CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019

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

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CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2019

Mayor	Nick Millwood
Mayor Pro-Tem	Terry Crawford
Council Member	Sara Clark
Council Member	Larry C. Black
Council Member	Kelly Bomar
Council Member	Randall Franks
City Manager	Dan Wright
City Judge	Robert Stultz
Financial Director	Jama House

II. FINANCIAL SECTION

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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, 2019, 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, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General 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 and Schedule of Changes in Total OPEB Liability and Related Ratios 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, financial schedules, and Management's Corrective Action Plan 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 and Management's Corrective Action Plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2020, 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.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 13, 2020

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, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Ringgold, Georgia exceeded its liabilities and deferred inflows of resources at December 31, 2019, by $32,566,833 (net position). Of this amount, $8,847,324 (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 $783,097. The City's business-type activities operated at a surplus of $296,354.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,575,232.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,094,106, or 119.06%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, which netted to $140,431 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 $20,701,130. Of that balance, $5,876,753 is unrestricted and the remaining $14,824,377 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 15 and 16 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, which is considered to be a major fund. Individual fund data for the Hotel/Motel Tax, the Downtown Development Fund, Haunted Depot, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant, Technology Fee and Capital Projects funds are provided later in this report beginning on page 63.

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 17 and 19 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 28 through 30 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 33 through 61 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 63 through 74 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $32,566,833 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (71.42%) 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, 1.42%, or $461,896, represents resources that are subject to external restrictions on how they may be used. The remaining 27.16% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2019, 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	
	2019	2018	2019	2018	2019	2018
Capital assets	$ 8,456,051	$ 8,694,961	$ 20,923,370	$ 20,821,019	$ 29,379,421	$ 29,515,980
Other assets	4,840,293	4,120,168	6,554,239	6,532,248	11,394,532	10,652,416
Total assets	$ 13,296,344	$ 12,815,129	$ 27,477,609	$ 27,353,267	$ 40,773,953	$ 40,168,396
Deferred outflows of resources	$ 196,779	$ 23,785	$ 72,781	$ 3,554	$ 269,560	$ 27,339
Long-term liabilities	$ 1,290,822	$ 1,233,363	$ 6,264,681	$ 6,423,001	$ 7,555,503	$ 7,656,364
Other liabilities	266,240	433,523	558,557	515,682	824,797	949,205
Total liabilities	$ 1,557,062	$ 1,666,886	$ 6,823,238	$ 6,938,683	$ 8,380,300	$ 8,605,569
Deferred inflows of resources	$ 70,358	$ 89,422	$ 26,022	$ 13,362	$ 96,380	$ 102,784
Net investment in capital assets	$ 8,433,236	$ 8,660,745	$ 14,824,377	$ 14,305,957	$ 23,257,613	$ 22,966,702
Restricted	461,896	322,246	-	-	461,896	322,246
Unrestricted	2,970,571	2,099,615	5,876,753	6,098,819	8,847,324	8,198,434
Total net position	$ 11,865,703	$ 11,082,606	$ 20,701,130	$ 20,404,776	$ 32,566,833	$ 31,487,382

Changes in Net Position

Governmental activities increased the City's net position by $783,097, and business-type activities increased the City's net position by $296,354. 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.

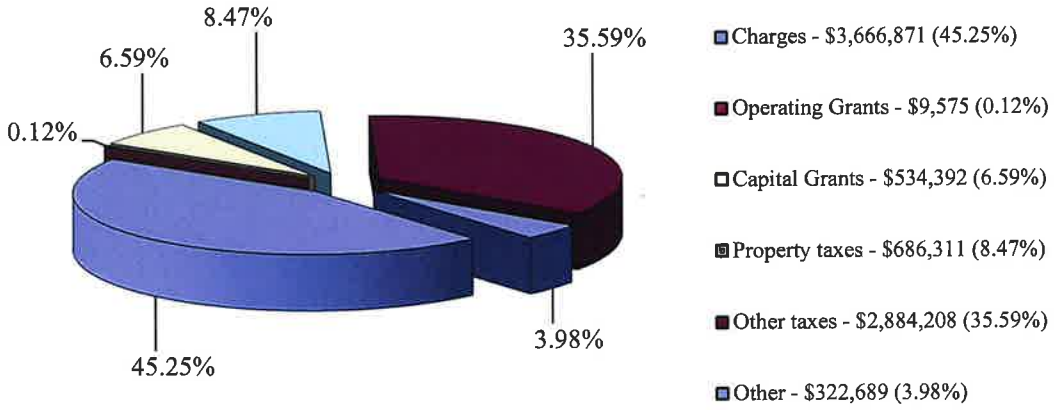
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

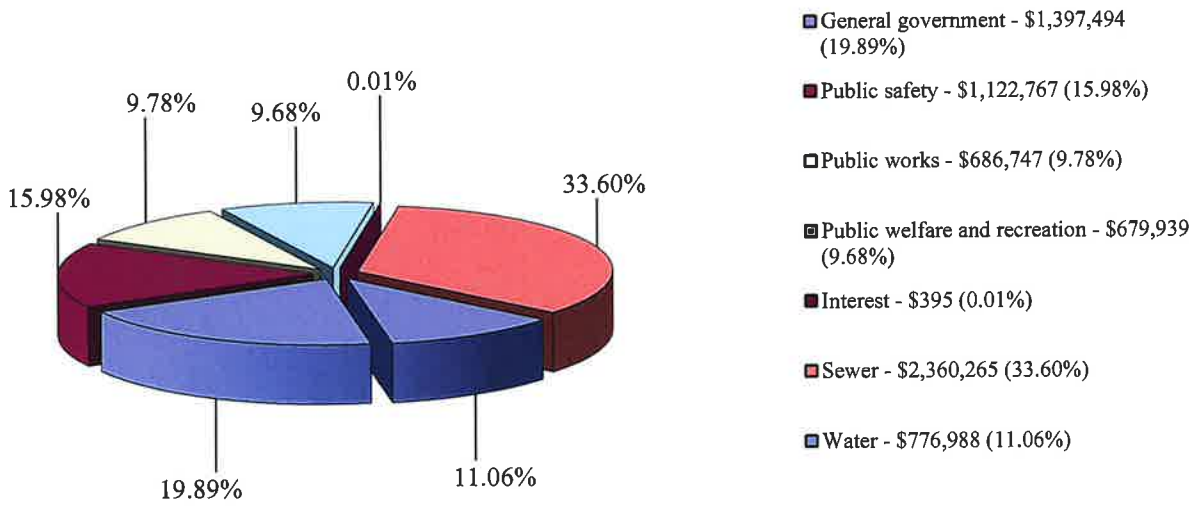
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 759,055	$ 621,518	$ 2,907,816	$ 2,888,176	$ 3,666,871	$ 3,509,694
Operating grants and contributions	9,575	31,891	-	-	9,575	31,891
Capital grants and contributions	515,090	127,844	19,302	277,915	534,392	405,759
General revenues:						
Property taxes	686,311	632,079	-	-	686,311	632,079
Other taxes	2,884,208	2,647,530	-	-	2,884,208	2,647,530
Other income	317,911	162,558	4,778	-	322,689	162,558
Total revenues	5,172,150	4,223,420	2,931,896	3,166,091	8,104,046	7,389,511
Expenses:						
General government	1,397,494	1,418,605	-	-	1,397,494	1,418,605
Public safety	1,122,767	1,233,886	-	-	1,122,767	1,233,886
Public works	686,747	719,258	-	-	686,747	719,258
Public welfare and recreation	679,939	711,997	-	-	679,939	711,997
Interest on long-term debt	395	1,067	-	-	395	1,067
Sewer	-	-	2,360,265	2,127,408	2,360,265	2,127,408
Water	-	-	776,988	715,129	776,988	715,129
Total expenses	3,887,342	4,084,813	3,137,253	2,842,537	7,024,595	6,927,350
Excess (deficiency) before transfers	1,284,808	138,607	(205,357)	323,554	1,079,451	462,161
Interfund transfers	(501,711)	(34,735)	501,711	34,735	-	-
Change in net position	783,097	103,872	296,354	358,289	1,079,451	462,161
Net position - beginning	11,082,606	10,978,734	20,404,776	20,046,487	31,487,382	31,025,221
Net position - end	$11,865,703	$11,082,606	$20,701,130	$20,404,776	$32,566,833	$31,487,382

The graphs below summarize the $8,104,046 of city-wide revenues by source, and the associated $7,024,595 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



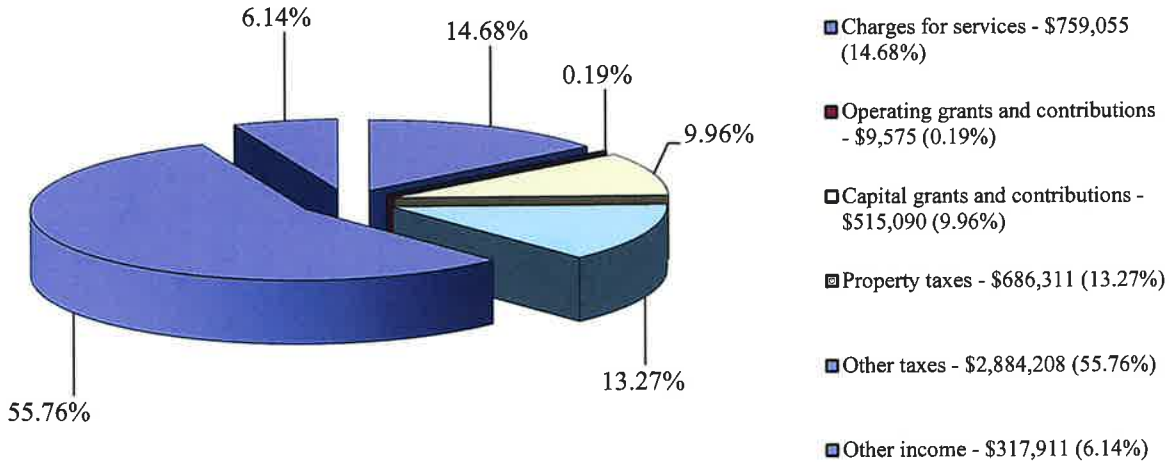
City-Wide Program Expenses



Governmental Activities

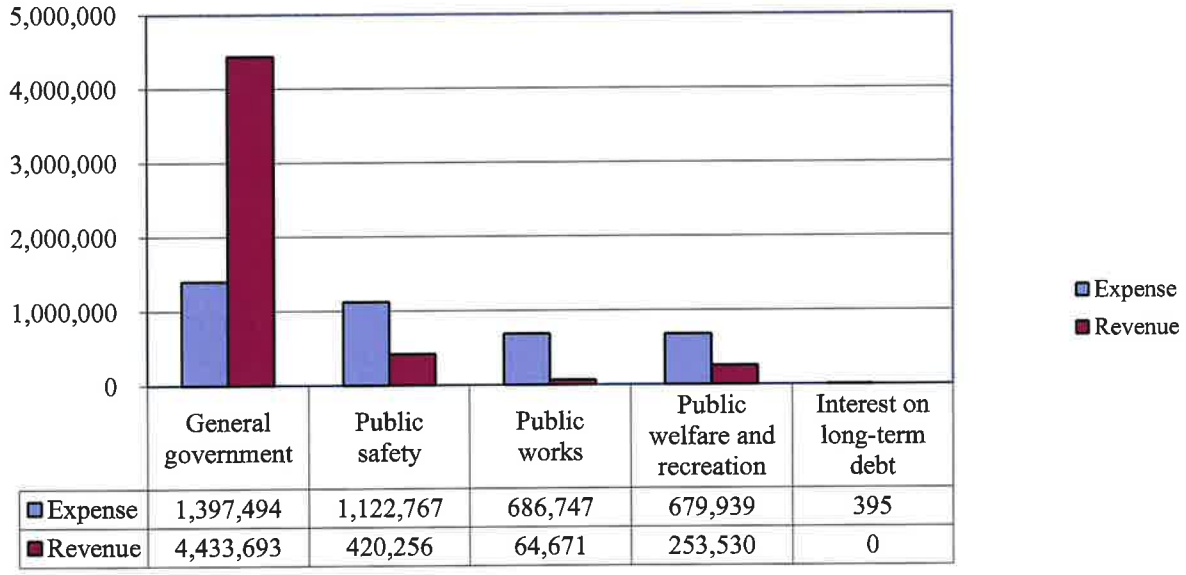
Governmental activities accounted for revenues of $5,172,150. The following graph summarizes the revenue by source.

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.

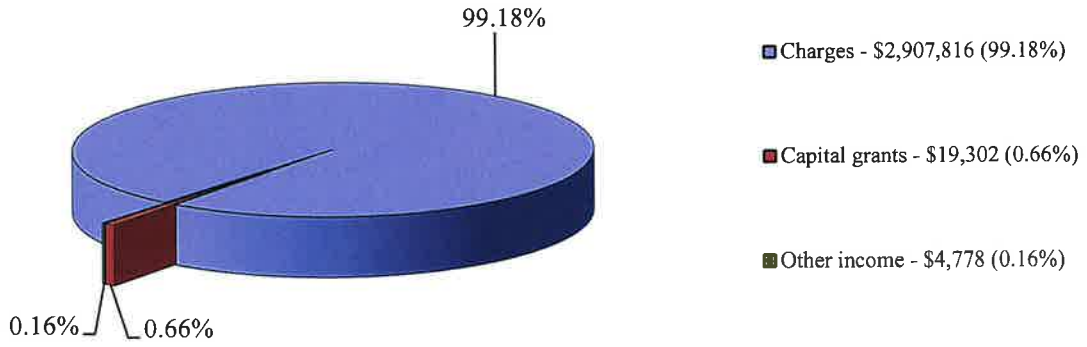
Expenses and Program Revenues - Governmental Activities



	General government	Public safety	Public works	Public welfare and recreation	Interest on long-term debt
Expense	1,397,494	1,122,767	686,747	679,939	395
Revenue	4,433,693	420,256	64,671	253,530	0

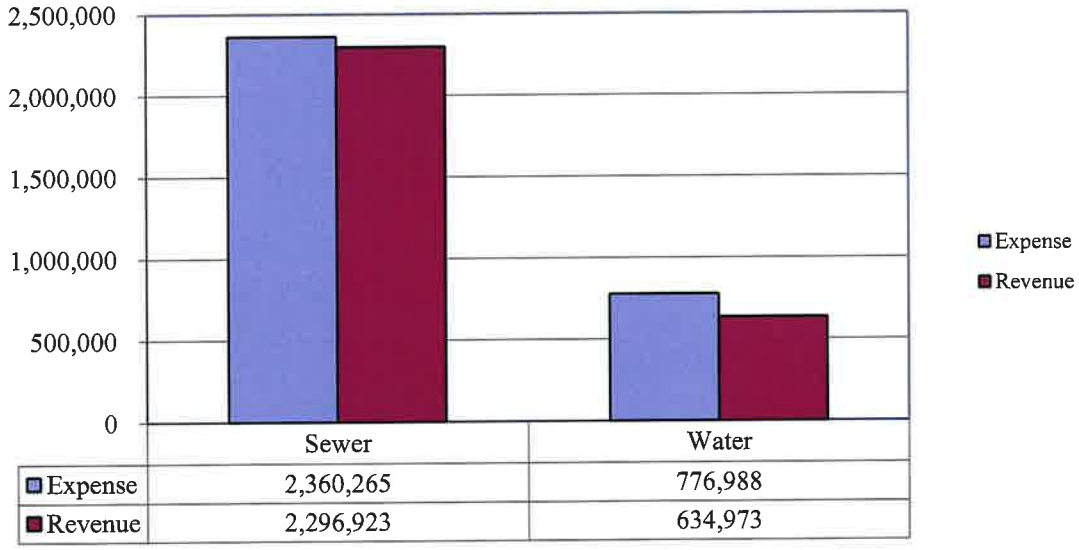
Business-type activities
Business-type activities accounted for revenues of $2,931,896. The following graph summarizes the revenue by source.

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	2,360,265	776,988
Revenue	2,296,923	634,973

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 $4,575,232.

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 $4,094,106. 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 119.06% 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 $5,731,817 for the Sewer Fund and $144,936 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $9,000 in fund balance change. The offsetting changes are listed below:

There was $162,000 in various increases in revenues.
Current expenditures were increased by $153,000.
Transfers in were increased by $18,000.
Transfers out were increased by $36,000.

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, 2019, amounts to $29,379,421 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

Administration building roof	$ 55,005
Water lines	$ 476,465
Tractor	$ 107,000
Backhoe	$ 90,500
Streetscaping	$ 81,554

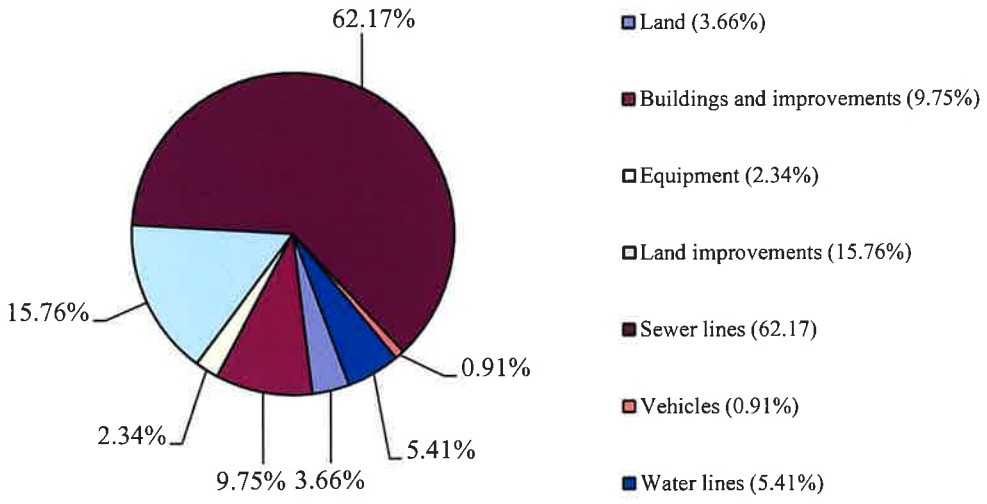
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

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

	Governmental Activities	Business-type Activities	Total
Land	$ 808,387	$ 265,815	$ 1,074,202
Buildings and improvements	2,569,782	293,927	2,863,709
Equipment	277,544	408,542	686,086
Land improvements	4,630,022	-	4,630,022
Sewer lines	-	18,265,441	18,265,441
Vehicles	170,316	98,435	268,751
Water lines	-	1,591,210	1,591,210
Total capital assets	$ 8,456,051	$ 20,923,370	$ 29,379,421

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



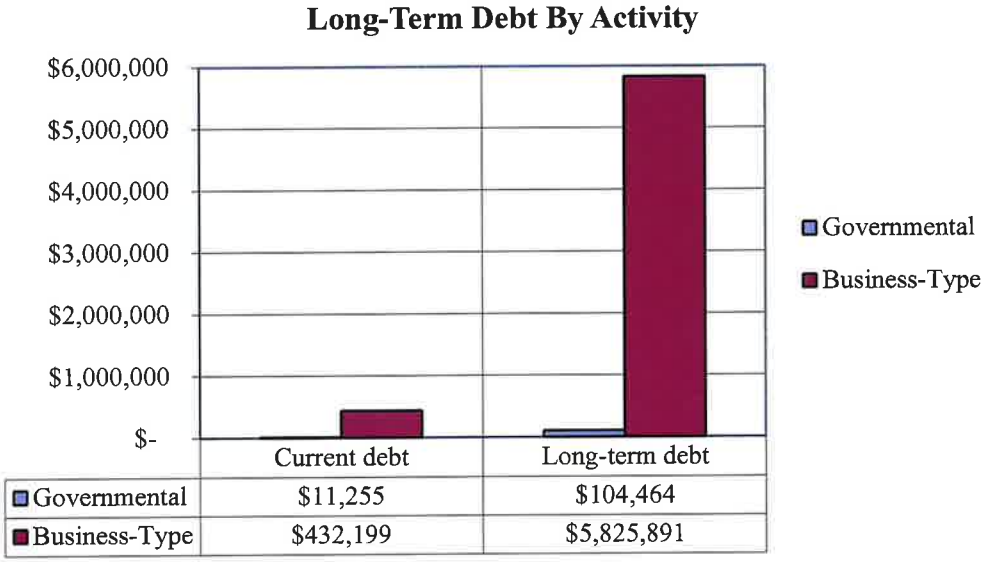
Additional information on the City of Ringgold, Georgia's capital assets can be found in Note 8 on pages 43 and 44.

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 $6,373,809. Of that amount $443,454 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	$ 22,815	$ 78,993	$ 101,808
Bond payable	-	6,020,000	6,020,000
Compensated absences	92,904	70,090	162,994
Customer deposits	-	89,007	89,007
Total	115,719	6,258,090	6,373,809
Less current portion	(11,255)	(432,199)	(443,454)
Total long-term debt	$ 104,464	$ 5,825,891	$ 5,930,355

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 1.82% of total long-term debt.



Additional information on outstanding debt can be found in Note 10 on pages 45 through 47 of this report.

Currently Known Conditions Affecting Future Years

During 2019 several projects were completed, and more planned in the 2020 capital improvement plan of approximately $1.35 million.

The Convention and Visitors Bureau is working on constructing and launching a new website in 2020 with a cost of approximately $30,000. This website will be used to promote events and new tourism.

The Downtown Development Authority is looking for new direction and design with the "Ringgold Depot Square Project."

The City was awarded a Safety Grant of $6,000 from GMA in 2019. Expenditures will be completed in January 2020 and a new grant award will be applied for in 2020.

Recreation:

The Martha Denton Pool is scheduled to be resurfaced and with a zero-entry added in 2020 at a cost around $160,000.

The Department of Natural Resources paid the final $25,000 of the Phase II Trail of Tears Grant in February 2020.

The Golden Mile Trail Phase I Project estimated at $200,000 will be completed in 2020.

Streets:

Sidewalks for a section of Boynton Drive are in the capital budget for 2020 costing around $110,000.

A streetsweeper costing approximately $100,000 is also planned for the Streets department. In addition, a Leaf Vac and other small equipment estimated at a total of $110,000 is scheduled.

Police Department:

The police department has budgeted $65,000 for uniform equipment, cameras, computers and firearms.

Additionally, two new vehicles funded through as USDA Financing agreement, which was not completed in 2019, are planned for purchase in 2020. The City may use some of the 2019 SPLOST to buy two additional vehicles.

Sewer:

Rate increases are planned sometime in 2020 due to increase of 10% charge from Chattanooga.

GDOT will reimburse almost $35,000 for the Graysville Road project.

During the next year, expenses of $200,000 will be incurred to complete a Sanitary Sewer Evaluation Survey.

Additional repairs to existing sewer lines for "inflow and infiltration" issues will cost approximately $55,000.

A sewer line rehab project will be awarded in 2020 that was funded in the 2019 CIP. This project will be close to $500,000 to help reduce I&I.

Solid Waste:

A new garbage truck was ordered in 2019 and will be delivered in 2020 at a cost of approximately $280,000.

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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 758,849	$ 1,272,078	$ 2,030,927
Investments	7,951,889	-	7,951,889
Accounts receivable - net	389,502	225,775	615,277
Grants receivable	25,000	19,302	44,302
Property tax receivable - net	42,626	-	42,626
Prepaid expenses	19,230	-	19,230
Due from other governments	690,281	-	690,281
Internal balances	(5,037,084)	5,037,084	-
Total current assets	4,840,293	6,554,239	11,394,532
Non-current assets			
Capital assets			
Land	808,387	265,815	1,074,202
Other capital assets - net of accumulated depreciation	7,647,664	20,657,555	28,305,219
Total non-current assets	8,456,051	20,923,370	29,379,421
TOTAL ASSETS	$ 13,296,344	$ 27,477,609	$ 40,773,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	$ 196,779	$ 72,781	$ 269,560
LIABILITIES			
Current liabilities			
Accounts payable	$ 92,356	$ 24,172	$ 116,528
Accrued wages	33,032	13,372	46,404
Accrued liabilities	9,802	88,814	98,616
Unearned revenue	119,795	-	119,795
Note payable - due in one year	11,255	26,199	37,454
Bond payable - due in one year	-	406,000	406,000
Total current liabilities	266,240	558,557	824,797
Non-current liabilities			
Compensated absences	92,904	70,090	162,994
Customer deposits	-	89,007	89,007
Note payable	11,560	52,794	64,354
Bond payable	-	5,614,000	5,614,000
Net OPEB liability	1,186,358	438,790	1,625,148
Total non-current liabilities	1,290,822	6,264,681	7,555,503
TOTAL LIABILITIES	$ 1,557,062	$ 6,823,238	$ 8,380,300
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	$ 70,358	$ 26,022	$ 96,380
NET POSITION			
Net investment in capital assets	$ 8,433,236	$ 14,824,377	$ 23,257,613
Restricted for:			
Downtown development	83,524	-	83,524
Haunted depot	61,353	-	61,353
Ringgold depot	119,238	-	119,238
Tourism	176,540	-	176,540
Technology	21,241	-	21,241
Unrestricted	2,970,571	5,876,753	8,847,324
TOTAL NET POSITION	$ 11,865,703	$ 20,701,130	$ 32,566,833

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2019

Functions/Programs		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 1,397,494	$ 76,396	$ 6,002	$ 462,865	$ (852,231)	$ -	$ (852,231)
Public safety	1,122,767	419,188	-	1,068	(702,511)	-	(702,511)
Public works	686,747	11,339	2,175	51,157	(622,076)	-	(622,076)
Public welfare and recreation	679,939	252,132	1,398	-	(426,409)	-	(426,409)
Interest on long-term debt	395	-	-	-	(395)	-	(395)
Total governmental activities	3,887,342	759,055	9,575	515,090	(2,603,622)	-	(2,603,622)
Business-type activities:							
Sewer	2,360,265	2,277,621	-	19,302	-	(63,342)	(63,342)
Water	776,988	630,195	-	-	-	(146,793)	(146,793)
Total business-type activities	3,137,253	2,907,816	-	19,302	-	(210,135)	(210,135)
Total primary government	$ 7,024,595	$ 3,666,871	$ 9,575	$ 534,392	(2,603,622)	(210,135)	(2,813,757)
General revenues:							
Property tax					686,311	-	686,311
Franchise tax					500,127	-	500,127
Local option sales tax					1,111,189	-	1,111,189
Motor vehicle tax					99,148	-	99,148
Occupational tax					181,667	-	181,667
Hotel/motel tax					430,480	-	430,480
Payment in lieu of taxes - TVA					10,453	-	10,453
Other taxes					551,144	-	551,144
Interest revenue					256,496	-	256,496
Other revenue					61,415	4,778	66,193
Transfers					(501,711)	501,711	-
Total general revenues and transfers					3,386,719	506,489	3,893,208
Change in net position					783,097	296,354	1,079,451
Net position - beginning					11,082,606	20,404,776	31,487,382
Net position - end					$ 11,865,703	$ 20,701,130	$ 32,566,833

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2019

	General Fund	Other Governmental Fund	Total Governmental Funds
ASSETS			
Cash	$ 33,498	$ 725,351	$ 758,849
Investments	7,951,889	-	7,951,889
Accounts receivable - net	353,010	36,492	389,502
Grants receivable	-	25,000	25,000
Property tax receivable - net	42,626	-	42,626
Prepaid expenses	19,230	-	19,230
Due from other governments	683,445	6,836	690,281
TOTAL ASSETS	$ 9,083,698	$ 793,679	$ 9,877,377
LIABILITIES			
Accounts payable	$ 80,982	$ 11,374	$ 92,356
Accrued wages	31,981	1,051	33,032
Accrued liabilities	284	9,518	9,802
Unearned revenue	50,521	69,274	119,795
Due to other funds	4,796,518	240,566	5,037,084
TOTAL LIABILITIES	$ 4,960,286	$ 331,783	$ 5,292,069
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	$ 10,076	$ -	$ 10,076
FUND BALANCES			
Nonspendable	$ 19,230	$ -	$ 19,230
Restricted	-	461,896	461,896
Unassigned	4,094,106	-	4,094,106
TOTAL FUND BALANCES	$ 4,113,336	$ 461,896	$ 4,575,232

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, 2019

Total fund balances per governmental funds balance sheet	$ 4,575,232
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,456,051
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.	(115,719)
OPEB liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,059,937)
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.	10,076
Net position of governmental activities	$ 11,865,703

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, 2019

	General Fund	Other Governmental Fund	Total Governmental Funds
REVENUES			
Taxes	$ 3,137,661	$ 430,480	$ 3,568,141
License and permits	58,533	-	58,533
Intergovernmental	57,678	467,865	525,543
Fines and forfeitures	393,128	-	393,128
Interest revenue	256,496	-	256,496
Other revenue	149,026	192,493	341,519
TOTAL REVENUES	4,052,522	1,090,838	5,143,360
EXPENDITURES			
Current expenditures			
General government	1,113,137	-	1,113,137
Public safety	1,251,198	16,244	1,267,442
Public works	710,351	-	710,351
Public welfare and recreation	352,231	327,802	680,033
Debt service	11,797	-	11,797
TOTAL EXPENDITURES	3,438,714	344,046	3,782,760
Excess (deficiency) of revenues over (under) expenditures	613,808	746,792	1,360,600
OTHER FINANCING SOURCES (USES)			
Insurance reimbursement	-	35,000	35,000
Transfers in	215,240	273,545	488,785
Transfers out	(74,809)	(915,687)	(990,496)
Total other financing sources (uses)	140,431	(607,142)	(466,711)
Net changes in fund balances	754,239	139,650	893,889
Fund balances - beginning	3,359,097	322,246	3,681,343
Fund balances - end	$ 4,113,336	$ 461,896	$ 4,575,232

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, 2019

Net change in fund balances for total governmental funds	$ 893,889
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 depreciation exceeds capital outlay in the current period.	(238,910)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(6,209)
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.	11,401
OPEB expense from the prior year is not reported in the governmental funds but is reported in the Statement of Activities. Current year OPEB contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities.	113,277
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:	
Compensated absences	9,649
Change in net position of governmental activities	$ 783,097

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
City property tax	$ 674,000	$ 674,000	$ 705,723	$ 31,723
Premium tax	250,000	250,000	264,873	14,873
Franchise tax	454,000	454,000	500,127	46,127
Excise tax	90,000	90,000	90,277	277
Local option sales tax	1,008,000	1,008,000	1,111,189	103,189
Alcoholic beverage tax	147,000	147,000	156,410	9,410
Motor vehicle tax	132,000	132,000	99,148	(32,852)
Occupational tax	172,000	172,000	181,667	9,667
Intangible tax	19,000	19,000	21,545	2,545
Pawnbroker fees	2,000	2,000	1,866	(134)
Other taxes	-	-	1,208	1,208
Real estate transfer tax	6,000	6,000	3,628	(2,372)
Total taxes	2,954,000	2,954,000	3,137,661	183,661
License and permits				
Malt beverage license	48,000	48,000	50,787	2,787
Pouring license	4,000	4,000	3,630	(370)
Other licenses	2,000	2,000	4,116	2,116
Total license and permits	54,000	54,000	58,533	4,533
Intergovernmental				
Payment in lieu of taxes - TVA	8,000	8,000	10,453	2,453
Grant revenue	60,000	60,000	47,225	(12,775)
Total intergovernmental	68,000	68,000	57,678	(10,322)
Fines and forfeitures				
Police and courts	306,000	326,000	393,128	67,128
Interest revenue				
Interest	120,000	256,000	256,496	496

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Fees	$ 28,000	$ 28,000	$ 28,524	$ 524
Pool fees and pool concessions	47,000	47,000	54,190	7,190
Flag charges and flag donations	10,000	12,000	23,513	11,513
Miscellaneous	2,000	3,000	12,997	9,997
Contributions and donations	3,000	6,000	9,824	3,824
Insurance recoveries	2,000	2,000	16,278	14,278
Rent income	2,000	2,000	3,700	1,700
Total other revenue	94,000	100,000	149,026	49,026
TOTAL REVENUES	3,596,000	3,758,000	4,052,522	294,522
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	361,000	380,100	379,129	971
Zoning board pay	1,000	-	-	-
Payroll taxes	26,000	27,800	27,685	115
Administrative	5,000	2,000	1,932	68
Advertising	-	1,800	1,740	60
Drug testing fees	2,000	800	735	65
Dues and subscriptions	34,000	28,500	27,899	601
Education and travel	11,000	8,000	7,667	333
Insurance	108,000	108,400	106,754	1,646
Miscellaneous	3,000	3,000	5,806	(2,806)
Printing and postage	9,000	11,800	11,667	133
Professional services	34,000	31,100	30,410	690
Repairs and maintenance	4,000	5,000	4,979	21
Retirement	32,000	32,000	31,508	492
Supplies and materials	33,000	23,000	22,828	172
Telephone	13,000	13,000	12,618	382
Vehicles	3,000	2,700	2,648	52
Total administration	679,000	679,000	676,005	2,995

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Building and plant				
Salaries	$ 42,000	$ 39,500	$ 39,483	$ 17
Payroll taxes	4,000	3,100	3,043	57
Dues and subscriptions	1,000	900	875	25
Insurance	48,000	49,500	49,382	118
Professional services	3,000	700	674	26
Repairs and maintenance	53,000	11,700	11,591	109
Retirement	4,000	3,300	3,233	67
Supplies and materials	28,000	130,200	129,671	529
Travel	-	500	184	316
Uniforms	-	900	855	45
Utilities	21,000	22,100	22,060	40
Vehicles	2,000	1,600	1,526	74
Total building and plant	206,000	264,000	262,577	1,423
Council				
Council salaries	18,300	18,300	18,004	296
Payroll taxes	1,500	1,500	1,377	123
Dues and subscriptions	-	100	70	30
Education and travel	20,200	20,850	20,802	48
Professional services	6,000	3,150	470	2,680
Supplies and materials	1,000	3,100	3,100	-
Total council	47,000	47,000	43,823	3,177
Court				
City judge	30,000	29,300	29,210	90
Payroll taxes	3,000	2,100	2,011	89
Education and travel	2,000	3,800	3,766	34
Insurance	8,000	6,900	6,835	65
Postage	-	100	46	54
Professional services	1,000	1,500	1,220	280
Retirement	2,000	2,100	2,089	11
Supplies and materials	1,000	1,200	880	320
Total court	47,000	47,000	46,057	943

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Elections				
Printing and postage	$ 1,000	$ 1,000	$ -	$ 1,000
Professional services	26,000	26,000	14,278	11,722
Total elections	27,000	27,000	14,278	12,722
Law				
Professional services	51,000	62,000	61,981	19
Mayor				
Mayor salaries	6,000	6,000	6,000	-
Payroll taxes	500	500	459	41
Education and travel	4,300	4,300	1,901	2,399
Professional services	-	100	52	48
Supplies and materials	200	100	4	96
Total mayor	11,000	11,000	8,416	2,584
Total general government	1,068,000	1,137,000	1,113,137	23,863
Public safety				
Police department				
Salaries	544,000	573,513	573,513	-
Payroll taxes	37,000	42,311	42,311	-
Dues and subscriptions	5,000	2,592	2,592	-
Education and travel	7,000	7,681	7,681	-
Insurance	215,000	224,705	224,232	473
Miscellaneous	-	3,505	3,507	(2)
Printing and postage	2,000	719	719	-
Professional services	7,000	14,824	14,824	-
Repairs and maintenance	26,000	24,460	24,460	-
Retirement	40,000	25,586	25,586	-
Supplies and materials	38,000	28,278	19,452	8,826
Telephone	1,000	865	865	-
Uniforms	10,000	4,263	4,263	-
Utilities	2,000	2,507	2,507	-
Vehicles	24,000	40,191	39,813	378
Total police department	958,000	996,000	986,325	9,675

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety (Continued)				
Fire department				
Operations	$ 250,000	$ 265,000	$ 264,873	$ 127
Total public safety	1,208,000	1,261,000	1,251,198	9,802
Public works				
Street department				
Salaries	119,000	110,000	108,454	1,546
Payroll taxes	9,000	8,600	8,225	375
Dues and subscriptions	1,000	1,000	130	870
Education and travel	2,000	2,000	-	2,000
Insurance	52,000	62,400	60,920	1,480
Professional services	2,000	3,000	2,599	401
Repairs and maintenance	185,000	153,400	125,096	28,304
Retirement	12,000	11,000	10,694	306
Site purchases	218,000	218,000	87,145	130,855
Stormwater mapping	2,000	25,500	25,254	246
Street lights	33,500	36,000	35,903	97
Supplies and materials	137,000	141,600	38,828	102,772
Telephone	1,500	1,500	1,435	65
Uniforms	3,000	3,000	2,468	532
Utilities	19,500	19,500	10,143	9,357
Vehicles	11,500	11,500	6,476	5,024
Total street department	808,000	808,000	523,770	284,230

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works (Continued)				
Solid waste department				
Salaries	$ 41,000	$ 41,900	$ 41,790	$ 110
Payroll taxes	4,000	3,600	3,190	410
Insurance	22,000	19,100	18,635	465
Landfill fees	65,000	65,200	65,152	48
Professional services	-	200	194	6
Recycling disposal	-	8,500	8,301	199
Repairs and maintenance	17,000	33,000	32,891	109
Retirement	4,000	4,200	4,179	21
Supplies and materials	251,000	249,100	95	249,005
Uniforms	1,000	800	774	26
Vehicles	10,000	11,400	11,380	20
Total solid waste department	415,000	437,000	186,581	250,419
Total public works	1,223,000	1,245,000	710,351	534,649
Public welfare and recreation				
Pool operations				
Salaries	35,000	33,000	32,720	280
Payroll taxes	2,500	3,000	2,504	496
Concessions	2,800	2,800	2,360	440
Insurance	2,600	1,600	1,453	147
Professional services	100	100	-	100
Repairs and maintenance	101,800	93,800	1,468	92,332
Supplies and materials	6,300	15,800	14,696	1,104
Telephone	1,500	1,500	1,422	78
Utilities	3,400	4,400	4,197	203
Total pool operations	156,000	156,000	60,820	95,180

(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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation (Continued)				
Parks and recreation				
Salaries	$ 141,500	$ 141,500	$ 141,332	$ 168
Payroll taxes	11,000	10,900	10,789	111
Education and travel	500	500	45	455
Flag supplies	10,000	12,000	10,875	1,125
Insurance	34,000	29,500	29,248	252
Professional services	500	10,600	10,199	401
Property rental	1,000	1,100	1,035	65
Repairs and maintenance	9,500	14,000	12,573	1,427
Retirement	8,000	7,600	7,515	85
Supplies and materials	62,500	61,200	59,341	1,859
Uniforms	2,000	2,000	1,687	313
Utilities	2,500	2,500	2,237	263
Vehicles	6,000	4,600	4,535	65
Total parks and recreation	289,000	298,000	291,411	6,589
Total public welfare and recreation	445,000	454,000	352,231	101,769
Debt service				
Retirement of debt	24,000	24,000	11,797	(12,203)
TOTAL EXPENDITURES	3,968,000	4,121,000	3,438,714	682,286
Excess (deficiency) of revenues over (under) expenditures	(372,000)	(363,000)	613,808	976,808
OTHER FINANCING SOURCES (USES)				
Transfers in	198,000	216,000	215,240	(760)
Transfers out	(67,000)	(103,000)	(74,809)	28,191
Total other financing sources (uses)	131,000	113,000	140,431	27,431
Net changes in fund balances	(241,000)	(250,000)	754,239	1,004,239
Fund balances - beginning	3,359,097	3,359,097	3,359,097	-
Fund balances - end	$ 3,118,097	$ 3,109,097	$ 4,113,336	$ 1,004,239

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2019

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current assets			
Cash	$ 832,259	$ 439,819	$ 1,272,078
Accounts receivable	188,066	37,709	225,775
Grants receivable	19,302	-	19,302
Due from other funds	5,037,084	-	5,037,084
Total current assets	6,076,711	477,528	6,554,239
Non-current assets			
Capital assets			
Land	204,415	61,400	265,815
Other capital assets - net of accumulated depreciation	18,755,734	1,901,821	20,657,555
Total capital assets	18,960,149	1,963,221	20,923,370
TOTAL ASSETS	$ 25,036,860	$ 2,440,749	$ 27,477,609
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	$ 37,738	$ 35,043	$ 72,781
LIABILITIES			
Current liabilities			
Accounts payable	$ 9,539	$ 14,633	$ 24,172
Accrued wages	6,231	7,141	13,372
Accrued liabilities	88,814	-	88,814
Note payable - due in one year	-	26,199	26,199
Bonds payable - due in one year	406,000	-	406,000
Total current liabilities	510,584	47,973	558,557
Non-current liabilities			
Compensated absences	37,034	33,056	70,090
Customer deposits	-	89,007	89,007
Note payable	-	52,794	52,794
Bonds payable	5,614,000	-	5,614,000
Net OPEB liability	227,521	211,269	438,790
Total non-current liabilities	5,878,555	386,126	6,264,681
TOTAL LIABILITIES	$ 6,389,139	$ 434,099	$ 6,823,238
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	$ 13,493	$ 12,529	$ 26,022
NET POSITION			
Net investment in capital assets	$ 12,940,149	$ 1,884,228	$ 14,824,377
Unrestricted	5,731,817	144,936	5,876,753
TOTAL NET POSITION	$ 18,671,966	$ 2,029,164	$ 20,701,130

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, 2019

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 2,166,717	$ -	$ 2,166,717
Water sales	-	598,751	598,751
Installation charges	110,904	16,286	127,190
Penalties	-	15,158	15,158
Total operating revenues	2,277,621	630,195	2,907,816
OPERATING EXPENSES			
Operating and maintenance	1,484,913	628,695	2,113,608
Administration and general	9,321	20,194	29,515
Depreciation	606,033	127,633	733,666
Total operating expenses	2,100,267	776,522	2,876,789
Operating income (loss)	177,354	(146,327)	31,027
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous revenue	-	4,778	4,778
Intergovernmental revenue	19,302	-	19,302
Interest expense	(259,998)	(466)	(260,464)
Total non-operating revenues (expenses)	(240,696)	4,312	(236,384)
Income (loss) before transfers	(63,342)	(142,015)	(205,357)
Transfers in	9,153	492,558	501,711
Changes in net position	(54,189)	350,543	296,354
Total net position - beginning	18,726,155	1,678,621	20,404,776
Total net position - end	$ 18,671,966	$ 2,029,164	$ 20,701,130

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, 2019

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 2,528,077	$ 642,152	$ 3,170,229
Payments to suppliers	(1,087,023)	(313,694)	(1,400,717)
Payments to employees	(262,557)	(235,792)	(498,349)
Net cash provided (used) by operating activities	1,178,497	92,666	1,271,163
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	9,153	453,712	462,865
Transfers	-	38,846	38,846
Acquiring and construction of capital assets	(311,327)	(524,690)	(836,017)
Intergovernmental revenue	19,302	-	19,302
Principal paid on long-term debt	(390,000)	(26,069)	(416,069)
Interest paid on long-term debt	(259,998)	(466)	(260,464)
Net cash provided (used) for capital and related financing activities	(932,870)	(58,667)	(991,537)
Cash Flows from Non-Capital Financing Activities			
Miscellaneous revenue	-	4,778	4,778
(Increase) in due from other funds	(989,667)	-	(989,667)
Net cash provided (used) for non-capital financing activities	(989,667)	4,778	(984,889)
Net increase (decrease) in cash	(744,040)	38,777	(705,263)
Cash - beginning	1,576,299	401,042	1,977,341
Cash - end	$ 832,259	$ 439,819	$ 1,272,078
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 177,354	$ (146,327)	$ 31,027
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	606,033	127,633	733,666
(Increase) decrease in deferred outflows related to OPEB	(35,824)	(33,403)	(69,227)
Increase (decrease) in deferred inflows related to OPEB	6,298	6,362	12,660
Increase (decrease) in net OPEB liability	138,406	134,883	273,289
(Increase) decrease in accounts receivable	(8,157)	11,957	3,800
(Increase) decrease in grants receivable	258,613	-	258,613
Increase (decrease) in accounts payable	(57,277)	(13,925)	(71,202)
Increase (decrease) in accrued wages	2,375	1,758	4,133
Increase (decrease) in accrued liabilities	88,814	-	88,814
Increase (decrease) in customer deposits	-	1,204	1,204
Increase (decrease) in compensated absences	1,862	2,524	4,386
Net cash provided (used) by operating activities	$ 1,178,497	$ 92,666	$ 1,271,163

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	Custodial Funds
ASSETS	
Cash	$ 62,637
Due from other governments	100,498
TOTAL ASSETS	$ 163,135
LIABILITIES	
Surety bonds payable	$ 20,106
Accounts payable	20
Due to other governments	42,531
TOTAL LIABILITIES	$ 62,657
NET POSITION	
Restricted for:	
Baxter addition	100,478
TOTAL NET POSITION	$ 100,478

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

CITY OF RINGGOLD, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2019

	Custodial Funds
ADDITIONS	
Court fines	$ 137,206
Donations	11,450
Total additions	148,656
DEDUCTIONS	
Court fines remitted	137,206
Cemetery care	2,750
Total deductions	139,956
Net increase (decrease) in fiduciary net position	8,700
Net position - beginning	91,778
Net position - ending	$ 100,478

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 fund:

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Catoosa County Tax Commissioner and remitted to 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, 2019
Levy date	October 20, 2019
Tax bills mailed	October 20, 2019
Payment due date	October 20, 2019 through February 28, 2020
Delinquency date	March 1, 2020

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 one item that qualifies for reporting in this category: deferred outflows related to OPEB.

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 two types of items that qualify for reporting in this category: deferred revenue - property taxes and deferred inflows related to OPEB.

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, 2019, and March 13, 2020, 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 $9,980,916. The financial institution balance was $10,013,470. 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, 2019, 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	$ 2,030,927
Investments	7,951,889
Less: Petty cash	(1,900)
Total	$ 9,980,916

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	$ 7,951,889

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2019, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Downtown Development Authority Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 250,753	$ -	$ -	$ -	$ -	$ 250,753
Local beer/beverage tax	14,270	-	-	-	-	14,270
Business license	7,687	-	-	-	-	7,687
Hotel/motel tax	-	36,192	-	-	-	36,192
Customer receivables	-	-	-	195,696	47,359	243,055
Motor vehicle tax	6,272	-	-	-	-	6,272
Energy excise tax	7,453	-	-	-	-	7,453
Interest	28,963	-	-	-	-	28,963
Other	39,149	-	300	-	-	39,449
Less: allowance for doubtful accounts	(1,537)	-	-	(7,630)	(9,650)	(18,817)
Total	$ 353,010	$ 36,192	$ 300	$ 188,066	$ 37,709	$ 615,277

NOTE 4 - GRANTS RECEIVABLE

Due from grantor at December 31, 2019, consist of the following:

Georgia Department of Transportation	$ 19,302
Georgia Department of Natural Resources	25,000
Total	$ 44,302

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2019, consist of the following:

Year of Levy	
2019	$ 43,203
2018	4,375
2017	755
2016	31
2015	30
2014	30
	48,424
Less: allowance for uncollectibles	(5,798)
Property taxes receivable - net	$ 42,626

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2019, consists of the following:

	Governmental Activities
Property tax collected by Catoosa County	$ 502,882
Special Purpose Local Option Sales Tax	6,836
Local Option Sales Tax receivable	180,563
Total	$ 690,281

NOTE 7 - INTERNAL BALANCES

The City of Ringgold maintains a combined checking account for the General, Hotel/Motel Tax, Confiscated Assets, and Capital Projects Grant funds. Balances due to and from each fund for reimbursement of expenses are classified as internal balances. The Capital Projects Fund maintains its own checking account. Its balance will be repaid during the year.

	Due from:					
Due to:	General Fund	Hotel/Motel Tax Fund	Confiscated Assets Fund	Capital Projects Grant Fund	Capital Projects Fund	Total
Sewer Fund	$ 4,796,518	$ 36,192	$ 9,315	$ 2,157	$ 192,902	$5,037,084

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 772,424	$ 35,963	$ -	$ 808,387
Capital assets being depreciated:				
Land improvements	5,955,615	120,687	-	6,076,302
Building and improvements	4,079,744	93,617	-	4,173,361
Vehicles	1,100,792	-	-	1,100,792
Equipment	1,161,004	73,088	(28,960)	1,205,132
Total capital assets being depreciated	12,297,155	287,392	(28,960)	12,555,587
Less accumulated depreciation for:				
Land improvements	1,146,028	300,252	-	1,446,280
Buildings and improvements	1,496,176	107,403	-	1,603,579
Vehicles	867,302	63,174	-	930,476
Equipment	865,112	91,436	(28,960)	927,588
Total accumulated depreciation	4,374,618	562,265	(28,960)	4,907,923
Total capital assets being depreciated - net	7,922,537	(274,873)	-	7,647,664
Governmental activities capital assets - net	$ 8,694,961	$ (238,910)	$ -	$ 8,456,051

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

General government	$ 318,177
Public safety	84,509
Public welfare and recreation	97,720
Public works	61,859
Total	$ 562,265

NOTE 8 - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	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	997,565	255,762	(1,260)	1,252,067
Sewer lines	25,813,679	30,487	-	25,844,166
Vehicles	393,697	73,303	-	467,000
Water lines	2,484,738	476,465	-	2,961,203
Total capital assets being depreciated	30,509,617	836,017	(1,260)	31,344,374
Less accumulated depreciation for:				
Buildings	510,272	15,739	-	526,011
Equipment	791,313	53,472	(1,260)	843,525
Sewer lines	7,035,812	542,913	-	7,578,725
Vehicles	352,845	15,720	-	368,565
Water lines	1,264,171	105,822	-	1,369,993
Total accumulated depreciation	9,954,413	733,666	(1,260)	10,686,819
Total capital assets being depreciated - net	20,555,204	102,351	-	20,657,555
Business-type activities capital assets - net	$ 20,821,019	$ 102,351	$ -	$20,923,370

NOTE 9 - DEFERRED OUTFLOWS RELATED TO OPEB

Deferred outflows related to OPEB at December 31, 2019, consists of the following:

Beginning balance	$ 27,339
Assumption changes	239,831
Benefit payments	29,729
Reverse prior year payments	(27,339)
Total	$ 269,560

NOTE 10 - LONG-TERM DEBT

A. Governmental Debt

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

	Principal Balance
USDA Rural Development note, issued October 31, 2016, 2.375%, due 2021, original balance $55,000	$ 22,815
Compensated absences	92,904
	115,719
Less: current portion of governmental debt	(11,255)
Total governmental long-term debt	$ 104,464

A summary of changes in governmental long-term debt, not including compensated absences, for the year ended December 31, 2019, are as follows:

	Balance 12-31-18	Additions	Retirements	Balance 12-31-19	Due Within One Year
Direct borrowings and direct placements	$ 34,216	$ -	$(11,401)	$ 22,815	$ 11,255

The USDA Rural Development Note is payable from the taxes levied by the City. The City's full faith and credit are irrevocably pledged as collateral. If in default and there are insufficient funds from the taxes levied, the principal and interest will be paid from the current funds of the City.

The City does not have unused lines of credit.

Governmental debt service requirements to maturity, including interest of $842, are as follows:

Year ended	Other Debt		Direct Borrowings and Direct Placements		
June 30,	Principal	Interest	Principal	Interest	Total
2020	$ -	$ -	$ 11,255	$ 552	$ 11,807
2021	-	-	11,560	290	11,850
Total	$ -	$ -	$ 22,815	$ 842	$ 23,657

Note: The above debt service requirements schedule does not include compensated absences. Governmental debt is generally liquidated by the General Fund.

Interest paid during the year ended December 31, 2019, on governmental long-term debt was $395.

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 and compensated absences is summarized as follows:

	Principal Balance
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due April 1, 2031, original balance $9,600,000	$ 6,020,000
Compensated absences	37,034
	6,057,034
Less: current portion of sewer debt	(406,000)
Total sewer long-term debt	$ 5,651,034

A summary of changes in sewer long-term debt, not including compensated absences, for the year ended December 31, 2019, are as follows:

	Balance 12-31-18	Additions	Retirements	Balance 12-31-19	Amount Due Within One Year
Direct borrowings and direct placements	$ 6,410,000	$ -	$ (390,000)	$ 6,020,000	$ 406,000

The Sewer System Revenue Improvement Bonds have the same terms as the governmental debt's USDA Rural Development Note but are also payable from, but not secured by, the income and revenues derived from the operation of the sewer system.

Sewer Fund debt service requirements to maturity, including interest of $1,674,313, are as follows:

Year ended December 31	Other Debt		Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Total
2020	$ -	$ -	$ 406,000	$ 247,734	$ 653,734
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
2025-2029	-	-	2,687,000	560,830	3,247,830
2030-2031	-	-	1,143,000	51,488	1,194,488
Total	$ -	$ -	$6,020,000	$ 1,674,313	$ 7,694,313

Note: The above debt service requirements schedules do not include compensated absences.

Interest paid during the year ended December 31, 2019, on sewer long-term debt was $259,998.

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 and compensated absences is summarized as follows:

Georgia Environmental Facilities Administration Loan, .5%, due 2022, original balance $131,000	$ 78,993
Customer deposits	89,007
Compensated absences	33,056
	201,056
Less: current portion of water debt	(26,199)
Total water long-term debt	$ 174,857

A summary of changes in water long-term debt, not including customer deposits and compensated absences, for the year ended December 31, 2019, are as follows:

	Balance 12-31-18	Additions	Retirements	Balance 12-31-19	Amount Due Within One Year
Direct borrowings and direct placements	$ 105,062	$ -	$(26,069)	$ 78,993	$ 26,199

The Georgia Environmental Facilities Administration Loan has the same terms as the governmental debt's USDA Rural Development Note but is also payable from, but not secured by, the income and revenue derived from the operation of the water system.

Water Fund debt service requirements to maturity, including interest of $613, are as follows:

Year ended December 31	Other Debt Principal	Other Debt Interest	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest	Total
2020	$ -	$ -	$ 26,199	$ 335	$ 26,534
2021	-	-	26,331	204	26,535
2022	-	-	24,463	74	26,537
Total	$ -	$ -	$ 78,993	$ 613	$ 79,606

Note: The above debt service requirements schedules do not include customer deposits or compensated absences.

Interest paid during the year ended December 31, 2019, on water long-term debt was $466.

NOTE 11 - NET OPEB LIABILITY

Net OPEB liability at December 31, 2019 consists of the following:

Beginning balance	$ 1,273,079
Reverse prior year prepayments	(34,745)
OPEB plan expense	140,579
Assumption changes	246,235
Total	$ 1,625,148

NOTE 12 - DEFERRED INFLOWS RELATED TO OPEB

Deferred inflows related to OPEB at December 31, 2019, consists of the following:

Beginning balance	$ 102,784
Assumption changes	(6,404)
Total	$ 96,380

NOTE 13 - 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	$ 10,076	$ 10,076

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

NOTE 14 - 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 $83,524 for future downtown development expenditures.

Haunted Depot Fund restricts $61,353 for future depot expenditures.

Ringgold Depot Fund restricts $119,238 for the Ringgold Depot facility.

Visitor Center Fund restricts $176,540 to promote tourism in the Ringgold area.

Technology Fund restricts $21,241 for police expenditures.

The City also has $19,230 of nonspendable fund balance related to prepaid expenses.

NOTE 15 - TRANSFERS

Interfund transfers as of December 31, 2019, 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	$ -	$ 35,963	$ -	$ -	$ -	$ 38,846	$ 74,809
Hotel/Motel Fund	215,240	-	19,372	195,868	-	-	430,480
Haunted Depot Fund	-	22,342	-	-	-	-	22,342
Capital Projects Fund	-	-	-	-	9,153	453,712	462,865
Total	$ 215,240	$ 58,305	$ 19,372	$ 195,868	$ 9,153	$ 492,558	$ 990,496

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

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

NOTE 16 - 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, 2019, is as follows:

Fund Balance - January 1, 2019	$ -
Lodging tax services	430,480
Amount available for disbursements	430,480
Disbursements:	
Transfer to General Fund	215,240
Transfer to the Ringgold Depot Fund	19,372
Transfer to Visitor Center Fund	195,868
Total disbursed	430,480
Balance - held in reserve for future hotel/motel tax projects	$ -

NOTE 17 - 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 $(115,719) differences are as follows:

Note payable	$ (22,815)
Compensated absences	(92,904)
Net adjustment	$ (115,719)

Another element of that reconciliation states that "OPEB liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $(1,059,937) difference are as follows:

Deferred outflows related to OPEB	$ 196,779
Net OPEB liability	(1,186,358)
Deferred inflows related to OPEB	(70,358)
Net adjustment	$ (1,059,937)

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 $(238,910) difference are as follows:

Depreciation expense	$ (562,265)
Capital outlay	323,355
Net adjustment	$ (238,910)

Another element of that reconciliation states that, "OPEB expense from the prior year is not reported in the governmental funds but is reported in the Statement of Activities. Current year OPEB contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities." The details of this $113,277 difference are as follows:

OPEB expense	$ (102,623)
Contributions	21,702
Prior year prepayment	5,407
Change in proportionate share	188,791
Net adjustment	$ 113,277

NOTE 18 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

NOTE 19 - 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 the Georgia Municipal Association (self-funded and administered by Corvelle). 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 Hudson Insurance Group. Employee's health insurance is provided by Anthem 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 20 - 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 eligible. 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 $1,950,830. The amount of covered payroll was $1,198,871. Total contributions required was $143,864, which was 12% of covered payroll. The City's contribution required and actual was $119,887, which was 10% of covered payroll. The mandatory employee contributions required and actual was $23,977 which was 2% of covered payroll. Employee voluntary contributions totaled $41,624, making a total employee contribution of $65,601, which is 5% of covered payroll. The total City and employee contribution actually made was $185,488, which was 15% of covered payroll. There were no current year changes in plan provisions.

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary of Results

The City of Ringgold, Georgia administers a single-employer defined benefit healthcare plan. For fiscal year ending December 31, 2019, the total OPEB liability, the fiduciary net position, the net OPEB liability and deferred (outflows)/inflows of resources are based on calculations as of the valuation date projected to the end of the fiscal year.

Fiscal Year Ending December 31, 2019	
Total OPEB liability	$ 1,625,148
Fiduciary net position	$ 0
Net OPEB liability	$ 1,625,148
OPEB expense	$ 140,579
Deferred (outflows)/inflows of resources	$ (173,180)
Expected benefit payments	$ 34,745

Economic Assumptions

The following table details the selected and projected economic assumptions for the current fiscal year.

Assumption Selection Date	December 31, 2019
Discount rate	2.74%
2019 medical trend rates	7.50%
Ultimate medical trend rate	5.00%
Year ultimate trend rates reached	2024
Annual payroll increase	2.50%

Changes as of December 31, 2019

The discount rate was 4.10% as of December 31, 2018 and 2.74% as of December 31, 2019.

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

GASB 75 Liabilities and Expense
For Fiscal Year Ending December 31, 2019

I.	Present value of Future Benefits	
	A. Retirees/Disableds	$ 433,686
	B. Active Employees	3,233,125
	C. Total	$ 3,666,811
II.	Total OEPB Liability	
	A. Retiress/Disableds	$ 433,686
	B. Active Employees	1,191,462
	C. Total	$ 1,625,148
III.	Fiduciary Net Position	$ -
IV.	Net OPEB Liability	$ 1,625,148
V.	Expected Benefit Payments	
	A. Retirees/Disableds	$ 34,745
	B. Active Employees	-
	C. Total	$ 34,745
VI.	OEPB Expense	
	A. Service Cost	$ 77,019
	B. Interest	54,649
	C. Changes of Benefit Terms	-
	D. Recognition of Deferred Outflows/Inflows of Resources	8,911
	E. OPEB Expense (A. + B. + C. + D.)	$ 140,579
VII.	Deferred (Outflows) of Resources	
	A. Experience Loss	$ -
	B. Change in Assumptions	(239,831)
	C. Benefit Payments	(29,729)
	D. Total	$ (269,560)
	Deferred Inflows of Resources	
	A. Experience Gain	$ -
	B. Change in Assumptions	93,380
	C. Total	$ 96,380
	Recognition in Expense	
	Year Ended December 31,	
	2020	$ 8,911
	2021	$ 8,911
	2022	$ 8,911
	2023	$ 8,911
	2024	$ 8,911
	Thereafter	$ 98,896

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Census Information

Employee Counts
As of January 1, 2019

	Actives	Inactives Not Receiving Benefits	Inactives Receiving Benefits	Total
Male	29	-	3	32
Female	9	-	1	10
Total	38	-	4	42

Counts By Age and Eligibility Status

	Active Employees			Inactive Employees Not Yet Receiving Benefits		
Age	Currently Eligible to Retire	Not Currently Eligible to Retire	Total	Currently Eligible to Retire	Not Currently Eligible to Retire	Total
29 and under	-	4	4	-	-	-
30 - 34	-	4	4	-	-	-
35 - 39	-	5	5	-	-	-
40 - 44	-	7	7	-	-	-
45 - 49	-	7	7	-	-	-
50 - 54	-	5	5	-	-	-
55 - 59	-	3	3	-	-	-
60 - 64	-	2	2	-	-	-
65 and over	-	1	1	-	-	-
Total	-	38	38	-	-	-

Inactives Receiving Benefits

Age	Retirees	Spouses	Total
54 and under	-	-	-
55-59	1	-	1
60-64	-	-	-
65-69	-	-	-
70-74	1	-	1
75-79	-	1	1
80 and over	2	-	2
Total	4	1	5

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Census Information (Continued)

Average Age and Service
As of January 1, 2019

Active Employees

A. Average age at hire	
Males	35.1
Females	45.3
Total	37.5
B. Average Service	
Males	8.0
Females	2.7
Total	6.7
C. Average Current Age	
Males	43.1
Females	48.0
Total	44.2

Inactives Not Receiving Benefits

D. Average Current Age	
Males	N/A
Females	N/A
Total	N/A

Inactives Receiving Benefits

E. Average Current Age	
Males	73.4
Females	70.2
Total	72.6

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Required Disclosures for Fiscal Year Ending December 31, 2019

Changes in Total OPEB Liability

Balance at 12/31/2018	$ 1,273,079
Changes for the year:	
Service cost	77,019
Interest	54,649
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	255,146
Benefit payments	(34,745)
Net changes	352,069
Balance at 12/31/2019	$ 1,625,148

Notes:

Plan changes - None

Assumption changes - The discount rate was 4.10% as of December 31, 2018 and 2.74% as of December 31, 2019.

Sensitivity of the Total OPEB Liability

1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
$ 1,852,974	$1,625,148	$1,432,168

1% Decrease (6.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
$1,511,768	$1,625,148	$1,762,872

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology

1. Discount Rate: The discount rate was 4.10% as of December 31, 2018 and 2.74% as of December 31, 2019. The discount rate was based on the Bond Buyer's 20 Bond Index.

2. Mortality: The mortality rates are from the RP-2014 combined male and female fully generational table with projection scale MP2018.

3. Retirement Rates: It was assumed that the following percentage of eligible employees would retire each year:

Age	Male	Female
55	7.0%	6.5%
56	7.0%	7.0%
57	8.0%	8.0%
58	9.0%	9.0%
59	11.0%	12.0%
60	25.0%	30.0%
62	40.0%	40.0%
64	25.0%	25.0%
66	32.0%	35.0%
68	25.0%	25.0%
70	30.0%	30.0%
75+	100.0%	100.0%

4. Disability Rates: None

5. Termination Rates:

Age	Rates
15	10.0%
20	7.8%
25	6.8%
30	4.7%
35	3.2%
40	2.2%
45	1.6%
50+	0.0%

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology (Continued)

6. Health Care Trend Rates: It was assumed that health care costs would increase in accordance with the trend rates in the following table:

Year	Rates
2018	8.0%
2019	7.5%
2020	7.0%
2021	6.5%
2022	6.0%
2023	5.5%
2024+	5.0%

7. Participation Rate: It was assumed that 100% of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.

8. Percent Married: It was assumed that 25% employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.

9. Actuarial Value of Assets: N/A

10. Per Capita Claims Cost: Conventional insured equivalent premiums were age graded on the current participants in the medical plan. Further details of the annual per capita claims cost are featured below:

Age	Male	Female
50	9,759	11,258
51	10,140	11,470
52	10,534	11,689
53	10,951	11,887
54	11,390	12,091
55	11,850	12,296
56	12,325	12,508
57	12,815	12,720
58	13,290	13,035
59	13,780	13,363
60	14,292	13,700
61	14,818	14,036
62	15,367	14,387
63	15,659	14,665
64	15,959	14,943

11. Administrative Expenses: Included in premiums used.

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology (Continued)

12. Participant Salary Increases: 3.50% annually

13. Payroll Growth Rate: 2.50% annually

Actuarial Cost Method

An Actuarial Cost Method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the Normal Cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

The Entry Age Actuarial Cost Method is used in this valuation. Under this method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

Additional Comments

The values in this valuation represent a closed group and do not reflect new entrants after the census collection date.

Plan Provisions

a. Plan Types: Pre-65: Fully insured through Georgia Municipal Association
Post 65: Medicare Reimbursement Plan

b. Eligibility: Age 55 with 25 years of service

c. Benefit/Cost Sharing: The City pays 100% of the cost for the retiree and 50% of the cost for the retiree spouse until Medicare eligible.
The City reimburses $500 per month per retiree and $250 per month per retiree spouse once Medicare eligible.

d. Spouse Benefit: Yes

e. Surviving Spouse Benefit: Yes

NOTE 21 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Provisions (Continued)

f. Annual Premiums: Effective January 1, 2018 - December 31, 2019

PPO 90/70	
Employee Only	$ 10,392
Employee and Family	$ 24,408
HMO 90	
Employee Only	$ 9,684
Employee and Family	$ 22,740
POS 80/60	
Employee Only	$ 8,004
Employee and Family	$ 18,792

NOTE 22 - 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 23 - CONTINGENT LIABILITIES

As of December 31, 2019, the City does not have any material contingent liabilities.

NOTE 24 - 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, 2019, the City paid $3,608 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 25 - FIDUCIARY FUNDS

The City reports on two fiduciary 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 26 - RELATED PARTY TRANSACTION

City employees who live in the jurisdiction of the City are only billed the minimum water rates each month.

A council member's family owns property that is leased by the City. The City paid $1,035 during the year to lease this property.

REQUIRED SUPPLEMENTARY INFORMATION

OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in the Total OPEB
Liability and Related Ratios
December 31, 2019

	2018	2019
Service cost	$ 87,071	$ 77,019
Interest	46,508	54,649
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions and other inputs	(109,188)	255,146
Benefit payments	(32,171)	(34,745)
Net changes	(7,780)	352,069
Total OPEB liability - beginning	1,280,859	1,273,079
Total OPEB liability - ending	$ 1,273,079	$ 1,625,148
Covered-employee payroll	$ 1,453,668	$ 1,490,010
Total OPEB liability as a percentage of covered-employee payroll	87.58%	109.07%

Notes to Schedule

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

Assumption changes:		
Discount rate	4.10%	2.74%
Plan changes	None	None

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.

Capital Projects Fund:

Capital Projects Fund:

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

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
December 31, 2019

	Special Revenue								Capital Projects	Total
	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	Capital Projects Fund	Non-major Governmental Funds
ASSETS										
Cash	$ -	$ 131,984	$ 61,353	$ 9,315	$ 128,349	$ 187,043	$ -	$ 21,241	$ 186,066	$ 725,351
Accounts receivable - net	36,192	300	-	-	-	-	-	-	-	36,492
Grants receivable	-	-	-	-	-	-	25,000	-	-	25,000
Due from other governments	-	-	-	-	-	-	-	-	6,836	6,836
TOTAL ASSETS	$ 36,192	$ 132,284	$ 61,353	$ 9,315	$ 128,349	$ 187,043	$ 25,000	$ 21,241	$ 192,902	$ 793,679
LIABILITIES										
Accounts payable	$ -	$ 175	$ -	$ -	$ 1,461	$ 9,738	$ -	$ -	$ -	$ 11,374
Accrued wages	-	286	-	-	-	765	-	-	-	1,051
Accrued liabilities	-	1,868	-	-	7,650	-	-	-	-	9,518
Unearned revenue	-	46,431	-	-	-	-	22,843	-	-	69,274
Due to other funds	36,192	-	-	9,315	-	-	2,157	-	192,902	240,566
TOTAL LIABILITIES	$ 36,192	$ 48,760	$ -	$ 9,315	$ 9,111	$ 10,503	$ 25,000	$ -	$ 192,902	$ 331,783
FUND BALANCES										
Restricted	$ -	$ 83,524	$ 61,353	$ -	$ 119,238	$ 176,540	$ -	$ 21,241	$ -	$ 461,896

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2019

	Special Revenue								Capital Projects	Total
	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	Capital Projects Fund	Non-major Governmental Funds
REVENUES										
Taxes	$ 430,480	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 430,480
Intergovernmental	-	-	-	-	-	-	5,000	-	462,865	467,865
Other revenue	-	62,732	46,993	-	24,798	32,062	648	25,260	-	192,493
TOTAL REVENUES	430,480	62,732	46,993	-	24,798	32,062	5,648	25,260	462,865	1,090,838
EXPENDITURES										
Current expenditures										
Public safety	-	-	-	-	-	-	-	16,244	-	16,244
Public welfare and recreation	-	86,873	11,469	-	44,271	179,541	5,648	-	-	327,802
Total current expenditures	-	86,873	11,469	-	44,271	179,541	5,648	16,244	-	344,046
TOTAL EXPENDITURES	-	86,873	11,469	-	44,271	179,541	5,648	16,244	-	344,046
Excess (deficiency) of revenue over (under) expenditures	430,480	(24,141)	35,524	-	(19,473)	(147,479)	-	9,016	462,865	746,792
OTHER FINANCING SOURCES (USES)										
Insurance reimbursement	-	-	-	-	35,000	-	-	-	-	35,000
Transfers in	-	58,305	-	-	19,372	195,868	-	-	-	273,545
Transfers out	(430,480)	-	(22,342)	-	-	-	-	-	(462,865)	(915,687)
Total other financing sources (uses)	(430,480)	58,305	(22,342)	-	54,372	195,868	-	-	(462,865)	(607,142)
Net changes in fund balances	-	34,164	13,182	-	34,899	48,389	-	9,016	-	139,650
Fund balances - beginning	-	49,360	48,171	-	84,339	128,151	-	12,225	-	322,246
Fund balances - end	$ -	$ 83,524	$ 61,353	$ -	$ 119,238	$176,540	$ -	$ 21,241	$ -	$ 461,896

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Taxes				
Hotel/motel tax	$ 396,000	$ 432,000	$ 430,480	$ (1,520)
TOTAL REVENUES	396,000	432,000	430,480	(1,520)
Excess (deficiency) of revenue over (under) expenditures	396,000	432,000	430,480	(1,520)
OTHER FINANCING SOURCES (USES)				
Transfers out	(396,000)	(432,000)	(430,480)	1,520
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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Donations	$ -	$ -	$ 750	$ 750
Lease revenue	22,500	22,500	22,050	(450)
Miscellaneous	-	-	6,355	6,355
Program fees	8,500	8,500	10,675	2,175
Events	16,000	16,000	22,902	6,902
Total other revenue	47,000	47,000	62,732	15,732
TOTAL REVENUES	47,000	47,000	62,732	15,732
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	21,500	20,600	19,781	819
Payroll taxes	2,200	2,200	1,514	686
Education and travel	1,600	1,600	247	1,353
Grant expenses	5,200	5,200	2,400	2,800
Insurance	250	1,000	624	376
Postage	200	200	-	200
Professional services	3,000	800	-	800
Program expenses	2,000	5,100	5,085	15
Property rental	1,500	1,500	200	1,300
Repairs and maintenance	11,500	4,000	1,193	2,807
Retirement	2,000	1,000	111	889
Ringgold playhouse	10,000	11,500	11,426	74
Site purchases and improvements	-	40,000	39,709	291
Supplies and materials	3,100	5,300	4,087	1,213
Utilities	950	2,000	496	1,504
Total public welfare and recreation	65,000	102,000	86,873	15,127
TOTAL EXPENDITURES	65,000	102,000	86,873	15,127
Excess (deficiency) of revenue over (under) expenditures	(18,000)	(55,000)	(24,141)	30,859
OTHER FINANCING SOURCES (USES)				
Transfers in	18,000	55,000	58,305	3,305
Net changes in fund balances	-	-	34,164	34,164
Fund balances - beginning	49,360	49,360	49,360	-
Fund balances - end	$ 49,360	$ 49,360	$ 83,524	$ 34,164

CITY OF RINGGOLD, GEORGIA
Haunted Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Haunted Depot	$ 43,000	$ 43,000	$ 46,993	$ 3,993
TOTAL REVENUES	43,000	43,000	46,993	3,993
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	2,000	2,000	3,040	(1,040)
Supplies and materials	22,000	22,000	8,429	13,571
Total public welfare and recreation	24,000	24,000	11,469	12,531
TOTAL EXPENDITURES	24,000	24,000	11,469	12,531
Excess (deficiency) of revenue over (under) expenditures	19,000	19,000	35,524	16,524
OTHER FINANCING SOURCES (USES)				
Transfers out	(19,000)	(19,000)	(22,342)	(3,342)
Net changes in fund balances	-	-	13,182	13,182
Fund balances - beginning	48,171	48,171	48,171	-
Fund balances - end	$ 48,171	$ 48,171	$ 61,353	$ 13,182

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 3,000	$ 3,000	$ -	$ (3,000)
TOTAL REVENUES	3,000	3,000	-	(3,000)
EXPENDITURES				
Current expenditures				
Public safety				
Payments to agencies	1,000	1,000	-	1,000
Supplies and materials	2,000	2,000	-	2,000
TOTAL EXPENDITURES	3,000	3,000	-	3,000
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Rental	$ 32,000	$ 30,000	$ 24,798	$ (5,202)
TOTAL REVENUES	32,000	30,000	24,798	(5,202)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Insurance	1,000	2,000	1,931	69
Professional services	300	13,300	12,954	346
Repairs and maintenance	25,100	3,200	2,922	278
Supplies and materials	16,000	13,900	8,910	4,990
Telephone	1,600	1,400	1,358	42
Utilities	16,000	16,200	16,196	4
Total public welfare and recreation	60,000	50,000	44,271	5,729
TOTAL EXPENDITURES	60,000	50,000	44,271	5,729
Excess (deficiency) of revenue over (under) expenditures	(28,000)	(20,000)	(19,473)	527
OTHER FINANCING SOURCES (USES)				
Insurance reimbursement	-	-	35,000	35,000
Transfers in	28,000	20,000	19,372	(628)
Total other financing sources (uses)	28,000	20,000	54,372	34,372
Net changes in fund balances	-	-	34,899	34,899
Fund balances - beginning	84,339	84,339	84,339	-
Fund balances - end	$ 84,339	$ 84,339	$ 119,238	$ 34,899

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Rental	$ 39,900	$ 39,900	$ 32,062	$ (7,838)
TOTAL REVENUES	39,900	39,900	32,062	(7,838)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	46,000	63,150	63,065	85
Payroll taxes	3,900	4,900	4,787	113
Dues and subscriptions	500	800	797	3
Insurance	3,700	3,150	3,047	103
Marketing and tourism	144,640	144,370	88,959	55,411
Professional services	-	300	260	40
Repairs and maintenance	1,500	900	843	57
Supplies and materials	9,260	10,300	10,093	207
Telephone	1,000	1,370	1,360	10
Travel	1,000	260	243	17
Utilities	8,400	6,400	6,087	313
Total public welfare and recreation	219,900	235,900	179,541	56,359
TOTAL EXPENDITURES	219,900	235,900	179,541	56,359
Excess (deficiency) of revenue over (under) expenditures	(180,000)	(196,000)	(147,479)	48,521
OTHER FINANCING SOURCES (USES)				
Transfers in	180,000	196,000	195,868	(132)
Net changes in fund balances	-	-	48,389	48,389
Fund balances - beginning	128,151	128,151	128,151	-
Fund balances - end	$ 128,151	$ 128,151	$ 176,540	$ 48,389

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Intergovernmental				
Grant revenue	$ 5,000	$ 5,000	$ 5,000	$ -
Other revenue				
Donations	1,000	1,000	648	(352)
TOTAL REVENUES	6,000	6,000	5,648	(352)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Supplies and materials	6,000	6,000	5,648	352
TOTAL EXPENDITURES	6,000	6,000	5,648	352
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, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Technology fees	$ 22,000	$ 22,000	$ 25,260	$ 3,260
TOTAL REVENUES	22,000	22,000	25,260	3,260
EXPENDITURES				
Current expenditures				
Public safety				
Dues and subscriptions	1,000	800	-	800
Professional services	2,000	700	636	64
Repairs and maintenance	3,000	-	-	-
Supplies and materials	11,000	15,500	11,626	3,874
Telephone	5,000	5,000	3,982	1,018
Total public safety	22,000	22,000	16,244	5,756
TOTAL EXPENDITURES	22,000	22,000	16,244	5,756
Excess (deficiency) of revenue over (under) expenditures	-	-	9,016	9,016
Fund balances - beginning	12,225	12,225	12,225	-
Fund balances - end	$ 12,225	$ 12,225	$ 21,241	$ 9,016

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ -	$ -	$ 462,865	$ 462,865
TOTAL REVENUES	-	-	462,865	462,865
Excess (deficiency) of revenues over (under) expenditures	-	-	462,865	462,865
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(462,865)	(462,865)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Grant/Program Number	Accrued (Receivable) 1/1/2019	Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/2019
Federal						
Governor's Office of Highway Safety	20.600	GA-2019-402SC-059	$ (6,485)	$ 7,553	$ 1,068	$ -
Georgia Department of Transportation						
SR 151 Widening	20.205	STPIM-0180-01(006)	(222,332)	222,332	-	-
Total federal awards			(228,817)	229,885	1,068	-
State						
Georgia Department of Transportation						
Graysville Road	-	STP00-0003-00(948)	-	-	19,302	(19,302)
SR 151 Widening	-	STPIM-0180-01(006)	(55,583)	55,583	-	-
LMIG Street Resurfacing	-	2018	-	46,157	46,157	-
Total Georgia Department of Transportation			(55,583)	101,740	65,459	(19,302)
Georgia Department of Natural Resources						
Recreational Trails Program	-	NRT-15(17)	(25,000)	-	-	(25,000)
Georgia Department of Economic Development						
Citizens Cemetery Renovations	-	-	-	5,000	5,000	-
Total state awards			(80,583)	106,740	70,459	(44,302)
TOTAL FEDERAL AND STATE AWARDS			$ (309,400)	$ 336,625	$ 71,527	$ (44,302)

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2019

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	$ 78,993

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING REVENUES				
Sewer charges	$ 2,129,000	$ 2,187,000	$ 2,166,717	$ (20,283)
Installation charges	154,000	154,000	110,904	(43,096)
Total operating revenues	2,283,000	2,341,000	2,277,621	(63,379)
OPERATING EXPENSE				
Operating and maintenance	1,396,000	1,474,000	1,484,913	(10,913)
Administration and general	18,000	18,000	9,321	8,679
Depreciation	609,000	609,000	606,033	2,967
Total operating expenses	2,023,000	2,101,000	2,100,267	733
Operating income (loss)	260,000	240,000	177,354	(62,646)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	-	20,000	19,302	(698)
Interest expense	(260,000)	(260,000)	(259,998)	2
Total non-operating revenues (expenses)	(260,000)	(240,000)	(240,696)	(696)
Income (loss) before transfers	-	-	(63,342)	(63,342)
Transfers in	-	-	9,153	9,153
Changes in net position	-	-	(54,189)	(54,189)
Total net position - beginning	18,726,155	18,726,155	18,726,155	-
Total net position - end	$ 18,726,155	$ 18,726,155	$ 18,671,966	$ (54,189)

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2019

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
OPERATING INCOME				
Water sales	$ 603,000	$ 660,000	$ 598,751	$ (61,249)
Installation charges	10,000	25,000	16,286	(8,714)
Penalties	21,000	27,000	15,158	(11,842)
Total operating revenues	634,000	712,000	630,195	(81,805)
OPERATING EXPENSES				
Operating and maintenance	562,500	636,400	628,695	7,705
Administration and general	22,500	22,600	20,194	2,406
Depreciation	115,000	128,000	127,633	367
Total operating expenses	700,000	787,000	776,522	10,478
Operating income (loss)	(66,000)	(75,000)	(146,327)	(71,327)
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous revenue	-	8,000	4,778	(3,222)
Interest expense	(1,000)	-	(466)	(466)
Total non-operating revenue (expenses)	(1,000)	8,000	4,312	(3,688)
Income (loss) before transfers	(67,000)	(67,000)	(142,015)	(75,015)
Transfers in	67,000	67,000	492,558	425,558
Changes in net position	-	-	350,543	350,543
Total net position - beginning	1,678,621	1,678,621	1,678,621	-
Total net position - end	$ 1,678,621	$ 1,678,621	$ 2,029,164	$ 350,543

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2019

	Enterprise		
Operating Expenses	**Sewer Fund**	**Water Fund**	**Totals**
Operating and maintenance			
Salaries	$ 262,557	$ 235,792	$ 498,349
Payroll taxes	18,984	17,011	35,995
Chemicals	-	19,878	19,878
Drinking water program	-	4,340	4,340
Equipment	4,990	4,346	9,336
Fuel	13,290	7,439	20,729
Insurance	186,374	186,372	372,746
Plant supplies	21,857	25,533	47,390
Post-employment benefits	19,681	18,275	37,956
Professional services	1,494	12,835	14,329
Repairs and maintenance	43,128	9,010	52,138
Retirement	18,180	17,698	35,878
Sewer treatment charges	868,982	-	868,982
Telephone	1,389	1,296	2,685
Uniforms	3,848	3,700	7,548
Utilities	20,159	47,314	67,473
Water line repairs	-	17,856	17,856
Total operating and maintenance	1,484,913	628,695	2,113,608
Administration and general			
Education and travel	1,162	1,124	2,286
Insurance	5,329	5,273	10,602
Licenses and dues	943	4,709	5,652
Printing and postage	1,887	9,088	10,975
Total administration and general	9,321	20,194	29,515
Depreciation	606,033	127,633	733,666
Total operating expenses	$ 2,100,267	$ 776,522	$ 2,876,789

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2019

Year of Levy	
2019	$ 43,203
2018	4,375
2017	755
2016	31
2015	30
2014	30
Total property taxes receivable	48,424
Less: allowance for uncollectibles	(5,798)
Net property taxes receivable	$ 42,626

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2019

	Taxes Receivable December 31, 2018	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2019
2019	$ -	$ 682,158	$ 3,095	$ (642,050)	$ 43,203
2018	54,012	-	13,796	(63,433)	4,375
2017	3,329	-	(177)	(2,397)	755
2016	766	-	138	(873)	31
2015	112	-	(82)	-	30
2014	75	-	-	(45)	30
Total	$ 58,294	$ 682,158	$ 16,770	$ (708,798)	$ 48,424

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
General Fund
December 31, 2019

USDA RURAL DEVELOPMENT NOTE

Maturing December 31,	Principal	Interest	Total Requirements
2020	$ 11,255	$ 552	$ 11,807
2021	11,560	290	11,850
Total	$ 22,815	$ 842	$ 23,657

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
December 31, 2019

SEWER SYSTEM REVENUE IMPROVEMENT BONDS

Maturing December 31,	Principal	Interest	Total Requirements
2020	$ 406,000	$ 247,734	$ 653,734
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	536,000	9,136	545,136
Total	$ 6,020,000	$ 1,674,313	$ 7,694,313

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Water Fund
December 31, 2019

GEORGIA ENVIRONMENTAL FACILITIES ADMINISTRATION LOAN

Maturing December 31,	Principal	Interest	Total Requirements
2020	$ 26,199	$ 335	$ 26,534
2021	26,331	204	26,535
2022	26,463	74	26,537
Total	$ 78,993	$ 613	$ 79,606

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Long-term Debt by Individual Issue
December 31, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 1/1/2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 12/31/2019
Governmental Activities									
Notes Payable through General Fund									
USDA Rural Development Note	$ 55,000	2.375%	10/31/16	10/31/21	$ 34,216	$ -	$ (11,401)	$ -	$ 22,815
Business-Type Activities									
Bonds Payable through Sewer Fund									
Revenue Improvement Bond, Series 2005	$9,600,000	4.15%	04/01/05	04/01/31	$6,410,000	$ -	$(390,000)	$ -	$6,020,000
Notes Payable through Water Fund									
Georgia Environmental Facilities Administration Note	$ 131,000	0.50%	12/11/17	12/08/22	$ 105,062	$ -	$ (26,069)	$ -	$ 78,993

CITY OF RINGGOLD, GEORGIA
Schedules of Statistical Information
December 31, 2019

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2019	.3110	$ 219,343,408	$ 682,158
2018	.3110	$ 201,788,103	$ 627,561
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

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2019, 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	$ 72.38 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, 2019 the City had 1,179 water customers and 1,118 sewer customers.

III. INTERNAL CONTROL AND COMPLIANCE SECTION

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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, 2019, 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 13, 2020.

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 2019-001 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.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 13, 2020

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2019

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 2019-001 - 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, 2019

Finding Number	Finding Title	Status
2018-001	Approvals and Documentation (Original finding 2008-002)	Still in effect

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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, 2019. 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, 2019, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 13, 2020

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2019

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2004 SPLOST -					
Ringgold basin Sewer project	$ 1,935,000	$2,021,481	$ -	$ 2,021,481	100%
2009 SPLOST -					
Ringgold water and sewer projects	$ 13,270,000	$ 8,972,931	$	$ 8,972,931	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	$ 1,043,567	$ 453,712	$ 1,497,279	60%
Ringgold Water/Sewer Projects	$ 7,400,000	$ 555,706	$ 9,153	$ 564,859	8%

City of Ringgold

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March 13, 2020

Management's corrective action plan for our December 31, 2019 audit is as follows:

2019-001 - Approvals and Documentation

We concur. The City Manager will ensure as of the date of this letter that all odometer readings are entered correctly.

Thank you for your attention to this matter.

Respectively submitted,

CITY OF RINGGOLD, GEORGIA

Dan Wright
Dan Wright
City Manager