CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

JOHNSON, MURPHEY & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CHATTANOOGA, TENNESSEE

I. INTRODUCTORY SECTION

CITY OF RINGGOLD, GEORGIA
Table of Contents
December 31, 2017

		Page
I.	**INTRODUCTORY SECTION**	
	Table of Contents	i-ii
	Council Members and Management	iii
II.	**FINANCIAL SECTION**	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-15
	Basic Financial Statements	
	Government-wide Financial Statements	
	Statement of Net Position	16
	Statement of Activities	17
	Fund Financial Statements	
	Governmental Funds Balance Sheet	18
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
	Statement of Revenues, Expenditures and Changes in Fund Balances	20
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
	General Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	22-28
	Capital Projects Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	29
	Proprietary Funds	
	Statement of Net Position	30
	Statement of Revenues, Expenses and Changes in Net Position	31
	Statement of Cash Flows	32
	Fiduciary Funds	
	Statement of Fiduciary Assets and Liabilities	33
	Notes to Financial Statements	34-55
	Other Supplementary Information	
	Non-major Governmental Funds	56
	Combining Balance Sheet	57
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
	Hotel/Motel Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	59
	Downtown Development Authority Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	60
	Haunted Depot Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	61
	Confiscated Assets Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	62

CITY OF RINGGOLD, GEORGIA
Table of Contents (Continued)
December 31, 2017

	Page
II. FINANCIAL SECTION (Continued)	
Other Supplementary Information (Continued)	
Non-major Governmental Funds (Continued)	
Ringgold Depot Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	63
Visitor Center Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	64
Capital Projects Grant Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	65
Technology Fee Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	66
Financial Schedules	
Schedule of Expenditures of Federal and State Awards	67
Notes to the Schedule of Expenditures of Federal and State Awards	68
Sewer Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	69
Water Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	70
Proprietary Funds	
Schedule of Operating Expenses	71
Schedule of Property Taxes Receivable	72
Schedule of Changes in Property Taxes Receivable	73
Schedule of Debt Service Requirements	74-76
Schedules of Statistical Information	77
III. INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	78-79
Schedule of Findings and Responses	80
Schedule of Prior Audit Findings	81
Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax	82
Schedule of Special Purpose Local Option Sales Tax	83
Corrective Action Plan	84

CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2017

Mayor	Nick Millwood
Mayor Pro-Tem	Terry Crawford
Council Member	Sara Clark
Council Member	Larry C. Black
Council Member	Jake Haynes
Council Member	Randall Franks
City Manager	Dan Wright
City Judge	Robert Stultz
Financial Director	Will Baerg

II. FINANCIAL SECTION

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

Office: 423-756-1170
Fax: 423-756-1436
www.jmw-cpa.com

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

Jennifer Waycaster, CPA

INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ringgold, Georgia, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia, as of December 31, 2017, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Capital Projects 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 listed in the Table of Contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ringgold, Georgia's basic financial statements. The Introductory Section, non-major governmental fund financial statements, and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The non-major governmental fund financial statements and financial schedules 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, the non-major governmental fund financial statements and financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018, on our consideration of the City of Ringgold, Georgia'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 City of Ringgold, Georgia's internal control over financial reporting and compliance.

Chattanooga, Tennessee
March 22, 2018

Johnson, Murphey & Wright, P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ringgold, Georgia, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Ringgold, Georgia for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets of the City of Ringgold, Georgia exceeded its liabilities at December 31, 2017, by $30,031,294 (net position). Of this amount, $7,046,625 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's governmental activities operated at a surplus of $612,632. The City's business-type activities operated at a surplus of $788,958.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $3,526,261.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,122,766, or 75.81%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, which netted to $121,625 in the City's General Fund.

As of the close of the current fiscal year, the City of Ringgold, Georgia's enterprise funds reported combined ending net position of $19,952,415. Of that balance, $5,833,530 is unrestricted and the remaining $14,118,885 of net position is net investment in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the City of Ringgold, Georgia's basic financial statements. The City of Ringgold, Georgia's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements, and (3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The government-wide financial statements are:

The *Statement of Net Position* presents information on all of the City of Ringgold, Georgia's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ringgold, Georgia 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 the City of Ringgold, Georgia that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ringgold, Georgia include general government, public safety, public works, and public welfare and recreation. The business-type activities of the City of Ringgold, Georgia include the Sewer Fund and the Water Fund.

The government-wide financial statements can be found on pages 16 and 17 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand that long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The City of Ringgold, Georgia maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Individual fund data for the Hotel/Motel Tax, the Downtown Development Fund, Haunted Depot, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant and Technology Fee funds are provided later in this report beginning on page 56.

The City of Ringgold, Georgia adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 and 20 of this report.

Proprietary Funds
The City of Ringgold, Georgia maintains one type of proprietary fund: enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Ringgold, Georgia uses enterprise funds to account for its water and sewer operations.

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 Sewer Fund and Water Fund, which are considered to be major funds of the City of Ringgold, Georgia.

The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 34 through 55 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 56 through 66 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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 the City of Ringgold, Georgia, assets exceeded liabilities by $30,031,294 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (75.59%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The City of Ringgold, Georgia uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Ringgold, Georgia'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.

An additional portion of the City's net position, 0.95%, or $283,824, represents resources that are subject to external restrictions on how they may be used. The remaining 23.46% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2017, the City of Ringgold, Georgia is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The table below provides a summary of the City's net position broken down by governmental and business type activities.

City of Ringgold, Georgia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Capital assets	$ 8,626,906	$ 7,154,659	$ 21,032,885	$ 20,698,995	$ 29,659,791	$ 27,853,654
Other assets	3,764,850	4,350,366	6,393,612	6,113,809	10,158,462	10,464,175
Total assets	$ 12,391,756	$ 11,505,025	$ 27,426,497	$ 26,812,804	$ 39,818,253	$ 38,317,829
Long-term liabilities	$ 2,085,828	$ 1,946,595	$ 6,924,035	$ 7,118,243	$ 9,009,863	$ 9,064,838
Other liabilities	227,049	92,183	550,047	531,104	777,096	623,287
Total liabilities	$ 2,312,877	$ 2,038,778	$ 7,474,082	$ 7,649,347	$ 9,786,959	$ 9,688,125
Net investment in capital assets	$ 8,581,960	$ 7,099,659	$ 14,118,885	$ 13,557,995	$ 22,700,845	$ 20,657,654
Restricted	283,824	276,569	-	-	283,824	276,569
Unrestricted	1,213,095	2,090,019	5,833,530	5,605,462	7,046,625	7,695,481
Total net position	$ 10,078,879	$ 9,466,247	$ 19,952,415	$ 19,163,457	$ 30,031,294	$ 28,629,704

Changes in Net Position

Governmental activities increased the City's net position by $612,632, and business-type activities increased the City's net position by $788,958. However, the City can only use the net position obtained through business-type activities to finance the continuing operations of the sewer and water systems.

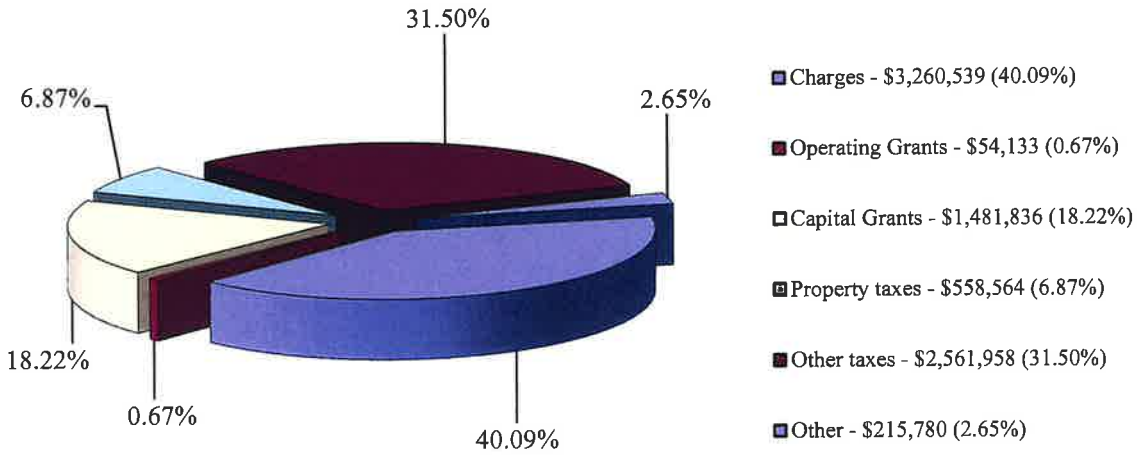
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

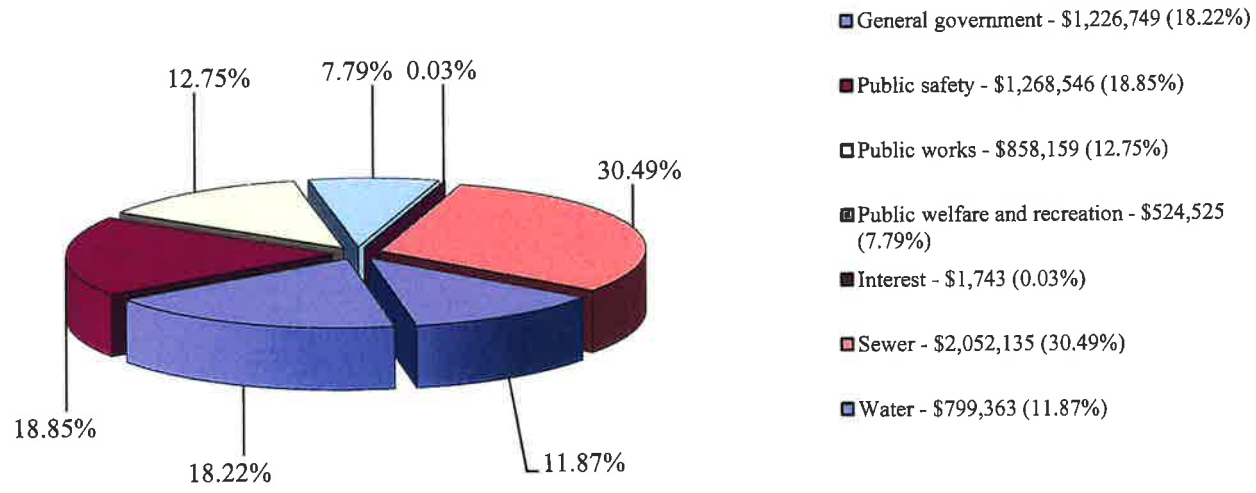
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 456,156	$ 369,662	$ 2,804,383	$ 2,589,619	$ 3,260,539	$ 2,959,281
Operating grants and contributions	54,133	51,224	-	-	54,133	51,224
Capital grants and contributions	1,395,836	1,252,511	86,000	-	1,481,836	1,252,511
General revenues:						
Property taxes	558,564	591,209	-	-	558,564	591,209
Other taxes	2,561,958	2,401,477	-	-	2,561,958	2,401,477
Other income	214,901	128,613	879	-	215,780	128,613
Total revenues	5,241,548	4,794,696	2,891,262	2,589,619	8,132,810	7,384,315
Expenses:						
General government	1,226,749	1,218,762	-	-	1,226,749	1,218,762
Public safety	1,268,546	1,122,459	-	-	1,268,546	1,122,459
Public works	858,159	890,514	-	-	858,159	890,514
Public welfare and recreation	524,525	622,171	-	-	524,525	622,171
Interest on long-term debt	1,743	-	-	-	1,743	-
Sewer	-	-	2,052,135	1,956,589	2,052,135	1,956,589
Water	-	-	799,363	811,330	799,363	811,330
Total expenses	3,879,722	3,853,906	2,851,498	2,767,919	6,731,220	6,621,825
Excess (deficiency) before transfers	1,361,826	940,790	39,764	(178,300)	1,401,590	762,490
Interfund transfers	(749,194)	(930,648)	749,194	930,648	-	-
Change in net position	612,632	10,142	788,958	752,348	1,401,590	762,490
Net position - beginning	9,466,247	9,456,105	19,163,457	18,411,109	28,629,704	27,867,214
Net position - end	$10,078,879	$ 9,466,247	$19,952,415	$19,163,457	$30,031,294	$28,629,704

The graphs below summarize the $8,132,810 of city-wide revenues by source, and the associated $6,731,220 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



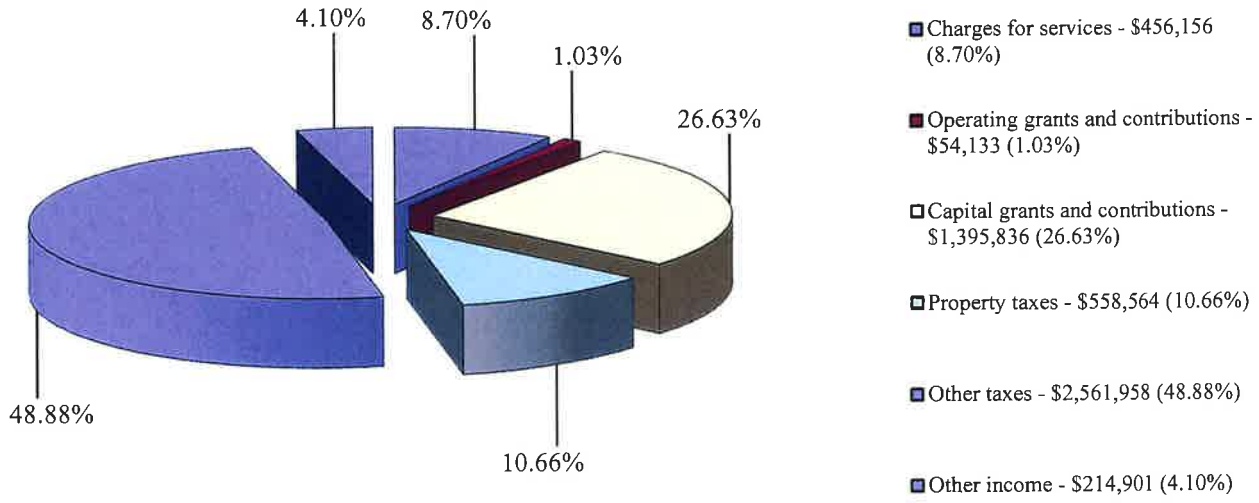
City-Wide Program Expenses



Governmental Activities

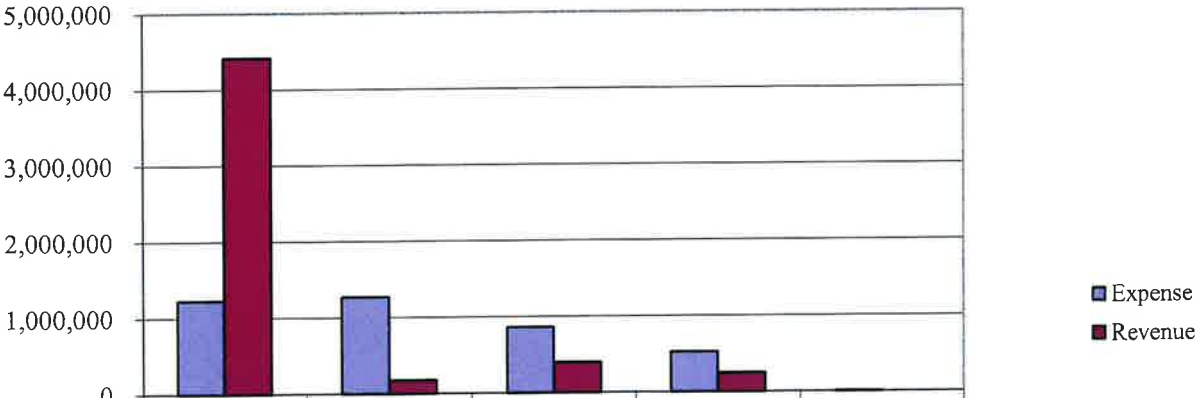
Governmental activities accounted for revenues of $5,241,548. The following graph summarizes the revenue by source.

Revenue by Source - Governmental Activities



The following graph summarizes the revenue and related expense for each government program of the City. The difference between expense and revenue is the financial burden placed on the City's taxpayers for each program.

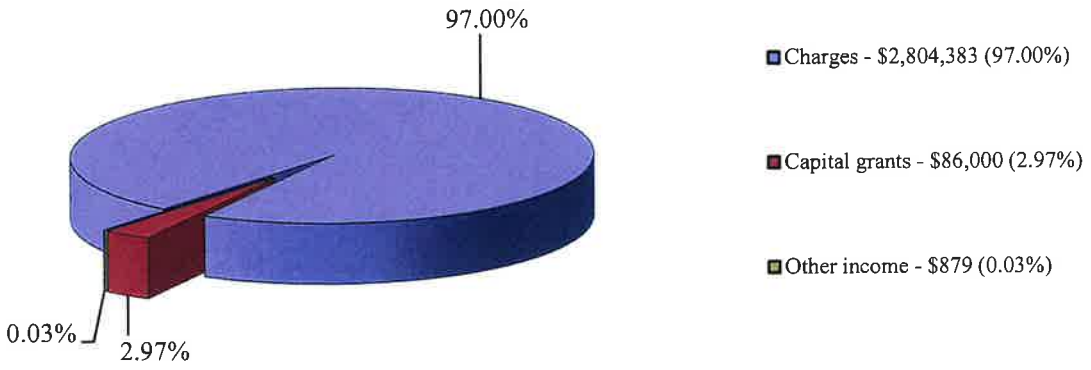
Expenses and Program Revenues - Governmental Activities



	General government	Public safety	Public works	Public welfare and recreation	Interest on long-term debt
Expense	1,226,749	1,268,546	858,159	524,525	1,743
Revenue	4,418,000	177,166	397,963	248,419	0

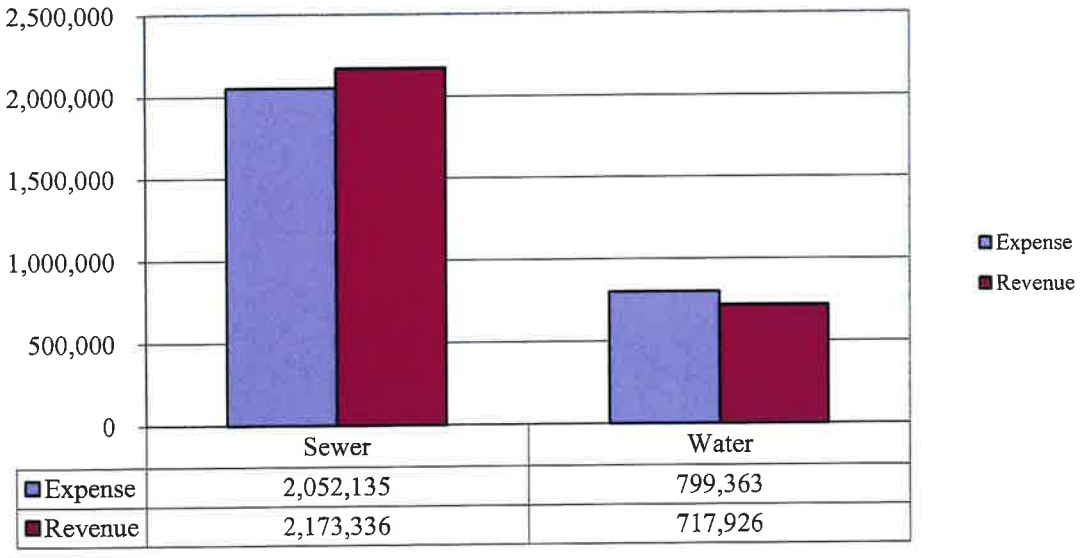
Business-type activities
Business-type activities accounted for revenues of $2,891,262. The following graph summarizes the revenue by source.

Revenue by Source - Business-Type Activities



The following graph summarizes the revenue and related expense of operating the water and sewer systems.

Expenses and Program Revenues - Business-Type Activities



	Sewer	Water
Expense	2,052,135	799,363
Revenue	2,173,336	717,926

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Ringgold, Georgia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds
The focus of the City of Ringgold, Georgia's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Ringgold, Georgia's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year for future unforeseen emergencies.

As of the end of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $3,526,261.

The General Fund is the chief operating fund of the City of Ringgold, Georgia. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,122,766. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 75.81% of total General Fund expenditures, excluding transfers.

Proprietary Funds
The City of Ringgold, Georgia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to $5,592,749 for the Sewer Fund and $240,781 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $(250,000) in fund balance change. The offsetting changes are listed below:

There was $227,700 in various increases in revenues.
Current expenditures were increased by $547,700.
Transfers in were increased by $3,000.
Transfers out were decreased by $67,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
The City of Ringgold, Georgia's investment in capital assets for its governmental and business type activities as of December 31, 2017, amounts to $29,659,791 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

Sewer lines	$ 576,256
Water lines	$ 337,573
Streetscape	$ 349,909
Project Jump/2A	$ 323,572
Chapman Rd./Hwy. 41 Interchange	$ 933,772

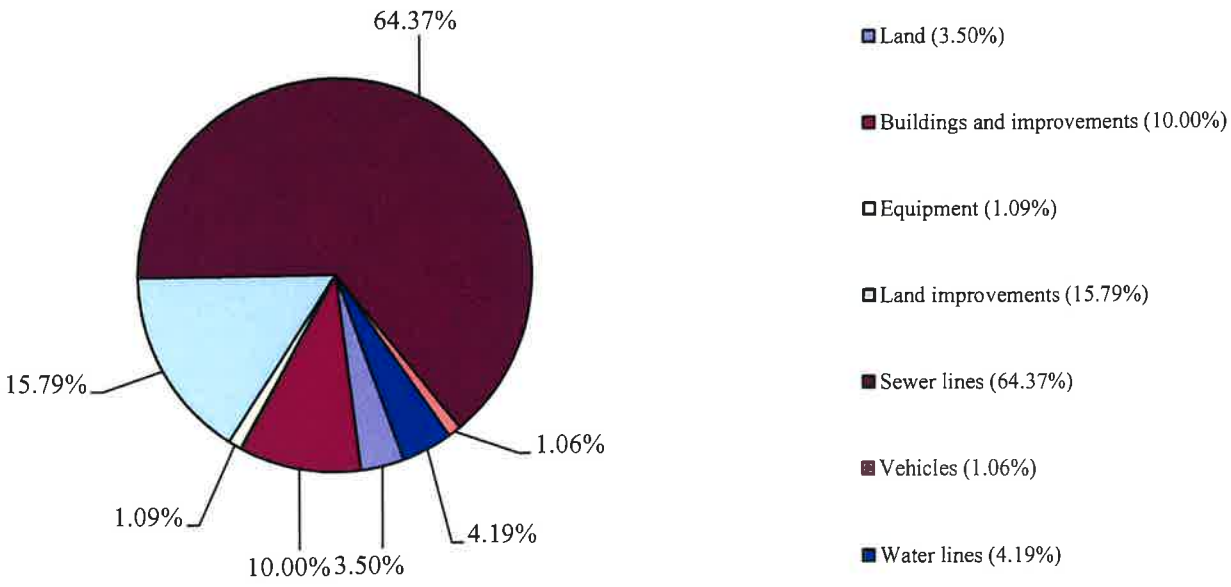
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

City of Ringgold, Georgia's Capital Assets
(Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 772,424	$ 265,815	$ 1,038,239
Buildings and improvements	2,641,764	325,406	2,967,170
Equipment	236,391	85,526	321,917
Land improvements	4,682,507	-	4,682,507
Sewer lines	-	19,090,590	19,090,590
Vehicles	293,820	20,147	313,967
Water lines	-	1,245,401	1,245,401
Total capital assets	$ 8,626,906	$ 21,032,885	$ 29,659,791

The following graph provides a breakdown of which assets make up the largest portion of the City's total investment in capital assets. The graph combines assets used in both governmental and business-type activities.

City-Wide Capital Assets



Additional information on the City of Ringgold, Georgia's capital assets can be found in Note 8 on pages 44 and 45.

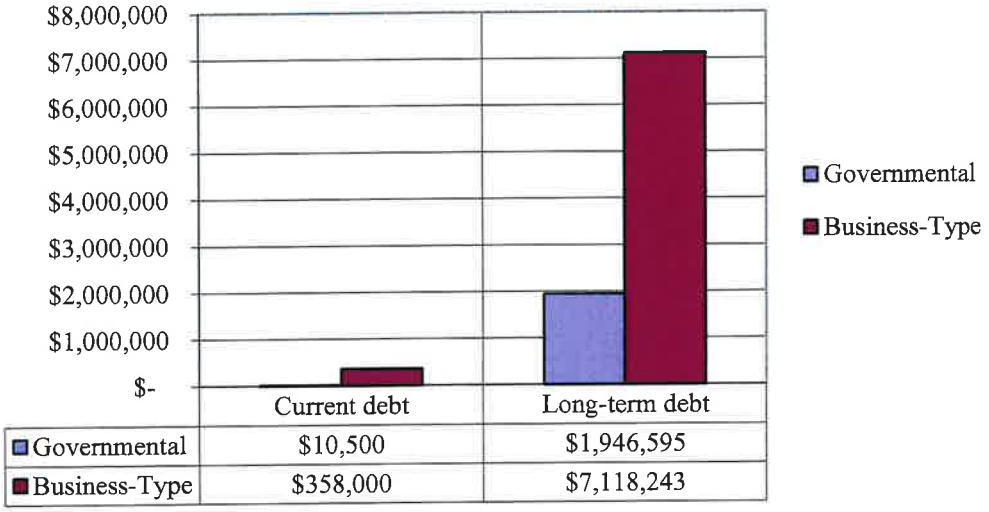
City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Ringgold, Georgia had total debt outstanding of $9,419,794. Of that amount $409,930 is due in the next fiscal year. The table below summarizes outstanding debt broken down by governmental and business type activities.

	Governmental Activities	Business-type Activities	Total
Note payable	$ 44,946	$ 131,000	$ 175,946
Bond payable	-	6,783,000	6,783,000
Compensated absences	93,386	74,085	167,471
Customer deposits	-	82,931	82,931
Accrued post-employment benefits	1,958,226	252,220	2,210,446
Total	2,096,558	7,323,236	9,419,794
Less current portion	(10,730)	(399,200)	(409,930)
Total long-term debt	$ 2,085,828	$ 6,924,036	$ 9,009,864

As shown in the graph below, long-term debt is attributed greatly to the City's business-type activities. Long-term debt of governmental activities only accounts for 22.26% of total long-term debt.

Long-Term Debt By Activity



	Current debt	Long-term debt
Governmental	$10,500	$1,946,595
Business-Type	$358,000	$7,118,243

Additional information on outstanding debt can be found in Note 10 on pages 46 through 48 of this report.

Currently Known Conditions Affecting Future Years

During 2017 many projects came to completion.

The City was awarded a Renaissance Strategic Vision Plan Grant by the Lyndhurst Foundation in the amount of $50,000. The plan was completed by the University of Georgia's Carl Vinson Institute of Government. Over 1,300 citizens participated in creating a vision for the City of Ringgold. The plan is a 20-30-year plan to help guide the rebirth of the historic downtown area.

The Ringgold Depot was awarded by the CVB a new stamped, stained concrete deck to replace a wooden deck that has been a major maintenance issue. The new deck project started in 2017 and should be completed in early 2018. The cost is approximately $140,000. In 2018 the front yard landscaping should be getting a face lift.

The Downtown Development Authority has leased out the old City Fire Hall building at the corner of Depot and Cleburne Streets. It is now the home of the Dapper Gentleman Cigar Shop.

The City created a drop off Recycling Center for the residents to use in Ringgold. Approximately 200 people have used the center and diverted 21 tons from the landfill. The Mayor and Council are expected to look at how to continue this service to gain additional participants at a lower per ton cost in 2018.

Patriot Hall had an addition of a storage building in 2017. This project was made possible by working with the construction class at Ringgold High School.

The City has decided to add one full-time police officer position for 2018.

Security of facilities is a major priority to the City. Investments have been made and will continue to be made at Ringgold City Hall. Additional surveillance cameras have been installed, key fob doors and bullet resistant glass at the front counter are under consideration.

A brush and junk truck was purchased for the solid waste department at a cost of around $130,000 in 2017.

Hwy. 41 and Chapman Road Improvements were awarded in late 2016 for $920,919. The City received an LMIG Grant for $350,000 from the GDOT in March 2017. Catoosa County has placed $179,000 in the 2019 SPLOST Referendum to return their portion back to the City. This project is complete.

Boynton Drive Sidewalk Phase I should be out to bid in 2018 and constructed. The amount of this phase is estimated at $100,000 which is budgeted in the general fund.

Street Sweeping Machine has been identified on the Capital Improvement Plan and would cost approximately $120,000. If purchased in 2018 it would be funded from the general fund balance.

Recreation:

The City applied for Phase II of the Trail of Tears Grant. The City was awarded another $100,000 DNR State Grant and a $25,000 Lyndhurst Matching Grant and a $5,000 in-kind match. The project is expected to cost $148,000 and will be constructed in 2018.

The Martha Denton Pool saw a major improvement in 2017 with the addition of exterior LED deck lights.

Sewer Projects:

The Three Notch area includes the following: Foster Hill Subdivision Sewer completed, Three Notch Road Estates completed, Lehon Estates and Melody Estates completed and will be making sewer available to approximately 900 homes. This project was made available to customers in late 2017.

Sewer Rehab will be the focus for 2018 to reduce the amount of rain water entering the sewer system. To aid in this endeavor the City will be looking to purchase a manhole rehab machine estimated at $65,000.

Other equipment the sewer department anticipates purchasing is another service vehicle, midi excavator and a rock hound for a skid steer.

Water Projects:

Rehabing a 12" water main under I-75 by re lining the pipe.

Replacing the old Peters Lane Pump house with a new building, pumps and new controls are under design and should be completed in 2018.

Water plant improvements to allow the plant to use liquid chemicals instead of dry chemicals were completed in 2017. A GEFA Grant and low interest loan have been awarded to assist with the $200,000 project. GEFA has agreed to an $86,000 forgiveness toward the project.

ARC Water Tank Grant award of $600,000 for the construction of a 500,000-gallon water tank in or near the industrial park. The total cost of the project is estimated to be $1,500,000. The City will seek a loan from GEFA and ask for debt forgiveness on a portion of the loan. The use of future SPLOST funds would pay the note.

Requests for Information

This financial report is designed to provide a general overview of the City of Ringgold, Georgia's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the City of Ringgold, Georgia, P.O. Box 579, Ringgold, GA 30736

BASIC FINANCIAL STATEMENTS

CITY OF RINGGOLD, GEORGIA
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 354,821	$ 3,035,148	$ 3,389,969
Investments	5,167,432	-	5,167,432
Accounts receivable - net	325,209	363,179	688,388
Grants receivable	28,521	-	28,521
Property tax receivable - net	51,345	-	51,345
Prepaid expenses	119,671	-	119,671
Due from other governments	713,136	-	713,136
Internal balances	(2,995,285)	2,995,285	-
Total current assets	3,764,850	6,393,612	10,158,462
Non-current assets			
Capital assets			
Land	772,424	265,815	1,038,239
Other capital assets - net of accumulated depreciation	7,854,482	20,767,070	28,621,552
Total non-current assets	8,626,906	21,032,885	29,659,791
TOTAL ASSETS	$ 12,391,756	$ 27,426,497	$ 39,818,253
LIABILITIES			
Current liabilities			
Accounts payable	$ 180,851	$ 84,446	$ 265,297
Accrued wages	16,619	6,154	22,773
Accrued liabilities	17,849	60,247	78,096
Unearned revenue	1,000	-	1,000
Note payable - due in one year	10,730	26,200	36,930
Bond payable - due in one year	-	373,000	373,000
Total current liabilities	227,049	550,047	777,096
Non-current liabilities			
Compensated absences	93,386	74,085	167,471
Customer deposits	-	82,931	82,931
Note payable	34,216	104,800	139,016
Bond payable	-	6,410,000	6,410,000
Accrued post-employment benefits	1,958,226	252,219	2,210,445
Total non-current liabilities	2,085,828	6,924,035	9,009,863
TOTAL LIABILITIES	$ 2,312,877	$ 7,474,082	$ 9,786,959
NET POSITION			
Net investment in capital assets	$ 8,581,960	$ 14,118,885	$ 22,700,845
Restricted for:			
Downtown development	39,402	-	39,402
Haunted depot	34,681	-	34,681
Ringgold depot	115,297	-	115,297
Tourism	94,444	-	94,444
Unrestricted	1,213,095	5,833,530	7,046,625
TOTAL NET POSITION	$ 10,078,879	$ 19,952,415	$ 30,031,294

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Primary Government		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 1,226,749	$ 75,777	$ 3,750	$ 1,003,050	$ (144,172)	$ -	$ (144,172)
Public safety	1,268,546	175,816	1,350	-	(1,091,380)	-	(1,091,380)
Public works	858,159	5,177	-	392,786	(460,196)	-	(460,196)
Public welfare and recreation	524,525	199,386	49,033	-	(276,106)	-	(276,106)
Interest on long-term debt	1,743	-	-	-	(1,743)	-	(1,743)
Total governmental activities	3,879,722	456,156	54,133	1,395,836	(1,973,597)	-	(1,973,597)
Business-type activities:							
Sewer	2,052,135	2,173,336	-	-	-	121,201	121,201
Water	799,363	631,047	-	86,000	-	(82,316)	(82,316)
Total business-type activities	2,851,498	2,804,383	-	86,000	-	38,885	38,885
Total primary government	$ 6,731,220	$ 3,260,539	$ 54,133	$ 1,481,836	(1,973,597)	38,885	(1,934,712)
General revenues:							
Property tax					558,564	-	558,564
Franchise tax					484,284	-	484,284
Local option sales tax					952,409	-	952,409
Motor vehicle tax					102,964	-	102,964
Occupational tax					96,089	-	96,089
Hotel/motel tax					348,458	-	348,458
Payment in lieu of taxes - TVA					9,262	-	9,262
Other taxes					568,492	-	568,492
Interest revenue					75,269	-	75,269
Other revenue					139,632	879	140,511
Transfers					(749,194)	749,194	-
Total general revenues and transfers					2,586,229	750,073	3,336,302
Change in net position					612,632	788,958	1,401,590
Net position - beginning					9,466,247	19,163,457	28,629,704
Net position - end					$ 10,078,879	$ 19,952,415	$ 30,031,294

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2017

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash	$ 14,345	$ 1,489	$ 338,987	$ 354,821
Investments	5,167,432	-	-	5,167,432
Accounts receivable - net	301,049	-	24,160	325,209
Grants receivable	-	-	28,521	28,521
Property tax receivable - net	51,345	-	-	51,345
Prepaid expenses	119,671	-	-	119,671
Due from other governments	589,873	123,263	-	713,136
TOTAL ASSETS	$ 6,243,715	$ 124,752	$ 391,668	$ 6,760,135
LIABILITIES				
Accounts payable	$ 127,838	$ -	$ 53,013	$ 180,851
Accrued wages	16,241	-	378	16,619
Accrued liabilities	11,797	-	6,052	17,849
Unearned revenue	-	-	1,000	1,000
Due to other funds	2,823,132	124,752	47,401	2,995,285
TOTAL LIABILITIES	$ 2,979,008	$ 124,752	$ 107,844	$ 3,211,604
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	$ 22,270	$ -	$ -	$ 22,270
FUND BALANCES				
Nonspendable	$ 119,671	$ -	$ -	$ 119,671
Restricted	-	-	283,824	283,824
Unassigned	3,122,766	-	-	3,122,766
TOTAL FUND BALANCES	$ 3,242,437	$ -	$ 283,824	$ 3,526,261

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

CITY OF RINGGOLD, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

Total fund balances per governmental funds balance sheet	$ 3,526,261
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,626,906
Long-term liabilities, including notes payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(138,332)
The other post-employment benefit plan has not been funded to meet annual requirement contributions, creating an accrued post-employment benefit liability. This liability is not due and payable in the current period and, therefore, is not reported in the funds.	(1,958,226)
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	22,270
Net position of governmental activities	$ 10,078,879

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2017

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Taxes	$ 2,762,841	$ -	$ 348,458	$ 3,111,299
License and permits	55,789	-	-	55,789
Intergovernmental	52,048	1,003,051	372,533	1,427,632
Fines and forfeitures	118,598	-	11,313	129,911
Interest revenue	75,269	-	-	75,269
Other revenue	203,477	-	201,675	405,152
TOTAL REVENUES	3,268,022	1,003,051	933,979	5,205,052
EXPENDITURES				
Current expenditures				
General government	919,574	-	-	919,574
Public safety	1,162,137	-	44,361	1,206,498
Public works	1,742,942	-	-	1,742,942
Public welfare and recreation	282,797	-	708,134	990,931
Capital outlay	-	306,461	-	306,461
Debt service	11,797	-	-	11,797
TOTAL EXPENDITURES	4,119,247	306,461	752,495	5,178,203
Excess (deficiency) of revenues over (under) expenditures	(851,225)	696,590	181,484	26,849
OTHER FINANCING SOURCES (USES)				
Transfers in	174,229	-	201,060	375,289
Transfers out	(52,604)	(696,590)	(375,289)	(1,124,483)
Total other financing sources (uses)	121,625	(696,590)	(174,229)	(749,194)
Net changes in fund balances	(729,600)	-	7,255	(722,345)
Fund balances - beginning	3,972,037	-	276,569	4,248,606
Fund balances - end	$ 3,242,437	$ -	$ 283,824	$ 3,526,261

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

CITY OF RINGGOLD, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2017

Net change in fund balances for total governmental funds	$ (722,345)
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	1,472,247
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	2,193
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	10,054
Some items 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. These activities consist of:	
Post-employment benefits	(147,605)
Compensated absences	(1,912)
Change in net position of governmental activities	$ 612,632

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
City property tax	$ 616,000	$ 585,000	$ 584,442	$ (558)
Premium tax	224,000	282,000	281,529	(471)
Franchise tax	488,000	484,000	484,284	284
Excise tax	90,000	98,000	98,017	17
Local option sales tax	917,000	952,000	952,409	409
Malt beverage tax	164,000	140,000	140,804	804
Motor vehicle tax	95,000	103,000	102,964	(36)
Occupational tax	80,000	102,000	96,089	(5,911)
Intangible tax	10,000	17,000	17,485	485
Pawnbroker fees	4,000	3,000	2,232	(768)
Real estate transfer tax	2,000	2,000	2,586	586
Total taxes	2,690,000	2,768,000	2,762,841	(5,159)
License and permits				
Malt beverage license	38,000	49,000	50,337	1,337
Pouring license	3,000	2,800	2,692	(108)
Other licenses	5,000	4,200	2,760	(1,440)
Total license and permits	46,000	56,000	55,789	(211)
Intergovernmental				
Payment in lieu of taxes - TVA	10,000	10,000	9,262	(738)
Grant revenue	45,000	42,000	42,786	786
Total intergovernmental	55,000	52,000	52,048	48
Fines and forfeitures				
Police and courts	92,000	117,000	118,598	1,598
Interest revenue				
Interest	72,000	75,000	75,269	269

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Fees	$ 20,000	$ 25,000	$ 25,525	$ 525
Pool fees and pool concessions	60,000	45,000	44,712	(288)
Flag charges and flag donations	10,000	10,000	9,460	(540)
Miscellaneous	1,000	14,200	13,153	(1,047)
Contributions and donations	-	12,000	11,600	(400)
Insurance recoveries	-	81,000	78,370	(2,630)
Sale of assets	-	18,000	17,732	(268)
Rent income	3,000	3,500	2,925	(575)
Total other revenue	94,000	208,700	203,477	(5,223)
TOTAL REVENUES	3,049,000	3,276,700	3,268,022	(8,678)
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	369,000	367,400	367,326	74
Zoning board pay	1,500	600	600	-
Payroll taxes	25,000	26,200	26,142	58
Administrative	5,000	4,600	4,525	75
Drug testing fees	1,000	1,500	1,080	420
Dues and subscriptions	34,000	30,200	30,075	125
Education and travel	12,000	8,700	8,593	107
Grant expenses	2,000	7,000	1,701	5,299
Insurance	116,000	108,100	107,796	304
Printing and postage	7,000	9,500	9,345	155
Professional services	19,500	26,800	26,630	170
Repairs and maintenance	4,000	4,000	3,827	173
Retirement	31,000	28,200	28,176	24
Supplies and materials	22,000	17,600	17,443	157
Telephone	8,000	12,600	12,515	85
Vehicles	3,000	2,700	2,605	95
Total administration	660,000	655,700	648,379	7,321

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Building and plant				
Salaries	$ 47,000	$ 34,900	$ 34,599	$ 301
Payroll taxes	4,000	3,200	2,646	554
Dues and subscriptions	-	600	577	23
Insurance	27,000	47,400	47,105	295
Professional services	1,000	2,400	2,382	18
Repairs and maintenance	76,000	22,600	22,501	99
Supplies and materials	21,000	14,500	14,256	244
Telephone	2,000	200	115	85
Utilities	23,000	23,000	22,764	236
Vehicles	-	1,200	1,037	163
Total building and plant	201,000	150,000	147,982	2,018
Council				
Council salaries	18,300	18,300	18,185	115
Payroll taxes	1,500	1,500	1,391	109
Education and travel	20,200	17,900	17,386	514
Professional services	5,000	4,300	4,049	251
Supplies and materials	1,000	3,000	2,862	138
Total council	46,000	45,000	43,873	1,127
Court				
City judge	8,000	7,800	7,750	50
Payroll taxes	1,500	700	593	107
Education and travel	2,500	1,200	1,160	40
Insurance	500	200	21	179
Professional services	500	700	609	91
Supplies and materials	-	400	329	71
Total court	13,000	11,000	10,462	538
Elections				
Education and travel	800	-	-	-
Printing and postage	400	600	523	77
Professional services	9,400	12,400	12,130	270
Supplies and materials	400	-	-	-
Total elections	11,000	13,000	12,653	347

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Law				
Professional services	$ 60,000	$ 47,000	$ 46,571	$ 429
Mayor				
Mayor salaries	6,000	6,500	6,500	-
Payroll taxes	500	600	497	103
Education and travel	3,500	2,700	2,466	234
Supplies and materials	-	200	191	9
Total mayor	10,000	10,000	9,654	346
Total general government	1,001,000	931,700	919,574	12,126
Public safety				
Police department				
Salaries	477,000	433,700	433,658	42
Payroll taxes	34,000	37,500	37,426	74
Dues and subscriptions	4,000	4,400	4,313	87
Education and travel	5,000	6,400	6,318	82
Insurance	203,000	188,800	188,623	177
Printing and postage	1,000	200	129	71
Professional services	1,000	700	689	11
Repairs and maintenance	19,000	28,700	28,595	105
Retirement	38,000	28,500	28,096	404
Supplies and materials	15,000	26,000	25,083	917
Telephone	5,000	2,300	2,256	44
Uniforms	8,000	8,900	8,787	113
Utilities	-	1,400	1,398	2
Vehicles	30,000	115,500	115,237	263
Total police department	840,000	883,000	880,608	2,392
Fire department				
Operations	224,000	282,000	281,529	471
Total public safety	1,064,000	1,165,000	1,162,137	2,863

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 144,000	$ 131,900	$ 131,771	$ 129
Payroll taxes	11,000	10,000	9,720	280
Dues and subscriptions	1,000	200	187	13
Education and travel	2,000	700	558	142
Insurance	59,000	57,600	57,393	207
Prison crew	-	600	542	58
Professional services	3,000	1,300	1,275	25
Repairs and maintenance	109,000	131,400	131,068	332
Retirement	14,000	13,100	13,070	30
Site purchases	511,000	976,800	976,473	327
Stormwater mapping	2,000	1,600	1,564	36
Street lights	37,000	36,500	36,407	93
Supplies and materials	97,000	40,300	40,098	202
Telephone	1,000	1,400	1,386	14
Uniforms	1,000	2,200	2,149	51
Utilities	13,000	10,400	10,349	51
Vehicles	37,000	30,000	29,912	88
Total street department	1,042,000	1,446,000	1,443,922	2,078
Solid waste department				
Salaries	39,000	39,800	39,382	418
Payroll taxes	4,000	3,100	3,013	87
Insurance	19,000	19,000	18,863	137
Landfill fees	60,000	59,500	59,476	24
Recycling disposal	10,000	8,600	8,254	346
Repairs and maintenance	13,000	23,000	22,808	192
Retirement	4,000	4,000	3,918	82
Supplies and materials	-	8,000	7,449	551
Uniforms	2,000	1,100	1,049	51
Vehicles	10,000	134,900	134,808	92
Total solid waste department	161,000	301,000	299,020	1,980
Total public works	1,203,000	1,747,000	1,742,942	4,058

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation				
Pool operations				
Salaries	$ 34,000	$ 32,100	$ 29,950	$ 2,150
Payroll taxes	3,000	2,600	2,291	309
Concessions	4,000	2,500	2,383	117
Insurance	3,000	2,200	1,672	528
Professional services	-	800	625	175
Repairs and maintenance	2,000	5,100	5,011	89
Supplies and materials	8,000	8,100	7,933	167
Telephone	1,000	1,500	1,448	52
Utilities	5,000	4,100	4,044	56
Total pool operations	60,000	59,000	55,357	3,643
Parks and recreation				
Salaries	150,000	134,100	133,995	105
Payroll taxes	11,000	10,300	10,230	70
Flag supplies	10,000	10,000	6,184	3,816
Insurance	29,000	29,800	29,573	227
Professional services	1,000	5,000	4,750	250
Property rental	2,000	1,100	1,035	65
Repairs and maintenance	12,000	10,100	9,898	202
Retirement	9,000	7,000	6,838	162
Supplies and materials	24,000	13,700	13,452	248
Uniforms	2,000	2,100	2,074	26
Utilities	6,000	3,800	3,787	13
Vehicles	4,000	6,000	5,624	376
Total parks and recreation	260,000	233,000	227,440	5,560
Total public welfare and recreation	320,000	292,000	282,797	9,203
Debt service				
Retirement of debt	12,000	12,000	11,797	(203)
TOTAL EXPENDITURES	3,600,000	4,147,700	4,119,247	28,453

(Continued)

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

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
Excess (deficiency) of revenues over (under) expenditures	$ (551,000)	$ (871,000)	$ (851,225)	$ 19,775
OTHER FINANCING SOURCES (USES)				
Transfers in	171,000	174,000	174,229	229
Transfers out	(120,000)	(53,000)	(52,604)	396
Total other financing sources (uses)	51,000	121,000	121,625	625
Net changes in fund balances	(500,000)	(750,000)	(729,600)	20,400
Fund balances - beginning	3,972,037	3,972,037	3,972,037	-
Fund balances - end	$ 3,472,037	$ 3,222,037	$ 3,242,437	$ 20,400

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

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ 1,005,000	$ 1,005,000	$ 1,003,051	$ (1,949)
TOTAL REVENUES	1,005,000	1,005,000	1,003,051	(1,949)
EXPENDITURES				
Capital outlay				
Public works	307,000	307,000	306,461	539
TOTAL EXPENDITURES	307,000	307,000	306,461	539
Excess (deficiency) of revenues over (under) expenditures	698,000	698,000	696,590	(1,410)
OTHER FINANCING SOURCES (USES)				
Transfers out	(698,000)	(698,000)	(696,590)	1,410
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2017

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current assets			
Cash	$ 2,581,557	$ 453,591	$ 3,035,148
Accounts receivable	308,311	54,868	363,179
Due from other funds	2,995,285	-	2,995,285
Total current assets	5,885,153	508,459	6,393,612
Non-current assets			
Capital assets			
Land	204,415	61,400	265,815
Other capital assets - net of accumulated depreciation	19,235,800	1,531,270	20,767,070
Total capital assets	19,440,215	1,592,670	21,032,885
TOTAL ASSETS	$ 25,325,368	$ 2,101,129	$ 27,426,497
LIABILITIES			
Current liabilities			
Accounts payable	$ 71,393	$ 13,053	$ 84,446
Accrued wages	2,469	3,685	6,154
Accrued liabilities	60,247	-	60,247
Note payable - due in one year	-	26,200	26,200
Bonds payable - due in one year	373,000	-	373,000
Total current liabilities	507,109	42,938	550,047
Non-current liabilities			
Compensated absences	24,733	49,352	74,085
Customer deposits	-	82,931	82,931
Note payable	-	104,800	104,800
Bonds payable	6,410,000	-	6,410,000
Accrued post-employment benefits	133,562	118,657	252,219
Total non-current liabilities	6,568,295	355,740	6,924,035
TOTAL LIABILITIES	$ 7,075,404	$ 398,678	$ 7,474,082
NET POSITION			
Net investment in capital assets	$ 12,657,215	$ 1,461,670	$ 14,118,885
Unrestricted	5,592,749	240,781	5,833,530
TOTAL NET POSITION	$ 18,249,964	$ 1,702,451	$ 19,952,415

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 1,989,352	$ -	$ 1,989,352
Water sales	-	600,852	600,852
Installation charges	183,984	10,445	194,429
Penalties	-	19,750	19,750
Total operating revenues	2,173,336	631,047	2,804,383
OPERATING EXPENSES			
Operating and maintenance	1,174,758	676,553	1,851,311
Administration and general	12,031	20,536	32,567
Depreciation	574,514	102,274	676,788
Total operating expenses	1,761,303	799,363	2,560,666
Operating income (loss)	412,033	(168,316)	243,717
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous revenue	-	879	879
Intergovernmental revenue	-	86,000	86,000
Interest expense	(290,832)	-	(290,832)
Total non-operating revenues (expenses)	(290,832)	86,879	(203,953)
Income (loss) before transfers	121,201	(81,437)	39,764
Transfers in	576,257	172,937	749,194
Changes in net position	697,458	91,500	788,958
Total net position - beginning	17,552,506	1,610,951	19,163,457
Total net position - end	$ 18,249,964	$ 1,702,451	$ 19,952,415

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2017

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 2,040,426	$ 615,378	$ 2,655,804
Payments to suppliers	(952,591)	(338,015)	(1,290,606)
Payments to employees	(225,627)	(314,066)	(539,693)
Net cash provided (used) by operating activities	862,208	(36,703)	825,505
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	576,257	120,333	696,590
Transfers	-	52,604	52,604
Acquiring and construction of capital assets	(673,105)	(337,573)	(1,010,678)
Intergovernmental revenue	-	86,000	86,000
Proceeds from debt issuance	-	131,000	131,000
Principal paid on long-term debt	(358,000)	-	(358,000)
Interest paid on long-term debt	(290,832)	-	(290,832)
Net cash provided (used) for capital and related financing activities	(745,680)	52,364	(693,316)
Cash Flows from Non-Capital Financing Activities			
Miscellaneous revenue	-	879	879
(Increase) in due from other funds	(566,586)	-	(566,586)
Net cash provided (used) for non-capital financing activities	(566,586)	879	(565,707)
Net increase (decrease) in cash	(450,058)	16,540	(433,518)
Cash - beginning	3,031,615	437,051	3,468,666
Cash - end	$ 2,581,557	$ 453,591	$ 3,035,148
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 412,033	$ (168,316)	$ 243,717
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	574,514	102,274	676,788
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(132,910)	(15,669)	(148,579)
(Increase) decrease in prepaid expenses	-	1,844	1,844
Increase (decrease) in current liabilities	(26,877)	4,620	(22,257)
Increase (decrease) in customer deposits	-	8,894	8,894
Increase (decrease) in compensated absences	1,903	1,302	3,205
Increase (decrease) in accrued post-employment benefits	33,545	28,348	61,893
Net cash provided (used) by operating activities	$ 862,208	$ (36,703)	$ 825,505

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Assets and Liabilities
December 31, 2017

	Agency Funds
ASSETS	
Cash	$ 25,399
Due from other governments	84,258
TOTAL ASSETS	$ 109,657
LIABILITIES	
Surety bonds payable	$ 4,257
Due to other governments	105,400
TOTAL LIABILITIES	$ 109,657

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ringgold, Georgia operates under the City Manager - Council form of government within the following departments: general government, public safety, public works and public welfare and recreation.

The financial statements of the City of Ringgold, Georgia have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies:

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and GASB issued Statement No. 14, *The Financial Reporting Entity*. This statement requires that the financial statements present the City of Ringgold, Georgia (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit); or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

Based on the foregoing criteria, there is one entity, which meets the above criteria for inclusion in the City of Ringgold, Georgia's financial statements:

The Downtown Development Authority

The Downtown Development Authority (DDA) is considered to be a blended component unit according to GASB Statement No. 14. The DDA is a legally separate entity having a board composed of members appointed by the City of Ringgold, Georgia. There is a financial benefit/burden relationship and the DDA provides services directly to the City of Ringgold, Georgia. There are no separate financial statements available.

Related Organizations

The Housing Authority of the City of Ringgold, Georgia is considered a related organization based upon the criteria in GASB Statement No. 14. The Housing Authority is a legally separate entity having a board composed of members appointed by the City of Ringgold, Georgia. The City of Ringgold, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Ringgold, Georgia is a related organization.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Government-wide Statements - The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Neither fiduciary nor component units that are fiduciary in nature are included. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis for column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The net cost (by function or business-type activity) is normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is designed to view the City as a complete entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its governmental funds and enterprise funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

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

Capital Projects Fund - This fund is used to account for the Special Local Option Sales Tax (SPLOST) receipts of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

The City reports the following major enterprise funds:

Water Fund - This fund is used to account for the provision of water services to the City.

Sewer Fund - This fund is used to account for the provision of sewer services to the City.

C. Measurement Focus - Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. 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. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, gasoline taxes, wholesale beer taxes, income taxes, mixed drink taxes, and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

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 the enterprise fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales 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.

The agency funds have no measurement focus, but utilize the accrual basis of accounting for reporting their assets and liabilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

In accordance with OCGA 36-81-3, budgets are legally adopted for the general, special revenue and capital projects funds.

During the last weeks of the year, budget requests are prepared for each department based on the activities of the current year with anticipated changes for the next year including needed capital expenditures. The budget requests are submitted to the Council at a scheduled meeting. The Council formally adopts an annual appropriated budget for the General and special revenue funds. These budgets are adopted on a departmental basis. The City Manager is authorized to transfer budgeted amounts within departments. The Council adopts a flexible budget for the Water and Sewer Funds. The expense estimates of the flexible budget are not appropriations but approved plans.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Therefore, no adjustments are necessary to convert to the actual GAAP data from the budgetary basis. Budgeted amounts reflected in the accompanying budget and actual comparison are as originally adopted or as amended by the Council. Individual amendments are not material in relation to the original appropriations. All annual appropriations, which are not expended, lapse at year-end.

E. Cash and Cash Equivalents

For purposes of reporting cash on the Statement of Net Position, the City considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash consists of cash-on-hand and on deposit with financial institutions. These are classified on the Statement of Cash Flows as "Cash".

F. Investments

Investments are reported at fair value, which is based on quoted market price. The City is authorized by Georgia statutes to invest in the following:

1. Deposit accounts with eligible depository institutions.
2. Obligations of the State of Georgia or of other states.
3. Obligations issued by the United States government.
4. Obligations fully insured or guaranteed by the United States government or a United States government agency.
5. Obligations of any corporation of the United States government.
6. Prime bankers' acceptance.
7. The local government investment pool established by Georgia Code Section 36-83-8.
8. Repurchase agreements.
9. Obligations of other political subdivisions of the State of Georgia.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

Property taxes levied by the City are assessed by the Assessor of Property in Catoosa County and collected by the City. Property tax revenues are recognized on the modified accrual basis on the governmental fund financial statements.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	October 20, 2017
Levy date	October 20, 2017
Tax bills mailed	October 20, 2017
Payment due date	October 20, 2017 through February 28, 2018
Delinquency date	March 1, 2018

H. Interfund Transactions

Interfund Receivables and Payables

Short-term advances between funds are not eliminated but accounted for in the appropriate interfund receivable and payable accounts classified as due to other funds and due from other funds in the fund financial statements, and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed. All other legally authorized transfers are not eliminated but treated as operating transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

I. Prepayment of Expenditures

Government fund expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods.

J. Inventories

Supplies and materials are recorded as expenditures/expenses at the time items are purchased and are not inventoried at year-end due to lack of materiality.

K. Restricted Assets

Certain resources can be classified as restricted assets on the Statement of Net Position because their use is limited. At year-end, there were no restricted assets to be reported.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 extended assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Land improvements	20
Buildings and improvements	5-40
Vehicles	4-15
Equipment	3-20

Capital assets of the proprietary funds are accounted for in the proprietary fund and are stated at cost or estimated fair value when original cost is not available. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Asset Class	Years
Buildings	5-40
Equipment	5-40
Sewer lines	4-50
Vehicles	3-10
Water lines	5-40

Donated capital assets are valued at their estimated fair value on the date donated. The City's policy is to capitalize the net interest cost incurred during the year resulting from borrowings utilized to finance the construction of assets.

M. 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Entity has no items that quality for reporting in this category.

In addition to liabilities, the Statement of Net 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 (revenue) until that time. Currently, the Entity has one type of item that qualifies for reporting in this category: deferred revenue - property taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

Accruals include both sick and vacation time earned. Employees are allowed to carry over half of any current unused sick leave. Employees of the City under an earlier sick leave plan are allowed to carry banked sick leave up to 240 hours. Employees are allowed to carry over vacation time up to 40 hours at the end of each year provided that they have used at least that much time during the current year. Some employees have vacation leave remaining since their anniversary dates cross the fiscal year-end. Vacation and sick leave for employees of governmental funds is recorded as an expenditure in the period it is used and considered payable from current financial resources. Government-wide proprietary funds accrue vacation benefits in the period they are earned. A liability for these amounts is reported in governmental funds only if they have matured.

O. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

P. Net Position

Net position is the residual of all elements presented in the Statement of Financial Position (i.e., assets + deferred outflows - liabilities - deferred inflows). Net investment in capital assets represent capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by any related outstanding debt.

Q. Fund Balance

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* established standards for fund balance classifications for state and local governments and requires that resources be classified for accounting reporting purposes into the following fund balances:

Nonspendable: The City cannot spend these amounts due to form.

Restricted: The State or other sources can restrict funds to specific purposes by externally imposing restrictions or imposing by law through constitutional provisions or enabling legislation.

Committed: The City Council has the authority to commit funds for a specific purpose. Any funds set aside as committed fund balance requires, at a minimum, the passage of a resolution by a simple majority vote. An ordinance may also be used.

Assigned: The City Council has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as assigned fund balance requires a simple majority vote and must be recorded in the minutes.

Unassigned: Amounts not classified as nonspendable, restricted, committed, or assigned.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When restricted, committed, assigned and unassigned funds are available for use, restricted funds should be spent first, committed funds second, assigned funds third and unassigned funds last.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2017, and March 22, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the City's deposits and investments was $8,556,451. The financial institution balance was $8,700,075. Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. The City does not have a policy for custodial risk. As of December 31, 2017, none of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

The carrying amount of the City's deposits is classified as follows on the Statement of Net Position:

Cash	$ 3,389,969
Investments	5,167,432
Less: Petty cash	(950)
Total	$ 8,556,451

Investments

The City's investments are carried at fair value, and consist of certificates-of-deposit at nationwide banks. The City's investments are classified as follows on the Statement of Net Position:

Investments	$ 5,167,432

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2017, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 240,052	$ -	$ -	$ -	$ 240,052
Local beer/beverage tax	11,915	-	-	-	11,915
Business license	6,643	-	-	-	6,643
Hotel/motel tax	-	24,160	-	-	24,160
Customer receivables	-	-	314,811	61,368	376,179
Motor vehicle tax	7,376	-	-	-	7,376
Energy excise tax	6,111	-	-	-	6,111
Interest	9,712	-	-	-	9,712
Other	20,502	-	-	-	20,502
Less: allowance for doubtful accounts	(1,262)	-	(6,500)	(6,500)	(14,262)
Total	$ 301,049	$ 24,160	$ 308,311	$ 54,868	$ 688,388

NOTE 4 - GRANTS RECEIVABLE

Due from grantor at December 31, 2017, consist of the following:

Georgia Department of Natural Resources	$ 28,521

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2017, consist of the following:

Year of Levy	
2017	$ 52,188
2016	4,748
2015	2,037
2014	328
2013	28
	59,329
Less: allowance for uncollectibles	(7,984)
Property taxes receivable - net	$ 51,345

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2017, consists of the following:

	Governmental Activities
Property tax collected by Catoosa County	$ 432,807
Special Purpose Local Option Sales Tax	123,263
Local Option Sales Tax receivable	157,066
Total	$ 713,136

NOTE 7 - INTERNAL BALANCES

The City of Ringgold maintains a combined checking account. Balances due to and from each fund for reimbursement of expenses are classified as internal balances.

	Due from:				
Due to:	General Fund	Capital Projects Fund	Hotel/Motel Tax Fund	Capital Projects Grant Fund	Total
Sewer Fund	$ 2,823,132	$ 124,752	$ 24,160	$ 23,241	$ 2,995,285

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 772,424	$ -	$ -	$ -	$ 772,424
Capital assets being depreciated:					
Land improvements	3,861,182	1,680,467	-	-	5,541,649
Building and improvements	4,033,725	-	-	-	4,033,725
Vehicles	1,187,252	260,356	(277,547)	(69,969)	1,100,092
Equipment	1,035,192	19,510	(12,000)	-	1,042,702
Total capital assets being depreciated	10,117,351	1,960,333	(289,547)	(69,969)	11,718,168
Less accumulated depreciation for:					
Land improvements	624,617	234,525	-	-	859,142
Buildings and improvements	1,290,047	101,914	-	-	1,391,961
Vehicles	1,080,475	73,313	(277,547)	(69,969)	806,272
Equipment	739,977	78,334	(12,000)	-	806,311
Total accumulated depreciation	3,735,116	488,086	(289,547)	(69,969)	3,863,686
Total capital assets being depreciated - net	6,382,235	1,472,247	-	-	7,854,482
Governmental activities capital assets - net	$ 7,154,659	$1,472,247	$ -	$ -	$8,626,906

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

General government	$ 260,017
Public safety	83,820
Public welfare and recreation	97,574
Public works	46,675
Total	$ 488,086

NOTE 8 - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 265,815	$ -	$ -	$ -	$ 265,815
Capital assets being depreciated:					
Buildings	819,938	-	-	-	819,938
Equipment	804,700	75,152	-	-	879,852
Sewerlines	25,007,075	576,256	-	-	25,583,331
Vehicles	284,563	21,697	(8,980)	69,969	367,249
Water lines	2,075,057	337,573	-	-	2,412,630
Total capital assets being depreciated	28,991,333	1,010,678	(8,980)	69,969	30,063,000
Less accumulated depreciation for:					
Buildings	478,793	15,739	-	-	494,532
Equipment	774,299	20,027	-	-	794,326
Sewer lines	5,944,299	548,442	-	-	6,492,741
Vehicles	280,987	5,126	(8,980)	69,969	347,102
Water lines	1,079,775	57,454	-	-	1,167,229
depreciation	8,558,153	676,788	(8,980)	69,969	9,295,930
Total capital assets being depreciated - net	20,433,180	333,890	-	-	20,767,070
Business-type activities capital assets - net	$ 20,698,995	$ 333,890	$ -	$ -	$ 21,032,885

NOTE 9 - DEFERRED REVENUE - PROPERTY TAXES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds as deferred inflows were as follows:

	Unavailable	Total
Property taxes	$ 22,270	$ 22,270

Funds that are earned, but not available, are realized as revenue under GASB No. 33.

NOTE 10 - LONG-TERM DEBT

A. Governmental Debt

Long-term debt, payable by the governmental funds, which consists of a note payable, compensated absences and accrued post-employment benefits is summarized as follows:

	Principal Balance
USDA Rural Development note, issued October, 2016, 2.375%, due 2021, original balance $55,000	$ 44,946
Compensated absences	93,386
Accrued post-employment benefits	1,958,226
	2,096,558
Less: current portion of governmental debt	(10,730)
Total governmental long-term debt	$ 2,085,828

A summary of changes in governmental long-term debt for the year ended December 31, 2017, are as follows:

	Balance 12-31-16	Additions	Retirements	Balance 12-31-17	Amount Due Within One Year
USDA Rural Development	$ 55,000	$ -	$(10,054)	$ 44,946	$ 10,730
Compensated absence	91,474	1,912	-	93,386	-
Accrued post-employment benefits	1,810,621	147,605	-	1,958,226	-
Total	$ 1,957,095	$ 149,517	$(10,054)	2,096,558	$ 10,730
Less: current portion of governmental long-term debt				(10,730)	
Total governmental long-term debt				$ 2,085,828	

Interest paid during the year ended December 31, 2017, on governmental long-term debt was $1,743.

Governmental debt service requirements to maturity, including interest of $2,722, are as follows:

Year Ended December 31	Principal	Interest	Total Requirements
2018	$ 10,730	$ 1,067	$ 11,797
2019	10,984	813	11,797
2020	11,245	552	11,797
2021	11,987	290	12,277
Total	$ 44,946	$ 2,722	$ 47,668

Note: The above debt service requirements schedule does not include compensated absences and accrued post-employment benefits. Governmental debt is generally liquidated by the General Fund.

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt

Sewer Fund

Long-term debt, payable by the Sewer Fund, which consists of revenue bonds, compensated absences and accrued post-employment benefits is summarized as follows:

	Principal Balance
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due 2031, original balance $9,600,000	$ 6,783,000
Compensated absences	24,733
Accrued post-employment benefits	133,562
	6,941,295
Less: current portion of sewer debt	(373,000)
Total sewer long-term debt	$ 6,568,295

A summary of changes in sewer long-term debt for the year ended December 31, 2017, are as follows:

	Balance 12-31-16	Additions	Retirements	Balance 12-31-17	Amount Due Within One Year
2005 bond	$ 7,141,000	$ -	$ (358,000)	$ 6,783,000	$ 373,000
Compensated absences	22,830	1,903	-	24,733	-
Accrued post-employment benefits	100,017	33,545	-	133,562	-
Total	$ 7,263,847	$ 35,448	$ (358,000)	6,941,295	$ 373,000
Less: current portion of sewer long-term debt				(373,000)	
Total sewer long-term debt				$ 6,568,295	

Interest paid during the year ended December 31, 2017, on sewer long-term debt was $290,832.

Sewer Fund debt service requirements to maturity, including interest of $2,217,870, are as follows:

Year ended December 31	Principal	Interest	Total Requirements
2018	$ 373,000	$ 279,565	$ 652,565
2019	385,000	263,992	648,992
2020	402,000	247,734	649,734
2021	419,000	230,802	649,802
2022	436,000	213,134	649,134
2023-2027	2,474,000	773,756	3,247,756
2028-2031	2,294,000	208,887	2,502,887
Total	$ 6,783,000	$ 2,217,870	$ 9,000,870

Note: The above debt service requirements schedules do not include compensated absences or accrued post-employment benefits.

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Water Fund

Long-term debt, payable by the Water Fund, which consists of a note payable, customer deposits, compensated absences and accrued post-employment benefits is summarized as follows:

Georgia Environmental Facilities Administration Loan, .5%, due 2022, original balance $131,000	$ 131,000
Customer deposits	82,931
Compensated absences	49,352
Accrued post-employment benefits	118,657
	381,940
Less: current portion of water debt	(26,200)
Total water long-term debt	$ 355,740

A summary of changes in water long-term debt for the year ended December 31, 2017, are as follows:

	Balance 12-31-16	Additions	Retirements	Balance 12-31-17	Amount Due Within One Year
Note payable	$ -	$131,000	$ -	$ 131,000	$ 26,200
Customer deposits	74,037	8,894	-	82,931	-
Compensated absences	48,050	1,302	-	49,352	-
Accrued post-employment benefits	90,309	28,348	-	118,657	-
Total	$ 212,396	$169,544	$ -	381,940	$ 26,200
Less: current portion of water long-term debt				(26,200)	
Total water long-term debt				$ 355,740	

Interest paid during the year ended December 31, 2017, on water long-term debt was $0.

Water Fund debt service requirements to maturity, including interest of $1,665, are as follows:

Year ended December 31	Principal	Interest	Total Requirements
2018	$ 26,200	$ 595	$ 26,795
2019	26,200	464	26,664
2020	26,200	333	26,533
2021	26,200	202	26,402
2022	26,200	71	26,271
Total	$ 131,000	$ 1,665	$ 132,665

Note: The above debt service requirements schedules do not include customer deposits, compensated absences or accrued post-employment benefits.

NOTE 11 - NET POSITION / FUND BALANCE RESTRICTIONS

The City can restrict net position and fund balances to be maintained for specific purposes. The nature and purpose of these are explained as follows:

Downtown Development Authority Fund restricts $39,402 for future downtown development expenditures.

Haunted Depot Fund restricts $34,681 for future depot expenditures.

Ringgold Depot Fund restricts $115,297 for the Ringgold Depot facility.

Visitor Center Fund restricts $94,444 to promote tourism in the Ringgold area.

The City also has $119,671 of nonspendable fund balance related to prepaid expenses.

NOTE 12 - TRANSFERS

Interfund transfers as of December 31, 2017, consist of the following:

	Transfers to						
	General Fund	Downtown Development Authority Fund	Ringgold Depot Fund	Visitor Center Fund	Sewer Fund	Water Fund	Total
Transfer from							
General Fund	$ -	$ -	$ -	$ -	$ -	$ 52,604	$ 52,604
Capital Projects Fund	-	-	-	-	576,257	120,333	696,590
Hotel/Motel Fund	174,229	-	58,076	116,153	-	-	348,458
Haunted Depot Fund	-	26,831	-	-	-	-	26,831
Total	$ 174,229	$ 26,831	$ 58,076	$ 116,153	$ 576,257	$ 172,937	$ 1,124,483

Transfers from the General Fund and Haunted Depot Fund were transferred to supplement operations.

Capital Projects Fund transfers were Special Local Options Sales Tax (SPLOST) funds that flowed through the Capital Projects Fund to the Sewer Fund and Water Fund for designated projects.

Funds were transferred out of the Hotel/Motel Fund into the General, Ringgold Depot and Visitor Center funds to distribute tax revenues.

NOTE 13 - HOTEL/MOTEL LODGING TAX

The City of Ringgold levies a 6% lodging tax as authorized in Official Code of Georgia Annotated (OCGA) 48-13-50(a)(3.2). All expenditures were for the promotion of tourism. A summary of the transactions for the year ended December 31, 2017, is as follows:

Fund Balance - January 1, 2017	$ -
Lodging tax services	348,458
Amount available for disbursements	348,458
Disbursements:	
Transfer to General Fund	174,229
Transfer to the Ringgold Depot Fund	58,076
Transfer to Visitor Center Fund	116,153
Total disbursed	348,458
Balance - held in reserve for future hotel/motel tax projects	$ -

NOTE 14 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position:

The governmental funds Balance Sheet includes a reconciliation between fund balance - total governmental funds and net position - government activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that, "long-term liabilities, including notes payable and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds". The details of this $(138,332) differences are as follows:

Note payable	$(44,946)
Compensated absences	(93,386)
Net adjustment	$(138,332)

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities:

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance, includes a reconciliation between net changes in fund balances for 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 estimated useful lives and reported as depreciation expense". The details of this $1,472,247 difference are as follows:

Depreciation expense	$(488,086)
Capital outlay	1,960,333
Net adjustment	$ 1,472,247

NOTE 15 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City has no material violations of finance related legal and contractual provisions.

NOTE 16 - INSURANCE

The City of Ringgold is exposed to various risks of losses. These risks include loss related to torts; theft, of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of Key Risk. The liability to the employees of the City is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The City is responsible for paying the prescribed premiums and cooperating with attorneys.

The City carries insurance for all other risks of loss (except employees health insurance), including general liability and property and casualty insurance through the St. Paul's Travelers Company. Employee's health insurance is provided by Blue Cross-Blue Shield through the Georgia Municipal Association. There have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

NOTE 17 - PENSION PLAN

The City of Ringgold provides pension benefits for all its full-time employees through a defined contribution pension plan the City of Ringgold Pension Plan administered by Chandler & Assoc., P.C. The plan was authorized by Council action in 1976 and amended in 1995. All fulltime employees who have attained age 18 and have completed one year of service are cligible. Vesting is 100% full and immediate, and retirement age is 65 or the fifth anniversary of participation, whichever is later.

The City contributes 10% of total compensation for each employee. Employees are required to contribute 2% and are allowed to make an additional contribution of up to 10% of total compensation. Contribution requirements were established under, and can only be amended by, the City Council.

All assets of the plan are held in individual income endowments, life contracts, individual annuities or other investments. There are no outstanding loans to any participant, fiduciary, or party of interest.

The City's total payroll for the year was $1,808,349. The amount of covered payroll was $1,265,832. Total contributions required was $151,899, which was 12% of covered payroll. The City's contribution required and actual was $126,583, which was 10% of covered payroll. The mandatory employee contributions required and actual was $25,316 which was 2% of covered payroll. Employee voluntary contributions totaled $49,652, making a total employee contribution of $74,968, which is 6% of covered payroll. The total City and employee contribution actually made was $201,551, which was 16% of covered payroll. There were no current year changes in plan provisions.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City of Ringgold, Georgia administers a single-employer defined benefit healthcare plan. The plan provides lifetime healthcare insurance to the retired employee and family coverage after the age of 55 plus 25 years of service. The plan does not issue a publicly available financial report.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Policy

The City has not funded the healthcare plan and pays the benefits monthly on a "pay as you go" policy. Contribution requirements were established under, and can only be amended by, the City Council.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	$ 130,161
Interest on net OPEB obligation	7,159
Adjustment to annual required contribution	72,178
Annual OPEB cost (expense)	209,498
Contributions made	-
Increase in net OPEB obligation	209,498
Net OPEB obligation - beginning of year	2,000,947
Net OPEB obligation - end of year	$ 2,210,445

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-17	$ 209,498	0%	$ 2,210,445
12-31-16	$ 327,966	0%	$ 2,000,947
12-31-15	$ 301,577	0%	$ 1,672,981
12-31-14	$ 227,665	0%	$ 1,371,404
12-31-13	$ 243,066	0%	$ 1,143,739
12-31-12	$ 241,500	0%	$ 900,673
12-31-11	$ 222,715	0%	$ 659,173
12-31-10	$ 232,367	0%	$ 436,458

Funded Status and Funding Progress

As of December 31, 2017, the actuarial accrued liability for benefits was $2,210,445, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $1,537,306 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 100 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 67, or at the first subsequent year in which the member would qualify for benefits.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The United States Life Tables for Males and for Females were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on a rate of 5.5 percent.

Health Insurance Premiums - 2017 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation Rate - The expected long-term inflation assumption of 5.5 percent was used.

Payroll Growth Rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 5.5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was thirty years.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
For the Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12-31-17	$0	$ 1,537,306	$ 1,537,306	0.00%	$1,537,306	100.00%
12-31-16	$0	$ 2,744,437	$ 2,744,437	0.00%	$2,744,437	100.00%
12-31-15	$0	$ 2,548,432	$ 2,548,432	0.00%	$2,548,432	100.00%
12-31-14	$0	$ 2,359,342	$ 2,359,342	0.00%	$2,359,342	100.00%
12-31-13	$0	$ 1,920,208	$ 1,920,208	0.00%	$1,920,208	100.00%
12-31-12	$0	$ 1,810,678	$ 1,810,678	0.00%	$1,810,678	100.00%
12-31-11	$0	$ 1,528,892	$ 1,528,892	0.00%	$1,528,747	100.00%
12-31-10	$0	$ 1,376,265	$ 1,376,265	0.00	$1,435,195	100.00%

NOTE 19 - LITIGATION AND CLAIMS

The City is currently the defendant in certain legal actions, which are being vigorously defended. It is the opinion of management and legal counsel that these suits will not have a material effect on the financial position of the City.

NOTE 20 - CONTINGENT LIABILITIES

As of December 31, 2017, the City does not have any material contingent liabilities.

NOTE 21 - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2017, the City paid $4,378 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: Northwest Georgia Regional Commission, P.O. Box 1798, Rome, Georgia 30161.

NOTE 22 - AGENCY FUNDS

The City reports on two agency funds: Baxter Addition Fund and Municipal Court Fund. The City acts as fiscal agent under contract with the board of the Baxter Addition to Anderson Cemetery Care Fund. The Municipal Court Fund is used to handle the percentages of fines that are remitted to state agencies and the county. The City's portion of the fines is transferred back to the General Fund revenue each month.

NOTE 23 - RELATED PARTY TRANSACTION

The Mayor and Council members of the City are only billed the minimum water rates each month.

The family of a council member leases land to the City for a nature park and walking trail for $1,200 annually.

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Tax Fund:

This fund is used to account for the receipt of Hotel/Motel Tax and used to promote tourism in the Ringgold area.

Downtown Development Authority Fund:

This fund is used to account for the receipts and use of funds for the Downtown Development Authority.

Haunted Depot Fund:

This fund is used to account for the receipt and use of funds for the Haunted Depot.

Confiscated Assets Fund:

This fund is used to account for the receipt and use of confiscated assets.

Ringgold Depot Fund:

This fund is used to account for the receipt and use of funds of the Ringgold Depot facility.

Visitor Center Fund:

This fund is used to account for the receipt and use of funds for the Ringgold Convention and Visitors Bureau to promote the development of tourism and the convention industry in Ringgold.

Capital Projects Grant Fund:

This fund is used to account for the receipt and use of grant funds for capital projects.

Technology Fee Fund:

This fund is used to account for the receipt and use of technology fees used for police expenditures.

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
December 31, 2017

	Hotel/Motel Tax Fund	Downtown Development Authority Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
ASSETS									
Cash	$ -	$ 40,963	$ 35,110	$ 7,676	$ 153,841	$ 99,652	$ -	$ 1,745	$ 338,987
Accounts receivable - net	24,160	-	-	-	-	-	-	-	24,160
Grants receivable	-	-	-	-	-	-	28,521	-	28,521
TOTAL ASSETS	$ 24,160	$ 40,963	$ 35,110	$ 7,676	$ 153,841	$ 99,652	$ 28,521	$ 1,745	$ 391,668
LIABILITIES									
Accounts payable	$ -	$ 409	$ 429	$ 7,676	$ 33,527	$ 4,947	$ 4,280	$ 1,745	$ 53,013
Accrued wages	-	100	-	-	17	261	-	-	378
Accrued liabilities	-	1,052	-	-	5,000	-	-	-	6,052
Unearned revenue	-	-	-	-	-	-	1,000	-	1,000
Due to other funds	24,160	-	-	-	-	-	23,241	-	47,401
TOTAL LIABILITIES	$ 24,160	$ 1,561	$ 429	$ 7,676	$ 38,544	$ 5,208	$ 28,521	$ 1,745	$ 107,844
FUND BALANCES									
Restricted	$ -	$ 39,402	$ 34,681	$ -	$ 115,297	$ 94,444	$ -	$ -	$ 283,824

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2017

	Hotel/Motel Tax Fund	Downtown Development Authority Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
REVENUES									
Taxes	$ 348,458	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 348,458
Intergovernmental	-	-	-	-	-	-	372,533	-	372,533
Fines and forfeitures	-	-	-	11,313	-	-	-	-	11,313
Other revenue	-	43,415	55,412	-	24,717	33,592	25,000	19,539	201,675
TOTAL REVENUES	348,458	43,415	55,412	11,313	24,717	33,592	397,533	19,539	933,979
EXPENDITURES									
Current expenditures									
Public safety	-	-	-	17,704	-	-	-	26,657	44,361
Public welfare and recreation	-	55,016	20,979	-	104,639	129,967	397,533	-	708,134
Total current expenditures	-	55,016	20,979	17,704	104,639	129,967	397,533	26,657	752,495
TOTAL EXPENDITURES	-	55,016	20,979	17,704	104,639	129,967	397,533	26,657	752,495
Excess (deficiency) of revenue over (under) expenditures	348,458	(11,601)	34,433	(6,391)	(79,922)	(96,375)	-	(7,118)	181,484
OTHER FINANCING SOURCES (USES)									
Transfers in	-	26,831	-	-	58,076	116,153	-	-	201,060
Transfers out	(348,458)	-	(26,831)	-	-	-	-	-	(375,289)
Total other financing sources (uses)	(348,458)	26,831	(26,831)	-	58,076	116,153	-	-	(174,229)
Net changes in fund balances	-	15,230	7,602	(6,391)	(21,846)	19,778	-	(7,118)	7,255
Fund balances - beginning	-	24,172	27,079	6,391	137,143	74,666	-	7,118	276,569
Fund balances - end	$ -	$ 39,402	$ 34,681	$ -	$ 115,297	$ 94,444	$ -	$ -	$ 283,824

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Taxes				
Hotel/motel tax	$ 342,000	$ 348,000	$ 348,458	$ 458
TOTAL REVENUES	342,000	348,000	348,458	458
Excess (deficiency) of revenue over (under) expenditures	342,000	348,000	348,458	458
OTHER FINANCING SOURCES (USES)				
Transfers out	(342,000)	(348,000)	(348,458)	(458)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Donations	$ -	$ -	$ 1,500	$ 1,500
Lease revenue	19,000	19,650	19,750	100
Miscellaneous	1,000	1,000	867	(133)
Program fees	2,000	4,000	10,658	6,658
Tickets	11,000	10,350	10,640	290
Total other revenue	33,000	35,000	43,415	8,415
TOTAL REVENUES	33,000	35,000	43,415	8,415
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	18,000	25,800	25,198	602
Payroll taxes	1,300	2,400	1,925	475
Education and travel	2,000	1,600	762	838
Insurance	6,300	3,200	2,924	276
Miscellaneous	2,000	6,000	5,087	913
Postage	200	100	37	63
Professional services	1,000	200	146	54
Property rental	1,200	1,300	1,227	73
Repairs and maintenance	-	6,800	5,950	850
Retirement	2,000	1,500	1,096	404
Ringgold playhouse	9,000	9,000	8,277	723
Supplies and materials	2,000	1,800	1,435	365
Utilities	1,000	1,300	952	348
Total public welfare and recreation	46,000	61,000	55,016	5,984
TOTAL EXPENDITURES	46,000	61,000	55,016	5,984
Excess (deficiency) of revenue over (under) expenditures	(13,000)	(26,000)	(11,601)	14,399
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000	26,000	26,831	831
Net changes in fund balances	-	-	15,230	15,230
Fund balances - beginning	24,172	24,172	24,172	-
Fund balances - end	$ 24,172	$ 24,172	$ 39,402	$ 15,230

CITY OF RINGGOLD, GEORGIA
Haunted Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Haunted Depot	$ 28,000	$ 48,000	$ 55,412	$ 7,412
TOTAL REVENUES	28,000	48,000	55,412	7,412
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	-	1,650	1,650	-
Supplies and materials	15,000	20,350	19,329	1,021
Total public welfare and recreation	15,000	22,000	20,979	1,021
TOTAL EXPENDITURES	15,000	22,000	20,979	1,021
Excess (deficiency) of revenue over (under) expenditures	13,000	26,000	34,433	8,433
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,000)	(26,000)	(26,831)	(831)
Net changes in fund balances	-	-	7,602	7,602
Fund balances - beginning	27,079	27,079	27,079	-
Fund balances - end	$ 27,079	$ 27,079	$ 34,681	$ 7,602

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 3,000	$ 12,000	$ 4,313	$ (7,687)
Other confiscation	-	7,000	7,000	-
TOTAL REVENUES	3,000	19,000	11,313	(7,687)
EXPENDITURES				
Current expenditures				
Public safety				
Payments to agencies	-	1,000	389	611
Supplies and materials	3,000	-	-	-
Vehicles	-	18,000	17,315	685
TOTAL EXPENDITURES	3,000	19,000	17,704	1,296
Excess (deficiency) of revenue over (under) expenditures	-	-	(6,391)	(6,391)
Fund balances - beginning	6,391	6,391	6,391	-
Fund balances - end	$ 6,391	$ 6,391	$ -	$ (6,391)

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Rental	$ 30,000	$ 53,000	$ 24,717	$ (28,283)
TOTAL REVENUES	30,000	53,000	24,717	(28,283)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	21,000	8,000	7,641	359
Payroll taxes	3,000	2,000	585	1,415
Insurance	2,000	3,000	1,838	1,162
Professional services	1,000	2,000	1,656	344
Repairs and maintenance	29,000	74,000	73,313	687
Supplies and materials	8,000	7,000	5,829	1,171
Telephone	-	1,000	370	630
Utilities	23,000	14,000	13,407	593
Total public welfare and recreation	87,000	111,000	104,639	6,361
TOTAL EXPENDITURES	87,000	111,000	104,639	6,361
Excess (deficiency) of revenue over (under) expenditures	(57,000)	(58,000)	(79,922)	(21,922)
OTHER FINANCING SOURCES (USES)				
Transfers in	57,000	58,000	58,076	76
Net changes in fund balances	-	-	(21,846)	(21,846)
Fund balances - beginning	137,143	137,143	137,143	-
Fund balances - end	$ 137,143	$ 137,143	$ 115,297	$ (21,846)

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Program fees	$ -	$ -	$ 1,007	$ 1,007
Rental	26,000	29,000	32,585	3,585
TOTAL REVENUES	26,000	29,000	33,592	4,592
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	42,000	34,000	32,701	1,299
Payroll taxes	4,500	4,100	2,498	1,602
Dues and subscriptions	2,000	1,000	435	565
Insurance	8,100	6,300	4,232	2,068
Marketing and tourism	56,000	67,000	66,766	234
Printing and postage	1,000	1,000	170	830
Professional services	3,400	1,500	951	549
Repairs and maintenance	2,000	6,500	4,220	2,280
Retirement	2,000	2,000	1,302	698
Supplies and materials	11,000	13,500	11,705	1,795
Telephone	2,000	4,100	2,436	1,664
Travel	2,000	1,000	430	570
Utilities	4,000	3,000	2,121	879
Total public welfare and recreation	140,000	145,000	129,967	15,033
TOTAL EXPENDITURES	140,000	145,000	129,967	15,033
Excess (deficiency) of revenue over (under) expenditures	(114,000)	(116,000)	(96,375)	19,625
OTHER FINANCING SOURCES (USES)				
Transfers in	114,000	116,000	116,153	153
Net changes in fund balances	-	-	19,778	19,778
Fund balances - beginning	74,666	74,666	74,666	-
Fund balances - end	$ 74,666	$ 74,666	$ 94,444	$ 19,778

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Grant revenue	$ 100,000	$ 350,000	$ 372,533	$ 22,533
Other revenue				
Donations	25,000	49,000	25,000	(24,000)
TOTAL REVENUES	125,000	399,000	397,533	(1,467)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	25,000	20,000	19,494	506
Supplies and materials	100,000	379,000	378,039	961
Total public welfare and recreation	125,000	399,000	397,533	1,467
TOTAL EXPENDITURES	125,000	399,000	397,533	1,467
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Technology Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Technology fees	$ 14,000	$ 28,000	$ 19,539	$ (8,461)
TOTAL REVENUES	14,000	28,000	19,539	(8,461)
EXPENDITURES				
Current expenditures				
Public safety				
Dues and subscriptions	-	1,500	1,500	-
Professional services	2,000	1,500	1,347	153
Repairs and maintenance	1,000	3,000	2,619	381
Supplies and materials	8,000	17,000	16,389	611
Telephone	3,000	5,000	4,802	198
Total public safety	14,000	28,000	26,657	1,343
TOTAL EXPENDITURES	14,000	28,000	26,657	1,343
Excess (deficiency) of revenue over (under) expenditures	-	-	(7,118)	(7,118)
Fund balances - beginning	7,118	7,118	7,118	-
Fund balances - end	$ 7,118	$ 7,118	$ -	$ (7,118)

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Grant/Program Number	Accrued (Receivable) 01/01/17	Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/17
Federal						
GEFA - Grant	66.468	DWSRF 15-021	$ -	$ 86,000	$ 86,000	$ -
GEFA - Loan	66.468	DWSRF 15-021	-	131,000	131,000	-
Total federal awards			-	217,000	217,000	-
State						
Georgia Department of Transportation						
LMIG - Chapman Road/ Hwy 41	-	627596	(25,501)	375,501	350,000	-
LMIG Street Resurfacing	-	2017	-	42,786	42,786	-
Total Georgia Department of Transportation			(25,501)	418,287	392,786	-
Georgia Department of Natural Resources						
Recreational Trails Program	-	NRT-15(17)	(5,988)	-	22,533	(28,521)
Total state awards			(31,489)	418,287	415,319	(28,521)
TOTAL FEDERAL AND STATE AWARDS			$ (31,489)	$ 635,287	$ 632,319	$ (28,521)

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and state grant activity of the City of Ringgold, Georgia and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance.

NOTE 2 - INDIRECT COST RATE

The City of Ringgold, Georgia has not allocated any indirect cost.

NOTE 3 - LOAN BALANCE

	Balance
GEFA-Loan	$ 131,000

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
OPERATING REVENUES				
Sewer charges	$ 1,944,000	$ 1,961,000	$ 1,989,352	$ 28,352
Installation charges	80,000	145,000	183,984	38,984
Total operating revenues	2,024,000	2,106,000	2,173,336	67,336
OPERATING EXPENSE				
Operating and maintenance	1,151,000	1,801,000	1,174,758	626,242
Administration and general	16,000	16,000	12,031	3,969
Depreciation	566,000	575,000	574,514	486
Total operating expenses	1,733,000	2,392,000	1,761,303	630,697
Operating income (loss)	291,000	(286,000)	412,033	698,033
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(291,000)	(291,000)	(290,832)	168
Income (loss) before transfers	-	(577,000)	121,201	698,201
Transfers in	-	577,000	576,257	(743)
Changes in net position	-	-	697,458	697,458
Total net position - beginning	17,552,506	17,552,506	17,552,506	-
Total net position - end	$ 17,552,506	$ 17,552,506	$ 18,249,964	$ 697,458

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2017

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING INCOME				
Water sales	$ 572,000	$ 955,000	$ 600,852	$ (354,148)
Installation charges	4,000	7,000	10,445	3,445
Penalties	24,000	21,000	19,750	(1,250)
Total operating revenues	600,000	983,000	631,047	(351,953)
OPERATING EXPENSES				
Operating and maintenance	619,000	1,031,000	676,553	354,447
Administration and general	17,000	23,000	20,536	2,464
Depreciation	84,000	103,000	102,274	726
Total operating expenses	720,000	1,157,000	799,363	357,637
Operating income (loss)	(120,000)	(174,000)	(168,316)	5,684
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous revenue	-	-	879	879
Intergovernmental revenue	-	-	86,000	86,000
Total non-operating revenue (expenses)	-	-	86,879	86,879
Income (loss) before transfers	(120,000)	(174,000)	(81,437)	92,563
Transfers in	120,000	174,000	172,937	(1,063)
Changes in net position	-	-	91,500	91,500
Total net position - beginning	1,610,951	1,610,951	1,610,951	-
Total net position - end	$ 1,610,951	$ 1,610,951	$ 1,702,451	$ 91,500

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2017

	Enterprise		
Operating Expenses	**Sewer Fund**	**Water Fund**	**Totals**
Operating and maintenance			
Salaries	$ 225,627	$ 314,066	$ 539,693
Payroll taxes	16,224	22,150	38,374
Catoosa utility charges	-	10,434	10,434
Chemicals	-	51,489	51,489
Drinking water program	-	4,405	4,405
Equipment	3,758	7,817	11,575
Fuel	10,385	4,324	14,709
Insurance	93,335	97,181	190,516
Plant supplies	14,303	30,879	45,182
Post-employment benefits	33,545	28,348	61,893
Professional services	2,278	1,661	3,939
Repairs and maintenance	38,774	11,461	50,235
Retirement	13,122	31,166	44,288
Sewer treatment charges	700,880	-	700,880
Telephone	1,389	1,206	2,595
Uniforms	3,435	1,907	5,342
Utilities	17,703	51,637	69,340
Water line repairs	-	6,422	6,422
Total operating and maintenance	1,174,758	676,553	1,851,311
Administration and general			
Education and travel	4,284	2,888	7,172
Insurance	4,538	5,189	9,727
Licenses and dues	3,209	5,885	9,094
Printing and postage	-	6,574	6,574
Total administration and general	12,031	20,536	32,567
Depreciation	574,514	102,274	676,788
Total operating expenses	$ 1,761,303	$ 799,363	$ 2,560,666

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2017

Year of Levy	
2017	$ 52,188
2016	4,748
2015	2,037
2014	328
2013	28
Total property taxes receivable	59,329
Less: allowance for uncollectibles	(7,984)
Net property taxes receivable	$ 51,345

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2017

	Taxes Receivable December 31, 2016	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2017
2017	$ -	$ 575,625	$ 20,282	$ (543,719)	$ 52,188
2016	45,415	-	7,960	(48,627)	4,748
2015	6,730	-	(124)	(4,569)	2,037
2014	511	-	(89)	(94)	328
2013	56	-	-	(28)	28
2012	9	-	-	(9)	-
2011	3	-	-	(3)	-
Total	$ 52,724	$ 575,625	$ 28,029	$ (597,049)	$ 59,329

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
General Fund
December 31, 2017

USDA RURAL DEVELOPMENT NOTE

Maturing December 31,	Principal	Interest	Total Requirements
2018	$ 10,730	$ 1,067	$ 11,797
2019	10,984	813	11,797
2020	11,245	552	11,797
2021	11,987	290	12,277
Total	$ 44,946	$ 2,722	$ 47,668

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
December 31, 2017

SEWER SYSTEM REVENUE IMPROVEMENT BONDS

Maturing December 31,	Principal	Interest	Total Requirements
2018	$ 373,000	$ 279,565	$ 652,565
2019	385,000	263,992	648,992
2020	402,000	247,734	649,734
2021	419,000	230,802	649,802
2022	436,000	213,134	649,134
2023	455,000	194,759	649,759
2024	474,000	175,566	649,566
2025	494,000	155,583	649,583
2026	515,000	134,771	649,771
2027	536,000	113,077	649,077
2028	559,000	90,470	649,470
2029	583,000	66,929	649,929
2030	607,000	42,352	649,352
2031	545,000	9,136	554,136
Total	$ 6,783,000	$ 2,217,870	$ 9,000,870

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Water Fund
December 31, 2017

GEORGIA ENVIRONMENTAL FACILITIES ADMINISTRATION LOAN

Maturing December 31,	Principal	Interest	Total Requirements
2018	$ 26,200	$ 595	$ 26,795
2019	26,200	464	26,664
2020	26,200	333	26,533
2021	26,200	202	26,402
2022	26,200	71	26,271
Total	$ 131,000	$ 1,665	$ 132,665

CITY OF RINGGOLD, GEORGIA
SCHEDULES OF STATISTICAL INFORMATION
December 31, 2017

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2017	.3110	$ 185,088,424	$ 575,625
2016	.3150	$ 187,579,365	$ 590,875
2015	.3000	$ 182,547,000	$ 547,641
2014	.2763	$ 179,560,261	$ 496,125
2013	.2683	$ 170,606,411	$ 457,737
2012	.2680	$ 169,020,896	$ 452,976
2011	.2707	$ 165,931,289	$ 449,176
2010	.2707	$ 174,772,811	$ 473,110
2009	.2707	$ 186,103,436	$ 503,782
2008	.2707	$ 199,217,584	$ 539,282

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2017, were:

Water Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 14.03 plus $3.81/1,000 gal.
1" meter	0-8,000	$ 36.82 plus $3.81/1,000 gal.
1-1/2" meter	0-17,000	$ 70.98 plus $3.81/1,000 gal.
2" meter	0-25,000	$ 101.35 plus $3.81/1,000 gal.
3" meter	0-45,000	$ 315.13 plus $3.81/1,000 gal.
4" meter	0-60,000	$ 420.17 plus $3.81/1,000 gal.
6" meter	0-90,000	$ 630.22 plus $3.81/1,000 gal.
8" meter	0-120,000	$ 840.32 plus $3.81/1,000 gal.
10" meter	0-150,000	$1,050.40 plus $3.81/1,000 gal.

Sewer Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 15.29 plus $3.81/1,000 gal.
1" meter	0-8,000	$ 38.12 plus $3.81/1,000 gal.
1-1/2" meter	0-17,000	$ 69.48 plus $3.81/1,000 gal.
2" meter	0-25,000	$ 102.88 plus $3.81/1,000 gal.
3" meter	0-45,000	$ 344.08 plus $3.81/1,000 gal.
4" meter	0-60,000	$ 458.61 plus $3.81/1,000 gal.
6" meter	0-90,000	$ 687.92 plus $3.81/1,000 gal.
8" meter	0-120,000	$ 917.22 plus $3.81/1,000 gal.
10" meter	0-150,000	$1,147.65 plus $3.81/1,000 gal.

As of December 31, 2017 the City had 1,342 water customers and 1,182 sewer customers.

III. INTERNAL CONTROL AND COMPLIANCE SECTION

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

Office: 423-756-1170
Fax: 423-756-1436
www.jmw-cpa.com

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

Jennifer Waycaster, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Council Members
City of Ringgold, Georgia

We have audited 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Ringgold, Georgia's basic financial statements, and have issued our report thereon dated March 22, 2018.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City of Ringgold, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Ringgold, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ringgold, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ringgold, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

The City of Ringgold, Georgia's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City of Ringgold, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chattanooga, Tennessee
March 22, 2018

Johnson, Murphey & Wright, P.C.

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2017

SUMMARY OF AUDITOR'S RESULTS

Opinion on Financial Statements

Unmodified opinion issued on the financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America.

Internal Control Significant Deficiencies:

During the audit of the financial statements, one deficiency in internal controls was disclosed.

Material Noncompliance:

No instances of noncompliance or other matters were disclosed.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

INTERNAL CONTROL:

Finding 2017-001 - Approvals and Documentation

Criteria:

Government Auditing Standards Chapter A.06(h) states that, "inadequate controls for the safeguarding of assets" is a control deficiency.

Condition:

Odometer information is not always being entered correctly at the fueling station.

Cause:

Discrepancies between the fueling station and fuel log amounts are not reviewed.

Effect:

Without examining fuel discrepancies, improper payments could be expensed to the City.

Management's Response:

We concur. We are making every effort to correct the area as noted.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2017

Finding Number	Finding Title	Status
2016-001	Approvals and Documentation (Original finding 2008-002)	Partially corrected

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

Office: 423-756-1170
Fax: 423-756-1436
www.jmw-cpa.com

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

Jennifer Waycaster, CPA

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Independent Auditor's Report

Honorable Mayor and Council Members
City of Ringgold, Georgia
Ringgold, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Ringgold, Georgia for the year ended December 31, 2017. This schedule is the responsibility of the City of Ringgold, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

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

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note A and is not intended to be a complete presentation of the City of Ringgold, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Ringgold, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 22, 2018

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2017

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2004 SPLOST -					
Ringgold basin Sewer project	$ 1,935,000	$1,955,551	$ 65,930	$ 2,021,481	100%
2009 SPLOST -					
Ringgold water and sewer projects	$ 13,270,000	$ 8,700,090	$ 273,378	$ 8,973,468	68%
Ringgold projects -					
Vehicles and equipment	$ 520,000	$ 478,306	$ -	$ 478,306	92%
Government buildings	$ 1,500,000	$ 556,405	$ -	$ 556,405	37%
Streets, sidewalks & parks	$ 500,000	$ 704,673	$ -	$ 704,673	100%
2014 SPLOST					
Ringgold SPLOST Projects	$ 2,500,000	$ 737,106	$ 306,461	$ 1,043,567	42%
Ringgold Water/Sewer Projects	$ 7,400,000	$ 198,424	$ 357,282	$ 555,706	8%

City of Ringgold

150 Tennessee Street
Ringgold, GA 30736

Office (706) 935-3061
Fax (706) 965-7446
www.cityofringgold.com

March 22, 2018

Edward Blaha, Director
Department of Audits and Accounts
254 Washington Street, SW
Atlanta, GA 30534-8400

Dear Mr. Blaha:

The corrective action plan for our December 31, 2017 audit is as follows:

2017-001 - Approvals and Documentation

We concur. We are making every effort to correct the area as noted.

The City Manager will ensure the odometer information issues are corrected going forward.

Thank you for your attention to this matter.

Respectively submitted,

CITY OF RINGGOLD, GEORGIA

Dan Wright
City Manager