ 50,353,624

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
County's net pension liability	\$ 66,905,021	\$ 50,353,624	\$ 36,776,041

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2016, the County recognized pension expense of \$5,314,002. At September 30, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 5,881,190
Assumption changes	2,654,895
Contributions made after the measurement date	3,867,222
Total	<u>\$ 12,403,307</u>

The County's contributions subsequent to the measurement date of \$3,867,222 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2017. The other amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ 1,707,216
2017	1,707,216
2018	1,707,216
2019	1,707,216
2020	1,707,221
	<u>\$ 8,536,085</u>

B. Discretely Presented Component Units – Department of Public Health

Plan Description. All full-time personnel employed by the Board of Health participate in the Employees' Retirement System of Georgia (ERS), which is a cost-sharing multiple-employer, defined benefit, public employee retirement system (PERS). ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEP). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009,

CHEROKEE COUNTY, GEORGIA
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new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Members may retire and receive a normal monthly retirement benefit after 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

For the year ended June 30, 2016, the Board of Health's total covered payroll was \$4,608,933. Covered payroll refers to all compensation paid by the Board of Health to active employees covered by the plan.

Contributions. The Board contribution is set by the ERS Board of Trustees, dependent on the recommendation of the System's actuary. Such employer contributions fund the major portion of benefits under ERS and are adjusted periodically to insure actuarial soundness of the System. The employer contribution rate varies depending on which retirement plan an employee is enrolled. Employees whose full-time employment began before July 1, 1982, participate in the "old" plan. Employees whose full-time employment began between July 1, 1982, and December 31, 2008, are enrolled in the "new" plan and the employer contribution rate for the old and new plan was 24.72%. All employees whose full-time employment began after January 1, 2009, are enrolled in the GSEPS plan. The Board of Health's contributions totaled \$1,087,979 for the year ended June 30, 2016. The employer contribution rate for this plan was 21.69% for fiscal year 2015.

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for Old and New Plan members and 21.69% for GSEPS members.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.

At June 30, 2016, the Cherokee County Board of Health reported a liability of \$7,404,700 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The Board of Health's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Board of Health's proportion was 0.182769%, which was a decrease of 0.003587% from its portion measured as of June 30, 2014.

For the year ended June 30, 2016, the Board of Health recognized pension expense of \$(917,023). At June 30, 2016, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 534,261
Differences between expected and actual experience	-	59,162
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	192,093
Employer contributions subsequent to the measurement date	1,087,979	-
Total	<u>\$ 1,087,979</u>	<u>\$ 785,516</u>

The \$1,087,979 of deferred outflows of resources resulting from the Board of Health's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Year Ended September 30:	
2016	\$ (436,193)
2017	(291,329)
2018	(238,132)
2019	180,138
	<u>\$ (785,516)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45% - 9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2004- June 30, 2009.

The long-term expected rate of return on the pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic Large Stocks	39.70%	6.50%
Domestic Mid Stocks	3.70%	10.00%
Domestic Small Stocks	1.60%	13.00%
International Developed Market Stocks	18.90%	6.50%
International Emerging Market Stocks	6.10%	11.00%
	<u>100.00%</u>	

*Rates shown are net of the 3.00% assumed rate of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Sensitivity of the Board of Health's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Board of Health's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Board of Health's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Board of Health's proportionate share of net pension liability	\$ 10,496,427	\$ 7,404,700	\$ 4,768,882

Actuarial Valuation Date. June 30, 2014 is the actuarial valuation date upon which the total pension liability for the plan is based. An expected total pension liability is determined as of June 30, 2015 using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

Plan Fiduciary Net Position. Detailed information about the ERS fiduciary net position is available in the separately issued Employees' Retirement System of Georgia financial report. That report may be obtained via the internet at www.ers.ga.gov.

C. Discretely Presented Component Units – Sequoyah Regional Library System

Plan Description. The Sequoyah Regional Library System employees are provided a pension through the Teacher Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits Provided. TRS provides service retirement, disability retirement and death benefits. Normal retirement benefits are determined at 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

years of creditable service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service, regardless of age, or after 10 years of service and attainment of age 60. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired upon the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2016. The Library's contractually required contribution rate for the year ended June 30, 2016 was 14.27% of annual payroll. Library contributions to TRS were \$242,702.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions. At June 30, 2016, the Library reported a liability of \$2,314,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll forward techniques. The Library's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2015. At June 30, 2015, the Library's proportion was 0.015203% which was a decrease of 0.000566% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Library recognized pension expense of \$124,153. At June 30, 2016, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 195,231
Differences between expected and actual experience	-	20,357
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	105,537
Employer contributions subsequent to the measurement date	242,702	-
Total	<u>\$ 242,702</u>	<u>\$ 321,125</u>

Library contributions subsequent to the measurement date of \$242,702 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ (122,181)
2017	(122,181)
2018	(122,181)
2019	50,099
2020	(4,681)
	<u>\$ (321,125)</u>

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Actuarial Assumptions. The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004- June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic Large Stocks	39.70%	6.50%
Domestic Mid Stocks	3.70%	10.00%
Domestic Small Stocks	1.60%	13.00%
International Developed Market Stocks	18.90%	6.50%
International Emerging Market Stocks	6.10%	11.00%
	<u>100.00%</u>	

*Rates shown are net of the 3.00% assumed rate of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following presents the Library's proportionate share of net pension liability calculated using the discount rate of 7.50%, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Library's proportionate share of net pension liability	\$ 3,977,303	\$ 2,314,506	\$ 943,965

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

Prior to January 1, 2003, the County offered its employees a defined contribution money purchase pension plan, a single employer plan, in accordance with Internal Revenue Code Section 401 (a). Effective January 1, 2003, this Plan was closed to new enrollees. The Plan was established by the Cherokee County Board of Commissioners and is administered by Massachusetts Mutual. It is available to all full-time employees who work more than 1,716 hours per year. Employees are 100% vested in the County's contributions after five years of service. The County has the authority to amend the Plan provisions. At September 30, 2016, there were 8 active participants in the Plan. The contributions are not available to Plan participants until termination, retirement, death, or disability. Contribution requirements are established and may be amended by the Cherokee County Board of Commissioners. The County contributes 4% of eligible salary to the 401(a) Plan and a 50% matching contribution for every employee dollar contributed to the deferred compensation plan (Section 457 plan) up to 3% of pay. Employees are not required to contribute. For the fiscal year ended September 30, 2016, the County's contribution to the Plan was \$21,431. There are no administrative fees charged directly to the Plan or participants. No publicly available financial report that includes financial statements and required supplementary information issued.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Cherokee County Retirement Pension Insurance Plan (the "OPEB Plan") is a single employer defined benefit postemployment health care plan or other postemployment benefit (OPEB) plan.

The County offers postemployment benefits to eligible employees enrolled in the County's medical plans. The Plan is administered by Blue Cross-Blue Shield and amendments or changes to the Plan are made by the County's Board of Commissioners. There are no separately issued financial statements related to the County's Plan.

The Plan provides subsidies for eligible employees, whereby the County contributes a portion of the retiree's premium.

Retirement Options/Benefit Provisions

Eligible retirees and former employees are offered the same health and prescription drug coverage as active employees. Retirees contribute \$519 for retiree only, \$839 for retiree plus spouse, or \$1,361 for retiree plus family, per month towards the actuarially calculated monthly rates. The County contributes 100% towards retirees who were grandfathered into the plan, as part of the incentivized retirement plan. The County contributes until these employees reach the age of 65.

Eligibility

Employees must be a minimum age of 55 years with 5 or more years of service in order to receive benefits. They also may meet the requirements by having age plus service equal 70 years or have at least 30 years of service. Eligible employees can elect to receive coverage for their spouses.

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of October 1, 2014.

Active employees (fully eligible)	101
Active employees (not fully eligible)	844
Retirees	54
Total number of Plan participants	<u>999</u>

B. Contributions

The schedule below shows the annual OPEB cost for the current fiscal year and prior fiscal years and periods along with the percentage actually contributed by the County.

Fiscal Year Beginning	Annual OPEB Cost	Annual County Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation (Asset)
10/1/2015	\$ 452,551	\$ 750,011	165.73%	\$ (333,325)
10/1/2014	451,380	513,039	113.66%	(35,865)
10/1/2013	291,000	365,826	125.71%	25,764

C. Schedule of Funding Progress

As of the most recent valuation date, October 1, 2014, the funded status of the OPEB Plan was as follows:

Actual Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2014	\$ -	\$ 5,411,832	\$ 5,411,832	0%	\$ 52,217,792	-10%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

D. Annual OPEB Cost

The County's annual OPEB cost and net OPEB obligation for the OPEB Plan for the fiscal year beginning October 1, 2015 are as follows:

Annual required contribution	\$ 451,870
Interest on net OPEB obligation (asset)	(1,201)
Adjustment to ARC	1,882
Annual OPEB cost	<u>452,551</u>
Actual contribution to plan	<u>(750,011)</u>
Decrease in net OPEB obligation	(297,460)
Net OPEB obligation (asset), beginning of fiscal year	<u>(35,865)</u>
Net OPEB obligation (asset), end of fiscal year	<u>\$ (333,325)</u>

CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of October 1, 2014 and the current sharing pattern of cost between employer and employee. The assumptions used in the October 1, 2014 actuarial valuations are as follows:

Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	3.35%
Medical Cost Trend Rate	7.50%
Ultimate Medical Cost Trend Rate	5.00%
Year of Ultimate Medical Trend Rate	2020
Amortization Method	Level Dollar, open (1)
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.50%

(1) The grandfathered benefits are amortized over a remaining period of 20 years.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, thefts, damage and destruction of assets; errors and omissions; and natural disasters. The County is Self- Insured for Workers' Compensation claims. The Self-Insurance Policy is described below. The County has purchased insurance for all other risks of loss. Losses have not exceeded insurance coverage in the last three years.

The County is required by the State Board of Workers' Compensation to purchase a Workers' Compensation Excess Policy. The policy has a Self-Insured Retention level and it has increased over the years. The policy premium is based on loss experience and payroll by risk code. After the Self Insured Retention is reached, the Provider, Midwest Employers Casualty Company, will reimburse the County for any amount over the Self Insurance Retention. The Self Insurance Retention for fiscal year 2016 was \$750,000 for police and fire employees and \$500,000 for all other employees. The County uses a Third Party Administrator, Key Risk Management Services, to administer the Workers' Compensation claims. This activity is recorded in the fund where the injured employee is compensated. The following describes the activity related to these claims based on actual claims presented after fiscal year-end and historical experience. Based on historical payouts of the claims, management has determined that seventy-five percent (75%) of the liability would be paid within one fiscal year and is reflected in the statement of net position as such.

Changes in the balances of claims liabilities during the current fiscal year and prior two years or periods are as follows:

Fiscal Year/ Period	Beginning of Year Claims Liability	Current Year Claims and Changes In Estimates	Claims Paid	End of Year Claims Liability
2016	\$ 494,757	\$ 796,318	\$ 838,346	\$ 452,729
2015	424,329	910,196	839,768	494,757
2014	590,274	810,716	976,661	424,329

**CHEROKEE COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet, at September 30, 2016, the County has contractual commitments on uncompleted contracts of \$17,371,875.

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies:

The County received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 14. HOTEL/MOTEL LODGING TAX

The County has levied a 6% lodging tax. During the fiscal year ended September 30, 2016, the County spent \$207,340 to promote tourism, conventions, and trade shows. This is 100% of the tax receipts to be expended for these purposes under the Official Code of Georgia Annotated 48-13-51. The County complies with the requirement under this law.

NOTE 15. RESTATEMENT

The County found that inventory items in the Fire Fund had not been properly recorded in the prior years. The effect of these inventory items to fiscal year 2015's Change in Net Position or Change in Fund Balance could not be determined. The effect of the restatement to previously reported Net Position and Fund Balance is as follows:

	Governmental Activities
Net position, as previously reported	\$ 980,529,426
Restatement for unrecorded inventory	395,939
Net position, as restated	<u>\$ 980,925,365</u>
	Fire District Fund
Fund balance, as previously reported	\$ 5,730,913
Restatement for unrecorded inventory	395,939
Fund balance, as restated	<u>\$ 6,126,852</u>

Cherokee County, Georgia
Required Supplementary Information
Schedule of Funding Progress
September 30, 2016

Other Post Retirement Benefits

Fiscal Year End	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Funded Ratio (a)/(b)	Unfunded AAL/(UAAL) (b)-(a)	(c) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a/c)
9/30/2016	\$ -	\$ 5,411,832	0.0%	\$ 5,411,832	\$ 52,217,792	-10%
9/30/2015	-	5,411,832	0.0%	5,411,832	52,217,792	-10%
9/30/2014	-	4,686,000	0.0%	4,686,000	48,820,714	-10%
9/30/2013	-	4,818,000	0.0%	4,818,000	45,539,495	-11%

Note: See assumptions used for the Schedule of Funding Progress in Note 11 to the financial statements.

Cherokee County, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability
and Related Ratios

	2016	2015
Total pension liability		
Service cost	\$ 3,343,650	\$ 3,232,735
Interest on total pension liability	7,411,828	6,841,216
Benefit payments, including refunds of employee contributions	(5,402,934)	(4,931,584)
Changes in assumptions	3,165,452	--
Differences in expected and actual experience	2,722,097	--
Net change in total pension liability	11,240,093	5,142,367
Total pension liability-beginning	98,824,368	93,682,001
Total pension liability-ending (a)	<u>\$ 110,064,461</u>	<u>\$ 98,824,368</u>
Plan fiduciary net position		
Contributions-employer	\$ 3,211,208	\$ 3,284,519
Contributions-employee	3,415,883	3,161,975
Net investment income	462,301	3,735,315
Benefit payments, including refunds of employee contributions	(5,207,647)	(4,931,584)
Administrative expenses	(189,319)	(172,667)
Other	(669,631)	(89,595)
Net change in plan fiduciary net position	1,022,795	4,987,963
Plan fiduciary net position-beginning	58,688,042	53,700,079
Plan fiduciary net position-ending (b)	<u>\$ 59,710,837</u>	<u>\$ 58,688,042</u>
County's net pension liability (assets) - ending (a) - (b)	<u>\$ 50,353,624</u>	<u>\$ 40,136,326</u>
Plan fiduciary net position as a percentage of the total pension liability	54.25%	59.39%
Covered-employee payroll	\$ 51,554,723	\$ 48,386,989
County's net pension liability as a percentage of covered-employee payroll	97.67%	82.95%

Notes to the Schedule:

This schedule will present 10 years of information once it is accumulated.

Cherokee County, Georgia
Required Supplementary Information
Schedule of Contributions

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,829,519	\$ 4,044,842	\$ 3,871,516
Contributions in relation to the actuarially determined contribution	<u>4,729,308</u>	<u>3,360,194</u>	<u>3,162,573</u>
Contribution deficiency (excess)	<u>\$ 100,211</u>	<u>\$ 684,648</u>	<u>\$ 708,943</u>
Covered-employee payroll	\$ 55,298,160	\$ 51,554,723	\$ 48,386,989
Contributions as a percentage of covered-employee payroll	8.55%	6.52%	6.54%

Notes to the Schedule:

Valuation Date:	January 1, 2015
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value with a 5-year smoothing period

Assumed Rate of Return	
on Investments	7.50%
Projected Salary Increases	3.00% - 5.50% (including 3.00% for inflation)
Cost-of-living Adjustment	2.50%
Amortization method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

Cherokee County, Georgia
Component Unit- Cherokee County Board of Health
Required Supplementary Information
Schedule of Employer's Proportionate
Share of the Net Pension Liability

	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.182769%	0.186356%
Employer's proportionate share of the net pension liability	\$7,404,700	\$ 6,989,502
Employer's covered-employee payroll	\$4,391,260	\$ 4,431,088
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	168.62%	157.74%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

Notes to the Schedule:

The schedule above is intended to show information for 10 years. Additional years will be displayed as they become available.

Cherokee County, Georgia
Component Unit- Cherokee County Board of Health
Required Supplementary Information
Schedule of Employer's Pension Contributions

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$1,087,979	\$ 920,619	\$ 777,574
Contributions in relation to the contractually required contribution	<u>1,087,979</u>	<u>920,619</u>	<u>777,574</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$4,608,933	\$4,391,260	\$4,431,088
Contributions as a percentage of covered-employee payroll	23.61%	20.96%	17.55%

Notes to the Schedule:

Historical information prior to the implementation of GASB 67/68 is not required.

Cherokee County, Georgia
Component Unit- Sequoyah Regional Library System
Required Supplementary Information
Schedule of Employer's Proportionate
Share of the Net Pension Liability

	2016	2015
Employer's proportion of the net pension liability	0.015203%	0.015769%
Employer's proportionate share of the net pension liability	\$ 2,314,506	\$ 1,992,205
Employer's covered-employee payroll	\$ 1,700,788	\$ 1,604,797
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.08%	124.14%
Plan fiduciary net position as a percentage of the total pension liability	81.44%	84.03%

Notes to the Schedule:

The schedule above is intended to show information for 10 years. Additional years will be displayed as they become available.

Cherokee County, Georgia
Component Unit- Sequoyah Regional Library System
Required Supplementary Information
Schedule of Employer's Pension Contributions

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 242,702	\$ 211,031
Contributions in relation to the contractually required contribution	<u>242,702</u>	<u>211,031</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,700,788	\$ 1,604,797
Contributions as a percentage of covered-employee payroll	14.27%	13.15%

Notes to the Schedule:

Historical information prior to the implementation of GASB 67/68 is not required.

CHEROKEE COUNTY, GEORGIA

MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

SPLOST 2012 – To account for proceeds of a special 1% local sales tax levy approved by voters in 2011 for an authorized period of six years, between July 2012 – June 2018, and for a total amount of up to \$185.5 million. The proceeds of this special tax are designated for 1) jail expansion, law enforcement and fire/EMS training facilities & equipment, advanced life support (ALS) vehicles and equipment, and animal shelter facilities & equipment, 2) transportation facilities, equipment, improvements, and airport facilities and expansion, 3) library facilities, 4) senior center facilities, 5) law enforcement, E-911 and county marshal facilities, vehicles and equipment, 6) business & economic development land acquisition, infrastructure, facilities, debt service, sewer system improvements, 7) courthouse expansion, and 8) fire & emergency services facilities, vehicles and equipment.

Recreation Bond - To account for proceeds of park bonds issued in 2009, 2010, and 2012 to fund the various park and recreation projects.

Cherokee County, Georgia
Capital Projects Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	SPLOST 2012			
	Budget		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Revenues				
Sales tax	\$ 34,049,103	\$ 34,049,103	\$ 35,173,128	\$ 1,124,025
Intergovernmental	1,873,462	1,873,462	2,535,597	662,135
Investment income	30,000	54,762	141,382	86,620
Other revenues	407,500	492,246	321,723	(170,523)
Total revenues	36,360,065	36,469,573	38,171,830	1,702,257
Expenditures				
Current:				
Public works	2,602,021	2,626,783	4,555,047	(1,928,264)
Intergovernmental	1,810,845	1,810,845	9,656,629	(7,845,784)
Housing and development	9,325,732	9,325,732	1,658,838	7,666,894
Capital outlay	29,516,390	29,601,136	17,982,674	11,618,462
Debt service:				
Principal	-	-	2,286	(2,286)
Interest	-	-	461	(461)
Total expenditures	43,254,988	43,364,496	33,855,935	9,508,561
Excess (deficiency) of revenues over (under) expenditures	(6,894,923)	(6,894,923)	4,315,895	11,210,818
Other Financing Sources:				
Issuance of capital lease	-	-	97,451	97,451
Total other financing sources (uses)	-	-	97,451	97,451
Net change in fund balances	(6,894,923)	(6,894,923)	4,413,346	11,308,269
Fund Balances Beginning of Year	37,459,576	37,459,576	37,459,576	-
Fund Balances End of Year	<u>\$ 30,564,653</u>	<u>\$ 30,564,653</u>	<u>\$ 41,872,922</u>	<u>\$ 11,308,269</u>

Cherokee County, Georgia
Capital Projects Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

	Recreation Bond			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Investment income	\$ 30,000	\$ 32,741	\$ 62,489	\$ 29,748
Other	-	-	676	676
Total revenues	30,000	32,741	63,165	30,424
Expenditures				
Current:				
Culture and recreation	310,549	313,290	314,046	(756)
Capital outlay	13,938,750	13,938,750	8,843,604	5,095,146
Total expenditures	14,249,299	14,252,040	9,157,650	5,094,390
Net change in fund balances	(14,219,299)	(14,219,299)	(9,094,485)	5,124,814
Fund Balances Beginning of Year	20,056,596	20,056,596	20,056,596	-
Fund Balances End of Year	<u>\$ 5,837,297</u>	<u>\$ 5,837,297</u>	<u>\$ 10,962,111</u>	<u>\$ 5,124,814</u>

CHEROKEE COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for a particular purpose.

Sheriff's Commissary Fund – to account for the proceeds of jail inmate commissary sales. These revenues have been committed by the Sheriff to be used on the County Jail and the inmates.

Law Library Fund – to provide for the operation and maintenance of the County's law library. The revenues collected are from legally restricted fines, as restricted by State law.

Senior Services Fund – to account for funds received from various State and local agencies to be expended for social welfare programs, including services for senior citizens. The revenues are generated by Federal and State grants, which are restricted for providing senior services.

Confiscated Assets Fund– to account for confiscated cash seizures by Cherokee County Law enforcement from drug related crimes. Funds may be used for any public safety purpose except salaries of law enforcement personnel, as restricted by State law.

Multiple Grant Fund – to account for restricted grant monies received from various Federal and State agencies.

Drug Abuse and Treatment Fund – to account for collection of penalty assessments in certain drug related court cases. Proceeds are restricted by State law for drug abuse treatment and education programs.

Animal Services Fund – to account activities of the animal shelter. The County has committed 50% of the landfill host fees to cover operating costs for the animal shelter.

DUI Court Fund – to account for the coordination of substance abuse intervention with judicial support. Revenues are generated by a fine assessment, as restricted in use by State law.

Victim/Witness Fund – to account for the 4% fee added to Court fines restricted by State law, for the benefit of victims of crime and their families.

Parks and Recreation Fund – to account for the charges for services and activities of the County's parks and recreation department. The County has committed the charges generated from the park and recreation programs and alcohol excise taxes to be used for supporting park and recreation functions.

DA Confiscated Assets Fund – to account for District Attorney's (DA) share of confiscated cash seizures by Cherokee County Law enforcement from drug related crimes. Funds may be used for any public safety purpose except salaries of law enforcement personnel, as restricted by State law.

CDBG Fund – to account for the community development block receipts and the expenditures related to the grant. Grant receipts are federally restricted for specific purposes in order to provide benefits to low to moderate income groups.

CHEROKEE COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Jail Fund – to account for collection of penalty assessments in certain court cases. Proceeds are restricted for construction, operation, and staffing of County correctional and detention center, as required by State law.

Sheriff's Forfeitures Fund– to account for forfeitures to the County's Sheriff's office. These forfeitures are restricted to be used to offset costs of drug prevention and drug traffic enforcement, as required by State law.

E-911 Fund – to account for the activities of the County's E-911 system. Financing is provided by program charges. Revenues are expended for system operations and capital assets, as restricted by State law.

Hotel/Motel Fund– to account for monies collected from the 6% lodging tax. Revenues collected are restricted by State law for the promotion of tourism.

Transportation– to account for the revenues and operating expenses of the City's public transportation system. Revenues of this fund are primarily from federally restricted grants.

Drug Accountability Court– to account for the enhancement of ancillary services that prevent recidivism such as individualized treatment, vocational and educational services and community reintegration services to achieve long term recovery. Funds are provided by fees charged to participants in the program plus grant revenue, and transfers from the DATE Fund, and are legally restricted for specific use.

Mental Health Court– to account for the revenues and operating expenditures of the County's Mental Health Court which supports the needs of the mentally ill who come in contact with the justice system. Revenues of this fund are primarily grant revenues and transfers from the DATE Fund.

Drug Screening Lab– to accounts for the operations and proceeds of the County's Drug Screening Lab.

Capital Projects Funds

SPLOST V – to account for proceeds of a special 1% local sales tax level approved by voters in 2004 for an authorized period of six years, between July 2006- June 2012, and for a total amount of up to \$200 million. The proceeds of this special tax are designated for 1) new administration building, courthouse renovations, and related parking facilities, 2) transportation facilities and equipment, 3) park and recreation facilities, 4) library facilities and books, 5) public safety facilities and equipment, 6) new emergency children's shelter, 7) new driver's license facility, 8) new conference center, 9) renovations to the old Woodstock Elementary School for the benefit of the Appalachian Technical College, and 10) Senior Center expansion.

Resource Recovery Development Authority- to account for proceeds of an industrial development bond used to help promote recycling opportunities within the County and the debt service related to the repayment of the bond.

CHEROKEE COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds (Continued)

Impact Fees- to account for monies collected from a new development based on that development's fair share of the cost to provide additional facilities in the following categories: public roads, libraries, public safety, fire protection, and parks.

Debt Service Fund

Debt Service Fund- to account for the accumulation of resources for repayment of the General Obligation Bonds.

Cherokee County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds										
	Sheriff's Commissary	Law Library	Senior Services	Confiscated Assets	Multiple Grant	Drug Abuse and Treatment	Animal Services	DUI Court	Victim/ Witness	Parks and Recreation	DA Confiscated Assets
Assets											
Cash	\$ 194,512	\$ 309,884	\$ 22,893	\$ 69,652	\$ 90,825	\$ 613,579	\$ 143,194	\$ 788,157	\$ 48,537	\$ 653,120	\$ 67,267
Investments	-	251,795	-	-	-	-	-	-	-	-	-
Property taxes receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net of allowance	52,797	-	-	-	-	-	193,333	-	-	188,646	64
Due from other governments	-	-	42,752	-	233,222	5,173	-	74,150	8,092	-	-
Prepaid items	-	-	2,594	-	-	-	-	175	-	11,154	-
Total Assets	\$ 247,309	\$ 561,679	\$ 68,239	\$ 69,652	\$ 324,047	\$ 618,752	\$ 336,527	\$ 862,482	\$ 56,629	\$ 852,920	\$ 67,331
Liabilities, Deferred Inflows of Resources, and Fund Balances											
Liabilities											
Accounts payable	3,691	-	24,804	-	29,563	-	23,616	40,693	-	96,737	1,129
Accrued liabilities	-	-	13,946	-	7,790	2,614	14,801	2,552	2,117	44,286	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	3,691	-	38,750	-	37,353	2,614	38,417	43,245	2,117	141,023	1,129
Deferred Inflows of Resources											
Unearned revenue- advance registration fees	-	-	-	-	-	-	-	-	-	212,763	-
Unavailable revenue- property taxes	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	212,763	-
Fund Balances											
Nonspendable:											
Prepaid items	-	-	2,594	-	-	-	-	175	-	11,154	-
Restricted:											
Law library operations	-	561,679	-	-	-	-	-	-	-	-	-
Senior services	-	-	26,895	-	-	-	-	-	-	-	-
Public safety	-	-	-	69,652	-	-	-	-	-	-	-
Court services	-	-	-	-	-	616,138	-	819,062	-	-	66,202
SPLOST projects	-	-	-	-	-	-	-	-	-	-	-
Grant activities	-	-	-	-	286,694	-	-	-	-	-	-
Jail operations and construction	-	-	-	-	-	-	-	-	-	-	-
E911 operations	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	54,512	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-	-	-	-
Committed:											
Jail and inmate services	243,618	-	-	-	-	-	-	-	-	-	-
Animal control	-	-	-	-	-	-	298,110	-	-	-	-
Parks and recreation activities	-	-	-	-	-	-	-	-	-	487,980	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	243,618	561,679	29,489	69,652	286,694	616,138	298,110	819,237	54,512	499,134	66,202
Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 247,309	\$ 561,679	\$ 68,239	\$ 69,652	\$ 324,047	\$ 618,752	\$ 336,527	\$ 862,482	\$ 56,629	\$ 852,920	\$ 67,331

Cherokee County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Fund								
	CDBG	Jail	Sheriff's Forfeiture	E-911	Hotel Motel	Transportation	Drug Accountability Court	Mental Health Court	Drug Screening Lab
Assets									
Cash	\$ -	\$ 774,736	\$ 20,513	\$ 1,486,586	\$ -	\$ 26,433	\$ 268,781	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Property taxes receivable, net of allowance	-	-	-	-	-	-	-	-	-
Accounts receivable, net of allowance	-	-	-	715,988	14,541	-	-	-	-
Due from other governments	436,090	16,186	-	430,148	-	122,844	76,619	15,285	-
Prepaid items	304	11,282	-	14,815	-	10,094	-	-	-
Total Assets	\$ 436,394	\$ 802,204	\$ 20,513	\$ 2,647,537	\$ 14,541	\$ 159,371	\$ 345,400	\$ 15,285	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities									
Accounts payable	394,116	19,620	-	36,691	-	12,979	13,045	11,607	-
Accrued liabilities	2,514	-	-	64,921	-	11,365	4,201	806	178
Due to other funds	38,824	-	-	-	14,541	-	-	2,872	-
Advance from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	435,454	19,620	-	101,612	14,541	24,344	17,246	15,285	178
Deferred Inflows of Resources									
Unearned revenue- advance registration fees	-	-	-	-	-	-	-	-	-
Unavailable revenue- property taxes	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable:									
Prepaid items	304	11,282	-	14,815	-	10,094	-	-	-
Restricted:									
Law library operations	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
Public safety	-	-	20,513	-	-	-	-	-	-
Court services	-	-	-	-	-	-	-	-	-
SPLOST projects	-	-	-	-	-	-	-	-	-
Grant activities	636	-	-	-	-	-	328,154	-	-
Jail operations and construction	-	771,302	-	-	-	-	-	-	-
E911 operations	-	-	-	2,531,110	-	-	-	-	-
Health and welfare	-	-	-	-	-	124,933	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-	-
Committed:									
Jail and inmate services	-	-	-	-	-	-	-	-	-
Animal control	-	-	-	-	-	-	-	-	-
Parks and recreation activities	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	(178)
Total Fund Balances	940	782,584	20,513	2,545,925	-	135,027	328,154	-	(178)
Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 436,394	\$ 802,204	\$ 20,513	\$ 2,647,537	\$ 14,541	\$ 159,371	\$ 345,400	\$ 15,285	\$ -

Cherokee County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	<u>Capital Projects Funds</u>				
	<u>Resource Recovery</u>				
	<u>SPLOST V</u>	<u>Development Authority</u>	<u>Impact Fees</u>	<u>Debt Service</u>	<u>Total</u>
Assets					
Cash	\$ 3,051,636	\$ 1,165	\$ 8,090,414	\$ 698,773	\$ 17,420,657
Investments	-	-	-	-	251,795
Property taxes receivable, net of allowance	-	-	-	5,295,485	5,295,485
Accounts receivable, net of allowance	-	-	8,794	-	1,174,163
Due from other governments	-	-	583,714	-	2,044,275
Prepaid items	-	305,051	-	-	355,469
Total Assets	<u>\$ 3,051,636</u>	<u>\$ 306,216</u>	<u>\$ 8,682,922</u>	<u>\$ 5,994,258</u>	<u>\$ 26,541,844</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	214,193	-	67,364	550	990,398
Accrued liabilities	-	-	-	-	172,091
Due to other funds	-	-	-	-	56,237
Advance from other funds	-	-	-	500,000	500,000
Total Liabilities	<u>214,193</u>	<u>-</u>	<u>67,364</u>	<u>500,550</u>	<u>1,718,726</u>
Deferred Inflows of Resources					
Unearned revenue- advance registration fees	-	-	-	-	212,763
Unavailable revenue- property taxes	-	-	-	5,314,844	5,314,844
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,314,844</u>	<u>5,527,607</u>
Fund Balances					
Nonspendable:					
Prepaid items	-	305,051	-	-	355,469
Restricted:					
Law library operations	-	-	-	-	561,679
Senior services	-	-	-	-	26,895
Public safety	-	-	-	-	90,165
Court services	-	-	-	-	1,501,402
SPLOST projects	2,837,443	-	-	-	2,837,443
Grant activities	-	-	-	-	615,484
Jail operations and construction	-	-	-	-	771,302
E911 operations	-	-	-	-	2,531,110
Health and welfare	-	-	-	-	179,445
Debt service	-	1,165	-	178,864	180,029
Impact fees	-	-	8,615,558	-	8,615,558
Committed:					
Jail and inmate services	-	-	-	-	243,618
Animal control	-	-	-	-	298,110
Parks and recreation activities	-	-	-	-	487,980
Unassigned (deficit)	-	-	-	-	(178)
Total Fund Balances	<u>2,837,443</u>	<u>306,216</u>	<u>8,615,558</u>	<u>178,864</u>	<u>19,295,511</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,051,636</u>	<u>\$ 306,216</u>	<u>\$ 8,682,922</u>	<u>\$ 5,994,258</u>	<u>\$ 26,541,844</u>

Cherokee County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2016

	Sheriff's Commissary	Law Library	Senior Services	Confiscated Assets	Multiple Grant	Drug Abuse and Treatment	Animal Services	DUI Court	Victim/ Witness	Parks and Recreation	DA Confiscated Assets
Revenues											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverage taxes	-	-	-	-	-	-	-	-	-	1,056,462	-
Other taxes	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	643,677	-	771,060	-	-	114,371	-	-	-
Fines and forfeitures	-	90,950	-	112,101	-	268,938	-	357,443	199,021	-	5,615
Charges for services	676,912	2,578	14,582	-	-	-	830,226	313,350	-	2,522,876	-
Investment income	-	3,747	-	77	-	1,218	-	-	-	-	-
Contributions	-	-	9,471	-	301,627	-	32,742	80,325	-	35,215	-
Other	-	-	5,265	-	-	-	-	-	-	13,789	-
Total Revenues	676,912	97,275	672,995	112,178	1,072,687	270,156	862,968	865,489	199,021	3,628,342	5,615
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	125,691	-	-	460,520	109,493	-	705,355	93,013	-	8,858
Public safety	485,213	-	-	135,513	354,299	-	1,057,633	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	1,158,190	-	377,013	-	-	-	120,000	-	-
Culture and recreation	-	-	-	-	1,831	-	-	-	-	4,486,264	-
Housing and development	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	485,213	125,691	1,158,190	135,513	1,193,663	109,493	1,057,633	705,355	213,013	4,486,264	8,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	191,699	(28,416)	(485,195)	(23,335)	(120,976)	160,663	(194,665)	160,134	(13,992)	(857,922)	(3,243)
Other Financing Sources (Uses)											
Proceeds from sale of capital assets	-	-	-	-	-	-	3,000	-	-	-	-
Transfers in	-	-	493,237	-	78,562	-	433,532	-	-	1,065,369	-
Transfers out	-	-	-	-	-	(136,740)	-	-	-	-	-
Refunded bonds issued	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	493,237	-	78,562	(136,740)	436,532	-	-	1,065,369	-
Net Change in Fund Balances	191,699	(28,416)	8,042	(23,335)	(42,414)	23,923	241,867	160,134	(13,992)	207,447	(3,243)
Fund Balances Beginning of Year	51,919	590,095	21,447	92,987	329,108	592,215	56,243	659,103	68,504	291,687	69,445
Fund Balances End of Year	\$ 243,618	\$ 561,679	\$ 29,489	\$ 69,652	\$ 286,694	\$ 616,138	\$ 298,110	\$ 819,237	\$ 54,512	\$ 499,134	\$ 66,202

Cherokee County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2016

	Special Revenue									
	CDBG	Jail	Sheriff's Forfeiture	E-911	Hotel Motel	Transportation	Drug Accountability Court	Mental Health Court	Drug Screening Lab	Unincorporated County Services
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverage taxes	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	207,340	-	-	-	-	-
Intergovernmental	1,674,699	-	-	-	-	495,922	233,165	47,158	-	-
Fines and forfeitures	-	393,819	4,041	-	-	-	115,190	-	-	-
Charges for services	-	-	-	4,652,957	-	356,085	-	-	-	-
Investment income	-	1,695	-	2,576	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	195	-	-	61	-	-	-
Total Revenues	1,674,699	395,514	4,041	4,655,728	207,340	852,007	348,416	47,158	-	-
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	391,035	53,221	178	-
Public safety	-	652,824	43,328	4,370,319	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	974,408	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Housing and development	1,674,700	-	-	-	90,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,674,700	652,824	43,328	4,370,319	90,000	974,408	391,035	53,221	178	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	(257,310)	(39,287)	285,409	117,340	(122,401)	(42,619)	(6,063)	(178)	-
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	236,408	98,677	6,063	-	-
Transfers out	-	-	-	-	(117,340)	-	-	-	-	(10,797,876)
Refunded bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(117,340)	236,408	98,677	6,063	-	(10,797,876)
Net Change in Fund Balances	(1)	(257,310)	(39,287)	285,409	-	114,007	56,058	-	(178)	(10,797,876)
Fund Balances Beginning of Year	941	1,039,894	59,800	2,260,516	-	21,020	272,096	-	-	10,797,876
Fund Balances End of Year	\$ 940	\$ 782,584	\$ 20,513	\$ 2,545,925	\$ -	\$ 135,027	\$ 328,154	\$ -	\$ (178)	\$ -

Cherokee County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2016

	Capital Projects Fund				
	SPLOST V	Resource Recovery Development Authority	Impact Fees	Debt Service	Total
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ 6,596,125	\$ 6,596,125
Alcoholic beverage taxes	-	-	-	-	1,056,462
Other taxes	-	-	-	-	207,340
Intergovernmental	-	-	583,714	-	4,563,766
Fines and forfeitures	-	-	-	-	1,547,118
Charges for services	-	-	1,937,300	-	11,306,866
Investment income	10,890	-	21,243	-	41,446
Contributions	-	-	-	-	459,380
Other	-	142,243	-	277,694	439,247
Total Revenues	10,890	142,243	2,542,257	6,873,819	26,217,750
Expenditures					
Current:					
General government	-	-	89,800	148,150	237,950
Judicial	-	-	-	-	1,947,364
Public safety	73,099	-	-	-	7,172,228
Public works	-	33,194	-	-	33,194
Health and welfare	-	-	-	-	2,629,611
Culture and recreation	34,525	-	-	-	4,522,620
Housing and development	-	-	-	-	1,764,700
Intergovernmental	-	-	100,000	-	100,000
Capital outlay	978,676	-	293,107	-	1,271,783
Debt service:					
Principal	-	410,000	-	3,680,000	4,090,000
Interest	-	808,983	-	3,573,092	4,382,075
Bond issue costs	-	-	-	243,004	243,004
Total Expenditures	1,086,300	1,252,177	482,907	7,644,246	28,394,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,075,410)	(1,109,934)	2,059,350	(770,427)	(2,176,779)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	-	3,000
Transfers in	-	1,114,295	-	-	3,526,143
Transfers out	-	-	-	-	(11,051,956)
Refunded bonds issued	-	-	-	28,450,000	28,450,000
Payment to refunded bond escrow	-	-	-	(28,201,489)	(28,201,489)
Total Other Financing Sources (Uses)	-	1,114,295	-	248,511	(7,274,302)
Net Change in Fund Balances	(1,075,410)	4,361	2,059,350	(521,916)	(9,451,081)
Fund Balances Beginning of Year	3,912,853	301,855	6,556,208	700,780	28,746,592
Fund Balances End of Year	\$ 2,837,443	\$ 306,216	\$ 8,615,558	\$ 178,864	\$ 19,295,511

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Sheriff's Commissary			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	300,030	485,183	676,912	191,729
Investment income	30	30	-	(30)
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	300,060	485,213	676,912	191,699
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	300,060	485,213	485,213	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	300,060	485,213	485,213	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	191,699	191,699
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	-	-	191,699	191,699
Fund Balances Beginning of Year	51,919	51,919	51,919	-
Fund Balances End of Year	<u>\$ 51,919</u>	<u>\$ 51,919</u>	<u>\$ 243,618</u>	<u>\$ 191,699</u>

Law Library				Senior Services			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	674,502	674,502	643,677	(30,825)
139,400	139,400	90,950	(48,450)	-	-	-	-
3,000	3,000	2,578	(422)	-	-	14,582	14,582
3,500	3,500	3,747	247	-	-	-	-
-	-	-	-	11,500	11,500	9,471	(2,029)
-	-	-	-	500	500	5,265	4,765
145,900	145,900	97,275	(48,625)	686,502	686,502	672,995	(13,507)
145,900	145,900	125,691	20,209	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,169,191	1,179,739	1,158,190	21,549
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
145,900	145,900	125,691	20,209	1,169,191	1,179,739	1,158,190	21,549
-	-	(28,416)	(28,416)	(482,689)	(493,237)	(485,195)	8,042
-	-	-	-	-	-	-	-
-	-	-	-	482,689	493,237	493,237	-
-	-	-	-	-	-	-	-
-	-	-	-	482,689	493,237	493,237	-
-	-	(28,416)	(28,416)	-	-	8,042	8,042
590,095	590,095	590,095	-	21,447	21,447	21,447	-
\$ 590,095	\$ 590,095	\$ 561,679	\$ (28,416)	\$ 21,447	\$ 21,447	\$ 29,489	\$ 8,042

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Confiscated Assets			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	223,870	223,870	112,101	(111,769)
Charges for services	-	-	-	-
Investment income	130	130	77	(53)
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	224,000	224,000	112,178	(111,822)
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	224,000	224,000	135,513	88,487
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	224,000	224,000	135,513	88,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(23,335)	(23,335)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	-	-	(23,335)	(23,335)
Fund Balances Beginning of Year	92,987	92,987	92,987	-
Fund Balances End of Year	<u>\$ 92,987</u>	<u>\$ 92,987</u>	<u>\$ 69,652</u>	<u>\$ (23,335)</u>

Multiple Grant				Drug Abuse and Treatment			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
251,047	1,002,247	771,060	(231,187)	-	-	-	-
-	-	-	-	216,257	216,257	268,938	52,681
-	-	-	-	-	-	-	-
-	-	-	-	420	420	1,218	798
30,000	350,803	301,627	(49,176)	-	-	-	-
17,500	17,500	-	(17,500)	-	-	-	-
298,547	1,370,550	1,072,687	(297,863)	216,677	216,677	270,156	53,479
49,456	687,913	460,520	227,393	110,521	110,521	109,493	1,028
54,500	675,110	354,299	320,811	-	-	-	-
-	-	-	-	-	-	-	-
288,654	464,103	377,013	87,090	-	-	-	-
-	3,157	1,831	1,326	-	-	-	-
-	-	-	-	-	-	-	-
392,610	1,830,283	1,193,663	636,620	110,521	110,521	109,493	1,028
(94,063)	(459,733)	(120,976)	338,757	106,156	106,156	160,663	54,507
-	-	-	-	-	-	-	-
94,063	116,826	78,562	(38,264)	-	-	-	-
-	-	-	-	(106,156)	(138,156)	(136,740)	1,416
94,063	116,826	78,562	(38,264)	(106,156)	(138,156)	(136,740)	1,416
-	(342,907)	(42,414)	300,493	-	(32,000)	23,923	55,923
329,108	329,108	329,108	-	592,215	592,215	592,215	-
\$ 329,108	\$ (13,799)	\$ 286,694	\$ 300,493	\$ 592,215	\$ 560,215	\$ 616,138	\$ 55,923

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Animal Services			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	677,991	677,991	830,226	152,235
Investment income	-	-	-	-
Contributions	15,257	15,257	32,742	17,485
Other	-	-	-	-
Total Revenues	693,248	693,248	862,968	169,720
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	1,115,791	1,126,780	1,057,633	69,147
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	1,115,791	1,126,780	1,057,633	69,147
Excess (Deficiency) of Revenues Over (Under) Expenditures	(422,543)	(433,532)	(194,665)	238,867
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	3,000	3,000
Transfers in	422,543	433,532	433,532	-
Transfers out	-	-	-	-
Total other financing sources	422,543	433,532	436,532	3,000
Net Change in Fund Balances	-	-	241,867	241,867
Fund Balances Beginning of Year	56,243	56,243	56,243	-
Fund Balances End of Year	<u>\$ 56,243</u>	<u>\$ 56,243</u>	<u>\$ 298,110</u>	<u>\$ 241,867</u>

DUI Court				Victim/Witness			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155,501	167,276	114,371	(52,905)	-	-	-	-
300,000	300,000	357,443	57,443	205,473	205,473	199,021	(6,452)
228,568	230,514	313,350	82,836	-	-	-	-
-	-	-	-	-	-	-	-
65,000	65,000	80,325	15,325	-	-	-	-
-	-	-	-	-	-	-	-
749,069	762,790	865,489	102,699	205,473	205,473	199,021	(6,452)
754,069	767,790	705,355	62,435	85,473	93,013	93,013	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	120,000	120,000	120,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
754,069	767,790	705,355	62,435	205,473	213,013	213,013	-
(5,000)	(5,000)	160,134	165,134	-	(7,540)	(13,992)	(6,452)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(5,000)	(5,000)	160,134	165,134	-	(7,540)	(13,992)	(6,452)
659,103	659,103	659,103	-	68,504	68,504	68,504	-
\$ 654,103	\$ 654,103	\$ 819,237	\$ 165,134	\$ 68,504	\$ 60,964	\$ 54,512	\$ (6,452)

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Parks and Recreation			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,056,462	\$ 56,462
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	2,644,805	2,644,805	2,522,876	(121,929)
Investment income	-	-	-	-
Contributions	25,000	25,000	35,215	10,215
Other	12,500	12,500	13,789	1,289
Total Revenues	3,682,305	3,682,305	3,628,342	(53,963)
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	4,721,295	4,747,674	4,486,264	261,410
Housing and development	-	-	-	-
Total expenditures	4,721,295	4,747,674	4,486,264	261,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,038,990)	(1,065,369)	(857,922)	207,447
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	1,038,990	1,065,369	1,065,369	-
Transfers out	-	-	-	-
Total other financing sources	1,038,990	1,065,369	1,065,369	-
Net Change in Fund Balances	-	-	207,447	207,447
Fund Balances Beginning of Year	291,687	291,687	291,687	-
Fund Balances End of Year	<u>\$ 291,687</u>	<u>\$ 291,687</u>	<u>\$ 499,134</u>	<u>\$ 207,447</u>

DA Confiscated Assets				CDBG			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,166,353	1,674,700	1,674,699	(1)
30,000	30,000	5,615	(24,385)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
30,000	30,000	5,615	(24,385)	1,166,353	1,674,700	1,674,699	(1)
30,000	30,000	8,858	21,142	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,166,353	1,674,700	1,674,700	-
30,000	30,000	8,858	21,142	1,166,353	1,674,700	1,674,700	-
-	-	(3,243)	(3,243)	-	-	(1)	(1)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(3,243)	(3,243)	-	-	(1)	(1)
69,445	69,445	69,445	-	941	941	941	-
\$ 69,445	\$ 69,445	\$ 66,202	\$ (3,243)	\$ 941	\$ 941	\$ 940	\$ (1)

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Jail			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	429,600	429,600	393,819	(35,781)
Charges for services	-	-	-	-
Investment income	600	600	1,695	1,095
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	430,200	430,200	395,514	(34,686)
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	286,594	652,825	652,824	1
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	286,594	652,825	652,824	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,606	(222,625)	(257,310)	(34,685)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	143,606	(222,625)	(257,310)	(34,685)
Fund Balances Beginning of Year	1,039,894	1,039,894	1,039,894	-
Fund Balances End of Year	\$ 1,183,500	\$ 817,269	\$ 782,584	\$ (34,685)

Sheriff's Forfeiture				E-911			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
150,000	150,000	4,041	(145,959)	-	-	-	-
-	-	-	-	4,415,000	4,475,695	4,652,957	177,262
-	-	-	-	500	500	2,576	2,076
-	-	-	-	-	-	-	-
-	-	-	-	500	500	195	(305)
150,000	150,000	4,041	(145,959)	4,416,000	4,476,695	4,655,728	179,033
-	-	-	-	-	-	-	-
150,000	150,000	43,328	106,672	4,477,231	4,537,926	4,370,319	167,607
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
150,000	150,000	43,328	106,672	4,477,231	4,537,926	4,370,319	167,607
-	-	(39,287)	(39,287)	(61,231)	(61,231)	285,409	346,640
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(39,287)	(39,287)	(61,231)	(61,231)	285,409	346,640
59,800	59,800	59,800	-	2,260,516	2,260,516	2,260,516	-
\$ 59,800	\$ 59,800	\$ 20,513	\$ (39,287)	\$ 2,199,285	\$ 2,199,285	\$ 2,545,925	\$ 346,640

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Hotel/Motel Tax			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ 200,000	\$ 207,340	\$ 207,340	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	200,000	207,340	207,340	-
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	90,000	90,000	90,000	-
Total expenditures	90,000	90,000	90,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	110,000	117,340	117,340	-
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(110,000)	(117,340)	(117,340)	-
Total other financing sources	(110,000)	(117,340)	(117,340)	-
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Transportation				Drug Accountability Court			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
498,513	498,513	495,922	(2,591)	234,982	246,232	233,165	(13,067)
-	-	-	-	68,562	71,235	115,190	43,955
425,440	425,440	356,085	(69,355)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	61	61
923,953	923,953	852,007	(71,946)	303,544	317,467	348,416	30,949
-	-	-	-	402,221	440,144	391,035	49,109
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,159,747	1,166,392	974,408	191,984	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,159,747	1,166,392	974,408	191,984	402,221	440,144	391,035	49,109
(235,794)	(242,439)	(122,401)	120,038	(98,677)	(122,677)	(42,619)	80,058
-	-	-	-	-	-	-	-
235,794	242,439	236,408	(6,031)	98,677	98,677	98,677	-
-	-	-	-	-	-	-	-
235,794	242,439	236,408	(6,031)	98,677	98,677	98,677	-
-	-	114,007	114,007	-	(24,000)	56,058	80,058
21,020	21,020	21,020	-	272,096	272,096	272,096	-
\$ 21,020	\$ 21,020	\$ 135,027	\$ 114,007	\$ 272,096	\$ 248,096	\$ 328,154	\$ 80,058

Cherokee County, Georgia
Special Revenue Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Mental Health Court			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	67,305	67,305	47,158	(20,147)
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	67,305	67,305	47,158	(20,147)
Expenditures				
Current:				
Judicial	74,784	74,784	53,221	21,563
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total expenditures	74,784	74,784	53,221	21,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,479)	(7,479)	(6,063)	1,416
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	7,479	7,479	6,063	(1,416)
Transfers out	-	-	-	-
Total other financing sources	7,479	7,479	6,063	(1,416)
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ -

[illegible]

Cherokee County, Georgia
Capital Projects Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	SPLOST V			
	Budget		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment income	2,000	2,000	10,890	8,890
Intergovernmental	-	-	-	-
Other	-	-	-	-
Total Revenues	2,000	2,000	10,890	8,890
Expenditures				
Current:				
General government	-	-	-	-
Public safety	6,952	6,952	73,099	(66,147)
Public works	-	-	-	-
Culture and recreation	34,525	34,525	34,525	-
Intergovernmental	-	-	-	-
Capital outlay	1,377,442	1,377,442	978,676	398,766
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,418,919	1,418,919	1,086,300	332,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,416,919)	(1,416,919)	(1,075,410)	341,509
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net Change in Fund Balances	(1,416,919)	(1,416,919)	(1,075,410)	341,509
Fund Balances Beginning of Year	3,912,853	3,912,853	3,912,853	-
Fund Balances End of Year	<u>\$ 2,495,934</u>	<u>\$ 2,495,934</u>	<u>\$ 2,837,443</u>	<u>\$ 341,509</u>

Resource Recovery Development Authority				Impact Fees			
Budget		Actual	Variance With Final Budget	Budget		Actual	Variance With Final Budget
Original Budget	Final Budget			Original Budget	Final Budget		
\$ -	\$ -	\$ -	\$ -	\$ 1,323,199	\$ 1,323,199	\$ 1,937,300	\$ 614,101
-	-	-	-	9,638	9,638	21,243	11,605
-	-	-	-	-	-	583,714	583,714
142,243	142,243	142,243	-	-	-	-	-
142,243	142,243	142,243	-	1,332,837	1,332,837	2,542,257	1,209,420
-	-	-	-	754	754	89,800	(89,046)
-	-	-	-	-	-	-	-
37,250	37,250	33,194	4,056	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	100,000	100,000	100,000	-
-	-	-	-	3,190,000	3,190,000	293,107	2,896,893
-	-	-	-	-	-	-	-
-	-	410,000	(410,000)	-	-	-	-
1,219,288	1,219,288	808,983	410,305	-	-	-	-
1,256,538	1,256,538	1,252,177	4,361	3,290,754	3,290,754	482,907	2,807,847
(1,114,295)	(1,114,295)	(1,109,934)	4,361	(1,957,917)	(1,957,917)	2,059,350	4,017,267
1,114,295	1,114,295	1,114,295	-	-	-	-	-
1,114,295	1,114,295	1,114,295	-	-	-	-	-
-	-	4,361	4,361	(1,957,917)	(1,957,917)	2,059,350	4,017,267
301,855	301,855	301,855	-	6,556,208	6,556,208	6,556,208	-
\$ 301,855	\$ 301,855	\$ 306,216	\$ 4,361	\$ 4,598,291	\$ 4,598,291	\$ 8,615,558	\$ 4,017,267

Cherokee County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2016

	Debt Service			
	Budget			Variance
	Original Budget	Final Budget	Actual	With Final Budget
Revenues				
Taxes	\$ 6,417,116	\$ 6,417,116	\$ 6,596,125	\$ 179,009
Other	200,000	200,000	277,694	77,694
Total Revenues	6,617,116	6,617,116	6,873,819	256,703
Expenditures				
Current:				
General government	144,126	144,126	148,150	(4,024)
Debt service:				
Principal	3,680,000	3,680,000	3,680,000	-
Interest and fiscal charges	2,665,410	3,573,094	3,573,092	2
Bond issue costs	-	248,511	243,004	5,507
Total expenditures	6,489,536	7,645,731	7,644,246	1,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	127,580	(1,028,615)	(770,427)	258,188
Other Financing Sources (Uses)				
Refunded bonds issued	-	28,450,000	28,450,000	-
Payment to refunded bond escrow	-	(28,201,489)	(28,201,489)	-
Total other financing sources	-	248,511	248,511	-
Net Change in Fund Balances	127,580	(780,104)	(521,916)	258,188
Fund Balances Beginning of Year	700,780	700,780	700,780	-
Fund Balances End of Year	<u>\$ 828,360</u>	<u>\$ (79,324)</u>	<u>\$ 178,864</u>	<u>\$ 258,188</u>

Cherokee County, Georgia
Schedule of Expenditures of
Special Purpose Local Option Sales Tax Proceeds
For the Fiscal Year Ended September 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Fiscal Years or Periods	Current Fiscal Year	Total
2005					
Special Local Option Sales Tax V	\$ 200,000,000	\$ 184,062,661	\$ 180,009,352	\$ -	\$ 180,009,352
2005 Projects:					
City of Canton			\$ 13,498,831	\$ -	\$ 13,498,831
City of Mountain Park			30,097	-	30,097
City of Woodstock			14,838,179	-	14,838,179
City of Holly Springs			6,771,989	-	6,771,989
City of Ball Ground			2,098,185	-	2,098,185
City of Waleska			1,760,717	-	1,760,717
City of Nelson			707,295	-	707,295
Total intergovernmental			39,705,293	-	39,705,293
Administration building			28,457,459	-	28,457,459
Tax Commissioner/Marshal Building			4,371,256	-	4,371,256
Transportation facility & equipment			50,683,799	135,970	50,819,769
Park & recreation facility			11,767,943	-	11,767,943
Library facility & books			755,782	34,525	790,307
Public safety facilities & equipment			20,873,506	904,915	21,778,421
New emergency children's shelter			831,525	-	831,525
New driver's license facility			1,658,083	-	1,658,083
Renovation to old Woodstock Elementary School			469,624	-	469,624
Senior center expansion			352,669	-	352,669
Airport			20,082,413	-	20,082,413
Total			\$ 180,009,352	\$ 1,075,410	\$ 181,084,762
Public safety facilities and equipment paid for with interest earnings				10,890	
Total expenditures in SPLOST V Fund				\$ 1,086,300	

Cherokee County, Georgia
Schedule of Expenditures of
Special Purpose Local Option Sales Tax Proceeds
For the Fiscal Year Ended September 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Fiscal Years or Periods	Current Fiscal Year	Total
2012					
Special Local Option Sales Tax VI	\$ 185,500,000	\$ 197,270,373	\$ 66,613,248	\$ 31,329,060	\$ 97,942,308
2012 Projects:					
City of Ball Ground			\$ 1,161,704	\$ 399,983	\$ 1,561,687
City of Canton			9,739,404	3,353,350	13,092,754
City of Holly Springs			3,779,591	1,301,341	5,080,932
City of Mountain Park			3,602	1,240	4,842
City of Nelson			405,245	139,529	544,774
City of Walesa			990,600	341,071	1,331,671
City of Woodstock			9,917,713	3,414,742	13,332,455
Cherokee County Airport Authority			3,940,859	705,373	4,646,232
Total intergovernmental			29,938,718	9,656,629	39,595,347
Jail expansion/enhancements			-	-	-
Fire training facility			1,490,607	9,393	1,500,000
Sheriff training facility			1,879,662	-	1,879,662
Animal shelter renovation			635,900	385,988	1,021,888
ALS units			705,973	1,044,675	1,750,648
Sheriff			863,512	419,346	1,282,858
Animal control			186,189	31,411	217,600
Marshal			141,420	32,061	173,481
E-911			943,346	-	943,346
Courthouse expansion			2,161,315	344,358	2,505,673
Fire/EMS			1,487,053	4,390,233	5,877,286
Senior center			-	-	-
Transportation facility & equipment			22,449,250	13,183,988	35,633,238
Economic development			3,730,303	1,830,978	5,561,281
Library facility & books			-	-	-
Total			\$ 66,613,248	\$ 31,329,060	\$ 97,942,308
Transportation facility and equipment paid for with intergovernmental revenues				2,107,701	
Transportation facility improvements paid with miscellaneous revenues				419,174	
Total expenditures in SPLOST VI Fund				\$ 33,855,935	

CHEROKEE COUNTY, GEORGIA

INTERNAL SERVICE FUNDS

Fleet Services – To account for operations of the County's Vehicle Maintenance Department which maintains and repairs all of the County's vehicles.

Insurance and Benefits - To account for the County's contributions and employee premiums for health, disability, and life insurance, and the related payments for these associated costs.

Cherokee County, Georgia
Combining Statement of Net Position
Internal Service Funds
September 30, 2016

	Fleet Services	Insurance and Benefits	Totals
Assets			
Current assets			
Cash	\$ -	\$ 1,546,987	\$ 1,546,987
Receivables, net of allowance	-	263,842	263,842
Inventories	191,627	-	191,627
Prepaid items	779	429	1,208
Total current assets	<u>192,406</u>	<u>1,811,258</u>	<u>2,003,664</u>
Noncurrent assets			
Capital assets, net of depreciation	<u>257,929</u>	<u>-</u>	<u>257,929</u>
Total assets	<u>450,335</u>	<u>1,811,258</u>	<u>2,261,593</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	67,546	-	67,546
Employer contributions subsequent to the measurement date	30,601	-	30,601
Total deferred outflows of resources	<u>98,147</u>	<u>-</u>	<u>98,147</u>
Liabilities			
Current liabilities			
Accounts payable	53,699	336,657	390,356
Accrued liabilities	15,659	712,908	728,567
Due to other funds	55,793	-	55,793
Compensated absences, due within one year	54,274	-	54,274
Total current liabilities	<u>179,425</u>	<u>1,049,565</u>	<u>1,228,990</u>
Long-term Liabilities (net of current portion)			
Compensated absences, due in more than one year	18,091	-	18,091
Net pension liability	398,448	-	398,448
Total long-term liabilities	<u>416,539</u>	<u>-</u>	<u>416,539</u>
Total Liabilities	<u>595,964</u>	<u>1,049,565</u>	<u>1,645,529</u>
Net Position			
Investment in capital assets	257,929	-	257,929
Unrestricted (deficit)	<u>(305,411)</u>	<u>761,693</u>	<u>456,282</u>
Total Net Position	<u>\$ (47,482)</u>	<u>\$ 761,693</u>	<u>\$ 714,211</u>

Cherokee County, Georgia
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2016

	<u>Fleet Services</u>	<u>Insurance and Benefits</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 1,430,280	\$ 14,490,053	\$ 15,920,333
Miscellaneous revenue	4,351	1,643,596	1,647,947
	<u>1,434,631</u>	<u>16,133,649</u>	<u>17,568,280</u>
Operating Expenses			
Personal services and employee benefits	638,655	192,995	831,650
Contractual services	38,448	1,517,790	1,556,238
Claims paid	-	14,576,703	14,576,703
Supplies	739,199	-	739,199
Depreciation	25,651	-	25,651
	<u>1,441,953</u>	<u>16,287,488</u>	<u>17,729,441</u>
Total Operating Expenses	<u>1,441,953</u>	<u>16,287,488</u>	<u>17,729,441</u>
Change in net position	(7,322)	(153,839)	(161,161)
Net Position (Deficit) Beginning of Year	<u>(40,160)</u>	<u>915,532</u>	<u>875,372</u>
Net Position (Deficit) End of Year	<u><u>\$ (47,482)</u></u>	<u><u>\$ 761,693</u></u>	<u><u>\$ 714,211</u></u>

Cherokee County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2016

	<u>Fleet Services</u>	<u>Insurance and Benefits</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Receipts from other funds	\$ 1,439,452	\$ 16,485,669	\$ 17,925,121
Payments to employees	(636,235)	(192,995)	(829,230)
Payments to suppliers for services provided	(803,467)	(15,347,720)	(16,151,187)
Net Cash Provided by (Used in) Operating Activities	(250)	944,954	944,704
Net Increase (Decrease) in Cash and Cash Equivalents	(250)	944,954	944,704
Cash and Cash Equivalents Beginning of Year	250	602,033	602,283
Cash and Cash Equivalents End of Year	<u>\$ -</u>	<u>\$ 1,546,987</u>	<u>\$ 1,546,987</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (7,322)	\$ (153,839)	\$ (161,161)
Adjustments -			
Depreciation	25,651	-	25,651
(Increase) Decrease in:			
Accounts receivable	-	352,020	352,020
Prepaid items	(397)	454	57
Inventories	(19,191)	-	(19,191)
Deferred outflows of resources	(75,969)	-	(75,969)
Increase (Decrease) in:			
Accounts payable	8,054	41,246	49,300
Accrued expenses	(14,286)	705,073	690,787
Due to other funds	4,821	-	4,821
Compensated absences payable	1,200	-	1,200
Net pension liability	77,189	-	77,189
Net Cash Provided by (Used in) Operating Activities	<u>\$ (250)</u>	<u>\$ 944,954</u>	<u>\$ 944,704</u>

CHEROKEE COUNTY, GEORGIA

AGENCY FUNDS

Tax Commissioner – to account for tax billings, collections, and remittances made by property owners of record on behalf of other governmental agencies.

Probate Court – to account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.

Juvenile Court – to account for the collection of probation supervision fees which are disbursed to other parties.

Clerk of Superior Court – to account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

Clerk of State Court – to account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

Sheriff – to account for the collection and remittance of fines, bond forfeitures, and various fees and to account for the receipt and disbursement of funds held on behalf of County inmates housed in the County detention facility.

Cherokee County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2016

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
Tax Commissioner				
Assets				
Cash	\$ 5,154,932	\$ 259,188,053	\$ 258,388,967	\$ 5,954,018
Other receivable	175,378	32,569	-	207,947
Taxes receivable	1,085,840	209,829,061	1,721,091	209,193,810
Total assets	\$ 6,416,150	\$ 469,049,683	\$ 260,110,058	\$ 215,355,775
Liabilities				
Due to others	\$ 5,330,310	\$ 259,220,622	\$ 258,388,967	\$ 6,161,965
Taxes payable to others upon completion	1,085,840	209,829,061	1,721,091	209,193,810
Total Liabilities	\$ 6,416,150	\$ 469,049,683	\$ 260,110,058	\$ 215,355,775
Probate Court				
Assets				
Cash	\$ 25,199	\$ 810,470	\$ 825,774	\$ 9,895
Liabilities				
Due to others	\$ 25,199	\$ 810,470	\$ 825,774	\$ 9,895
Juvenile Court				
Assets				
Cash	\$ 5,193	\$ 107,713	\$ 111,512	\$ 1,394
Liabilities				
Due to others	\$ 5,193	\$ 107,713	\$ 111,512	\$ 1,394
Clerk of Superior Court				
Assets				
Cash	\$ 4,554,245	\$ 15,258,666	\$ 14,891,001	\$ 4,921,910
Liabilities				
Due to others	\$ 4,554,245	\$ 15,258,666	\$ 14,891,001	\$ 4,921,910

Cherokee County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2016

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
Clerk of State Court				
Assets				
Cash	\$ 64,503	\$ 2,585,374	\$ 2,597,214	\$ 52,663
Liabilities				
Due to others	\$ 64,503	\$ 2,585,374	\$ 2,597,214	\$ 52,663
Sheriff				
Assets				
Cash	\$ 427,209	\$ 1,347,555	\$ 1,420,507	\$ 354,257
Liabilities				
Due to others	\$ 427,209	\$ 1,347,555	\$ 1,420,507	\$ 354,257
Total Agency Funds				
Assets				
Cash	\$ 10,231,281	\$ 279,297,831	\$ 278,234,975	\$ 11,294,137
Other receivable	175,378	32,569	-	207,947
Taxes receivable	1,085,840	209,829,061	1,721,091	209,193,810
Total assets	\$ 11,492,499	\$ 489,159,461	\$ 279,956,066	\$ 220,695,894
Liabilities				
Due to others	\$ 10,406,659	\$ 279,330,400	\$ 278,234,975	\$ 11,502,084
Uncollected taxes	1,085,840	209,829,061	1,721,091	209,193,810
Total Liabilities	\$ 11,492,499	\$ 489,159,461	\$ 279,956,066	\$ 220,695,894

Cherokee County, Georgia
Combining Statement of Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2016

	<u>Tax Commissioner</u>	<u>Probate Court</u>	<u>Juvenile Court</u>	<u>Clerk of Superior Court</u>	<u>Clerk of State Court</u>	<u>Sheriff</u>	<u>Total</u>
Assets							
Cash	\$ 5,954,018	\$ 9,895	\$ 1,394	\$ 4,921,910	\$ 52,663	\$ 354,257	\$ 11,294,137
Other receivable	207,947	-	-	-	-	-	207,947
Taxes receivable	209,193,810	-	-	-	-	-	209,193,810
Total assets	<u>\$ 215,355,775</u>	<u>\$ 9,895</u>	<u>\$ 1,394</u>	<u>\$ 4,921,910</u>	<u>\$ 52,663</u>	<u>\$ 354,257</u>	<u>\$ 220,695,894</u>
Liabilities							
Due to others	\$ 6,161,965	\$ 9,895	\$ 1,394	\$ 4,921,910	\$ 52,663	\$ 354,257	11,502,084
Taxes payable to others upon completion	209,193,810	-	-	-	-	-	209,193,810
Total liabilities	<u>\$ 215,355,775</u>	<u>\$ 9,895</u>	<u>\$ 1,394</u>	<u>\$ 4,921,910</u>	<u>\$ 52,663</u>	<u>\$ 354,257</u>	<u>\$ 220,695,894</u>

Development Authority of Cherokee County
Balance Sheet
September 30, 2016

Assets	
Cash	\$ 912,367
Accounts receivable, net of allowance	96,001
Prepaid items	14,332
Due from other governments	<u>401,670</u>
Total assets	<u><u>\$ 1,424,370</u></u>
Liabilities, Deferred Inflow of Resources and Fund Balance	
Liabilities	
Accrued liabilities	<u>\$ 3,603</u>
Total liabilities	<u>3,603</u>
Deferred Inflows of Resources	
Unearned revenues	2,500
Unavailable revenue	<u>401,670</u>
Total deferred inflows of resources	<u>404,170</u>
Fund Balances	
Unassigned	<u>1,016,597</u>
Total Fund Balances	<u><u>1,016,597</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 1,424,370</u></u>

Development Authority of Cherokee County
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended September 30, 2016

Revenues	
Intergovernmental	\$ 397,187
Charges for services	60,000
Investment income	316
Contributions	<u>127,950</u>
Total revenues	<u>585,453</u>
Expenditures	
Current:	
Housing and development	<u>1,412,080</u>
Total expenditures	<u>1,412,080</u>
Deficiency of revenues over expenditures	<u>(826,627)</u>
Other Financing Sources	
Proceeds from sale of capital assets	<u>542,617</u>
Total other financing sources	<u>542,617</u>
Net change in fund balances	(284,010)
Fund balances, beginning of year	<u>1,300,607</u>
Fund balances, end of year	<u><u>\$ 1,016,597</u></u>

Cherokee County Development Authority
Balance Sheet
September 30, 2016

Assets	
Cash	\$ 225,695
Total assets	<u>\$ 225,695</u>
Liabilities	
Due to primary governments	\$ 4,207,496
Accrued liabilities	1,976
Due to other governments	<u>401,670</u>
Total liabilities	<u>4,611,142</u>
Fund Balance (Deficit)	
Unassigned (deficit)	<u>(4,385,447)</u>
Total Fund Balance	<u>(4,385,447)</u>
Total Liabilities and Fund Balance	<u>\$ 225,695</u>

Cherokee County Development Authority
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended September 30, 2016

Revenues	
Interest	\$ 115
Intergovernmental	400,000
Charges for services	<u>22,512</u>
Total Revenues	<u>422,627</u>
Expenditures	
Current:	
Housing and development	538,980
Debt service:	
Principal	1,978,918
Interest	<u>50,577</u>
Total Expenditures	<u>2,568,475</u>
Deficiency of Revenues over Expenditures	<u>(2,145,848)</u>
Net Change in Fund Balances	(2,145,848)
Fund Balances, Beginning of Year	<u>(2,239,599)</u>
Fund Balances, End of Year	<u><u>\$ (4,385,447)</u></u>

CHEROKEE COUNTY, GEORGIA

STATISTICAL SECTION

This part of Cherokee County's comprehensive annual financial report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CHEROKEE COUNTY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012*	2013	2014 (Restated)	2015 (Restated)	2016
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 1,087,842,947	\$ 1,091,115,199	\$ 1,064,235,201	\$ 1,058,683,428	\$ 1,050,048,300	\$ 1,023,519,289	\$ 1,011,905,016	\$ 976,166,596	\$ 943,020,930	\$ 922,812,280
Restricted	2,278,709	3,515,045	37,906,250	35,732,314	58,696,018	37,575,187	40,740,963	58,032,098	70,835,182	66,862,941
Unrestricted	74,358,039	57,698,960	39,767,844	25,739,216	9,944,894	(2,686,819)	1,297,716	(37,525,057)	(32,930,747)	(18,434,202)
Total Governmental Activities Net Assets	1,164,479,695	1,152,329,204	1,141,909,295	1,120,154,958	1,118,689,212	1,058,407,657	1,053,943,695	996,673,637	980,925,365	971,241,019
Business type Activities										
Invested in Capital Assets, net of related debt	(14,637)	924,061	800,260	703,439	630,863	1,168,482	2,076,797	1,894,919	2,345,249	3,863,389
Unrestricted	4,391,867	3,630,081	1,239,608	147,817	870,092	1,315,162	1,145,475	(818,727)	(227,478)	(536,760)
Total Business-type Activities Net Assets	4,377,230	4,554,142	2,039,868	851,256	1,500,955	2,483,644	3,222,272	1,076,192	2,117,771	3,326,629
Primary Government										
Invested in Capital Assets, net of related debt	1,087,828,310	1,092,039,260	1,065,035,461	1,059,386,867	1,050,679,163	1,024,687,771	1,013,981,813	978,061,515	945,366,179	926,675,669
Restricted	2,278,709	3,515,045	37,906,250	35,732,314	58,696,018	37,575,187	40,740,963	58,032,098	70,835,182	66,862,941
Unrestricted	78,749,906	61,329,041	40,961,449	25,887,033	10,814,986	(1,371,657)	2,443,191	(38,343,784)	(33,158,225)	(18,970,962)
Total Primary Government Net Assets	\$ 1,168,856,925	\$ 1,156,883,346	\$ 1,143,903,160	\$ 1,121,006,214	\$ 1,120,190,167	\$ 1,060,891,301	\$ 1,057,165,967	\$ 997,749,829	\$ 983,043,136	\$ 974,567,648

*NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.
Fiscal Year 2014 was restated to reflect the implementation of GASB Statements No. 68 and 71.
Fiscal Year 2015 was restated for unrecorded inventory.

CHEROKEE COUNTY, GEORGIA

CHANGES IN NET POSITION, LAST TEN YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
General government	\$ 14,601,860	\$ 13,792,840	\$ 13,495,202	\$ 11,238,380	\$ 11,709,843	\$ 9,829,282	\$ 11,635,706	\$ 13,648,434	\$ 18,207,140	\$ 12,557,749
Judicial	11,930,793	13,222,285	13,068,161	12,934,968	12,131,482	8,616,641	13,835,827	14,948,452	15,621,410	16,970,402
Public safety	55,062,513	54,181,996	56,297,513	58,859,578	53,392,268	41,852,318	54,866,533	66,261,619	65,843,729	76,378,048
Public works	55,751,873	45,813,759	46,714,160	50,666,579	48,284,482	37,963,267	56,681,654	60,306,683	64,397,596	46,782,022
Health and welfare	6,907,871	5,469,253	4,223,612	5,332,454	4,954,955	3,447,163	2,838,434	3,142,104	2,906,259	3,053,838
Culture and recreation	5,498,054	6,097,251	6,047,753	5,085,377	4,287,850	4,692,484	7,017,212	9,891,955	10,098,987	18,747,709
Housing and development	2,384,843	2,009,789	4,887,468	3,582,765	3,656,342	2,328,961	3,511,156	4,262,749	5,543,535	7,392,892
Interest on long-term debt	1,513,575	2,237,570	3,369,863	3,622,857	3,411,397	2,975,088	3,094,823	3,175,274	3,432,595	6,089,835
Total Governmental Activities	<u>153,651,382</u>	<u>142,824,643</u>	<u>148,103,732</u>	<u>151,322,958</u>	<u>141,828,619</u>	<u>111,705,204</u>	<u>153,481,345</u>	<u>175,637,270</u>	<u>186,051,251</u>	<u>187,972,495</u>
Business-type Activities:										
Emergency medical services	5,422,292	6,059,852	7,213,645	7,429,041	6,678,161	5,516,951	7,190,391	8,157,167	5,446,416	6,570,402
Conference center	-	-	162,963	224,636	326,115	264,837	373,815	361,476	372,621	538,245
Total Business-type Activities	<u>5,422,292</u>	<u>6,059,852</u>	<u>7,376,608</u>	<u>7,653,677</u>	<u>7,004,276</u>	<u>5,781,788</u>	<u>7,564,206</u>	<u>8,518,643</u>	<u>5,819,037</u>	<u>7,108,647</u>
Total Primary Government	<u>159,073,674</u>	<u>148,884,495</u>	<u>155,480,340</u>	<u>158,976,635</u>	<u>148,832,895</u>	<u>117,486,992</u>	<u>161,045,551</u>	<u>184,155,913</u>	<u>191,870,288</u>	<u>195,081,142</u>
Program Revenues										
Governmental Activities										
Charges for services										
General government	6,338,838	5,251,645	4,022,193	4,488,101	4,539,020	1,289,956	4,213,565	4,508,343	4,643,693	7,076,481
Judicial	8,031,157	8,153,155	6,214,188	6,375,601	6,815,386	5,036,242	6,463,373	5,901,186	6,168,531	6,229,489
Public safety	5,125,041	6,185,474	6,145,639	6,126,627	6,407,070	5,074,468	7,123,356	7,376,078	7,515,011	8,286,895
Public works	5,573,088	5,923,111	3,435,044	2,524,196	1,779,098	1,581,672	3,055,124	2,718,762	3,079,966	4,247,236
Health and welfare	265,725	193,424	177,837	353,951	252,392	347,365	388,944	370,917	370,667	370,667
Culture and recreation	871,830	1,123,960	938,345	1,098,694	1,327,358	805,077	2,148,818	2,475,950	2,372,768	2,522,876
Housing and development	-	729,171	976,699	848,876	902,726	1,086,243	1,656,272	1,800,287	2,293,281	-
Operating grants and contributions	1,383,194	2,013,951	2,756,658	3,702,555	5,005,625	3,615,337	3,896,743	2,885,090	3,952,156	5,928,258
Capital grants and contributions	50,854,343	11,754,816	11,806,091	18,724,096	11,517,533	4,441,711	9,860,301	10,000,879	13,326,159	15,954,463
Total Governmental Activities	<u>78,443,216</u>	<u>41,328,707</u>	<u>36,472,694</u>	<u>44,242,697</u>	<u>38,667,290</u>	<u>23,183,098</u>	<u>38,764,917</u>	<u>38,055,519</u>	<u>43,722,482</u>	<u>50,616,365</u>
Business-type Activities:										
Emergency medical services:										
Charges for services	5,841,396	4,057,351	3,842,690	5,886,811	6,383,784	5,338,425	6,088,439	7,234,561	3,909,969	4,997,112
Operating grants and contributions	-	-	-	-	-	-	6,750	21,577	-	-
Capital grants and contributions	-	-	-	-	-	12,000	50,000	-	-	42,165
Conference Center:										
Charges for services	-	-	8,059	11,038	13,638	14,610	18,874	15,200	16,243	344,779
Operating grants and contributions	-	-	21,000	21,000	21,000	-	96,000	21,000	21,000	21,000
Total Business-type Activities	<u>5,841,396</u>	<u>4,057,351</u>	<u>3,871,749</u>	<u>5,918,849</u>	<u>6,418,422</u>	<u>5,365,035</u>	<u>6,260,063</u>	<u>7,292,338</u>	<u>3,947,212</u>	<u>5,405,056</u>
Total Primary Government	<u>84,284,612</u>	<u>45,386,058</u>	<u>40,344,443</u>	<u>50,161,546</u>	<u>45,085,712</u>	<u>28,548,133</u>	<u>45,024,980</u>	<u>45,347,857</u>	<u>47,669,694</u>	<u>56,021,421</u>
Net (Expenses) Revenue										
Governmental Activities	(75,208,166)	(101,495,936)	(111,631,038)	(107,080,261)	(103,161,329)	(88,522,106)	(114,716,428)	(137,581,751)	(142,328,769)	(137,356,130)
Business-type Activities	419,104	(2,002,501)	(3,504,859)	(1,734,828)	(585,845)	(416,753)	(1,304,143)	(1,226,305)	(1,871,825)	(1,703,591)
Total Primary Government Net Expense	<u>(74,789,062)</u>	<u>(103,498,437)</u>	<u>(115,135,897)</u>	<u>(108,815,089)</u>	<u>(103,747,174)</u>	<u>(88,938,859)</u>	<u>(116,020,571)</u>	<u>(138,808,056)</u>	<u>(144,200,594)</u>	<u>(139,059,721)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property taxes	58,987,690	55,462,119	64,298,714	59,595,990	61,718,917	6,561,293	68,302,401	70,725,619	76,101,797	81,038,620
Alcoholic beverage taxes	776,714	879,968	870,004	899,933	870,637	751,958	971,691	989,887	1,029,826	1,056,462
Vehicle taxes	1,122,201	1,248,798	1,501,321	1,484,307	1,587,195	1,377,748	1,845,500	1,934,924	2,064,581	2,283,347
Sales taxes	31,976,966	29,253,737	26,689,087	27,381,983	29,288,708	22,705,059	30,239,488	31,690,072	33,980,669	35,173,128
Insurance premium taxes	5,790,874	5,932,023	5,846,968	5,686,599	6,508,474	6,953,110	7,226,640	7,626,040	8,166,299	8,689,185
Other taxes	117,815	105,038	82,876	89,491	116,728	107,240	154,289	180,523	210,530	207,340
Miscellaneous revenues	2,439,813	803,358	2,262,810	2,018,183	2,537,155	467,149	3,182,618	2,275,918	7,140,853 (1)	1,870,842
Unrestricted investment earnings	2,627,810	1,270,686	457,225	166,685	42,501	30,406	33,754	99,927	129,993	261,309
Gain/(loss) on sale of capital assets	198,995	-	-	-	-	(9,545,264)	-	-	-	-
Loss on capital lease receivable	-	-	-	-	-	-	-	-	-	-
Transfers	(170,054)	(2,179,413)	(797,876)	(404,491)	(974,732)	(1,025,243)	(1,703,915)	(922,665)	(2,639,990)	(2,908,449)
Total Governmental Activities	<u>103,868,824</u>	<u>92,776,314</u>	<u>101,211,129</u>	<u>96,918,680</u>	<u>101,695,583</u>	<u>28,383,456</u>	<u>110,252,466</u>	<u>114,600,245</u>	<u>126,184,558</u>	<u>127,671,784</u>
Business-type Activities										
Insurance premium taxes	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	146,706	187,728	260,821	298,599	325,106	272,953	273,414	-
Gain/(loss) on disposal of capital assets	-	-	-	-	-	75,600	13,750	8,100	-	4,000
Transfers	170,054	2,179,413	797,876	404,491	974,732	1,025,243	1,703,915	922,665	2,639,990	2,908,449
Total Business-type Activities	<u>170,054</u>	<u>2,179,413</u>	<u>944,582</u>	<u>592,219</u>	<u>1,235,553</u>	<u>1,399,442</u>	<u>2,042,771</u>	<u>1,203,718</u>	<u>2,913,404</u>	<u>2,912,449</u>
Total Primary Government	<u>104,038,878</u>	<u>94,955,727</u>	<u>102,155,711</u>	<u>97,510,899</u>	<u>102,931,136</u>	<u>29,782,898</u>	<u>112,295,237</u>	<u>115,803,963</u>	<u>129,097,962</u>	<u>130,584,233</u>
Change in Net Position										
Governmental Activities	28,660,658	(8,719,622)	(10,419,909)	(10,161,581)	(1,465,746)	(60,138,650)	(4,463,962)	(22,981,506)	(16,144,211)	(9,684,346)
Business-type Activities	589,158	176,912	(2,560,277)	(1,142,609)	649,708	982,689	738,628	(22,587)	1,041,579	1,208,858
Total Primary Government	<u>29,249,816</u>	<u>(8,542,710)</u>	<u>(12,980,186)</u>	<u>(11,304,190)</u>	<u>(816,038)</u>	<u>(59,155,961)</u>	<u>(3,725,334)</u>	<u>(23,004,093)</u>	<u>(15,102,632)</u>	<u>(8,475,488)</u>
Net Position, beginning of year, as restated	<u>1,123,727,565</u>	<u>1,165,426,056</u>	<u>1,156,883,346</u>	<u>1,132,310,404</u>	<u>1,121,006,214</u>	<u>1,120,047,262</u>	<u>1,060,891,301</u>	<u>1,020,753,922</u>	<u>997,749,829</u>	<u>983,043,136</u>
Net Position, end of year	<u>\$ 1,152,977,381</u>	<u>\$ 1,156,883,346</u>	<u>\$ 1,143,903,160</u>	<u>\$ 1,121,006,214</u>	<u>\$ 1,120,190,176</u>	<u>\$ 1,060,891,301</u>	<u>\$ 1,057,165,967</u>	<u>\$ 997,749,829</u>	<u>\$ 982,647,197</u>	<u>\$ 974,567,648</u>

*NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.

(1) During the fiscal year ended September 30, 2015 the County received approximately \$4 million from the Cherokee County Development Authority from the proceeds from land sales. Fiscal year 2014 was restated to reflect the implementation of GASB Statements No. 68 and 71.

CHEROKEE COUNTY, GEORGIA

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2007	2008	2009	2010	2011	2012*	2013	2014	2015 (Restated)	2016
General Fund										
Reserved	\$ 51,116	\$ 175,321	\$ 213,815	\$ 267,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	40,543,543	32,943,772	29,423,015	24,914,065	-	-	-	-	-	-
Nonspendable:										
Prepays	-	-	-	-	199,244	163,748	100,272	72,645	75,669	277,606
Advances from other funds	-	-	-	-	-	-	-	-	-	500,000
Inventory	-	-	-	-	5,380	5,134	16,432	36,614	16,757	5,349
Assigned for use in subsequent budget	-	-	-	-	25,419,651	-	-	-	-	-
Unassigned	-	-	-	-	4,567,170	4,205,633	9,685,484	11,037,776	13,293,833	26,932,247
Total General Fund	40,594,659	33,119,093	29,636,830	25,181,708	30,191,445	4,374,515	9,802,188	11,147,035	13,386,259	27,715,202
All Other Governmental Funds										
Reserved	2,227,593	3,519,690	37,916,605	35,736,960	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	18,064,414	18,268,587	17,289,982	16,747,516	-	-	-	-	-	-
Capital projects funds	15,456,909	7,987,494	4,023,396	6,268,759	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepays	-	-	-	-	682,020	446,502	414,632	342,438	351,894	362,125
Advances from Other Funds	-	-	-	-	-	-	-	-	-	500,000
Inventory	-	-	-	-	-	-	-	-	395,939	804,091
Restricted:										
Law library operations	-	-	-	-	604,546	627,713	642,423	657,910	590,095	561,679
Senior services	-	-	-	-	8,029	58,266	46,352	16,310	20,175	26,895
Public safety	-	-	-	-	1,066,488	1,171,253	1,157,181	338,761	152,787	90,165
Court services	-	-	-	-	-	-	-	532,700	1,320,763	1,501,402
Donations for improvements	-	-	-	-	16,142	17,428	28,834	-	-	-
Grant activities	-	-	-	-	36,849	103,426	148,199	411,560	600,514	615,484
Jail operation and maintenance	-	-	-	-	1,631,370	1,012,584	986,710	1,011,153	1,020,298	771,302
E911 operations	-	-	-	-	1,423,953	1,379,538	1,674,744	1,839,355	2,256,915	2,531,110
Hotel/Motel tax	-	-	-	-	-	-	-	592,744	-	-
Impact fees - library projects	-	-	-	-	449,882	397,914	527,456	699,631	950,600	1,201,530
Impact fees - fire projects	-	-	-	-	57,176	154,133	668,982	782,975	947,438	1,540,006
Impact fees - park projects	-	-	-	-	621,285	669,924	860,450	457,013	709,959	896,405
Impact fees - public safety facility projects	-	-	-	-	1,252,305	1,300,247	1,582,939	1,728,259	1,987,614	2,340,518
Impact fees - road projects	-	-	-	-	977,380	1,092,657	1,472,878	1,516,164	1,576,746	1,701,879
Impact fees - administration projects	-	-	-	-	429,397	446,199	151,215	344,958	383,851	351,507
Impact fees - Canton fire stations	-	-	-	-	-	-	-	-	-	583,713
Health and welfare	-	-	-	-	-	26,131	9,173	-	89,290	179,445
Debt service	-	-	-	-	8,526,268	7,969,618	769,088	1,302,487	700,780	180,029
Cultural and recreation construction	-	-	-	-	21,593,785	24,895,111	9,623,342	24,204,697	20,056,462	10,961,838
SPLOST projects	-	-	-	-	7,915,351	15,360,142	20,248,996	32,020,272	41,371,608	44,710,269
Unincorporated services	-	-	-	-	-	2,583,397	4,883,151	8,446,953	10,290,986	**
Fire protection services	-	-	-	-	12,085,812	3,204,615	4,882,191	5,056,514	5,728,653	5,924,814
Committed:										
Jail and inmate services	-	-	-	-	45,979	65,301	24,386	29,637	51,919	243,618
Animal services	-	-	-	-	16,934	47,271	70,713	34,312	55,923	298,110
Park and recreation activities	-	-	-	-	216,343	64,916	442,890	408,684	281,298	487,980
Unassigned	-	-	-	-	(203,234)	(32,384)	(27,666)	(7,652)	(2,891)	(178)
Total All Other Governmental Funds	35,748,916	29,775,771	59,229,983	58,753,235	59,454,060	63,061,902	51,289,259	82,767,835	92,389,616	78,865,736
Total All Governmental Funds	\$ 76,343,575	\$ 62,894,864	\$ 88,866,813	\$ 83,934,943	\$ 89,645,505	\$ 67,436,417	\$ 61,091,447	\$ 93,914,870	\$ 105,775,875	\$ 106,580,938

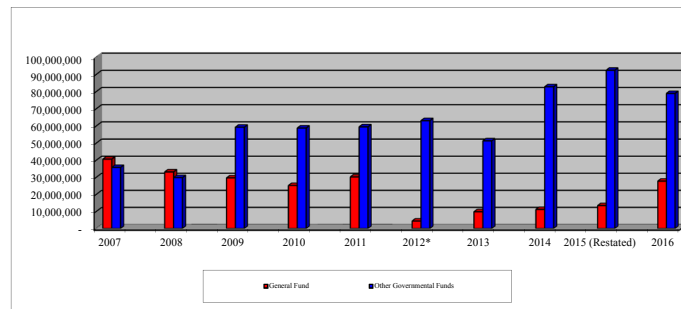
* NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.

** NOTE: Unincorporated County Fund was moved to be included with the General Fund.

*** NOTE: The increase in FY2009 is due to the issuance of \$45,000,000 in bonds.

Fiscal Year 2015 was restated for unrecorded inventory.

NOTE: The County implemented GASB 54 effective January 1, 2011.



CHEROKEE COUNTY, GEORGIA

CHANGE IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
Revenues										
Taxes	\$ 97,038,672	\$ 93,537,984	\$ 99,221,526	\$ 95,491,171	\$ 100,817,537	\$ 40,534,858	\$ 108,580,845	\$ 112,937,239	\$ 121,946,651	\$ 128,474,185
Licenses and permits	2,170,334	1,747,414	1,201,006	1,179,738	1,168,702	1,280,779	1,900,386	2,084,729	2,594,651	3,041,029
Fines and penalties	7,621,928	7,335,862	5,988,839	6,159,605	6,607,933	4,819,636	6,908,913	6,447,136	6,391,950	6,331,870
Charges for services	16,157,533	18,285,225	15,381,048	14,369,407	14,284,477	8,792,207	16,432,906	16,574,190	17,287,781	19,636,433
Intergovernmental	4,388,255	3,741,517	3,287,187	4,426,846	5,371,357	3,876,650	7,155,617	4,256,449	4,754,515	7,575,190
Investment earnings	2,627,810	1,270,686	487,214	183,046	51,072	43,807	45,472	123,887	203,479	413,581
Other revenues	2,512,546	896,079	1,546,588	2,335,660	3,224,165	1,208,636	4,745,132	2,338,057	6,356,723	2,447,045
Total revenues	132,517,078	126,814,767	127,113,409	124,145,473	131,525,243	60,556,573	145,769,271	144,761,687	159,535,750	167,919,333
Expenditures										
General government	10,828,902	13,725,770	12,678,432	10,587,252	9,145,033	7,558,761	9,735,759	9,694,959	10,175,646	11,786,252
Judicial	11,756,810	13,109,919	12,634,661	12,541,103	12,190,687	8,910,791	13,339,510	13,732,332	14,869,642	16,216,192
Public safety	49,958,886	54,968,804	54,685,636	54,767,227	53,128,844	37,797,938	51,980,901	56,266,089	60,645,344	66,005,871
Public works	12,040,686	10,840,241	8,682,763	8,366,354	8,981,853	6,739,208	8,650,391	10,375,660	8,251,788	9,517,506
Health and welfare	5,839,786	5,352,280	4,497,164	5,443,570	4,810,705	3,354,025	2,747,382	2,887,530	2,773,972	3,050,269
Housing and development	2,235,117	5,440,200	5,231,606	3,502,384	4,832,386	2,262,564	3,456,310	6,890,514	7,518,258	6,547,593
Culture and recreation	5,171,494	2,032,927	6,338,228	5,411,523	3,605,951	3,905,096	5,700,838	4,330,470	6,756,342	6,967,373
Capital Outlay	49,837,436	23,117,171	25,501,385	19,157,660	7,816,079	12,767,749	33,851,092	15,705,022	13,555,389	28,098,061
Debt Service:										
Principal	5,390,196	6,951,789	7,033,223	10,312,937	10,466,097	3,584,045	11,048,319	3,415,827	4,440,062	4,103,333
Bond issuance costs	568,857	-	496,642	3,607,748	3,754,944	115,525	1,550	194,384	2,279	243,004
Interest	1,413,168	2,025,332	3,268,743	134,853	-	2,170,632	3,318,527	3,060,401	3,386,554	4,384,938
Intergovernmental	-	-	6,238,285	6,317,565	6,159,277	5,328,013	7,526,940	8,045,732	14,113,597	9,756,629
Total expenditures	155,041,338	137,564,433	147,286,768	140,150,176	124,891,856	94,494,347	151,357,519	134,598,920	146,488,873	166,677,021
Excess (deficiency) of revenues over (under) expenditures	(22,524,260)	(10,749,666)	(20,173,359)	(16,004,703)	6,633,387	(33,937,774)	(5,588,248)	10,162,767	13,046,877	1,242,312
Other Financing Sources (Uses)										
Proceeds from bond issues	18,145,000	9,191,451	45,000,000	10,767,000	-	11,410,000	-	22,823,000	-	-
Proceeds from refunded bonds	-	-	-	-	-	-	-	-	-	28,450,000
Discount on bonds sold	(278,332)	-	-	-	-	-	-	-	-	-
Premium on issuance of bonds	-	-	1,825,087	-	-	-	-	-	-	-
Proceeds from leases	-	-	-	-	-	-	-	-	-	607,524
Proceeds from sale of assets	268,260	100,871	118,096	710,324	51,907	44,271	42,427	760,320	422,439	94,290
Payment to refunded bond escrow	-	-	-	-	-	-	-	-	-	(28,201,489)
Transfers in	10,192,135	15,234,872	11,504,413	12,074,226	16,016,357	5,866,999	5,641,614	4,935,848	3,415,092	14,356,019
Transfers out	(10,362,189)	(16,598,590)	(12,302,289)	(12,478,717)	(16,991,089)	(6,439,448)	(6,440,763)	(5,858,513)	(5,419,342)	(15,743,593)
Total other financing sources (uses)	17,964,874	7,928,604	46,145,307	11,072,833	(922,825)	10,881,822	(756,722)	22,660,655	(1,581,811)	(437,249)
Net Change in Fund Balance	(4,559,386)	(2,821,062)	25,971,948	(4,931,870)	5,710,562	(23,055,952)	(6,344,970)	32,823,422	11,465,066	805,063
Fund Balances, beginning of the year (restated)	80,902,961	65,715,927	62,894,865	88,866,813	83,934,943	90,492,370	67,436,418	61,091,448	93,914,870	105,775,875
Fund Balances, end of year	\$ 76,343,575	\$ 62,894,865	\$ 88,866,813	\$ 83,934,943	\$ 89,645,505	\$ 67,436,418	\$ 61,091,448	\$ 93,914,870	\$ 105,379,936	\$ 106,580,938

*NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.

Debt service as a percentage of noncapital expenditures	5.64%	7.84%	8.46%	8.64%	8.94%	7.04%	12.23%	5.34%	5.88%	6.50%
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CHEROKEE COUNTY, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Primary Government:										
Governmental Activities:										
General government	\$ 6,416,829	\$ 5,378,477	\$ 4,227,355	\$ 5,329,530	\$ 5,629,940	\$ 2,158,592	\$ 4,868,288	\$ 4,584,286	\$ 4,902,176	\$ 7,524,359
Judicial	8,237,620	8,558,858	7,405,579	6,996,592	7,352,353	5,461,108	7,123,277	6,795,575	7,094,400	7,352,778
Public safety	5,473,686	6,545,013	6,394,475	6,440,709	6,656,136	5,250,300	7,500,229	7,882,437	7,964,565	9,896,991
Public works	55,559,284	16,747,949	15,651,517	21,197,450	14,444,269	6,133,826	12,924,448	12,486,080	16,279,740	19,995,323
Health and welfare	1,209,531	2,245,279	1,774,877	2,309,171	2,304,508	2,262,152	1,789,272	2,030,904	2,565,552	1,614,124
Culture and recreation	1,371,756	1,123,960	938,345	1,120,369	1,377,358	830,877	2,903,131	2,475,950	2,622,768	2,558,091
Housing and development	174,510	729,171	976,699	848,876	902,726	1,086,243	1,656,272	1,800,287	2,293,281	1,674,699
Total Governmental Activities	<u>78,443,216</u>	<u>41,328,707</u>	<u>37,368,847</u>	<u>44,242,697</u>	<u>38,667,290</u>	<u>23,183,098</u>	<u>38,764,917</u>	<u>38,055,519</u>	<u>43,722,482</u>	<u>50,616,365</u>
Business-type Activities:										
Emergency medical services	5,841,396	6,072,067	3,842,690	5,886,811	6,383,784	5,350,425	6,145,189	7,256,138	3,909,969	5,039,277
Conference center	-	-	29,059	32,038	34,638	14,610	114,874	36,200	37,243	365,779
Total Business-type Activities	<u>5,841,396</u>	<u>6,072,067</u>	<u>3,871,749</u>	<u>5,918,849</u>	<u>6,418,422</u>	<u>5,365,035</u>	<u>6,260,063</u>	<u>7,292,338</u>	<u>3,947,212</u>	<u>5,405,056</u>
Total Primary Government	<u>\$ 84,284,612</u>	<u>\$ 47,400,774</u>	<u>\$ 41,240,596</u>	<u>\$ 50,161,546</u>	<u>\$ 45,085,712</u>	<u>\$ 28,548,133</u>	<u>\$ 45,024,980</u>	<u>\$ 45,347,857</u>	<u>\$ 47,669,694</u>	<u>\$ 56,021,421</u>

Note: The County created a Conference Center fund in 2009.

*NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.

CHEROKEE COUNTY, GEORGIA

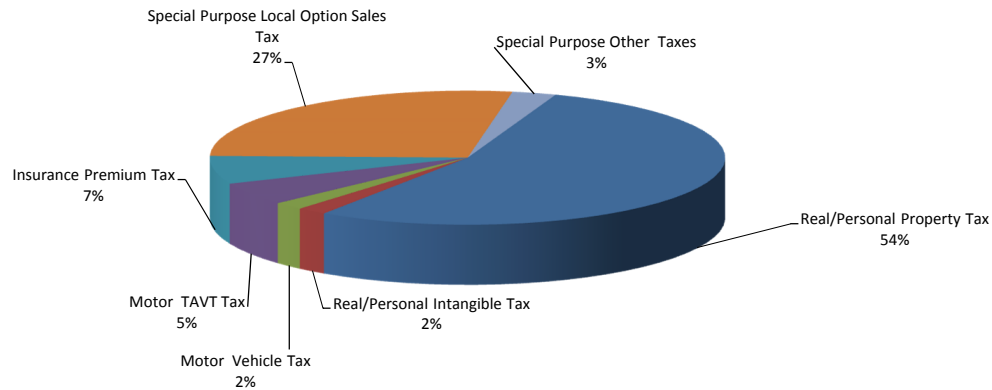
TAX REVENUES BY SOURCE , GOVERNMENTAL FUNDS

(modified accrual basis of accounting)

Year Ended	Real/Personal Property Tax	Intangible Tax	Motor Vehicle Tax	TAVT Tax	Insurance Premium Tax	Special Purpose Local Option Sales Tax	Other Taxes	Total
12/31/2007	\$ 53,026,447	\$ 1,512,571	\$ 2,715,084	\$ -	\$ 5,790,874	\$ 31,976,966	\$ 2,016,730	\$ 97,038,672
12/31/2008	49,837,451	1,532,979	4,747,990	-	5,932,023	29,253,737	2,233,804	93,537,984
12/31/2009	58,810,094	1,427,202	4,203,836	-	5,846,968	26,479,225	2,454,201	99,221,526
12/31/2010	53,948,183	1,109,956	4,680,857	-	5,686,599	27,591,845	2,473,731	95,491,171
12/31/2011	56,712,075	1,054,289	4,679,431	-	6,508,474	29,288,708	2,574,560	100,817,537
9/30/2012*	3,191,463	1,118,726	4,329,554	-	6,953,110	22,705,059	2,236,946	40,534,859
9/30/2013	56,803,151	1,889,135	5,619,399	3,831,553	7,226,640	30,239,488	2,971,480	108,580,846
9/30/2014	57,869,082	1,439,824	4,228,192	7,188,520	7,626,040	31,690,072	3,105,335	113,147,065
9/30/2015	63,816,626	1,950,412	3,103,752	7,623,956	8,166,299	33,980,669	3,304,937	121,946,651
9/30/2016	69,154,204	2,406,649	2,415,265	7,088,598	8,689,185	35,173,128	3,547,156	128,474,185

NOTE: In 2012 the County converted from a calendar fiscal year to a 10/1 - 9/30 fiscal year. However, in the year of conversion the County had to budget a short year from 1/1/2012 - 9/30/2012. This had a significant impact on property tax revenue recognition since typically the county receives significant tax collections between October and December.

2016 Tax Revenues by Source



CHEROKEE COUNTY, GEORGIA

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Digest Year	Residential Property		Commercial Property		Industrial Property		Less: Tax Exempt Property	Total Reporting Entity		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	
2007	\$ 5,156,038,549	\$ 12,890,096,372	\$ 866,705,294	\$ 2,166,763,235	\$ 160,684,680	\$ 401,711,700	\$ 355,348,196	\$ 8,822,751,247	\$ 22,056,878,117	7.150
2008	5,450,894,960	13,627,237,400	952,621,800	2,381,554,500	172,166,452	430,416,130	389,604,965	9,259,006,566	23,147,516,415	7.123
2009	5,148,444,120	12,871,110,300	977,086,873	2,442,717,182	177,544,916	443,862,290	400,700,705	9,001,790,326	22,504,475,815	7.703
2010	4,728,740,840	11,821,852,100	939,414,009	2,318,535,023	168,121,006	420,302,515	411,417,625	8,246,552,393	20,616,380,982	8.298
2011	4,435,075,476	11,087,688,690	832,187,128	2,080,467,820	148,216,320	370,540,800	432,262,840	7,721,058,141	19,302,645,352	9.135
2012	4,045,193,924	10,112,984,810	795,440,256	1,988,600,640	141,986,494	354,966,235	431,488,680	7,184,006,964	17,960,017,410	9.999
2013	4,178,158,525	10,445,396,312	789,629,631	1,974,074,077	143,475,211	358,688,027	436,392,400	7,346,963,565	18,367,408,912	9.947
2014	4,809,272,244	12,023,180,610	870,585,091	2,176,462,727	146,882,487	367,206,217	463,837,120	7,922,163,058	19,805,407,645	9.908
2015	5,372,928,638	13,432,321,595	870,471,411	2,176,178,527	148,467,242	371,168,105	655,666,600	8,524,129,822	21,310,324,555	9.900
2016	5,931,815,066	14,829,537,665	947,220,118	2,368,050,295	158,428,041	396,070,103	675,249,400	9,255,282,958	23,138,207,395	9.663

* Source: Cherokee County Tax Assessor

Note: Property in Cherokee County is assessed at 40% of actual value. Tax rates are per \$1,000 of assessed value.

CHEROKEE COUNTY, GEORGIA

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING
(Per \$1,000 of Assessed Value)
LAST TEN FISCAL YEARS**

Year of Levy	General	Fire District	Parks	Total	State	Schools			Total Direct and Overlapping
	Maintenance and Operations	Special District	County Wide	BOC Rate		Maintenance and Operations	Bonded Debt	Total	
2007	4.400	2.750		7.150	0.25	18.450	0.400	18.850	26.25
2008	4.381	2.742		7.123	0.25	18.450	0.400	18.850	26.22
2009	4.381	2.742	0.580	7.703	0.25	18.450	0.400	18.850	26.80
2010	4.720	2.950	0.628	8.298	0.25	19.450	0.400	19.850	28.40
2011	5.365	3.129	0.641	9.135	0.25	19.450	0.400	19.850	29.24
2012	5.825	3.394	0.780	9.999	0.20	19.450	0.400	19.850	30.05
2013	5.798	3.373	0.776	9.947	0.15	19.450	0.400	19.850	29.95
2014	5.728	3.436	0.744	9.908	0.10	19.450	-	19.450	29.46
2015	5.728	3.436	0.744	9.908	0.05	19.450	-	19.450	29.41
2016	5.680	3.374	0.609	9.663	-	19.450	-	19.450	29.11

Note: In 2008 voters approved a referendum to issue \$90 million in bonds to invest in Parks and Greenspace.
The Parks Bond millage rate was implemented in 2009 to cover the debt service related to these bonds.

CHEROKEE COUNTY, GEORGIA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Cherokee County SPLOST	County Schools E-SPLOST	State	Total Sales Tax Rate
2007	1.00%	1.00%	4.00%	6.00%
2008	1.00%	1.00%	4.00%	6.00%
2009	1.00%	1.00%	4.00%	6.00%
2010	1.00%	1.00%	4.00%	6.00%
2011	1.00%	1.00%	4.00%	6.00%
2012	1.00%	1.00%	4.00%	6.00%
2013	1.00%	1.00%	4.00%	6.00%
2014	1.00%	1.00%	4.00%	6.00%
2015	1.00%	1.00%	4.00%	6.00%
2016	1.00%	1.00%	4.00%	6.00%

CHEROKEE COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS

September 30, 2016

(Unaudited)

Taxpayer	2016			2007		
	Assessed Value	Rank	% of Total Assessment	Assessed Value	Rank	% of Total Assessment
Georgia Power	\$ 47,720,823	1	0.52%	33,479,366	1	0.38%
Atlanta Gas Light Company	33,353,231	2	0.36%	32,511,139	2	0.37%
Cobb EMC	22,850,828	3	0.25%	19,851,104	3	0.22%
Cole Mountain Market Place	22,568,040	4	0.24%			
BII Fund V Woodstock LLC	19,316,440	5	0.21%			
Georgia Transmission	16,426,546	6	0.18%	13,973,436	5	0.16%
Universal Alloy Corporation	15,712,741	7	0.17%			
Mid-America Apartment Comm	15,056,040	8	0.16%	11,248,320	8	0.13%
Walton Woodstock Apt.	13,948,440	9	0.15%			
BellSouth Telecommunications	13,731,046	10	0.15%	12,619,804	7	0.14%
AllTel				17,982,573	4	0.20%
Alta Woods Phase II LLC				8,818,500	10	0.10%
Inland Southeast Riverstone				13,650,200	8	0.15%
Sawnee EMC				11,620,824	9	0.13%
Wal-mart Stores	\$ 12,575,071		0.14%			
	<u>\$ 233,259,246</u>		<u>2.52%</u>	<u>\$ 175,755,266</u>		<u>1.99%</u>

Source: Cherokee County Tax Commissioners Office

NOTE: % Calculation includes Motor Vehicles

CHEROKEE COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended	Tax Levied for the Calendar Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Dates used for previous col.	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2007	\$ 47,081,527	\$ 42,439,233	90.14%	\$ 4,493,965	01-01-08 to 03-25-16	\$ 46,933,198	99.68%
2008	51,585,541	43,223,045	83.79%	5,690,788	01-01-09 to 03-25-16	48,913,833	94.82%
2009	** 54,038,156	47,854,035	88.56%	6,015,830	01-01-10 to 03-25-16	53,869,865	99.69%
2010	** 53,438,477	48,273,578	90.33%	4,928,962	01-01-11 to 03-25-16	53,202,540	99.56%
2011	** 55,348,553	50,886,129	91.94%	4,165,418	01-01-12 to 03-25-16	55,051,547	99.46%
2012	** 55,452,483	1,359,612	2.45%	51,884,508	01-01-12 to 03-25-16	53,244,120	96.02%
2013	** 56,423,411	769,001	1.36%	55,204,978	10-01-13 to 03-25-16	55,973,979	99.20%
2014	** 62,612,461	2,137,638	3.41%	60,288,464	10-01-14 to 03-25-16	62,426,102	99.70%
2015	** 68,137,272	121,805	0.18%	66,975,833	10-01-15 to 03-25-16	67,097,638	98.47%
2016	** 71,963,231	273,107	0.38%	67,749,957	10-01-16 to 1-11-17	68,023,064	94.52%

Source: Cherokee County Tax Commissioner

*NOTE: In 2012 the County converted from a calendar fiscal year to a 10/1 - 9/30 fiscal year. However, in the year of conversion the County had to budget a short year from 1/1/2012 - 9/30/2012. This had a significant impact on property tax collections since typically the County received significant collections between October and December.

** Includes new tax for Parks and Recreation Bonds approved by voter referendum in 2008.

CHEROKEE COUNTY, GEORGIA

TOTAL PROPERTY LIENS (FIFAs) LAST FIVE FISCAL YEARS

Year of Tax Levy	12/31/2011	9/30/2012	9/30/2013	9/30/2014	9/30/2015	9/30/2016
2007	\$ 4,994	\$ 3,401	\$ 3,173	\$ 1,932	\$ 1,131	\$ 1,124
2008	13,764	9,624	7,515	3,926	2,247	2,054
2009	84,709	30,778	20,692	11,647	4,190	3,692
2010	463,995	125,428	55,226	31,520	5,939	4,982
2011	-	619,129	126,531	36,893	13,621	8,112
2012	-	-	500,325	154,722	49,984	43,520
2013	-	-	-	559,625	45,568	33,117
2014	-	-	-	-	148,317	25,579
2015	-	-	-	-	*	148,729
2016						
TOTAL	\$ 567,461	\$ 788,361	\$ 713,462	\$ 800,265	\$ 270,996	\$ 270,909

Source: Cherokee County Tax Commissioner

* Note: Property Tax bills were not mailed until October, so no payments were received before year end at 9/30/15

CHEROKEE COUNTY, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Governmental Activities					Business-Type	Total Primary	% of	Per Capita	Population	Personal
	General	Development	Resource	Development	Capital Leases	Activities					
	Obligation	Authority Bonds	Recovery	Authority Loans		Capital Leases	Government	Personal			Income
			Authority					Income			
2007	\$ 24,608,000	\$ 2,040,000	\$ 18,145,000	\$ -	\$ 2,012,299	\$ 356,871	\$ 47,162,170	0.64%	230.78	204,363	36,100
2008	27,535,000	1,405,000	18,145,000	-	1,385,510	-	48,470,510	0.63%	230.23	210,529	36,580
2009	66,020,000	775,000	18,145,000	5,448,261	867,005	-	91,255,267	1.23%	424.28	215,084	34,450
2010	67,097,000	-	18,145,000	7,279,404	534,350	-	93,055,754	1.25%	434.14	214,346	34,780
2011	57,067,000	-	17,545,000	7,109,728	408,254	-	82,129,982	1.02%	376.25	218,286	36,898
2012	65,317,000	-	17,220,000	6,872,733	309,209	-	89,718,942	1.06%	405.39	221,315	38,417
2013	56,017,833	-	16,679,221	6,614,092	170,889	-	79,482,035	0.89%	356.10	223,200	39,930
2014	75,810,432	-	16,327,728	6,342,604	25,062	-	98,505,826	1.03%	426.46	230,985	41,322
2015	71,658,319	-	15,955,902	2,582,449	-	-	90,196,670	0.92%	382.35	235,900	41,593
2016	71,014,585	-	15,558,720	603,531	594,191	-	87,771,028	0.86%	365.56	240,100	42,546

Note: Development Authority bonds are issued by the Development Authority, a component unit of the County, but through an agreement the County is responsible for debt service payments over and above revenue generated by the authority to pay the bonds.

Note: Resource Recovery Development Authority bonds are issued by the Resource Recovery Development Authority, a blended component unit of the County. The County pledged one millage point to cover debt service payments if the third party operator defaulted on the bonds. The County has secured a replacement operator who has assumed \$142,243.56 of the debt per year.

CHEROKEE COUNTY, GEORGIA

**RATIOS OF GENERAL OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Less: Amounts available in Debt Service Fund	Net Primary Government	% of Actual Value of Property	Per Capita	Population	Actual Property Value
	General Obligation	Development Authority	Resource Recovery Development Authority						
2007	\$ 24,608,000	\$ 2,040,000	\$ -	\$ 15,456,909	\$ 11,191,091	0.13%	54.76	204,383	\$ 8,822,751,247
2008	27,535,000	1,405,000	18,145,000	7,987,494	39,097,506	0.42%	186.14	210,044	9,259,006,566
2009	66,020,000	775,000	18,145,000	4,023,396	80,916,604	0.90%	376.21	215,084	9,001,790,326
2010	67,097,000	-	18,145,000	6,268,759	78,973,241	0.96%	368.44	214,346	8,246,552,393
2011	57,067,000	-	17,545,000	8,526,268	66,085,732	0.86%	302.75	218,286	7,721,058,141
2012	65,317,000	-	17,220,000	7,969,618	74,567,382	1.04%	336.93	221,315	7,184,006,964
2013	56,017,833	-	16,679,221	769,088	71,927,966	0.98%	322.11	223,300	7,346,963,565
2014	75,810,432	-	16,327,728	1,302,487	90,835,673	1.15%	393.25	230,985	7,922,163,058
2015	71,658,319	-	15,955,901	700,780	86,913,440	1.02%	368.43	235,900	8,524,129,822
2016	71,014,585	-	15,558,720	178,864	86,394,442	0.93%	359.83	240,100	9,255,282,958

Note: Development Authority bonds are issued by the Development Authority, a component unit of the County, but through an agreement the County is responsible for debt service payments over and above revenue generated by the authority to pay the bonds.

Note: Resource Recovery Development Authority bonds are issued by the Resource Recovery Development Authority, a blended component unit of the County. The County pledged one millage point to cover debt service payments if the third party operator defaulted on the bonds. The County has secured a replacement operator who has assumed \$142,243.56 of the debt per year.

CHEROKEE COUNTY, GEORGIA

**DIRECT GENERAL OBLIGATION AND
OVERLAPPING GENERAL OBLIGATION AND GUARANTEED REVENUE DEBT
SEPTEMBER 30, 2016**

(Unaudited)

General Obligation Debt:		
2009 Issue	\$ 6,409,585	
2010 Issue	9,417,000	
2011 Issue	5,610,000	
2014 Issue	21,128,000	
2015 Refunding	28,450,000	
Total General Obligation Debt		71,014,585
Direct Guaranteed Revenue Debt:		
2007 Resource Recovery Development Authority Bonds	15,558,720	
Total Guaranteed Revenue Debt		15,558,720
Total Direct Debt		86,573,306
Overlapping General Obligation Debt		
Cherokee County School System	386,525,000	
Total Overlapping Debt		386,525,000
Total Direct and Overlapping Debt		\$ 473,098,306
Cherokee County Debt per Capita:(1)		
Direct General Obligation Debt	\$ 295.77	
Direct Guaranteed Revenue Debt	64.80	
Overlapping General Obligation Debt	1,609.85	
	\$ 1,970.42	

(1) Based on estimated population of 240,100 as provided by the Atlanta Regional Commission.

Note: Resource Recovery Development Authority bonds are issued by the Resource Recovery Development Authority, a blended component unit of the County. The County pledged one millage point to cover debt service payments if the third party operator defaulted on the bonds. The County has not been required to increase the millage rate by 1 millage point, but has assumed responsibility for the debt service payments. The County has secured a replacement operator who has assumed \$142,243.56 of the debt per year.

CHEROKEE COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS

(dollars in thousands)

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value	<u>\$ 8,822,751</u>	<u>\$ 9,259,007</u>	<u>\$ 9,001,790</u>	<u>\$ 8,246,552</u>	<u>\$ 7,721,058</u>	<u>\$ 7,184,007</u>	<u>\$ 7,346,964</u>	<u>\$ 7,922,163</u>	<u>\$ 8,524,130</u>	<u>\$ 9,255,283</u>
Debt Limit: 10% of assessed	882,275	925,901	900,179	824,655	772,106	718,401	734,696	792,216	852,413	925,528
Less: Debt applicable to debt limit	<u>25,000</u>	<u>28,000</u>	<u>66,020</u>	<u>67,097</u>	<u>57,067</u>	<u>65,317</u>	<u>56,018</u>	<u>75,810</u>	<u>71,658</u>	<u>71,015</u>
Legal Debt Margin	<u>\$ 857,275</u>	<u>\$ 897,901</u>	<u>\$ 834,159</u>	<u>\$ 757,558</u>	<u>\$ 715,039</u>	<u>\$ 653,084</u>	<u>\$ 678,678</u>	<u>\$ 716,406</u>	<u>\$ 780,755</u>	<u>\$ 854,513</u>

CHEROKEE COUNTY, GEORGIA

**PLEDGED- REVENUE COVERAGE
LAST TEN FISCAL YEARS**

(dollars in thousands)

Fiscal Year	Development Authority Revenue Bonds				Special Purpose Local Option Sales Tax Bonds					
	Debt Service				Sales Tax	Less: Projects	Net Available Revenue	Debt Service		
	Land Sales	Principal	Interest	Coverage				Principal	Interest	Coverage
2007	305	600	176	0.39	31,977	28,528	3,449	4,792	1,295	0.57
2008	-	680	93	-	29,254	27,980	1,274	6,325	1,251	0.17
2009	-	725	48	-	26,479	24,942	1,537	6,515	1,049	0.20
2010	733	287	161	1.64	27,592	22,559	5,033	6,745	804	0.67
2011	-	-	-	-	29,289	11,251	18,038	6,980	536	2.40
2012*	-	-	-	-	22,705	8,947	13,758	-	234	58.79
2013	-	-	-	-	30,240	28,263	1,977	7,295	117	0.27
2014	-	-	-	-	31,690	20,697	10,993	-	-	-
2015	4,144	-	-	-	33,981	26,544	7,437	-	-	-
2016	1,848	-	-	-	35,173	33,855	1,318	-	-	-

*NOTE: In 2012 the County converted from a calendar fiscal year to a 10/1 - 9/30 fiscal year. However, in the year of conversion the County had to budget a short year from 1/1/2012 - 9/30/2012. This had a significant impact on revenues collected in comparison to 2011.

CHEROKEE COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year Ended	Estimated Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
12/31/2007	204,363	7,311,828	36,100	33.8	36,276	4.30%
12/31/2008	210,529	7,618,522	36,580	33.0	36,500	8.20%
12/31/2009	215,084	7,311,454	34,450	35.2	38,105	10.01%
12/31/2010	214,346	7,486,312	34,780	34.1	38,585	8.90%
12/31/2011	218,286	8,054,368	36,898	36.3	38,290	7.90%
9/30/2012	221,315	8,502,157	38,417	36.7	39,161	6.90%
9/30/2013	223,300	8,988,534	39,930	36.8	39,324	6.00%
9/30/2014	230,985	8,748,231	41,322	37.0	40,504	5.70%
9/30/2015	235,900	8,966,897	41,593	37.2	41,291	4.00%
9/30/2016	240,100	9,294,614	42,546	38.5	41,787	4.10%

Sources: Georgia Department of Labor, Bureau of the Census, Atlanta Regional Commission, Cherokee County School District and the Cherokee County Development Authority.

CHEROKEE COUNTY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND EIGHT YEARS AGO

Employer	2016			2008 **		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Cherokee County Schools	4,957	1	2.1%	5,000	1	*
Cherokee County Government	1,585	2	0.7%	1,330	2	*
Northside-Cherokee Hospital	1,485	3	0.6%			
Publix Supermarkets	1,085	4	0.5%	740	4	*
Pilgrims Pride Corp.	800	5	0.3%	850	3	*
Chart Inc.	552	6	0.2%	262	7	*
Wal-Mart Associates, Inc.	500	7	0.2%			
Universal Alloy Corporation	440	8	0.2%	500	5	*
Belnick, Inc	350	9	0.1%			
Piolax Corporation	340	10	0.1%	250	8	
Meyn America, Inc.				285	6	*
Reinhardt University				205	9	*
City of Woodstock				193	10	*
	<u>12,627</u>		<u>5.3%</u>	<u>9,615</u>		<u>0.0%</u>

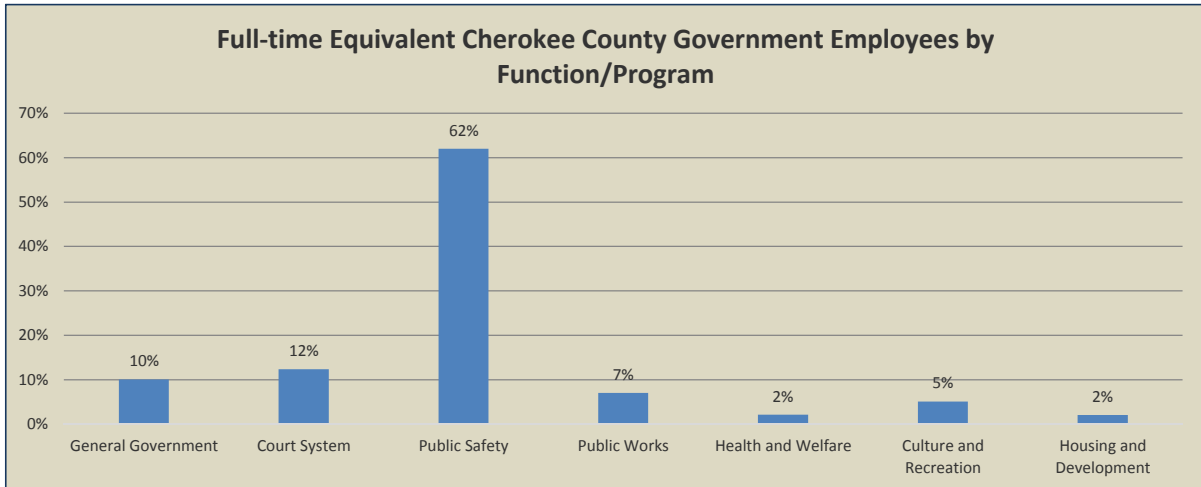
* Information is not readily available.

** 2008 is oldest data available.

Source: Cherokee County Chamber of Commerce
Cherokee County Development Authority

CHEROKEE COUNTY, GEORGIA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
FOR THE LAST 10 FISCAL YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	136	137	142	144	134	127	126	127	133	133
Court System	139	138	167	167	158	154	155	161	161	163
Public Safety	1,292	704	787	784	751	737	743	767	790	813
Public Works	104	103	92	93	92	90	87	87	91	93
Health and Welfare	20	19	33	34	33	33	32	32	32	28
Culture and Recreation	-	11	42	42	39	41	62	70	71	67
Housing and Development	33	33	33	31	29	22	22	26	26	27
Total	1,724	1,145	1,297	1,295	1,236	1,203	1,229	1,271	1,304	1,324



Source: Cherokee County Human Resources Department

CHEROKEE COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
Unaudited

	12/31	12/31	12/31	12/31	12/31	YE 9/30	YE 9/30	YE 9/30	YE 9/30	YE 9/30
Function/Program	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
General Government										
Total registered voters	112,000	119,024	129,056	133,298	136,239	143,863	147,813	147,965	151,842	164,920
Judicial System										
Total criminal dockets	2,749	*	1,296	1,280	1,193	1,171	1,844	1,272	1,354	1,128
Total civil cases filed	3,875	4,551	4,413	3,641	3,323	1,171	2,717	2,445	1,354	2,746
Felony arrest warrants	2,836	2,707	2,873	2,821	1,957	1,702	1,657	2,150	2,412	2,671
Marriage licenses issued	1,112	1,081	960	1,010	1,037	769	1,085	1,142	1,199	1,312
Firearm licenses issued	995	2,466	3,064	2,195	2,237	2,224	5,307	4,165	4,813	7,088
Public Safety										
Physical arrests	4,640	*	5,958	5,405	5,680	5,409	6,351	5,843	5,848	6,351
Fire emergency responses	17,141	16,537	16,281	17,604	19,215	18,820	18,704	21,074	22,015	24,526
EMS dispatches	11,756	11,497	11,606	11,010	13,331	13,771	13,638	15,073	16,056	16,616
All E-911 calls	388,659	388,659	408,715	336,103	331,736	320,339	317,515	330,337	340,642	343,709
EOC activations	13	27	9	11	17	2	9	7	3	4
Public Works										
Miles maintained	1,193	1,226	1,257	1,275	1,283	1,285	1,290	1,298	1,308	1,318
GDOT LARP/LMIG resurfaced	14	59	57	53	17	8	8	20	9	7
Health and Welfare										
Home delivered meals	31,082	31,615	50,241	45,609	46,184	34,103	39,207	43,754	37,598	38,335
Housing and Development										
Building inspections conducted	14,872	8,494	6,037	6,287	5,795	4,854	8,676	11,252	12,909	17,769
New business licenses	1,589	1,358	1,262	1,096	1,168	743	777	790	908	763
Business license renewals	6,041	5,748	5,812	5,425	4,283	4,117	5,316	5,192	4,926	6,113

*NOTE: Fiscal Year 2012 only contained nine (9) months. The County converted to a fiscal year ending September from December.

CHEROKEE COUNTY, GEORGIA

**CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function/Program</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental	Buildings/Land	18	19	23	22	22	19	20	19	19	19
	Vehicles	27	29	30	32	31	31	31	32	32	40
Judicial	Buildings/Land	1	1	1	1	1	1	1	1	1	1
	Vehicles	18	20	19	21	19	19	19	19	19	19
Sheriff/Law Inforcement	Buildings/Training Ctr/Land	10	10	11	11	11	11	11	13	11	
	Vehicles	261	258	274	281	261	268	279	272	267	274
Fire/EMA	Fire Stations/Training Ctr/Land	19	19	20	21	20	21	21	24	25	26
	Vehicles	58	60	58	78	79	81	81	80	81	81
	Pumpers/Tankers	37	38	40	40	38	38	39	40	43	40
Animal Shelter/Animal Control	Building/Land	2	2	2	2	2	2	2	2	2	2
	Vehicles	8	8	8	8	8	8	9	9	10	10
Public Works	Buildings/Land	9	9	9	9	9	9	9	9	9	10
	Street Miles	1,193	1,226	1257	1275	1283	1285	1290	1298	1308	1318
	Traffic Signals	47	51	52	52	52	52	53	54	54	55
	Bridges/Culverts	69	69	70	70	70	70	70	70	70	70
	Vehicles	71	70	64	65	64	63	65	68	68	78
	Machinery & Equipment	65	63	60	59	56	57	58	57	62	69
Health Welfare	Buildings/Land	3	3	3	3	3	3	2	3	8	8
	Vehicles	19	18	18	4	6	6	6	5	5	8
Culture/Recreation	Buildings/Land	13	23	33	61	57	58	59	58	59	59
Code Enforcement	Buildings/Land	5	5	3	3	3	3	3	3	3	3
	Vehicles	21	21	19	18	17	17	18	17	18	25
Environmental Health	Vehicles	2	2	2	2	2	2	0	0	0	0
Ball Ground Recycling	Buildings/Land						6	6	6	0	0
	Machinery & Equipment						44	44	44	0	0
Total Assets		1,976	2,024	2,076	2,138	2,114	2,174	2,196	2,203	2,174	2,215

Source: Cherokee County Finance Department