CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2023

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

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CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2023

Mayor ..... Nick Millwood

Mayor Pro-Tem ..... Kelly Bomar

Council Member ..... Jake Haynes

Council Member ..... Rhonda Swaney

Council Member ..... Sara Clark

Council Member ..... Earl Henderson

City Manager ..... Mark Vaughn

City Judge ..... Robert Stultz

Finance Director ..... Gina Wilson

II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City of Ringgold, Georgia's basic financial statements as listed in the Table of Contents.

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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Downtown Development Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ringgold, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ringgold, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Ringgold, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ringgold, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

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 is the responsibility of management and, 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 non-major governmental fund financial statements, financial schedules, and Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, financial schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Management's Corrective Action Plan but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, 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 solely 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 the effectiveness of the City of Ringgold, Georgia's 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, Mungeley & Wright, P.C.

Chattanooga, Tennessee
May 17, 2024

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, 2023. 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 exceeded its liabilities and deferred inflows of resources at December 31, 2023, by $38,730,926 (net position). Of this amount, $9,632,310 (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 $2,797,582. The City's business-type activities operated at a surplus of $1,125,569.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,562,216.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,869,363, or 107.87%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, which netted to $1,437,387 in the City's General Fund.

As of the close of the current fiscal year, the City's enterprise funds reported combined ending net position of $22,608,671. Of that balance, $6,147,318 is unrestricted and the remaining $16,461,353 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's basic financial statements. The City'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'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'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 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 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 include general government, public safety, public works, and public welfare and recreation. The business-type activities of the City include the Sewer Fund and the Water Fund.

The government-wide financial statements can be found on pages 16 through 18 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, 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 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 maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Downtown Development Authority Fund, which are considered to be major funds. Individual fund data for the Hotel/Motel Tax, 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 67.

The City 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 19 and 21 of this report.

Proprietary Funds
The City 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 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.

The basic proprietary fund financial statements can be found on pages 32 through 34 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 37 through 65 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 67 through 77 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $38,730,926 at the close of this fiscal year.

The largest portion of the City's net position (73.36%) 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 uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City'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, 1.78%, or $687,484, represents resources that are subject to external restrictions on how they may be used. The remaining 24.86% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2023, the City 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	
	2023	2022	2023	2022	2023	2022
Capital assets	$ 12,012,379	$ 8,644,498	$ 21,877,829	$ 19,760,796	$ 33,890,208	$ 28,405,294
Other assets	8,232,007	7,864,395	7,329,307	7,416,928	15,561,314	15,281,323
Total assets	$ 20,244,386	$ 16,508,893	$ 29,207,136	$ 27,177,724	$ 49,451,522	$ 43,686,617
Deferred outflows of resources	$ 214,809	$ 193,616	$ 115,665	$ 73,921	$ 330,474	$ 267,537
Long-term liabilities	$ 1,256,398	$ 1,180,902	$ 5,697,724	$ 4,872,006	$ 6,954,122	$ 6,052,908
Other liabilities	2,669,881	1,700,768	795,282	713,023	3,465,163	2,413,791
Total liabilities	$ 3,926,279	$ 2,881,670	$ 6,493,006	$ 5,585,029	$ 10,419,285	$ 8,466,699
Deferred inflows of resources	$ 410,661	$ 496,166	$ 221,124	$ 183,514	$ 631,785	$ 679,680
Net investment in capital assets	$ 11,949,779	$ 8,644,498	$ 16,461,353	$ 14,998,006	$ 28,411,132	$ 23,642,504
Restricted	687,484	591,369	-	-	687,484	591,369
Unrestricted	3,484,992	4,088,806	6,147,318	6,485,096	9,632,310	10,573,902
Total net position	$ 16,122,255	$ 13,324,673	$ 22,608,671	$ 21,483,102	$ 38,730,926	$ 34,807,775

Changes in Net Position

Governmental activities increased the City's net position by $2,797,582, and business-type activities increased the City's net position by $1,125,569. 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.

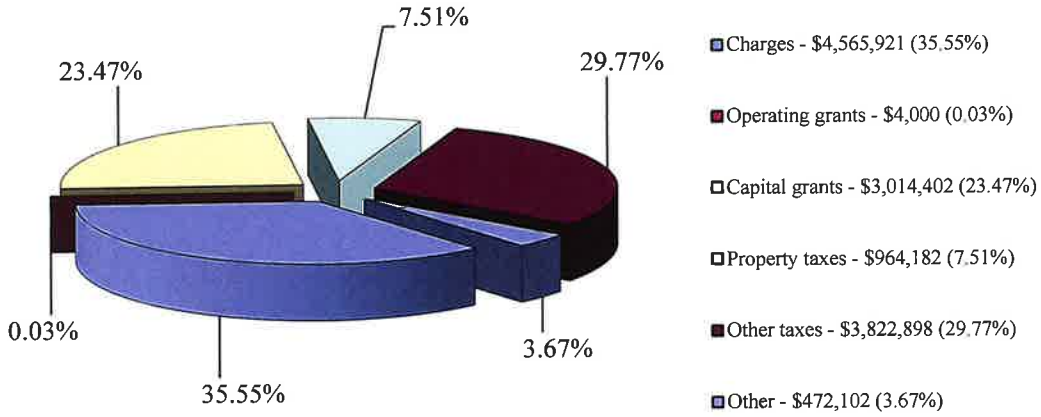
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

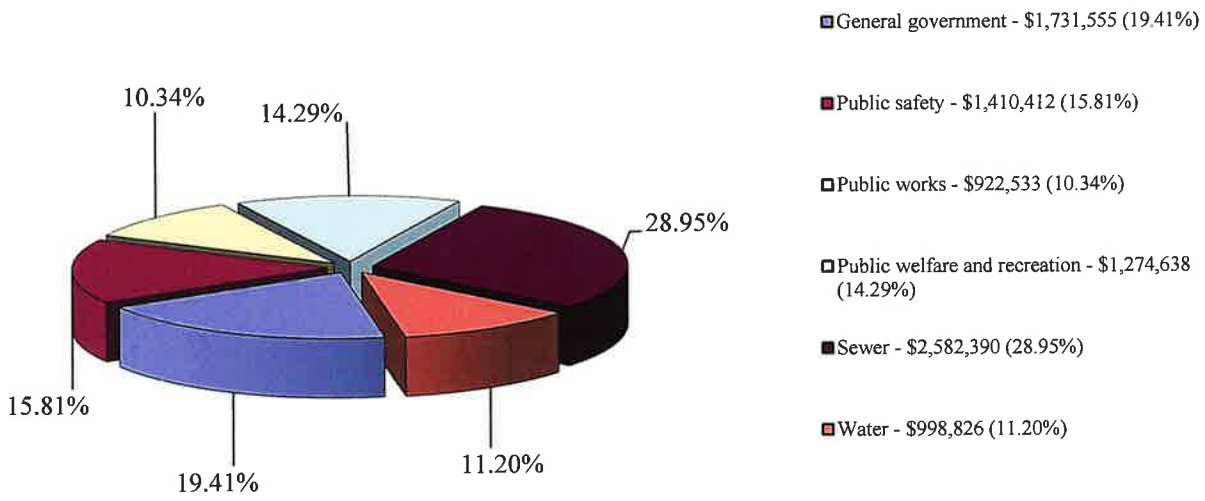
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 897,065	$ 963,681	$ 3,668,856	$ 3,485,229	$ 4,565,921	$ 4,448,910
Operating grants and contributions	4,000	51,390	-	-	4,000	51,390
Capital grants and contributions	2,415,402	237,999	599,000	-	3,014,402	237,999
General revenues:						
Property taxes	964,182	826,412	-	-	964,182	826,412
Other taxes	3,822,898	3,707,013	-	-	3,822,898	3,707,013
Other income	471,163	(147,251)	939	-	472,102	(147,251)
Total revenues	8,574,710	5,639,244	4,268,795	3,485,229	12,843,505	9,124,473
Expenses:						
General government	1,731,555	1,567,723	-	-	1,731,555	1,567,723
Public safety	1,410,412	1,313,134	-	-	1,410,412	1,313,134
Public works	922,533	1,062,684	-	-	922,533	1,062,684
Public welfare and recreation	1,274,638	704,232	-	-	1,274,638	704,232
Sewer	-	-	2,582,390	2,439,570	2,582,390	2,439,570
Water	-	-	998,826	822,013	998,826	822,013
Total expenses	5,339,138	4,647,773	3,581,216	3,261,583	8,920,354	7,909,356
Excess (deficiency) before transfers	3,235,572	991,471	687,579	223,646	3,923,151	1,215,117
Interfund transfers	(437,990)	(156,635)	437,990	156,635	-	-
Change in net position	2,797,582	834,836	1,125,569	380,281	3,923,151	1,215,117
Net position - beginning	13,324,673	12,489,837	21,483,102	21,102,821	34,807,775	33,592,658
Net position - end	$16,122,255	$13,324,673	$22,608,671	$21,483,102	$38,730,926	$34,807,775

The graphs below summarize the $12,843,505 of city-wide revenues by source, and the associated $8,920,354 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



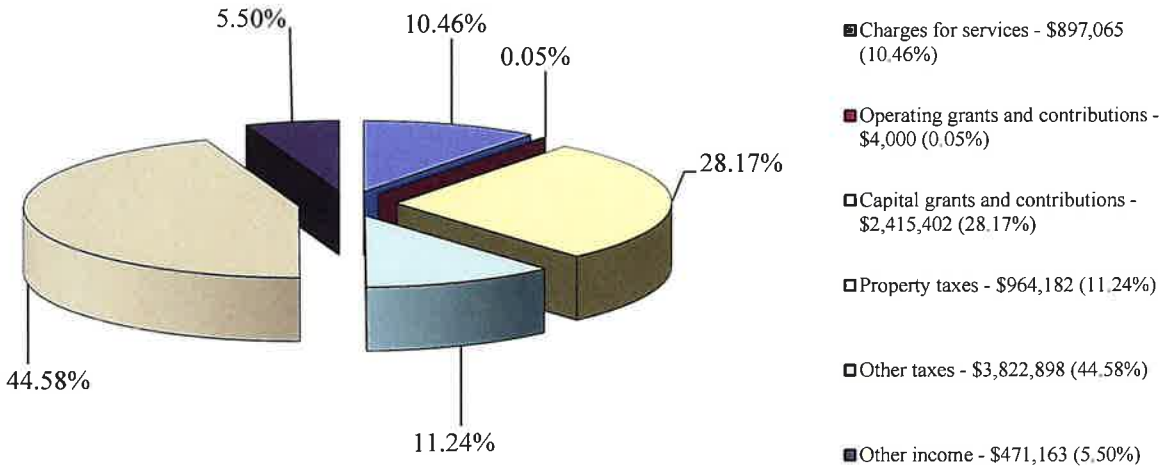
City-Wide Program Expenses



Governmental Activities

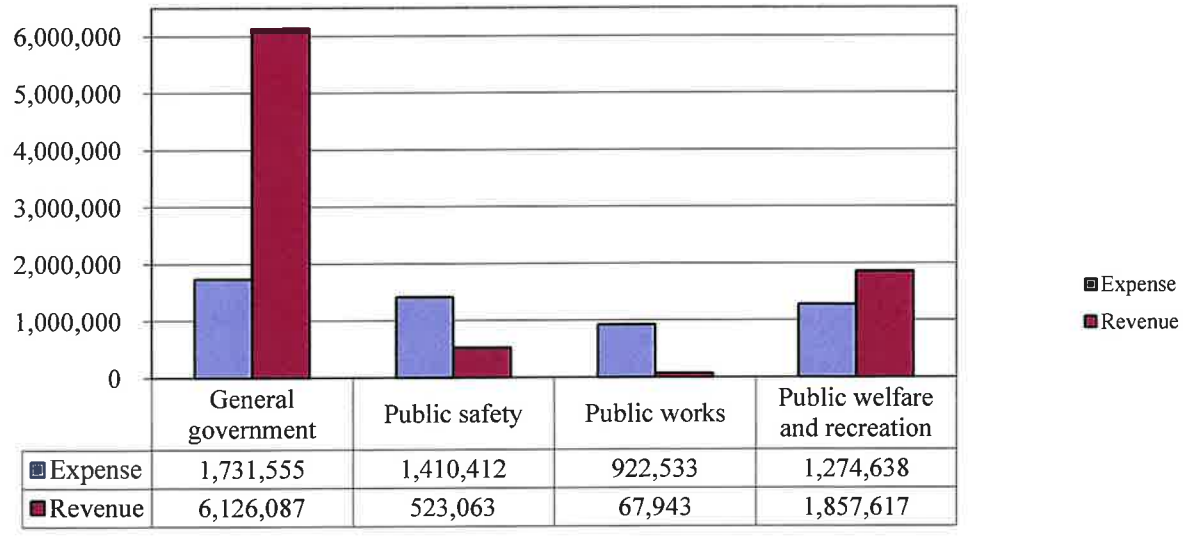
Governmental activities accounted for revenues of $8,574,710. The following graph summarizes the revenue by source.

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

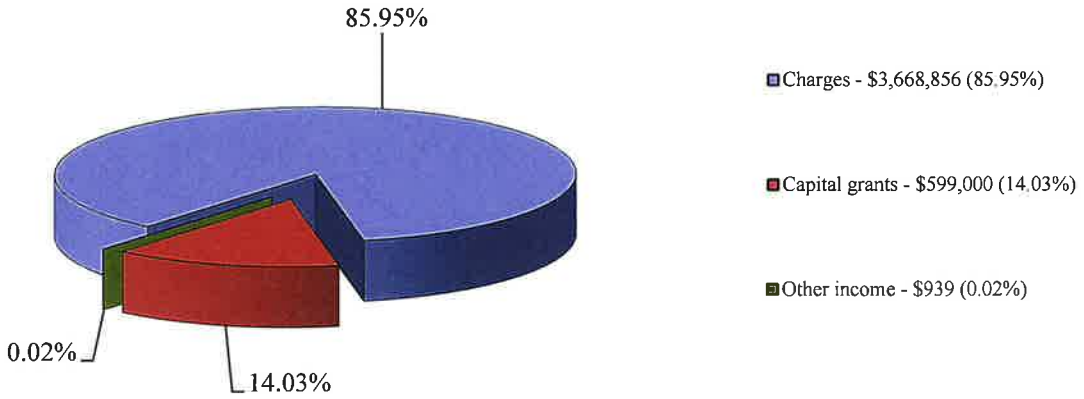


	General government	Public safety	Public works	Public welfare and recreation
Expense	1,731,555	1,410,412	922,533	1,274,638
Revenue	6,126,087	523,063	67,943	1,857,617

Business-type activities

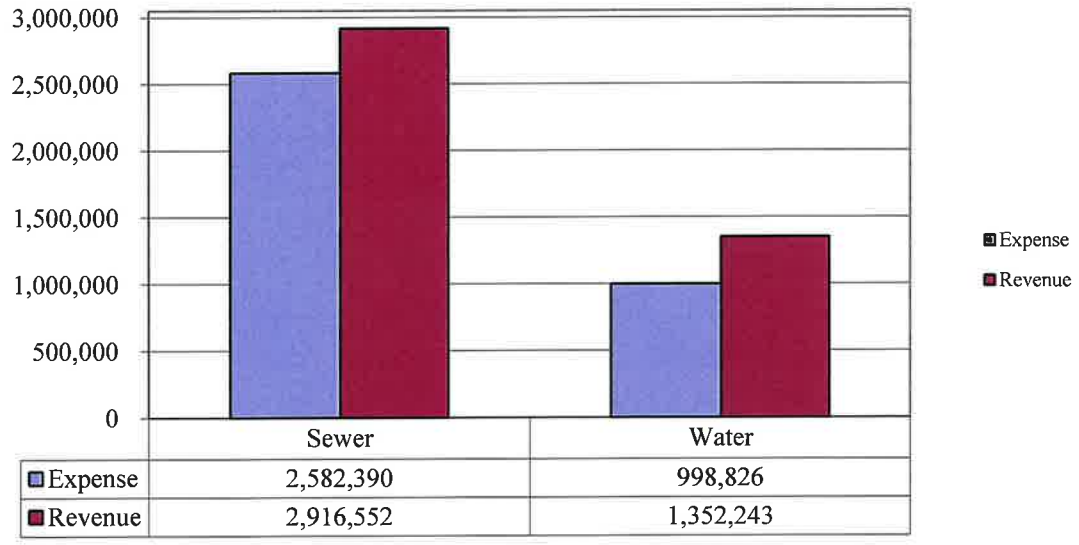
Business-type activities accounted for revenues of $4,268,795. The following graph summarizes the revenue by source.

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	2,582,390	998,826
Revenue	2,916,552	1,352,243

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds
The focus of the City'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'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's governmental funds reported combined ending fund balances of $5,562,216.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,869,363. 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 107.87% of total General Fund expenditures, excluding transfers.

Proprietary Funds
The City'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 $5,892,627 for the Sewer Fund and $254,691 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $(400) in fund balance change. The offsetting changes are listed below:

Current expenditures were increased by $2,100.
Transfers in were increased by $1,700.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
The City's investment in capital assets for its governmental and business type activities as of December 31, 2023, amounts to $33,890,208 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

Water tank	$1,177,930
Strategic vision improvements	$2,498,772
Sewer lines	$ 931,049
Water lines	$ 561,560
Park	$ 435,127

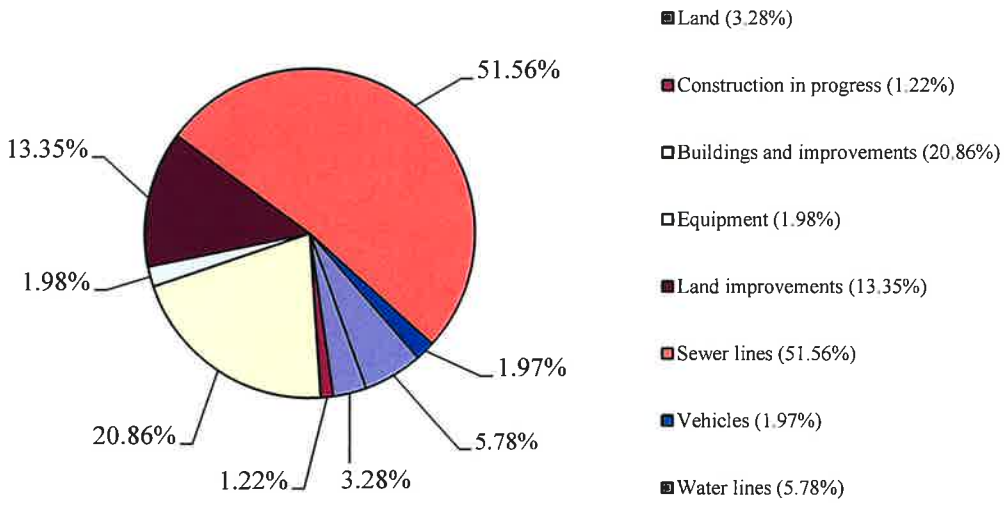
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

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

	Governmental Activities	Business-type Activities	Total
Land	$ 824,677	$ 287,905	$ 1,112,582
Construction in progress	413,934	-	413,934
Buildings and improvements	5,613,458	1,454,625	7,068,083
Equipment	296,385	376,170	672,555
Land improvements	4,525,644	-	4,525,644
Sewer lines	-	17,474,798	17,474,798
Vehicles	338,281	329,296	667,577
Water lines	-	1,955,035	1,955,035
Total capital assets	$12,012,379	$ 21,877,829	$ 33,890,208

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's capital assets can be found in Note 8 on pages 47 and 48.

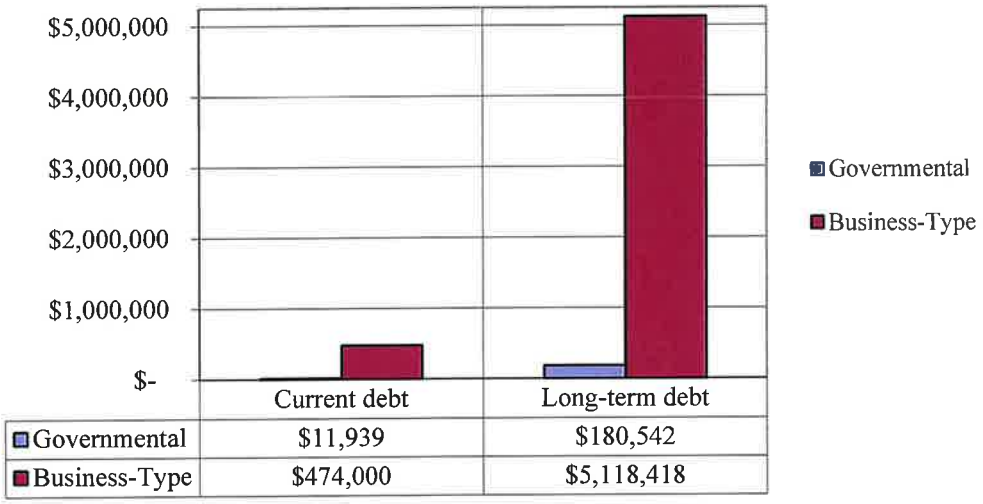
City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City had total debt outstanding of $5,784,899. Of that amount $485,939 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	$ 62,600	$ 1,126,476	$ 1,189,076
Bond payable	-	4,290,000	4,290,000
Compensated absences	129,881	75,050	204,931
Customer deposits	-	100,892	100,892
Total	192,481	5,592,418	5,784,899
Less current portion	(11,939)	(474,000)	(485,939)
Total long-term debt	$ 180,542	$ 5,118,418	$ 5,298,960

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 3.33% of total long-term debt.

Long-Term Debt By Activity



	Current debt	Long-term debt
Governmental	$11,939	$180,542
Business-Type	$474,000	$5,118,418

Additional information on outstanding debt can be found in Note 12 on pages 49 through 52 of this report.

Currently Known Conditions Affecting Future Years

Utilities:

Wastewater service - The City has begun to look at options relating to the treatment and services of wastewater conveyance and final treatment collectively with Catoosa County and the City of Fort Oglethorpe by utilizing a joint wastewater study. As utility treatment costs continue to rise and before a new contract is required in 2031, the City is looking into maintaining affordable utility costs to its users.

Drinking water service - The revenue gained from water sales has long been insufficient. In 2023, the Mayor and Council took action to increase the rates and by doing this, cut the deficit in half. Yet with a 60+ year old treatment plant in need of upgrades and the continual need to replace water mains, this gain in revenue will be short lived unless an additional source of water is utilized for treatment.

The City intends to put a well source into place, referred to as the Poplar Springs well site, to help offset the increasing costs related to drinking water. This project is expected to begin in early 2025.

Recreation:
The City Mayor and Council remain progressive in providing the community with quality-of-life improvements. Creekside Park Recreation Complex phase 1 and Golden Mile Trail phase 2 have been completed. Phase 2 of Creekside Park Recreation Complex is expected to begin in late 2024 and planning has begun for an additional park space called Slabtown Park and South Chickamauga Blueway. Both projects are estimated to cost $2.5 million.

Public Works:
The City's Public Works Department has made many improvements during the year. Six of the city streets were completely overlayed via the DOT Transportation Improvement Project Grant and the existing sidewalks were replaced along Sparks Street with LMIG funding.

In FY24, state funds will be available to pave up to 6 more streets through our community. The Public Works Department is also applying for grant/financing opportunities through the State Tollway and Roads Authority to complete Boynton Drive sidewalks, I-75 lighting, and Meadow Lane sidewalk projects.

Police Department:
Like other law agencies, the Police Department is experiencing a low interest from applicants. We have found some success by offering greater benefits to these applicants, yet the department remains understaffed. Much of the equipment has been improved or replaced through the utilization of SPLOST revenue.

CVB:
Due to the recent increase in the Hotel/Motel tax resolution to 8%, the CVB has seen improvement. Greater investment in TPD items is assisting the General Fund budgeting process, while the board continues to look at renewing the buildings within its direction, such as the Depot. The Depot is expected to receive a bathroom remodel in FY24.

DDA:
The Downtown Development Authority has completed the Strategic Vision Plan Phase 1 and has continued to move forward with other downtown improvements including the completion of Depot Square and the soon to be completed Benton Coal Revitalization.

Summary:
The City has several capital expenditure projects in progress over the next 2 years. The City is looking into the future for the affordability of its core services, especially in utilities, to provide to its residents.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 2,871,368	$ 1,580,831	$ 4,452,199
Investments	9,216,373	-	9,216,373
Accounts receivable - net	447,244	298,960	746,204
Grants receivable	257,212	-	257,212
Property tax receivable - net	49,859	-	49,859
Prepaid expenses	32,080	-	32,080
Due from other governments	807,387	-	807,387
Internal balances	(5,449,516)	5,449,516	-
Total current assets	8,232,007	7,329,307	15,561,314
Non-current assets			
Capital assets			
Land and construction in progress	1,238,611	287,905	1,526,516
Other capital assets - net of accumulated depreciation	10,773,768	21,589,924	32,363,692
Total non-current assets	12,012,379	21,877,829	33,890,208
TOTAL ASSETS	$ 20,244,386	$ 29,207,136	$ 49,451,522
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	$ 214,809	$ 115,665	$ 330,474

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

CITY OF RINGGOLD, GEORGIA
Statement of Net Position (Continued)
December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	$ 898,818	$ 34,579	$ 933,397
Accrued wages	22,242	6,243	28,485
Accrued liabilities	50,856	280,460	331,316
Accrued grant revenue	1,404,995	-	1,404,995
Unearned revenue	217,502	-	217,502
Due to other governments	63,529	-	63,529
Note payable - due in one year	11,939	-	11,939
Bond payable - due in one year	-	474,000	474,000
Total current liabilities	2,669,881	795,282	3,465,163
Non-current liabilities			
Compensated absences	129,881	75,050	204,931
Customer deposits	-	100,892	100,892
Note payable	50,661	1,126,476	1,177,137
Bond payable	-	3,816,000	3,816,000
Net OPEB liability	1,075,856	579,306	1,655,162
Total non-current liabilities	1,256,398	5,697,724	6,954,122
TOTAL LIABILITIES	$ 3,926,279	$ 6,493,006	$ 10,419,285
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	$ 410,661	$ 221,124	$ 631,785
NET POSITION			
Net investment in capital assets	$ 11,949,779	$ 16,461,353	$ 28,411,132
Restricted for:			
Downtown development	88,901	-	88,901
Haunted depot	142,014	-	142,014
Confiscated assets	7,955	-	7,955
Ringgold depot	188,756	-	188,756
Tourism	236,913	-	236,913
Technology	22,945	-	22,945
Unrestricted	3,484,992	6,147,318	9,632,310
TOTAL NET POSITION	$ 16,122,255	$ 22,608,671	$ 38,730,926

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities:							
General government	$ 1,731,555	$ 118,593	$ 4,000	$ 745,251	$ (863,711)	$ -	$ (863,711)
Public safety	1,410,412	523,063	-	-	(887,349)	-	(887,349)
Public works	922,533	19,108	-	48,835	(854,590)	-	(854,590)
Public welfare and recreation	1,274,638	236,301	-	1,621,316	582,979	-	582,979
Total governmental activities	5,339,138	897,065	4,000	2,415,402	(2,022,671)	-	(2,022,671)
Business-type activities:							
Sewer	2,582,390	2,916,552	-	-	-	334,162	334,162
Water	998,826	752,304	-	599,000	-	352,478	352,478
Total business-type activities	3,581,216	3,668,856	-	599,000	-	686,640	686,640
Total primary government	$ 8,920,354	$ 4,565,921	$ 4,000	$ 3,014,402	(2,022,671)	686,640	(1,336,031)
General revenues:							
Property tax					964,182	-	964,182
Franchise tax					583,885	-	583,885
Local option sales tax					1,522,815	-	1,522,815
Motor vehicle tax					123,456	-	123,456
Occupational tax					176,360	-	176,360
Hotel/motel tax					772,789	-	772,789
Payment in lieu of taxes - TVA					9,550	-	9,550
Other taxes					634,043	-	634,043
Interest revenue					408,001	-	408,001
Other revenue					63,162	939	64,101
Transfers					(437,990)	437,990	-
Total general revenues and transfers					4,820,253	438,929	5,259,182
Change in net position					2,797,582	1,125,569	3,923,151
Net position - beginning					13,324,673	21,483,102	34,807,775
Net position - end					$ 16,122,255	$ 22,608,671	$ 38,730,926

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2023

	General Fund	Downtown Development Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 1,543,704	$ 678,950	$ 648,714	$ 2,871,368
Investments	9,216,373	-	-	9,216,373
Accounts receivable - net	382,931	-	64,313	447,244
Grants receivable	-	57,212	200,000	257,212
Property tax receivable - net	49,859	-	-	49,859
Prepaid expenses	32,080	-	-	32,080
Due from other governments	807,387	-	-	807,387
Due from other funds	113,270	-	-	113,270
TOTAL ASSETS	$ 12,145,604	$ 736,162	$ 913,027	$ 13,794,793
LIABILITIES				
Accounts payable	$ 251,860	$ 613,821	$ 33,137	$ 898,818
Accrued wages	20,375	894	973	22,242
Accrued liabilities	42,037	3,705	5,114	50,856
Accrued grant revenue	1,404,995	-	-	1,404,995
Unearned revenue	-	19,811	197,691	217,502
Due to other governments	63,529	-	-	63,529
Due to other funds	5,449,516	9,030	104,240	5,562,786
TOTAL LIABILITIES	$ 7,232,312	$ 647,261	$ 341,155	$ 8,220,728
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	$ 11,849	$ -	$ -	$ 11,849
FUND BALANCES				
Nonspendable	$ 32,080	$ -	$ -	$ 32,080
Restricted	-	88,901	598,583	687,484
Unassigned	4,869,363	-	(26,711)	4,842,652
TOTAL FUND BALANCES	$ 4,901,443	$ 88,901	$ 571,872	$ 5,562,216

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, 2023

Total fund balances per governmental funds balance sheet	$ 5,562,216
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	12,012,379
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.	(192,481)
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.	(1,271,708)
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.	11,849
Net position of governmental activities	$ 16,122,255

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, 2023

	General Fund	Downtown Development Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 4,032,422	$ -	$ 772,789	$ 4,805,211
License and permits	83,062	-	-	83,062
Intergovernmental	79,579	1,421,316	945,252	2,446,147
Fines and forfeitures	488,399	-	34,663	523,062
Interest revenue	408,002	-	-	408,002
Charges for services	133,302	1,901	1,643	136,846
Other revenue	31,374	30,158	137,117	198,649
TOTAL REVENUES	5,256,140	1,453,375	1,891,464	8,600,979
EXPENDITURES				
Current expenditures				
General government	1,277,845	-	-	1,277,845
Public safety	1,414,957	-	43,413	1,458,370
Public works	962,953	-	-	962,953
Public welfare and recreation	858,294	2,971,345	893,710	4,723,349
Capital outlay	-	-	366,364	366,364
TOTAL EXPENDITURES	4,514,049	2,971,345	1,303,487	8,788,881
Excess (deficiency) of revenues over (under) expenditures	742,091	(1,517,970)	587,977	(187,902)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	62,600	-	-	62,600
Transfers in	336,811	1,497,453	726,636	2,560,900
Transfers out	(1,774,198)	-	(1,224,692)	(2,998,890)
Total other financing sources (uses)	(1,374,787)	1,497,453	(498,056)	(375,390)
Net changes in fund balances	(632,696)	(20,517)	89,921	(563,292)
Fund balances - beginning	5,534,139	109,418	481,951	6,125,508
Fund balances - end	$ 4,901,443	$ 88,901	$ 571,872	$ 5,562,216

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, 2023

Net change in fund balances for total governmental funds	$ (563,292)
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	3,367,881
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(26,269)
Debt issued is reported as a financial resource in the governmental funds. However, this is reported as an increase in long-term liabilities in the Statement of Net Position.	(62,600)
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.	100,301
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	(18,439)
Change in net position of governmental activities	$ 2,797,582

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, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
City property tax	$ 831,000	$ 831,000	$ 997,033	$ 166,033
Premium tax	272,000	272,000	302,208	30,208
Franchise tax	515,000	515,000	583,885	68,885
Excise tax	115,000	115,000	94,958	(20,042)
Local option sales tax	1,300,000	1,300,000	1,497,067	197,067
Local option mixed drink tax	20,000	20,000	25,748	5,748
Alcoholic beverage tax	200,000	200,000	204,601	4,601
Motor vehicle tax	83,000	83,000	123,456	40,456
Occupational tax	130,000	130,000	176,360	46,360
Intangible tax	30,000	30,000	15,384	(14,616)
Pawnbroker fees	1,200	1,200	1,412	212
Other taxes	1,500	1,500	1,586	86
Real estate transfer tax	7,000	7,000	8,724	1,724
Total taxes	3,505,700	3,505,700	4,032,422	526,722
License and permits				
Malt beverage and liquor license	8,500	8,500	66,212	57,712
Insurance license	-	-	15,800	15,800
Other licenses	-	-	1,050	1,050
Total license and permits	8,500	8,500	83,062	74,562
Intergovernmental				
Payment in lieu of taxes - TVA	8,000	8,000	9,550	1,550
Other awards	528,700	528,700	21,194	(507,506)
Grant revenue	46,182	46,182	48,835	2,653
Total intergovernmental	582,882	582,882	79,579	(503,303)
Fines and forfeitures				
Police and courts	484,000	484,000	488,399	4,399
Investment revenue				
Investment gains	80,000	80,000	408,002	328,002

(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, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Charges for services				
Other fees	$ 12,800	$ 12,800	$ 36,569	$ 23,769
Solid waste fees	10,851	10,851	18,844	7,993
Pool fees and concessions	55,500	55,500	69,000	13,500
Flag charges	4,000	4,000	5,686	1,686
Park fees and concessions	1,500	1,500	3,203	1,703
Total charges for services	84,651	84,651	133,302	48,651
Other revenue				
Sale of equipment	1,000	1,000	8,784	7,784
Contributions and donations	5,000	5,000	9,176	4,176
Insurance recoveries	2,000	2,000	4,684	2,684
Miscellaneous	-	-	8,730	8,730
Total other revenue	8,000	8,000	31,374	23,374
TOTAL REVENUES	4,753,733	4,753,733	5,256,140	502,407
EXPENDITURES				
Current expenditures				
General government				
Financial administration				
Administrative salaries	445,500	445,500	468,640	(23,140)
Payroll taxes	32,000	32,000	34,667	(2,667)
Administrative	2,500	2,500	9,127	(6,627)
Advertising	2,000	2,000	-	2,000
Drug testing fees	1,000	1,000	452	548
Dues and subscriptions	34,000	34,000	30,152	3,848
Education and travel	20,000	20,000	24,661	(4,661)
Insurance	194,500	194,500	174,544	19,956
Miscellaneous	4,000	4,400	4,400	-
Printing and postage	10,500	10,500	5,224	5,276
Professional services	47,300	47,300	58,090	(10,790)
Repairs and maintenance	5,000	5,000	5,074	(74)
Retirement	43,000	43,000	37,993	5,007
Supplies and materials	23,000	23,000	13,951	9,049
Telephone	16,500	16,500	13,188	3,312
Vehicles	7,000	7,000	8,528	(1,528)
Total financial administration	887,800	888,200	888,691	(491)

(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, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Buildings and plant				
Salaries	$ 43,000	$ 43,000	$ 19,984	$ 23,016
Payroll taxes	3,100	3,100	1,230	1,870
Dues and subscriptions	2,000	2,000	1,135	865
Insurance	58,000	58,000	35,715	22,285
Professional services	3,000	3,000	4,060	(1,060)
Repairs and maintenance	20,000	20,000	39,550	(19,550)
Retirement	3,500	3,500	-	3,500
Storage	-	-	11,647	(11,647)
Supplies and materials	38,000	38,000	4,797	33,203
Travel	250	250	-	250
Uniforms	1,000	1,000	1,204	(204)
Utilities	20,000	20,000	22,241	(2,241)
Vehicles	6,500	6,500	1,834	4,666
Total buildings and plant	198,350	198,350	143,397	54,953
Council				
Council salaries	18,300	18,300	18,300	-
Payroll taxes	1,500	1,500	1,400	100
Dues and subscriptions	100	100	120	(20)
Education and travel	28,000	28,000	25,086	2,914
Insurance	50	50	199	(149)
Professional services	811	811	834	(23)
Supplies and materials	12,500	12,500	711	11,789
Total council	61,261	61,261	46,650	14,611
Municipal court				
City judge	56,000	56,000	42,644	13,356
Payroll taxes	4,100	4,100	3,227	873
Dues and subscriptions	55	55	60	(5)
Education and travel	4,000	4,000	207	3,793
Insurance	7,650	7,650	8,220	(570)
Postage	100	100	201	(101)
Professional services	4,750	4,750	2,699	2,051
Retirement	2,000	2,000	2,764	(764)
Supplies and materials	3,100	3,100	616	2,484
Total municipal court	81,755	81,755	60,638	21,117

(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, 2023

	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	18,000	18,000	16,409	1,591
Total elections	19,000	19,000	16,409	2,591
Legal and auditing services				
Professional services	126,500	126,500	112,053	14,447
Mayor				
Mayor salaries	6,000	6,000	6,000	-
Payroll taxes	500	500	459	41
Education and travel	5,000	5,000	3,389	1,611
Insurance	40	40	159	(119)
Professional services	100	100	-	100
Supplies and materials	200	200	-	200
Total mayor	11,840	11,840	10,007	1,833
Total general government	1,386,506	1,386,906	1,277,845	109,061
Public safety				
Police department				
Salaries	690,876	690,876	645,001	45,875
Payroll taxes	47,000	47,000	47,401	(401)
Dues and subscriptions	6,000	6,000	5,403	597
Education and travel	8,600	8,600	11,819	(3,219)
Insurance	320,000	320,000	239,163	80,837
Miscellaneous	7,000	7,000	-	7,000
Printing and postage	1,700	1,700	547	1,153
Professional services	31,000	31,000	14,385	16,615
Repairs and maintenance	28,000	28,000	19,806	8,194
Retirement	49,000	49,000	42,739	6,261
Supplies and materials	77,500	78,901	29,992	48,909
Telephone	4,000	2,599	545	2,054
Uniforms	10,000	10,000	9,016	984
Utilities	2,500	2,500	1,353	1,147
Vehicles	70,000	70,000	45,579	24,421
Total police department	1,353,176	1,353,176	1,112,749	240,427

(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, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety (Continued)				
Fire department				
Operations	$ 260,000	$ 260,000	$ 302,208	$ (42,208)
Total public safety	1,613,176	1,613,176	1,414,957	198,219
Public works				
Street department				
Salaries	182,000	182,000	174,238	7,762
Payroll taxes	12,700	12,700	13,218	(518)
Dues and subscriptions	1,000	1,000	650	350
Education and travel	2,000	2,000	1,221	779
Insurance	110,000	110,000	76,181	33,819
Professional services	7,000	7,000	24,667	(17,667)
Repairs and maintenance	125,000	125,000	13,619	111,381
Retirement	17,500	17,500	13,688	3,812
Stormwater mapping	2,000	2,000	-	2,000
Street improvements	703,000	703,000	297,870	405,130
Street lights	52,000	52,000	44,065	7,935
Supplies and materials	119,000	119,000	22,488	96,512
Telephone	1,800	1,800	1,702	98
Uniforms	3,000	3,000	2,162	838
Utilities	11,500	11,500	7,502	3,998
Vehicles	12,000	12,000	12,659	(659)
Total street department	1,361,500	1,361,500	705,930	655,570

(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, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works (Continued)				
Solid waste department				
Salaries	$ 70,000	$ 70,000	$ 55,464	$ 14,536
Payroll taxes	4,300	4,300	4,037	263
Dues and subscriptions	200	200	-	200
Insurance	42,000	42,000	27,979	14,021
Landfill fees	170,000	170,000	118,578	51,422
Printing and postage	-	-	442	(442)
Professional services	500	500	322	178
Recycling disposal	2,000	2,000	1,600	400
Repairs and maintenance	19,000	19,000	10,214	8,786
Retirement	6,500	6,500	5,338	1,162
Supplies and materials	17,000	17,000	15,485	1,515
Travel	100	100	-	100
Uniforms	1,000	1,000	3,124	(2,124)
Vehicles	19,000	19,000	14,440	4,560
Total solid waste department	351,600	351,600	257,023	94,577
Total public works	1,713,100	1,713,100	962,953	750,147
Public welfare and recreation				
Pool operations				
Salaries	37,500	37,500	49,807	(12,307)
Payroll taxes	2,800	2,800	3,811	(1,011)
Concessions	3,000	3,000	5,089	(2,089)
Dues and subscriptions	200	200	323	(123)
Education and travel	-	-	760	(760)
Insurance	2,600	2,600	3,352	(752)
Professional services	100	100	-	100
Repairs and maintenance	11,800	11,800	4,319	7,481
Supplies and materials	13,500	13,500	18,566	(5,066)
Telephone	1,700	1,700	2,476	(776)
Travel	-	-	272	(272)
Utilities	7,000	7,000	4,792	2,208
Total pool operations	80,200	80,200	93,567	(13,367)

(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, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation (Continued)				
Parks and recreation				
Salaries	$ 155,000	$ 155,000	$ 162,564	$ (7,564)
Payroll taxes	10,700	10,700	12,033	(1,333)
Dues and subscriptions	-	-	176	(176)
Education and travel	1,000	1,000	45	955
Flag supplies	9,000	10,700	10,687	13
Insurance	69,500	69,500	51,937	17,563
Professional services	10,000	10,000	45,635	(35,635)
Property rental	2,000	2,000	1,035	965
Repairs and maintenance	41,000	41,000	20,142	20,858
Retirement	12,000	12,000	6,442	5,558
Site improvements	464,000	464,000	356,120	107,880
Supplies and materials	51,500	51,500	75,389	(23,889)
Uniforms	2,800	2,800	3,772	(972)
Utilities	7,000	7,000	8,942	(1,942)
Vehicles	10,000	10,000	9,808	192
Total parks and recreation	845,500	847,200	764,727	82,473
Total public welfare and recreation	925,700	927,400	858,294	69,106
Debt service				
Principal and interest	26,000	26,000	-	26,000
TOTAL EXPENDITURES	5,664,482	5,666,582	4,514,049	1,152,533
Excess (deficiency) of revenues over (under) expenditures	(910,749)	(912,849)	742,091	1,654,940
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	62,600	62,600
Transfers in	260,000	261,700	336,811	75,111
Transfers out	(1,070,115)	(1,070,115)	(1,774,198)	(704,083)
Total other financing sources (uses)	(810,115)	(808,415)	(1,374,787)	(566,372)
Net changes in fund balances	(1,720,864)	(1,721,264)	(632,696)	1,088,568
Fund balances - beginning	5,534,139	5,534,139	5,534,139	-
Fund balances - end	$ 3,813,275	$ 3,812,875	$ 4,901,443	$ 1,088,568

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

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Grant revenue	$ 2,171,316	$ 2,171,316	$ 1,421,316	$ (750,000)
Charges for services				
Advertising	2,500	2,500	175	(2,325)
Program fees	1,000	1,000	-	(1,000)
Promotions	3,000	3,000	1,726	(1,274)
Total charges for services	6,500	6,500	1,901	(4,599)
Other revenue				
Donations	1,000	1,000	-	(1,000)
Rental	25,000	25,000	16,250	(8,750)
Events	14,500	14,500	13,908	(592)
Total other revenue	40,500	40,500	30,158	(10,342)
TOTAL REVENUES	2,218,316	2,218,316	1,453,375	(764,941)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	27,000	27,000	26,766	234
Payroll taxes	2,000	2,000	2,078	(78)
Dues and subscriptions	1,000	1,000	1,012	(12)
Education and travel	2,500	2,500	1,918	582
Grant expenses	5,000	5,000	-	5,000
Insurance	8,900	8,900	9,570	(670)
Postage	100	100	-	100
Professional services	500	500	516	(16)
Program expenses	6,500	6,500	3,870	2,630
Repairs and maintenance	8,000	8,000	3,795	4,205
Retirement	2,000	2,000	1,467	533
Ringgold playhouse	10,000	10,000	7,878	2,122
Site purchases and improvements	2,536,316	2,678,316	2,907,814	(229,498)
Supplies and materials	6,000	6,000	3,410	2,590
Utilities	2,500	2,500	1,251	1,249
TOTAL EXPENDITURES	2,618,316	2,760,316	2,971,345	(211,029)

(Continued)

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

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
Excess (deficiency) of revenue over (under) expenditures	$ (400,000)	$ (542,000)	$(1,517,970)	$ (975,970)
OTHER FINANCING SOURCES (USES)				
Transfers in	400,000	542,000	1,497,453	955,453
Net changes in fund balances	-	-	(20,517)	(20,517)
Fund balances - beginning	109,418	109,418	109,418	-
Fund balances - end	$ 109,418	$ 109,418	$ 88,901	$ (20,517)

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2023

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current assets			
Cash	$ 871,960	$ 708,871	$ 1,580,831
Accounts receivable - net	248,017	50,943	298,960
Due from other funds	5,427,008	22,508	5,449,516
Total current assets	6,546,985	782,322	7,329,307
Non-current assets			
Capital assets			
Land	204,415	83,490	287,905
Other capital assets - net of accumulated depreciation	18,016,393	3,573,531	21,589,924
Total capital assets	18,220,808	3,657,021	21,877,829
TOTAL ASSETS	$ 24,767,793	$ 4,439,343	$ 29,207,136
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	$ 59,484	$ 56,181	$ 115,665
LIABILITIES			
Current liabilities			
Accounts payable	$ 9,838	$ 24,741	$ 34,579
Accrued wages	3,959	2,284	6,243
Accrued liabilities	245,961	34,499	280,460
Bonds payable - due in one year	474,000	-	474,000
Total current liabilities	733,758	61,524	795,282
Non-current liabilities			
Compensated absences	42,434	32,616	75,050
Customer deposits	-	100,892	100,892
Note payable	-	1,126,476	1,126,476
Bonds payable	3,816,000	-	3,816,000
Net OPEB liability	297,930	281,376	579,306
Total non-current liabilities	4,156,364	1,541,360	5,697,724
TOTAL LIABILITIES	$ 4,890,122	$ 1,602,884	$ 6,493,006
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	$ 113,720	$ 107,404	$ 221,124
NET POSITION			
Net investment in capital assets	$ 13,930,808	$ 2,530,545	$ 16,461,353
Unrestricted	5,892,627	254,691	6,147,318
TOTAL NET POSITION	$ 19,823,435	$ 2,785,236	$ 22,608,671

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, 2023

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 2,793,729	$ -	$ 2,793,729
Water sales	-	713,241	713,241
Installation charges	116,640	4,650	121,290
Penalties	-	34,413	34,413
Other fees	2,000	939	2,939
Total operating revenues	2,912,369	753,243	3,665,612
OPERATING EXPENSES			
Operating and maintenance	1,722,098	797,272	2,519,370
Administration and general	22,512	34,302	56,814
Depreciation	647,741	158,589	806,330
Total operating expenses	2,392,351	990,163	3,382,514
Operating income (loss)	520,018	(236,920)	283,098
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	-	599,000	599,000
Sale of assets	4,183	-	4,183
Loan origination fees	-	(7,636)	(7,636)
Interest expense	(190,039)	(1,027)	(191,066)
Total non-operating revenues (expenses)	(185,856)	590,337	404,481
Income (loss) before transfers	334,162	353,417	687,579
Transfers in	300,000	137,990	437,990
Changes in net position	634,162	491,407	1,125,569
Total net position - beginning	19,189,273	2,293,829	21,483,102
Total net position - end	$ 19,823,435	$ 2,785,236	$ 22,608,671

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, 2023

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 2,885,367	$ 755,003	$ 3,640,370
Payments to suppliers	(1,328,320)	(377,466)	(1,705,786)
Payments to employees	(291,923)	(328,318)	(620,241)
Net cash provided (used) by operating activities	1,265,124	49,219	1,314,343
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	300,000	78,888	378,888
Transfers	-	59,102	59,102
Acquiring and construction of capital assets	(986,136)	(1,937,227)	(2,923,363)
Proceeds from the sale of assets	4,183	-	4,183
Intergovernmental revenue	-	599,000	599,000
Proceeds from debt issuance	-	1,116,686	1,116,686
Principal paid on long-term debt	(463,000)	-	(463,000)
Loan origination fees	-	(7,636)	(7,636)
Interest paid on long-term debt	(190,039)	(1,027)	(191,066)
Net cash provided (used) for capital and related financing activities	(1,334,992)	(92,214)	(1,427,206)
Net increase (decrease) in cash	(69,868)	(42,995)	(112,863)
Cash - beginning	941,828	751,866	1,693,694
Cash - end	$ 871,960	$ 708,871	$ 1,580,831
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 520,018	$ (236,920)	$ 283,098
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	647,741	158,589	806,330
(Increase) decrease in deferred outflows related to OPEB	(21,154)	(20,590)	(41,744)
Increase (decrease) in deferred inflows related to OPEB	18,564	19,046	37,610
Increase (decrease) in net OPEB liability	92,829	90,925	183,754
(Increase) decrease in accounts receivable	(27,002)	1,760	(25,242)
Increase (decrease) in accounts payable	(71,577)	3,608	(67,969)
Increase (decrease) in accrued wages	456	(1,768)	(1,312)
Increase (decrease) in accrued liabilities	98,041	34,499	132,540
Increase (decrease) in customer deposits	-	(880)	(880)
Increase (decrease) in compensated absences	7,208	950	8,158
Net cash provided (used) by operating activities	$ 1,265,124	$ 49,219	$ 1,314,343

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial Funds
ASSETS	
Cash	$ 81,736
Due from other governments	255,144
Interest receivable	626
TOTAL ASSETS	$ 337,506
LIABILITIES	
Surety bonds payable	$ 81,335
Due to other governments	130,251
TOTAL LIABILITIES	$ 211,586
NET POSITION	
Restricted for:	
Baxter addition	$ 125,920

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, 2023

	Custodial Funds
ADDITIONS	
Court fines	$ 104,394
Donations	7,475
Investment gains	5,312
Total additions	117,181
DEDUCTIONS	
Court fines remitted	104,394
Cemetery care	3,500
Total deductions	107,894
Net increase (decrease) in fiduciary net position	9,287
Net position - beginning	116,633
Net position - ending	$ 125,920

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 are two entities, which meet the above criteria for inclusion in the City of Ringgold, Georgia's financial statements:

The Downtown Development Authority and Visitors Center

The Downtown Development Authority (DDA) and Visitors Center are considered to be blended component units according to GASB Statement No. 14. The DDA and Visitors Center are legally separate entities having boards composed of members appointed by the City of Ringgold, Georgia. There is a financial benefit/burden relationship and the DDA and Visitors Center provide 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. Certain indirect costs are included in program expenses reported for individual functions. 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. Fiduciary funds are not included in the government-wide financial statements.

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

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

The City reports the following major governmental funds:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)
The City reports the following major enterprise funds:

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

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

C. Measurement Focus - Basis of Accounting
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

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

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

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

Property taxes levied by the City are assessed by the Assessor of Property in Catoosa County and collected by the 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, 2023
Levy date	October 20, 2023
Tax bills mailed	October 20, 2023
Payment due date	October 20, 2023 through February 28, 2024
Delinquency date	March 1, 2024

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.

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	5-20
Buildings and improvements	5-40
Vehicles	3-7
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	10-40
Equipment	3-10
Sewer lines	20-50
Vehicles	3-10
Water lines	5-40

M. Subscription IT Arrangements

The City follows GASB No. 96, *Subscription-Based Information Technology Arrangements*, (SBITA), to address the accounting treatment and financial reporting for these agreements. The SBITA asset is measured as the initial value of the subscription liability plus payments made to the vendor at the commencement of the subscription term, plus capitalizable initial implementation costs, and less any vendor incentives received at the commencement of the subscription term. The City will amortize the SBITA asset in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset. Currently, the City does not have any subscription IT arrangements.

N. Leases

The City follows GASB No. 87, *Leases,* to address the accounting treatment and financial reporting of leases. Leases that are not classified as short-term leases or contracts that transfer ownership are required to recognize a right to use asset and a related lease liability. Right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right to use leased assets are amortized on a straight-line basis over the life of the related lease. Currently, the City does not have any leases.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance (Continued)

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.

T. 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.

U. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2023, and May 17, 2024, 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 $13,666,572. The financial institution balance was $13,663,233. 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, 2023, 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	$ 4,452,199
Investments	9,216,373
Less: Petty cash	(2,000)
Total	$ 13,666,572

Investments

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

Investments	$ 9,216,373

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2023, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 314,712	$ -	$ -	$ -	$ 314,712
Local beer/beverage tax	19,111	-	-	-	19,111
Business license	76	-	-	-	76
Hotel/motel tax	-	64,313	-	-	64,313
Customer receivables	-	-	264,495	62,122	326,617
Motor vehicle tax	9,922	-	-	-	9,922
Energy excise tax	8,234	-	-	-	8,234
Interest	28,807	-	-	-	28,807
Garbage fees	2,069	-	-	-	2,069
Less: allowance for doubtful accounts	-	-	(16,478)	(11,179)	(27,657)
Total	$ 382,931	$ 64,313	$ 248,017	$ 50,943	$ 746,204

NOTE 4 - GRANTS RECEIVABLE

Grants receivable at December 31, 2023, consist of the following:

Georgia Department of Natural Resources	$ 200,000
Georgia Department of Community Affairs	57,212
Total	$ 257,212

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2023, consist of the following:

Year of Levy	
2023	$ 51,217
2022	6,067
2021	2,753
2020	483
2019	770
2018	314
2017	-
2016	31
2015	30
2014	30
	61,695
Less: allowance for uncollectibles	(11,836)
Total	$ 49,859

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2023, consists of the following:

Property tax collected by Catoosa County	$ 682,929
Local Option Sales Tax receivable	124,458
Total	$ 807,387

NOTE 7 - INTERNAL BALANCES

The City of Ringgold maintains a combined checking account for the General, Downtown Development Authority Fund, Hotel/Motel Tax, Confiscated Assets, Capital Projects Grant, Sewer, and Water 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	Downtown Development Authority Fund	Hotel/Motel Tax Fund	Confiscated Assets Fund	Capital Projects Grant Fund	Capital Projects Fund	Total
General Fund	$ -	$ 9,030	$ 64,313	$ 5,907	$ 29,020	$ 5,000	$ 113,270
Sewer Fund	5,427,008	-	-	-	-	-	5,427,008
Water Fund	22,508	-	-	-	-	-	22,508
Total	$5,449,516	$ 9,030	$ 64,313	$ 5,907	$ 29,020	$ 5,000	$5,562,786

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 824,677	$ -	$ -	$ 824,677
Construction in progress	-	413,934	-	413,934
Total capital assets not being depreciated	824,677	413,934	-	1,238,611
Capital assets being depreciated:				
Land improvements	7,045,501	287,684	-	7,333,185
Building and improvements	4,408,647	3,315,700	-	7,724,347
Vehicles	1,561,199	55,087	-	1,616,286
Equipment	1,446,732	18,133	-	1,464,865
Total capital assets being depreciated	14,462,079	3,676,604	-	18,138,683
Less accumulated depreciation for:				
Land improvements	2,437,804	369,737	-	2,807,541
Buildings and improvements	1,946,700	164,189	-	2,110,889
Vehicles	1,170,361	107,644	-	1,278,005
Equipment	1,087,393	81,087	-	1,168,480
Total accumulated depreciation	6,642,258	722,657	-	7,364,915
Total capital assets being depreciated - net	7,819,821	2,953,947	-	10,773,768
Governmental activities capital assets - net	$ 8,644,498	$ 3,367,881	$ -	$12,012,379

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

General government	$ 370,058
Public safety	61,591
Public welfare and recreation	168,188
Public works	122,820
Total	$ 722,657

NOTE 8 - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 287,905	$ -	$ -	$ -	$ 287,905
Construction in progress	32,889	-	-	(32,889)	-
Total capital assets not being depreciated	320,794	-	-	(32,889)	287,905
Capital assets being depreciated:					
Buildings	833,138	1,177,930	-	32,889	2,043,957
Equipment	1,267,692	162,197	(20,365)	-	1,409,524
Sewer lines	26,310,909	931,049	-	-	27,241,958
Vehicles	840,864	90,627	-	-	931,491
Water lines	3,241,199	561,560	-	-	3,802,759
Total capital assets being depreciated	32,493,802	2,923,363	(20,365)	32,889	35,429,689
Less accumulated depreciation for:					
Buildings	571,617	17,715	-	-	589,332
Equipment	988,851	64,868	(20,365)	-	1,033,354
Sewer lines	9,226,226	540,934	-	-	9,767,160
Vehicles	532,568	69,627	-	-	602,195
Water lines	1,734,538	113,186	-	-	1,847,724
Total accumulated depreciation	13,053,800	806,330	(20,365)	-	13,839,765
Total capital assets being depreciated - net	19,440,002	2,117,033	-	32,889	21,589,924
Business-type activities capital assets - net	$19,760,796	$2,117,033	$ -	$ -	$21,877,829

NOTE 9 - DEFERRED OUTFLOWS RELATED TO OPEB

Deferred outflows related to OPEB at December 31, 2023, consists of the following:

Beginning balance	$ 267,537
Changes of assumptions	89,317
Amortization of deferrals	(30,915)
Prepayments	45,095
Reverse prior year payments	(40,560)
Total	$ 330,474

NOTE 10 - ACCRUED GRANT REVENUE

Accrued grant revenue at December 31, 2023, consist of the following:

Department of Human Services	$ 1,355,574
Georgia Department of Transportation	49,421
Total	$ 1,404,995

NOTE 11 - UNEARNED REVENUE

Unearned revenue at December 31, 2023, consist of the following:

Lyndhurst Foundation donation to be used for Benton Coal Depot	$ 19,811
Lyndhurst Foundation donation to be used for Slabtown Park and South Chickamauga Creek Blueway	125,000
Donations for Crossroads Park	72,691
Total	$ 217,502

NOTE 12 - 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 February 21, 2023, 2.378%, due February 21, 2028, original balance $62,600, used to purchase two patrol vehicles, direct borrowing	$ 62,600
Compensated absences	129,881
	192,481
Less: current portion of governmental debt	(11,939)
Total governmental long-term debt	$ 180,542

A summary of changes in governmental long-term debt for the year ended December 31, 2023, are as follows:

	Balance 12-31-22	Additions	Retirements	Balance 12-31-23	Due Within One Year
Direct borrowings:					
USDA Note	$ -	$ 62,600	$ -	$ 62,600	$ 11,939
Other debt:					
Compensated absences	111,442	18,439	-	129,881	-
Total	$ 111,442	$ 81,039	$ -	192,481	$ 11,939
Less: current portion of governmental long-term debt				(11,939)	
Total governmental long-term debt				$ 180,542	

In accordance with GASB No. 101, *Compensated Absences,* the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The USDA Rural Development Note is payable from the taxes levied by the City. The debt is guaranteed by a lien on the patrol vehicles' titles. 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.

NOTE 12 - LONG-TERM DEBT (Continued)

A. Governmental Debt (Continued)

Governmental debt service requirements to maturity, including interest of $4,535, are as follows:

Year ended December 31	Direct Borrowings Principal	Interest	Total
2024	$ 11,939	$ 1,488	$ 13,427
2025	12,222	1,205	13,427
2026	12,513	914	13,427
2027	12,811	616	13,427
2028	13,115	312	13,427
Total	$ 62,600	$ 4,535	$ 67,135

Note: The above debt service requirements schedule does not include compensated absences.

Governmental debt is generally liquidated by the General Fund.

The City does not have unused lines of credit.

Interest paid during the year ended December 31, 2023, on governmental long-term debt was $0.

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, direct borrowing	$ 4,290,000
Compensated absences	42,434
	4,332,434
Less: current portion of sewer debt	(474,000)
Total sewer long-term debt	$ 3,858,434

A summary of changes in sewer long-term debt for the year ended December 31, 2023, are as follows:

	Balance 12-31-22	Additions	Retirements	Balance 12-31-23	Due Within One Year
Direct borrowings:					
Revenue bonds	$ 4,753,000	$ -	$ (463,000)	$ 4,290,000	$ 474,000
Other debt:					
Compensated absences	35,226	7,208	-	42,434	-
Total	$ 4,788,226	$ 7,208	$ (463,000)	4,332,434	$ 474,000
Less: current portion of Sewer Fund long-term debt				(474,000)	
Total Sewer Fund long-term debt				$ 3,858,434	

NOTE 12 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Sewer Fund (Continued)
In accordance with GASB No. 101, *Compensated Absences,* the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The Sewer System Revenue Improvement Bonds are payable from, but not secured by, the income and revenues derived from the operation of the sewer system. If in default and there are insufficient funds from the sewer system operations, the principal and interest will be paid from the current funds of the City.

Sewer Fund debt service requirements to maturity, including interest of $787,884, are as follows:

Year ended December 31	Direct Borrowings Principal	Interest	Total
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
2029-2031	1,712,000	118,417	1,830,417
Total	$ 4,290,000	$ 787,884	$5,077,884

Note: The above debt service requirements schedule does not include compensated absences.

Interest paid during the year ended December 31, 2023, on sewer long-term debt was $190,039.

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

	Principal Balance
Georgia Environmental Facilities Administration Loan, 1.56%, still in draw down phase as of December 31, 2023	$1,126,476
Customer deposits	100,892
Compensated absences	32,616
	1,259,984
Less: current portion of water debt	-
Total water long-term debt	$1,259,984

NOTE 12 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Water Fund (Continued)
A summary of changes in water long-term debt for the year ended December 31, 2023, are as follows:

	Balance 12-31-22	Additions	Retirements	Balance 12-31-23	Due Within One Year
Direct borrowings:					
GEFA loan	$ 9,790	$1,116,686	$ -	$ 1,126,476	$ -
Other debt:					
Customer deposits	101,772	-	(880)	100,892	-
Compensated absences	31,666	950	-	32,616	-
Total other debt	133,438	950	(880)	133,508	-
Total	$ 143,228	$1,117,636	$(880)	1,259,984	$ -
Less: current portion of Water Fund long-term debt				-	
Total Water Fund long-term debt				$ 1,259,984	

In accordance with GASB No. 101, *Compensated Absences,* the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The Georgia Environmental Facilities Administration Loan is payable from, but not secured by, the income and revenues derived from the operation of the water system. If in default and there are insufficient funds from the water system operations, the principal and interest will be paid from the current funds of the City.

No debt service requirements schedule is required for customer deposits, compensated absences, or the loan in draw down.

Interest paid during the year ended December 31, 2023, on water long-term debt was $1,027.

NOTE 13 - NET OPEB LIABILITY

Net OPEB liability at December 31, 2023 consists of the following:

Beginning balance	$ 1,465,012
Service cost	88,952
Interest expense	56,976
Assumption changes	89,317
Benefit payments	(45,095)
Total	$ 1,655,162

NOTE 14 - DEFERRED INFLOWS RELATED TO OPEB

Deferred inflows related to OPEB at December 31, 2023, consists of the following:

Beginning balance	$ 679,680
Amortization of deferrals	(47,895)
Total	$ 631,785

NOTE 15 - 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	$ 11,849	$ 11,849

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

NOTE 16 - 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 $88,901 for future downtown development expenditures.

Haunted Depot Fund restricts $142,014 for future depot expenditures.

Confiscated Assets Fund restricts $7,955 for future confiscation expenditures.

Ringgold Depot Fund restricts $188,756 for the Ringgold Depot facility.

Visitor Center Fund restricts $236,913 to promote tourism in the Ringgold area.

Technology Fund restricts $22,945 for police expenditures.

The City also has $32,080 of nonspendable fund balance related to prepaid expenses.

NOTE 17 - TRANSFERS

Interfund transfers as of December 31, 2023, consist of the following:

	Transfers to							
	General Fund	Downtown Development Authority Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Sewer Fund	Water Fund	Total
Transfer from								
General Fund	$ -	$ 1,471,453	$ -	$ -	$ 243,643	$ -	$ 59,102	$ 1,774,198
Hotel/Motel Tax Fund	289,796	-	75,347	407,646	-	-	-	772,789
Haunted Depot Fund	-	26,000	-	-	-	-	-	26,000
Visitor Center Fund	47,015	-	-	-	-	-	-	47,015
Capital Projects Fund	-	-	-	-	-	300,000	78,888	378,888
Total	$ 336,811	$ 1,497,453	$ 75,347	$ 407,646	$ 243,643	$ 300,000	$ 137,990	$ 2,998,890

Transfers from the General Fund, Haunted Depot Fund, and Visitor Center 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.

Funds were transferred out of the Capital Projects Fund into the enterprise funds to complete SPLOST projects.

NOTE 18 - HOTEL/MOTEL LODGING TAX

The City of Ringgold levies an 8% lodging tax as authorized in Official Code of Georgia Annotated (OCGA) 48-13-50. Half of the expenditures are used for the promotion of tourism and the other half are used for general expenditures. A summary of the transactions for the year ended December 31, 2023, is as follows:

Fund Balance - January 1, 2023	$ -
Lodging tax services	772,789
Amount available for disbursements	772,789
Disbursements:	
Transfer to General Fund	289,796
Transfer to the Ringgold Depot Fund	75,347
Transfer to Visitor Center Fund	407,646
Total disbursed	772,789
Balance - held in reserve for future hotel/motel tax projects	$ -

NOTE 19 - 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 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 $(1,271,708) difference are as follows:

Deferred outflows related to OPEB	$ 214,809
Net OPEB liability	(1,075,856)
Deferred inflows related to OPEB	(410,661)
Net adjustment	$ (1,271,708)

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 $3,367,881 difference are as follows:

Depreciation expense	$(722,657)
Capital outlay	4,090,538
Net adjustment	$ 3,367,881

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 $100,301 difference are as follows:

OPEB expense	$ (80,869)
Contributions	29,312
Change in proportionate share	151,858
Net adjustment	$ 100,301

NOTE 20 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

Expenditures in the Downtown Development Authority Fund, Haunted Depot Fund, and Capital Projects Grant Fund exceeded the amount budgeted by $211,029, $794, and $26,711, respectively.

NOTE 21 - 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 Corvel). 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 Travelers. 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 22 - 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 $2,373,766. The amount of covered payroll was $1,575,975. Total contributions required was $190,128, which was 12% of covered payroll. The City's contribution required and actual was $157,598, which was 10% of covered payroll. The mandatory employee contributions required and actual was $32,530 which was 2% of covered payroll. Employee voluntary contributions totaled $58,564, making a total employee contribution of $91,094, which is 5.78% of covered payroll. The total City and employee contribution actually made was $248,692, which was 15.78% of covered payroll. There were no current year changes in plan provisions.

NOTE 23 - 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, 2023, 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. The valuation date is as of January 1, 2022, and is updated as of December 31, 2023 using the December 31, 2023 discount rate. The plan does not issue a stand-alone financial statement.

Fiscal Year Ending December 31, 2023	
Total OPEB liability	$ 1,655,162
Fiduciary net position	$ 0
Net OPEB liability	$ 1,655,162
OPEB expense	$ 124,413
Deferred (outflows)/inflows of resources	$ 301,311
Expected benefit payments	$ 45,095

Economic Assumptions

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

Assumption Selection Date	December 31, 2022	December 31, 2023
Discount rate	3.72%	3.26%
2023 medical trend rates	6.50%	6.50%
Ultimate medical trend rate	4.50%	4.50%
Year ultimate trend rates reached	2027	2027
Annual payroll increase	2.50%	2.50%

Experience Gains and Losses

The plan had an accumulated experience gain over the past two years primarily due to healthcare costs increasing less than assumed and favorable demographic experience. The impact on the total OPEB liability is provided later in this section.

Assumption Changes Included in Current Valuation

The healthcare cost trend rate was reset at 7.0% in 2022, grading down 0.5% per annum to an ultimate rate of 4.5% in years 2027 and later. The mortality improvement scale was updated to MP-2021. The impact on the total OPEB liability is provided later in this section.

Benefit Changes Included in Current Valuation

None

Changes as of December 31, 2023

The discount rate was changed from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The discount rate is based on the Bond Buyer's 20 Bond Index.

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

GASB 75 Liabilities and Expense
For Fiscal Year Ending December 31, 2023

I.	Present value of Future Benefits	
	A. Retirees/Disableds	$ 368,971
	B. Active Employees	3,046,729
	C. Total	$ 3,415,700
II.	Total OPEB Liability	
	A. Retiress/Disableds	$ 368,971
	B. Active Employees	1,286,191
	C. Total	$ 1,655,162
III.	Fiduciary Net Position	$ -
IV.	Net OPEB Liability	$ 1,655,162
V.	Expected Benefit Payments	
	A. Retirees/Disableds	$ 40,912
	B. Active Employees	4,183
	C. Total	$ 45,095
VI.	OPEB Expense	
	A. Service Cost	$ 88,952
	B. Interest	56,976
	C. Expected Return	-
	D. Changes of Benefit Terms	-
	E. Recognition of Deferred Outflows/Inflows of Resources	(21,515)
	F. OPEB Expense (A. + B. + C. + D. + E.)	$ 124,413
VII.	Deferred (Outflows) of Resources	
	A. Experience Loss	$ -
	B. Change in Assumptions	(285,379)
	C. Prepayments	(45,095)
	D. Total	$ (330,474)
	Deferred Inflows of Resources	
	A. Experience Gain	$ 289,041
	B. Change in Assumptions	342,744
	C. Investment Gain	-
	D. Total	$ 631,785
	Recognition in Expense	
	Year Ended December 31,	
	2024	$ (21,515)
	2025	$ (21,515)
	2026	$ (21,515)
	2027	$ (21,515)
	2028	$ (21,515)
	Thereafter	$ (193,736)

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

The amount shown for prepayments (contributions subsequent to the measurement date) will be recognized as a reduction of the net OPEB liability.

Census Information

Employee Counts
As of January 1, 2020

	Actives	Inactives Not Receiving Benefits	Inactives Receiving Benefits	Total
Male	31	-	3	34
Female	9	-	1	10
Total	40	-	4	44

Employee Counts
As of January 1, 2022

	Actives	Inactives Not Receiving Benefits	Inactives Receiving Benefits	Total
Male	25	-	3	28
Female	9	-	1	10
Total	34	-	4	38

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	-	4	4	-	-	-
40 - 44	-	7	7	-	-	-
45 - 49	-	3	3	-	-	-
50 - 54	-	5	5	-	-	-
55 - 59	2	2	4	-	-	-
60 - 64	-	3	3	-	-	-
65 and over	-	-	-	-	-	-
Total	2	32	34	-	-	-

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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

	Average Age and Service	
	As of January 1, 2022	As of January 1, 2020
Active Employees		
A. Average age at hire		
Males	32.6	32.7
Females	44.3	44.3
Total	35.7	35.4
B. Average Service		
Males	10.0	7.4
Females	5.2	3.2
Total	8.7	6.4
C. Average Current Age		
Males	42.6	40.1
Females	49.5	47.5
Total	44.4	41.8
Inactives Not Receiving Benefits		
D. Average Current Age		
Males	N/A	N/A
Females	N/A	N/A
Total	N/A	N/A
Inactives Receiving Benefits		
E. Average Current Age		
Males	76.4	74.4
Females	73.2	71.2
Total	75.6	73.6

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Required Disclosures for Fiscal Year Ending December 31, 2023

Changes in Total OPEB Liability

Balance at 12/31/2022	$ 1,465,012
Changes for the year:	
Service cost	88,952
Interest	56,976
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	89,317
Benefit payments	(45,095)
Net changes	190,150
Balance at 12/31/2023	$ 1,655,162

Notes:

Plan changes - None

Assumption changes - The discount rate was 3.72% as of December 31,2022 and 3.26% as of December 31, 2023.

Sensitivity of the Total OPEB Liability

1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
$ 1,872,154	$ 1,655,162	$ 1,468,555

1% Decrease (5.50% decreasing to 3.50%)	Healthcare Cost Trend Rates (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
$ 1,527,233	$ 1,655,162	$ 1,812,950

Actuarial Assumptions and Methodology

1. Discount Rate: A discount rate of 2.03% was used as of December 31, 2021. A discount rate of 3.72% was used as of December 31, 2023. A discount rate of 3.26% was used as of December 31, 2023. The discount rate was based on the Bond Buyer's 20 Bond Index.

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

2. 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
2022	7.00%
2023	6.50%
2024	6.00%
2025	5.50%
2026	5.00%
2027+	4.50%

3. Mortality:

Current Valuation:
RPH-2014 Total Dataset Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2021.

Prior Valuation:
RPH-2014 Total Dataset Headcount-Weighted Fully Generational Mortality Table using Projection Scale MP-2019.

4. 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%	27.0%
66	32.0%	35.0%
68	25.0%	25.0%
70	30.0%	30.0%
75+	100.0%	100.0%

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%

6. Disability Rates: None Assumed

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.

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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	11,593	13,373
51	12,045	13,625
52	12,513	13,886
53	13,008	14,120
54	13,529	14,363
55	14,077	14,606
56	14,641	14,858
57	15,223	15,110
58	15,787	15,483
59	16,369	15,874
60	16,977	16,274
61	17,602	16,673
62	18,254	17,090
63	18,601	17,420
64	18,957	17,750

11. Administrative Expenses: Included in premiums used.

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 year 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.

NOTE 23 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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
f.	Annual Premiums:	Effective January 1, 2022 - December 31, 2022

PPO 90/70	
Employee Only	$ 11,556.00
Employee and Family	$ 27,132.00

HMO 90	
Employee Only	$ 11,928.00
Employee and Family	$ 23,184.00

POS 80/60	
Employee Only	$ 10,584.00
Employee and Family	$ 19,162.80

NOTE 24 - 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 25 - CONTINGENT LIABILITIES

As of December 31, 2023, the City does not have any material contingent liabilities.

NOTE 26 - 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, 2023, the City paid $3,440 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 27 - 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 28 - 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 Total OPEB Liability and Related Ratios
December 31, 2023

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 87,071	$ 77,019	$ 129,367	$ 151,985	$ 126,095	$ 88,952
Interest	46,508	54,649	43,554	39,748	36,298	56,976
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(81,604)	-	(259,991)	-
Changes in assumptions and other inputs	(109,188)	255,146	66,128	21,805	(312,008)	89,317
Benefit payments	(32,171)	(34,745)	(38,610)	(42,343)	(40,560)	(45,095)
Net change in total OPEB liability	(7,780)	352,069	118,835	171,195	(450,166)	190,150
Total OPEB liability - beginning	1,280,859	1,273,079	1,625,148	1,743,983	1,915,178	1,465,012
Total OPEB liability - ending	$ 1,273,079	$ 1,625,148	$ 1,743,983	$ 1,915,178	$ 1,465,012	$ 1,655,162
Covered-employee payroll	$ 1,453,668	$ 1,490,010	$ 1,691,831	$ 1,734,127	$ 1,516,951	$ 1,554,875
Total OPEB liability as a percentage of covered-employee payroll	87.58%	109.07%	103.08%	110.44%	96.58%	106.45%
Notes to Schedule:						
Plan changes:	None	None	None	None	None	None
Assumption changes:						
Discount rate	4.10%	2.74%	2.12%	2.03%	3.72%	3.26%
Trend rate	8.0% initially, grading down 5.0% in 2024	7.5% initially, grading down 5.0% in 2024	7.0% initially, grading down 4.5% in 2025	6.5% initially, grading down 4.5% in 2025	7.0% initially, grading down 4.5% in 2027	6.5% initially, grading down 4.5% in 2027
Mortality improvement scale	MP2018	MP2018	MP2019	MP2019	MP2021	MP2021

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

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.

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, 2023

	Special Revenue							Capital Projects	Total
	Hotel/Motel Tax 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	$ -	$ 147,128	$ 13,862	$ 197,830	$ 260,851	$ -	$ 24,043	$ 5,000	$ 648,714
Accounts receivable - net	64,313	-	-	-	-	-	-	-	64,313
Grants receivable	-	-	-	-	-	200,000	-	-	200,000
TOTAL ASSETS	$ 64,313	$ 147,128	$ 13,862	$ 197,830	$ 260,851	$ 200,000	$ 24,043	$ 5,000	$ 913,027
LIABILITIES									
Accounts payable	$ -	$ -	$ -	$ 9,074	$ 22,965	$ -	$ 1,098	$ -	$ 33,137
Accrued wages	-	-	-	-	973	-	-	-	973
Accrued liabilities	-	5,114	-	-	-	-	-	-	5,114
Unearned revenue	-	-	-	-	-	197,691	-	-	197,691
Due to other funds	64,313	-	5,907	-	-	29,020	-	5,000	104,240
TOTAL LIABILITIES	$ 64,313	$ 5,114	$ 5,907	$ 9,074	$ 23,938	$ 226,711	$ 1,098	$ 5,000	$ 341,155
FUND BALANCES									
Restricted	$ -	$ 142,014	$ 7,955	$ 188,756	$ 236,913	$ -	$ 22,945	$ -	$ 598,583
Unassigned	-	-	-	-	-	(26,711)	-	-	(26,711)
TOTAL FUND BALANCES	$ -	$ 142,014	$ 7,955	$ 188,756	$ 236,913	$ (26,711)	$ 22,945	$ -	$ 571,872

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2023

	Special Revenue							Capital Projects	Total
	Hotel/Motel Tax 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	$ 772,789	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 772,789
Intergovernmental	-	-	-	-	-	200,000	-	745,252	945,252
Fines and forfeitures	-	-	3,593	-	-	-	31,070	-	34,663
Charges for services	-	1,643	-	-	-	-	-	-	1,643
Other revenue	-	71,250	-	29,542	36,325	-	-	-	137,117
TOTAL REVENUES	772,789	72,893	3,593	29,542	36,325	200,000	31,070	745,252	1,891,464
EXPENDITURES									
Current expenditures									
Public safety	-	-	150	-	-	-	43,263	-	43,413
Public welfare and recreation	-	25,294	-	37,303	360,759	470,354	-	-	893,710
Total current expenditures	-	25,294	150	37,303	360,759	470,354	43,263	-	937,123
Capital outlay	-	-	-	-	-	-	-	366,364	366,364
TOTAL EXPENDITURES	-	25,294	150	37,303	360,759	470,354	43,263	366,364	1,303,487
Excess (deficiency) of revenue over (under) expenditures	772,789	47,599	3,443	(7,761)	(324,434)	(270,354)	(12,193)	378,888	587,977
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	75,347	407,646	243,643	-	-	726,636
Transfers out	(772,789)	(26,000)	-	-	(47,015)	-	-	(378,888)	(1,224,692)
Total other financing sources (uses)	(772,789)	(26,000)	-	75,347	360,631	243,643	-	(378,888)	(498,056)
Net changes in fund balances	-	21,599	3,443	67,586	36,197	(26,711)	(12,193)	-	89,921
Fund balances - beginning	-	120,415	4,512	121,170	200,716	-	35,138	-	481,951
Fund balances - end	$ -	$ 142,014	$ 7,955	$ 188,756	$236,913	$ (26,711)	$ 22,945	$ -	$ 571,872

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Taxes				
Hotel/motel tax	$ 696,000	$ 696,000	$ 772,789	$ 76,789
TOTAL REVENUES	696,000	696,000	772,789	76,789
Excess (deficiency) of revenue over (under) expenditures	696,000	696,000	772,789	76,789
OTHER FINANCING SOURCES (USES)				
Transfers out	(696,000)	(696,000)	(772,789)	(76,789)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Haunted Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for services				
Promotions	$ 1,500	$ 1,500	$ 1,643	$ 143
Other revenue				
Haunted Depot	56,000	56,000	68,250	12,250
Donations	2,000	2,000	3,000	1,000
Total other revenue	58,000	58,000	71,250	13,250
TOTAL REVENUES	59,500	59,500	72,893	13,393
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	3,000	3,000	5,200	(2,200)
Supplies and materials	21,500	21,500	20,094	1,406
TOTAL EXPENDITURES	24,500	24,500	25,294	(794)
Excess (deficiency) of revenue over (under) expenditures	35,000	35,000	47,599	12,599
OTHER FINANCING SOURCES (USES)				
Transfers out	(35,000)	(35,000)	(26,000)	9,000
Net changes in fund balances	-	-	21,599	21,599
Fund balances - beginning	120,415	120,415	120,415	-
Fund balances - end	$ 120,415	$ 120,415	$ 142,014	$ 21,599

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 3,000	$ 3,000	$ 3,593	$ 593
TOTAL REVENUES	3,000	3,000	3,593	593
EXPENDITURES				
Current expenditures				
Public safety				
Dues	-	-	150	(150)
Payments to agencies	1,000	1,000	-	1,000
Supplies and materials	2,000	2,000	-	2,000
TOTAL EXPENDITURES	3,000	3,000	150	2,850
Excess (deficiency) of revenue over (under) expenditures	-	-	3,443	3,443
Fund balances - beginning	4,512	4,512	4,512	-
Fund balances - end	$ 4,512	$ 4,512	$ 7,955	$ 3,443

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Rental	$ 25,000	$ 25,000	$ 29,542	$ 4,542
TOTAL REVENUES	25,000	25,000	29,542	4,542
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Insurance	2,000	2,000	2,250	(250)
Professional services	1,000	1,000	498	502
Repairs and maintenance	28,802	28,802	8,626	20,176
Supplies and materials	18,500	18,500	4,336	14,164
Telephone	1,800	1,800	1,741	59
Utilities	18,000	18,000	19,852	(1,852)
TOTAL EXPENDITURES	70,102	70,102	37,303	32,799
Excess (deficiency) of revenue over (under) expenditures	(45,102)	(45,102)	(7,761)	37,341
OTHER FINANCING SOURCES (USES)				
Transfers in	45,102	45,102	75,347	30,245
Net changes in fund balances	-	-	67,586	67,586
Fund balances - beginning	121,170	121,170	121,170	-
Fund balances - end	$ 121,170	$ 121,170	$ 188,756	$ 67,586

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Rental	$ 30,000	$ 30,000	$ 36,325	$ 6,325
TOTAL REVENUES	30,000	30,000	36,325	6,325
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	111,000	111,000	84,117	26,883
Payroll taxes	8,250	8,250	6,399	1,851
Dues and subscriptions	500	500	1,115	(615)
Insurance	47,500	47,500	24,800	22,700
Marketing and tourism	161,300	215,300	217,219	(1,919)
Postage and printing	-	-	21	(21)
Professional services	1,000	1,000	3,910	(2,910)
Repairs and maintenance	4,500	4,500	4,644	(144)
Retirement	5,000	5,000	4,306	694
Supplies and materials	5,401	5,401	10,370	(4,969)
Telephone	1,800	1,800	1,362	438
Travel	1,000	1,000	1,198	(198)
Utilities	7,500	7,500	1,298	6,202
TOTAL EXPENDITURES	354,751	408,751	360,759	47,992
Excess (deficiency) of revenue over (under) expenditures	(324,751)	(378,751)	(324,434)	54,317
OTHER FINANCING SOURCES (USES)				
Transfers in	324,751	378,751	407,646	28,895
Transfers out	-	-	(47,015)	(47,015)
Total other financing sources (uses)	324,751	378,751	360,631	(18,120)
Net changes in fund balances	-	-	36,197	36,197
Fund balances - beginning	200,716	200,716	200,716	-
Fund balances - end	$ 200,716	$ 200,716	$ 236,913	$ 36,197

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Intergovernmental				
Grant revenue	$ -	$ -	$ 200,000	$ 200,000
TOTAL REVENUES	-	-	200,000	200,000
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	443,643	443,643	457,542	(13,899)
Supplies and materials	-	-	12,812	(12,812)
TOTAL EXPENDITURES	443,643	443,643	470,354	(26,711)
Excess (deficiency) of revenue over (under) expenditures	(443,643)	(443,643)	(270,354)	173,289
OTHER FINANCING SOURCES (USES)				
Transfers in	443,643	443,643	243,643	(200,000)
Net changes in fund balances	-	-	(26,711)	(26,711)
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ (26,711)	$ (26,711)

CITY OF RINGGOLD, GEORGIA
Technology Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Fines and forfeitures				
Technology fees	$ 22,000	$ 22,000	$ 31,070	$ 9,070
TOTAL REVENUES	22,000	22,000	31,070	9,070
EXPENDITURES				
Current expenditures				
Public safety				
Dues and subscriptions	1,000	1,000	1,560	(560)
Professional services	-	-	14,670	(14,670)
Supplies and materials	16,000	38,000	17,614	20,386
Telephone	5,000	5,000	9,419	(4,419)
TOTAL EXPENDITURES	22,000	44,000	43,263	737
Excess (deficiency) of revenue over (under) expenditures	-	(22,000)	(12,193)	9,807
Fund balances - beginning	35,138	35,138	35,138	-
Fund balances - end	$ 35,138	$ 13,138	$ 22,945	$ 9,807

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ 745,252	$ 745,252	$ 745,252	$ -
TOTAL REVENUES	745,252	745,252	745,252	-
EXPENDITURES				
Capital outlay				
Public safety	66,364	66,364	66,364	-
Public welfare and recreation	300,000	300,000	300,000	-
TOTAL EXPENDITURES	366,364	366,364	366,364	-
Excess (deficiency) of revenues over (under) expenditures	378,888	378,888	378,888	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(378,888)	(378,888)	(378,888)	-
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING REVENUES				
Sewer charges	$ 2,674,000	$ 2,674,000	$ 2,793,729	$ 119,729
Installation charges	110,000	110,000	116,640	6,640
Other fees	5,000	5,000	2,000	(3,000)
Total operating revenues	2,789,000	2,789,000	2,912,369	123,369
OPERATING EXPENSE				
Operating and maintenance	2,380,500	2,587,706	1,722,098	865,608
Administration and general	32,500	32,500	22,512	9,988
Depreciation	646,000	646,000	647,741	(1,741)
Total operating expenses	3,059,000	3,266,206	2,392,351	873,855
Operating income (loss)	(270,000)	(477,206)	520,018	997,224
NON-OPERATING REVENUES (EXPENSES)				
Sale of assets	-	-	4,183	4,183
Interest expense	(230,000)	(230,000)	(190,039)	39,961
Total non-operating revenues (expenses)	(230,000)	(230,000)	(185,856)	44,144
Income (loss) before transfers	(500,000)	(707,206)	334,162	1,041,368
Transfers in	-	-	300,000	300,000
Changes in net position	(500,000)	(707,206)	634,162	1,341,368
Total net position - beginning	19,189,273	19,189,273	19,189,273	-
Total net position - end	$ 18,689,273	$ 18,482,067	$ 19,823,435	$ 1,341,368

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2023

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
OPERATING INCOME				
Water sales	$ 770,000	$ 770,000	$ 713,241	$ (56,759)
Installation charges	9,000	9,000	4,650	(4,350)
Penalties	31,000	31,000	34,413	3,413
Other fees	500	500	939	439
Total operating revenues	810,500	810,500	753,243	(57,257)
OPERATING EXPENSES				
Operating and maintenance	1,423,615	3,842,622	797,272	3,045,350
Administration and general	40,000	40,000	34,302	5,698
Depreciation	152,000	152,000	158,589	(6,589)
Total operating expenses	1,615,615	4,034,622	990,163	3,044,459
Operating income (loss)	(805,115)	(3,224,122)	(236,920)	2,987,202
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	600,000	3,019,007	599,000	(2,420,007)
Loan origination fees	-	-	(7,636)	(7,636)
Interest expense	(16,000)	(16,000)	(1,027)	14,973
Total non-operating revenue (expenses)	584,000	3,003,007	590,337	(2,412,670)
Income (loss) before transfers	(221,115)	(221,115)	353,417	574,532
Transfers in	221,115	221,115	137,990	(83,125)
Changes in net position	-	-	491,407	491,407
Total net position - beginning	2,293,829	2,293,829	2,293,829	-
Total net position - end	$ 2,293,829	$ 2,293,829	$ 2,785,236	$ 491,407

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2023

	Enterprise		
Operating Expenses	**Sewer Fund**	**Water Fund**	**Totals**
Operating and maintenance			
Salaries	$ 291,923	$ 328,318	$ 620,241
Payroll taxes	22,372	22,487	44,859
Chemicals	124	33,601	33,725
Drinking water program	-	4,774	4,774
Equipment	3,593	5,149	8,742
Fuel	16,439	10,822	27,261
Insurance	200,719	179,373	380,092
Post-employment benefits	22,393	21,151	43,544
Professional services	69,446	55,958	125,404
Repairs and maintenance	36,775	19,019	55,794
Retirement	15,708	29,141	44,849
Sewer treatment charges	981,122	-	981,122
Supplies and materials	35,023	28,178	63,201
Telephone	1,485	1,917	3,402
Uniforms	5,506	5,768	11,274
Utilities	19,470	50,091	69,561
Water line repairs	-	1,525	1,525
Total operating and maintenance	1,722,098	797,272	2,519,370
Administration and general			
Education and travel	2,081	4,219	6,300
Insurance	14,937	11,928	26,865
Licenses and dues	5,340	9,976	15,316
Printing and postage	154	8,179	8,333
Total administration and general	22,512	34,302	56,814
Depreciation	647,741	158,589	806,330
Total operating expenses	$ 2,392,351	$ 990,163	$ 3,382,514

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2023

Year of Levy	
2023	$ 51,217
2022	6,067
2021	2,753
2020	483
2019	770
2018	314
2017	-
2016	31
2015	30
2014	30
Total property taxes receivable	61,695
Less: allowance for uncollectibles	(11,836)
Net property taxes receivable	$ 49,859

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2023

	Taxes Receivable December 31, 2022	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2023
2023	$ -	$ 919,995	$(5,015)	$(863,763)	$ 51,217
2022	67,321	-	-	(61,254)	6,067
2021	5,995	-	-	(3,242)	2,753
2020	1,717	-	-	(1,234)	483
2019	770	-	-	-	770
2018	314	-	-	-	314
2017	-	-	-	-	-
2016	31	-	-	-	31
2015	30	-	-	-	30
2014	30	-	-	-	30
Total	$ 76,208	$ 919,995	$(5,015)	$(929,493)	$ 61,695

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
General Fund
December 31, 2023

USDA RURAL DEVELOPMENT NOTE

Maturing December 31,	Principal	Interest	Total Requirements
2024	$ 11,939	$ 1,488	$ 13,427
2025	12,222	1,205	13,427
2026	12,513	914	13,427
2027	12,811	616	13,427
2028	13,115	312	13,427
Total	$ 62,600	$ 4,535	$ 67,135

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
December 31, 2023

SEWER SYSTEM REVENUE IMPROVEMENT BONDS

Maturing December 31,	Principal	Interest	Total Requirements
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	522,000	9,136	531,136
Total	$ 4,290,000	$ 787,884	$ 5,077,884

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Long-term Debt by Individual Issue
December 31, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 1/1/2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 12/31/2023
Governmental Activities									
Notes Payable through General Fund									
USDA Rural Development Note	$ 62,600	2.378%	02/21/23	02/21/28	$ -	$ 62,600	$ -	$ -	$ 62,600
Business-Type Activities									
Bonds Payable through Sewer Fund									
Revenue Improvement Bond, Series 2005	$9,600,000	4.15%	04/01/05	04/01/31	$4,753,000	$ -	$(463,000)	$ -	$4,290,000
Notes Payable through Water Fund									
Georgia Environmental Finance Authority Note	*	1.56%	*	*	$ 9,790	$1,116,686	$ -	$ -	$1,126,476

* Note is still in draw down phase as of December 31, 2023

CITY OF RINGGOLD, GEORGIA
Schedules of Statistical Information
December 31, 2023

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2023	.3094	$ 297,348,093	$ 919,995
2022	.3094	$ 266,120,233	$ 823,376
2021	.3100	$ 251,697,244	$ 780,261
2020	.3100	$ 236,920,495	$ 734,454
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

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2023, were:

Water Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 16.00 plus $4.41/1,000 gal.
1" meter	0-8,000	$ 40.36 plus $4.53/1,000 gal.
1-1/2" meter	0-17,000	$ 76.88 plus $4.53/1,000 gal.
2" meter	0-25,000	$ 109.35 plus $4.53/1,000 gal.
3" meter	0-45,000	$ 337.89 plus $4.53/1,000 gal.
4" meter	0-60,000	$ 450.20 plus $4.53/1,000 gal.
6" meter	0-90,000	$ 674.77 plus $4.53/1,000 gal.
8" meter	0-120,000	$ 899.39 plus $4.53/1,000 gal.
10" meter	0-150,000	$1,123.98 plus $4.53/1,000 gal.

Sewer Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 18.29 plus $4.55/1,000 gal.
1" meter	0-8,000	$ 45.56 plus $4.55/1,000 gal.
1-1/2" meter	0-17,000	$ 86.51 plus $4.55/1,000 gal.
2" meter	0-25,000	$ 122.96 plus $4.55/1,000 gal.
3" meter	0-45,000	$ 411.23 plus $4.55/1,000 gal.
4" meter	0-60,000	$ 548.11 plus $4.55/1,000 gal.
6" meter	0-90,000	$ 822.17 plus $4.55/1,000 gal.
8" meter	0-120,000	$1,096.22 plus $4.55/1,000 gal.
10" meter	0-150,000	$1,371.62 plus $4.55/1,000 gal.

As of December 31, 2023 the City had 1,382 water accounts, 1,251 City sewer accounts, and 4,950 County sewer customers.

III. SINGLE AUDIT SECTION

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	State Grant/Program Number	Accrued (Receivable) 1/1/2023	Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/2023
Federal						
Department of Human Services						
Cares Act Grant	21.019	-	$ 1,355,574	$ -	$ -	$ 1,355,574
Appalachian Regional Commission						
through Georgia Environmental Finance Authority	23.001	GA-18868-2017	-	599,000	599,000	-
Georgia Environmental Finance Authority Loan	23.001	GF2020006	-	1,116,686	1,116,686	-
Total Appalachian Regional Commission			-	1,715,686	1,715,686	-
United States Department of Agriculture						
Community Facilities Grant	10.766	-	(25,000)	25,000	-	-
Community Facilities Loan	10.766	-	-	62,600	62,600	-
Total United States Department of Agriculture			(25,000)	87,600	62,600	-
Total federal awards			1,330,574	1,803,286	1,778,286	1,355,574
State						
Georgia Department of Transportation						
LMIG Street Resurfacing	-	2022	-	98,256	48,835	49,421
Georgia Department of Natural Resources						
Golden Mile Trail II	-	P22AP01128	-	-	200,000	(200,000)
Georgia Department of Community Affairs						
Rural Downtown Development	-	22dg-023-2-5102	-	1,364,104	1,421,316	(57,212)
Total state awards			-	1,462,360	1,670,151	(207,791)
TOTAL FEDERAL AND STATE AWARDS			$ 1,330,574	$3,265,646	$3,448,437	$ 1,147,783

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2023

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 elected to use the 10-percent de minimis indirect cost rate or to allocate any indirect cost.

NOTE 3 - LOAN BALANCE

	Balance
U.S. Department of Agriculture loan	$ 62,600
Georgia Environmental Finance Authority	$ 1,126,476

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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, 2023, 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 May 17, 2024.

Report on 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) as a basis for designing 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. 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.

Report on 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Responses as item 2023-001.

City of Ringgold, Georgia's Response to Findings

The City of Ringgold, Georgia's responses to the findings identified in our audit are 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, Mesmer & Wright, P.C.

Chattanooga, Tennessee
May 17, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Council Members
City of Ringgold, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Ringgold, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Ringgold, Georgia's major federal programs for the year ended June 30, 2023. The City of Ringgold, Georgia's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Ringgold, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Ringgold, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Ringgold, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Ringgold, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Ringgold, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Ringgold, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Ringgold, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Ringgold, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Ringgold, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Johnson, Mespopley & Wright, P.C.

Chattanooga, Tennessee
May 17, 2024

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Questioned Costs
December 31, 2023

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:

None disclosed.

Material Noncompliance:

One instance of noncompliance or other matters was disclosed.

Internal Control Deficiencies over Major Programs:

None disclosed.

Opinion on Compliance for Major Programs:

Unmodified opinion.

Findings Disclosed under the Uniform Guidance:

None disclosed.

Major Programs:

Appalachian Regional Commission 23.001

Dollar Threshold Level between Type A and Type B Programs:

$750,000

Low-Risk Auditee under the Uniform Guidance:

No

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

COMPLIANCE:

Finding 2023-001 - Expenditures Exceeded Budget

Criteria:
O.C.G.A. Section 36-81-3 states that, "Each unit of local government shall adopt and operate under an annual balanced budget for … each special revenue fund."

Condition:
Expenditures in the Downtown Development Authority Fund, Haunted Depot Fund, and Capital Projects Grant Fund exceeded the amount budgeted by $211,029, $794, and $26,711, respectively.

Cause:
The City's budget was not amended to account for all expenditures.

Effect:
Without following proper procedures, the City has failed to authorize all expenditures by the end of the fiscal year.

Management's Response:
We concur. We will make every effort in the future to provide for all expenditures in our budget.

FINDINGS RELATING TO FEDERAL AWARDS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE

None disclosed.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2023

Prior Year Finding Number	Finding Title	Status/Current Year Finding Number
2022-001	Expenditures Exceeded Budget (Original finding 2021-002)	Still in effect/2023-001

City of Ringgold

150 Tennessee Street
Post Office Box 579
Ringgold, Georgia 30736

Office 706-935-3061
Fax 706-965-7446

Management's Corrective Action Plan
December 31, 2023

Management's corrective action plan for our December 31, 2023 audit is as follows:

2023-001 Expenditures Exceeded Budget
We concur. Gina Wilson, Finance Director, will ensure as of the date of this letter that all necessary budget amendments have been made prior to the end of the fiscal year.

Respectfully submitted,

City of Ringgold, Georgia

Nick Millwood, Mayor

Certified Public Accountants

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37405

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Stuart Johnson, CPA

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

Independent Auditor's Report

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

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Ringgold, Georgia for the year ended December 31, 2023. 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, 2023, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
May 17, 2024

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2023

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2014 SPLOST					
Ringgold SPLOST Projects	$ 2,500,000	$ 1,689,096	$ 38,090	$ 1,727,186	69%
2019 SPLOST					
Ringgold Water/Sewer Projects		$ 567,006	$ 378,888	$ 945,894	
Recreational Complex Phase 1		-	100,000	100,000	
Emergency Vehicles		-	28,274	28,274	
Sidewalks		-	200,000	200,000	
2019 SPLOST Totals	$ 7,400,000	$ 567,006	$ 707,162	$ 1,274,168	17%