CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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

I. INTRODUCTORY SECTION

CITY OF RINGGOLD, GEORGIA
Table of Contents
December 31, 2015

		Page
I.	**INTRODUCTORY SECTION**	
	Table of Contents	i-ii
	Council Members and Management	iii
II.	**FINANCIAL SECTION**	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-13
	Basic Financial Statements	
	Government-wide Financial Statements	
	Statement of Net Position	14
	Statement of Activities	15
	Fund Financial Statements	
	Governmental Funds Balance Sheet	16
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
	Statement of Revenues, Expenditures and Changes in Fund Balances	18
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
	General Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	20-26
	Capital Projects Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	27
	Proprietary Funds	
	Statement of Net Position	28
	Statement of Revenues, Expenses and Changes in Net Position	29
	Statement of Cash Flows	30
	Fiduciary Funds	
	Statement of Fiduciary Assets and Liabilities	31
	Notes to Financial Statements	32-52
	Other Supplementary Information	
	Non-major Governmental Funds	53
	Combining Balance Sheet	54
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	55
	Hotel/Motel Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	56
	Haunted Depot Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	57
	Downtown Development Authority Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	58
	Confiscated Assets Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	59

CITY OF RINGGOLD, GEORGIA
Table of Contents (Continued)
December 31, 2015

	Page
II. FINANCIAL SECTION (Continued)	
Other Supplementary Information (Continued)	
Non-major Governmental Funds (Continued)	
Ringgold Depot Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	60
Visitor Center Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	61
Capital Projects Grant Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	62
Technology Fee Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	63
Financial Schedules	
Schedule of Expenditures of Federal and State Awards	64
Notes to the Schedule of Expenditures of Federal and State Awards	65
Sewer Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	66
Water Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	67
Proprietary Funds	
Schedule of Operating Expenses	68
Schedule of Property Taxes Receivable	69
Schedule of Changes in Property Taxes Receivable	70
Schedule of Debt Service Requirements	71
Schedules of Statistical Information	72
III. INTERNAL CONTROL AND COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	73-74
Schedule of Findings and Responses	75-76
Schedule of Prior Audit Findings	77
Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax	78
Schedule of Special Purpose Local Option Sales Tax	79
Corrective Action Plan	80

CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2015

Mayor ..... Joe Barger

Vice-Mayor ..... Nick Millwood

Council Member ..... Terry Crawford

Council Member ..... Earl Henderson

Council Member ..... Jake Haynes

Council Member ..... Randall Franks

City Manager ..... Dan Wright

City Judge ..... Robert Stultz

Financial Director ..... Will Baerg

II. FINANCIAL SECTION

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

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

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ringgold, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia, as of December 31, 2015, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The non-major governmental fund financial statements and financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the non-major governmental fund financial statements and financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the City of Ringgold, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ringgold, Georgia's internal control over financial reporting and compliance.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
June 10, 2016

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, 2015. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets of the City of Ringgold, Georgia exceeded its liabilities at December 31, 2015, by $27,867,214 (net position). Of this amount, $7,568,664 (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 $1,264,803. The City's business-type activities operated at a surplus of $2,206,491.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,030,237.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,771,250, or 104.89%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds or loss on investments, which netted to $(42,263) in the City's General Fund.

As of the close of the current fiscal year, the City of Ringgold, Georgia's enterprise funds reported combined ending net position of $18,411,109. Of that balance, $5,465,437 is unrestricted and the remaining $12,945,672 of net position is net investment in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The government-wide financial statements are:

The *Statement of Net Position* presents information on all of the City of Ringgold, Georgia's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ringgold, Georgia is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Ringgold, Georgia that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ringgold, Georgia include general government, public safety, public works, and public welfare and recreation. The business-type activities of the City of Ringgold, Georgia include the Sewer Fund and the Water Fund.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

The City of Ringgold, Georgia maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Individual fund data for the Hotel/Motel Tax, Haunted Depot, Downtown Development Authority, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant and Technology funds are provided later in this report beginning on page 54.

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

The basic governmental fund financial statements can be found on pages 16 and 18 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund and Water Fund, which are considered to be major funds of the City of Ringgold, Georgia.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 32 through 52 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 54 through 63 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ringgold, Georgia, assets exceeded liabilities by $27,867,214 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (71.97%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The City of Ringgold, Georgia uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Ringgold, Georgia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 0.87%, or $241,874, represents resources that are subject to external restrictions on how they may be used. The remaining 27.16% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2015, the City of Ringgold, Georgia is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

City of Ringgold, Georgia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Capital assets	$ 7,111,004	$ 4,929,706	$ 20,431,672	$ 19,381,405	$ 27,542,676	$ 24,311,111
Other assets	4,134,311	5,077,750	5,728,852	4,811,029	9,863,163	9,888,779
Total assets	$ 11,245,315	$ 10,007,456	$ 26,160,524	$ 24,192,434	$ 37,405,839	$ 34,199,890
Long-term liabilities	$ 1,696,193	$ 1,490,100	$ 7,342,452	$ 7,908,960	$ 9,038,645	$ 9,399,060
Other liabilities	93,017	326,054	406,963	78,856	499,980	404,910
Total liabilities	$ 1,789,210	$ 1,816,154	$ 7,749,415	$ 7,987,816	$ 9,538,625	$ 9,803,970
Net investment in capital assets	$ 7,111,004	$ 4,929,706	$ 12,945,672	$ 11,564,405	$ 20,056,676	$ 16,494,111
Restricted	241,874	180,979	-	-	241,874	180,979
Unrestricted	2,103,227	3,080,617	5,465,437	4,640,213	7,568,664	7,720,830
Total net position	$ 9,456,105	$ 8,191,302	$ 18,411,109	$ 16,204,618	$ 27,867,214	$ 24,395,920

Changes in Net Position

Governmental activities increased the City's net position by $1,264,803, and business-type activities increased the City's net position by $2,206,491. 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.

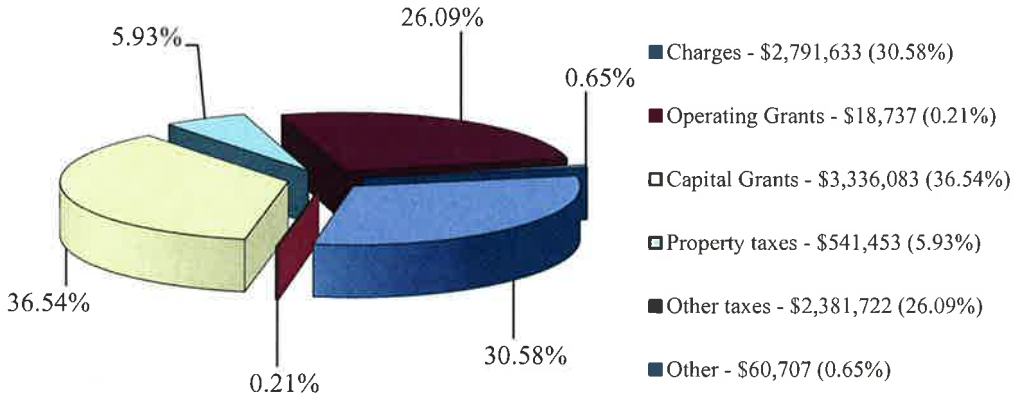
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

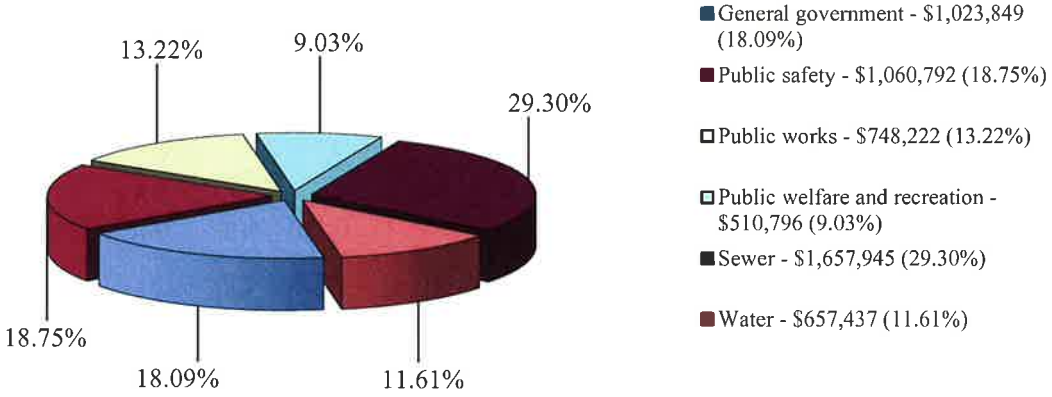
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 295,271	$ 286,414	$ 2,496,362	$ 2,198,703	$ 2,791,633	$ 2,485,117
Operating grants and contributions	18,737	95,500	-	-	18,737	95,500
Capital grants and contributions	2,993,714	743,741	342,369	-	3,336,083	743,741
General revenues:						
Property taxes	541,453	496,434	-	-	541,453	496,434
Other taxes	2,381,722	2,231,179	-	-	2,381,722	2,231,179
Other income	60,707	73,757	-	1,500	60,707	75,257
Total revenues	6,291,604	3,927,025	2,838,731	2,200,203	9,130,335	6,127,228
Expenses:						
General government	1,023,849	775,445	-	-	1,023,849	775,445
Public safety	1,060,792	996,471	-	-	1,060,792	996,471
Public works	748,222	1,485,975	-	-	748,222	1,485,975
Public welfare and recreation	510,796	349,918	-	-	510,796	349,918
Sewer	-	-	1,657,945	1,527,619	1,657,945	1,527,619
Water	-	-	657,437	580,474	657,437	580,474
Total expenses	3,343,659	3,607,809	2,315,382	2,108,093	5,659,041	5,715,902
Excess (deficiency) before transfers	2,947,945	319,216	523,349	92,110	3,471,294	411,326
Interfund transfers	(1,683,142)	(305,823)	1,683,142	305,823	-	-
Change in net position	1,264,803	13,393	2,206,491	397,933	3,471,294	411,326
Net position - beginning	8,191,302	8,177,909	16,204,618	15,806,685	24,395,920	23,984,594
Net position - end	$ 9,456,105	$ 8,191,302	$18,411,109	$ 16,204,618	$27,867,214	$24,395,920

The graphs below summarize the $9,130,335 of city-wide revenues by source, and the associated $5,659,041 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



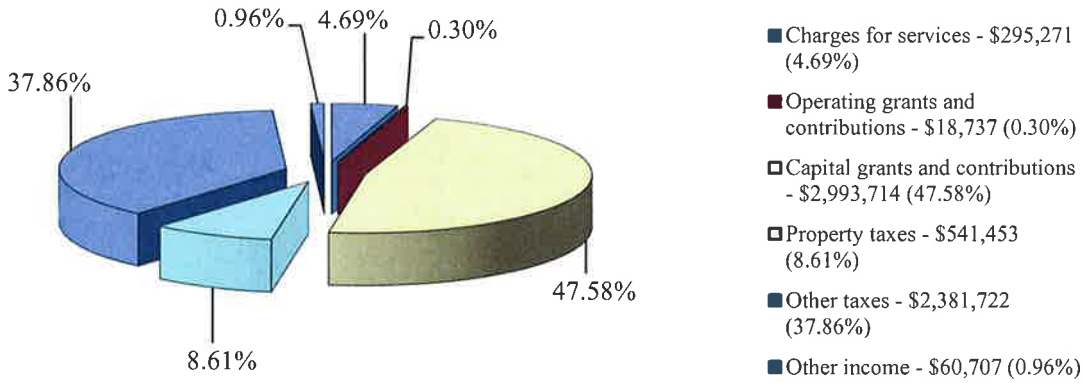
City-Wide Program Expenses



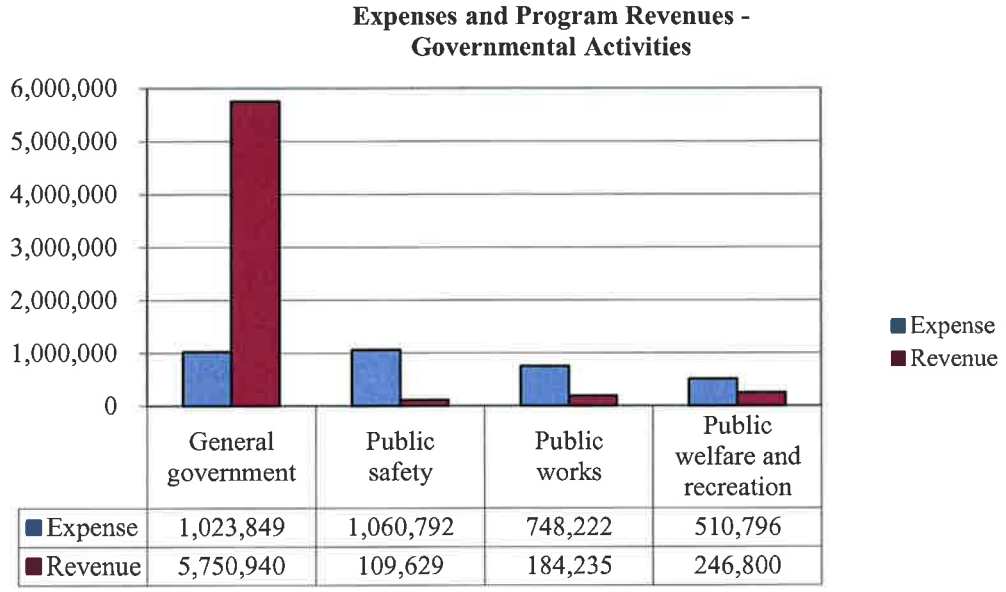
Governmental Activities

Governmental activities accounted for revenues of $6,291,604. The following graph summarizes the revenue by source.

Revenue by Source - Governmental Activities



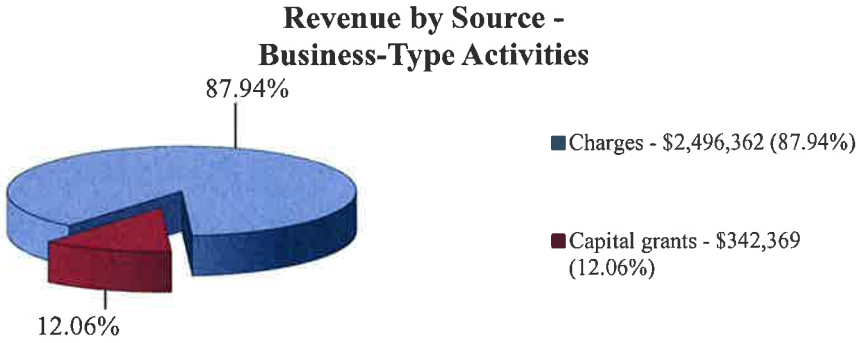
The following graph summarizes the revenue and related expense for each government program of the City. The difference between expense and revenue is the financial burden placed on the City's taxpayers for each program.



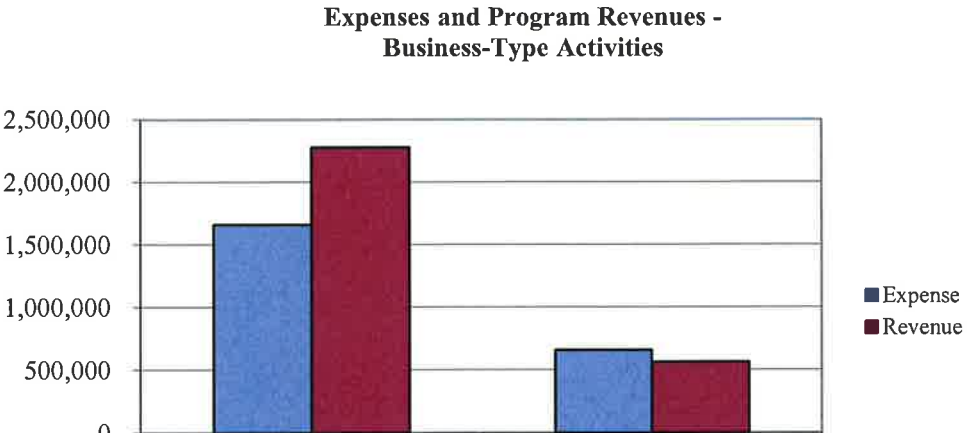
	General government	Public safety	Public works	Public welfare and recreation
Expense	1,023,849	1,060,792	748,222	510,796
Revenue	5,750,940	109,629	184,235	246,800

Business-type activities

Business-type activities accounted for revenues of $2,838,731. The following graph summarizes the revenue by source.



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



	Sewer	Water
Expense	1,657,945	657,437
Revenue	2,276,414	562,317

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,030,237.

The General Fund is the chief operating fund of the City of Ringgold, Georgia. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,771,250. 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 104.89% of total General Fund expenditures, excluding transfers and loss on investments.

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

Unrestricted net position at the end of the year amounted to $5,129,320 for the Sewer Fund and $336,117 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $(790,000) in fund balance change. The offsetting changes are listed below:

There was $125,000 in various increases in revenues.

Current expenditures were increased by $759,800.

Transfers in were increased by $21,000.

Transfers out were increased by $167,000.

Loss on investments were increased by $9,200.

CAPITAL ASSET AND DEBT ADMINISTRATION

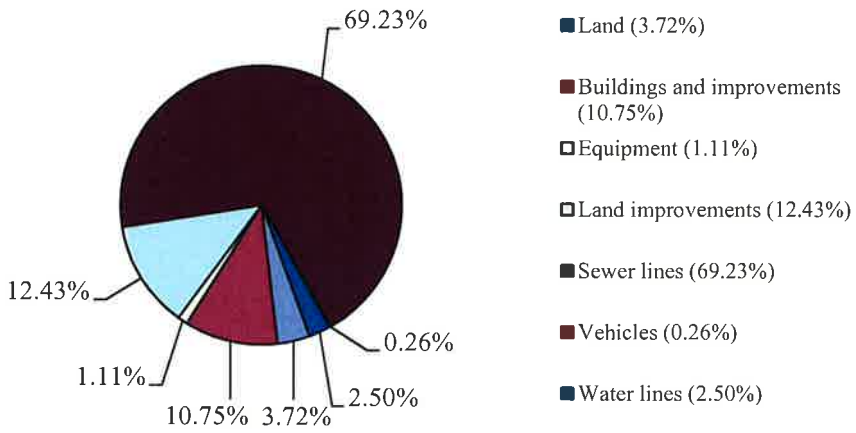
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

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

	Governmental Activities	Business-type Activities	Total
Land	$ 759,915	$ 265,815	$ 1,025,730
Buildings and improvements	2,604,817	356,885	2,961,702
Equipment	261,326	45,638	306,964
Land improvements	3,424,170	-	3,424,170
Sewer lines	-	19,068,205	19,068,205
Vehicles	60,776	10,725	71,501
Water lines	-	684,404	684,404
Total capital assets	$ 7,111,004	$ 20,431,672	$ 27,542,676

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

City-Wide Capital Assets



Additional information on the City of Ringgold, Georgia's capital assets can be found in Note 8 on pages 41 and 42.

City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Ringgold, Georgia had total debt outstanding of $9,383,645. Of that amount $345,000 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
Bond payable	$ -	$ 7,486,000	$ 7,486,000
Compensated absences	101,418	54,801	156,219
Customer deposits	-	68,445	68,445
Accrued post-employment benefits	1,594,775	78,206	1,672,981
Total	1,696,193	7,687,452	9,383,645
Less current portion	-	(345,000)	(345,000)
Total long-term debt	$ 1,696,193	$ 7,342,452	$ 9,038,645

Additional information on outstanding debt can be found in Note 10 on pages 43 through 45 of this report.

Currently Known Conditions Affecting Future Years

The Pedestrian Bridge that spans across Highway 41 or Nashville Street was completed in 2015 and named Barger Bridge after retiring Mayor Joe Barger. Mayor Barger had served as Mayor for 40 years and 8 years as a City Councilmember prior to becoming Mayor. The bridge construction cost was $309,887. Catoosa County contributed approximately $120,000 towards the cost of the project.

The City was awarded a street scaping project in 2014 and is planning to do a Downtown Pedestrian Safety Enhancement Project estimated to cost $1,000,000. The State has awarded $250,000 in the form of a TE Grant. The remaining $750,000 will be funded from the 2009 and 2014 SPLOST. Several unexpected issues came up during the construction project and the DOT contributed an additional amount of $55,607 to offset the improvements needed for unknown storm water conditions. At the end of 2015 a final walk through was conducted and a final punch list was given to the contractor. The work should be done in early 2016.

The City constructed the Trail of Tears in the amount of $220,000 for the construction of a ½ mile Nature Trail extension. The City has received a $100,000 DNR State Grant and a $50,000 Lyndhurst Matching Grant. The remainder will be paid from the 2009 SPLOST. The City also constructed a Canoe Launch which was fully funded by the Lyndhurst Foundation.

The City is proposing a Trail of Tears Phase II that will make needed improvements to the connectivity of the trail with the existing Chief Richard Taylor Trail and a canoe launch. The City has been awarded another DNR trail grant for $100,000 and Lyndhurst has committed to a $25,000 cash grant along with a $5,000 in-kind. The project is expected to cost $144,200.

A master plan for the Ringgold Recreational Complex was conducted by an engineering firm and the bid for Phase I will be out to bid in 2016 with an estimated cost of $500,000.

Georgia Northwestern College has built a satellite campus in the City of Ringgold on a 38-acre tract. The College will open in August of 2016. The City has agreed to install the water and sewer to the development. In addition to the 38-acre college, there will be a 12-acre commercial development. The cost of water and sewer has been awarded at approximately $425,000 and will be funded from SPLOST.

Patriot Hall, which serves as a second convention center in Ringgold, has begun a major reconstruction and is estimated to cost $250,000. The Georgia Department of Correction has provided an inmate crew to provide the labor and should be finished early 2016.

The Council has completed construction on the Nashville Street and High Street Sidewalk Project. The construction cost was $309,000. The City has also awarded a major road extension of Candy Lane at a cost of $463,763 which will be funded from SPLOST.

A low clearance warning device was approved by the City Council and the DOT and will be placed on the south side of the railroad underpass at Highway 41. The estimated cost is $25,000.

The City has awarded a contract to make improvements at the Water Treatment Plant Clearwell in the amount of $75,000, and this project was completed in 2015.

Water Plant improvements to allow the plant to use liquid chemicals instead of dry chemicals is in process of design and permitting. A GEFA grant and low interest loan has been applied for to assist with the $200,000 project. GEFA has agreed to an $86,000 forgiveness toward the project.

New water tank telemetry was installed to increase reliability and make repairs less expensive. The cost of the telemetry was $11,000.

The City has been successful in drilling a well on Poplar Springs Road and finding a good additional source of potable water. The cost of the initial test well was in excess of $100,000. The City plans to complete the production well, permitting and pump house in the next 12 months at a cost of approximately $200,000. A decision will then be made regarding connecting it to the Ringgold water system.

The Downtown Development Authority has made improvements to the Tennessee Street and Mountain Street property. The dwelling has been removed and a 22-space parking lot has been installed. The property has been subdivided to allow approximately 6,800 sq. ft. for a building lot that is currently under contract to a third party to develop as commercial properties and return to the tax roll. The 22-space parking lot will remain owned by the DDA.

The DDA has also purchased property adjacent to the Tennessee Street property for $105,000 and will demo a metal building and make additional parking for the down town and a possible additional building pad for a commercial building.

The DDA purchased a residential property that is located on South Depot Street adjacent to the Depot event parking lot. The cost of the property was $85,000 and many improvements have been made to the dwelling in order to get it rented to offset some of the cost. The DDA plans to request that the property be rezoned to Office-1 to make it available to rent as an office.

Phase II of Exit 345 Sewer is currently under contract and is funded by the County SPLOST and will increase the City's customers by over 100 homes and 5 commercial properties. The expected completion for Phase II of Exit 345 is Spring 2016. Foster Hill SD Sewer, Three Notch Road Estates, Lehon Estates and Melody Estates are all under construction and will be making sewer available to approximately 900 homes. The construction should be completed by the end of 2017.

Candy Lane Extension was completed in 2015. This extension was approximately 1,100 linear feet of road, curb and gutter with 2,000 ln. ft. of sewer main and improvements to the storm water system. The cost of the project was $590,000.

The Police Department has applied for a grant and low interest loan for two SUV vehicles and should know the results in Spring of 2016. The total cost is $80,000.

Martha Denton Pool improvements to replace the aged lights with LED lights are planned, and the cost is estimated at $10,000.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF RINGGOLD, GEORGIA
Statement of Net Position
December 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 537,479	$ 2,821,813	$ 3,359,292
Investments	5,170,882	-	5,170,882
Accounts receivable - net	313,885	207,039	520,924
Grants receivable	84,191	-	84,191
Property tax receivable - net	40,382	-	40,382
Prepaid expenses	21,268	-	21,268
Due from other governments	666,224	-	666,224
Internal balances	(2,700,000)	2,700,000	-
Total current assets	4,134,311	5,728,852	9,863,163
Non-current assets			
Capital assets			
Land	759,915	265,815	1,025,730
Other capital assets - net of accumulated depreciation	6,351,089	20,165,857	26,516,946
Total non-current assets	7,111,004	20,431,672	27,542,676
TOTAL ASSETS	$ 11,245,315	$ 26,160,524	$ 37,405,839
LIABILITIES			
Current liabilities			
Accounts payable	$ 73,283	$ 10,397	$ 83,680
Accrued wages	6,306	2,913	9,219
Accrued liabilities	13,428	48,653	62,081
Bond payable - due in one year	-	345,000	345,000
Total current liabilities	93,017	406,963	499,980
Non-current liabilities			
Compensated absences	101,418	54,801	156,219
Customer deposits	-	68,445	68,445
Bond payable	-	7,141,000	7,141,000
Accrued post-employment benefits	1,594,775	78,206	1,672,981
Total non-current liabilities	1,696,193	7,342,452	9,038,645
TOTAL LIABILITIES	$ 1,789,210	$ 7,749,415	$ 9,538,625
NET POSITION			
Net investment in capital assets	$ 7,111,004	$ 12,945,672	$ 20,056,676
Restricted for:			
Haunted depot	16,500	-	16,500
Confiscated assets	3,181	-	3,181
Ringgold depot	114,111	-	114,111
Tourism	99,705	-	99,705
Technology	8,377	-	8,377
Unrestricted	2,103,227	5,465,437	7,568,664
TOTAL NET POSITION	$ 9,456,105	$ 18,411,109	$ 27,867,214

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2015

Functions/Programs		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 1,023,849	$ 54,676	$ -	$ 2,712,382	$ 1,743,209	$ -	$ 1,743,209
Public safety	1,060,792	107,560	-	2,069	(951,163)	-	(951,163)
Public works	748,222	4,972	-	179,263	(563,987)	-	(563,987)
Public welfare and recreation	510,796	128,063	18,737	100,000	(263,996)	-	(263,996)
Total governmental activities	3,343,659	295,271	18,737	2,993,714	(35,937)	-	(35,937)
Business-type activities:							
Sewer	1,657,945	1,953,297	-	323,117	-	618,469	618,469
Water	657,437	543,065	-	19,252	-	(95,120)	(95,120)
Total business-type activities	2,315,382	2,496,362	-	342,369	-	523,349	523,349
Total primary government	$ 5,659,041	$ 2,791,633	$ 18,737	$ 3,336,083	(35,937)	523,349	487,412
General revenues:							
Property tax					541,453	-	541,453
Franchise tax					470,336	-	470,336
Local option sales tax					943,137	-	943,137
Motor vehicle tax					111,739	-	111,739
Occupational tax					97,150	-	97,150
Hotel/motel tax					312,039	-	312,039
Payment in lieu of taxes - TVA					9,933	-	9,933
Other taxes					437,388	-	437,388
Interest revenue					40,149	-	40,149
Other revenue					20,558	-	20,558
Transfers					(1,683,142)	1,683,142	-
Total general revenues and transfers					1,300,740	1,683,142	2,983,882
Change in net position					1,264,803	2,206,491	3,471,294
Net position - beginning					8,191,302	16,204,618	24,395,920
Net position - end					$ 9,456,105	$ 18,411,109	$ 27,867,214

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2015

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash	$ 28,297	$ 255,139	$ 254,043	$ 537,479
Investments	5,170,882	-	-	5,170,882
Accounts receivable - net	289,389	-	24,496	313,885
Grants receivable	2,069	-	82,122	84,191
Property tax receivable - net	40,382	-	-	40,382
Prepaid expenses	21,268	-	-	21,268
Due from other governments	563,319	102,905	-	666,224
Due from other funds	438,047	-	845	438,892
TOTAL ASSETS	$ 6,553,653	$ 358,044	$ 361,506	$ 7,273,203
LIABILITIES				
Accounts payable	$ 38,141	$ 27,292	$ 7,850	$ 73,283
Accrued wages	6,058	-	248	6,306
Accrued liabilities	5,879	-	7,549	13,428
Due to other funds	2,700,000	330,752	108,140	3,138,892
TOTAL LIABILITIES	$ 2,750,078	$ 358,044	$ 123,787	$ 3,231,909
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	$ 11,057	$ -	$ -	$ 11,057
FUND BALANCES				
Nonspendable	$ 21,268	$ -	$ -	$ 21,268
Restricted	-	-	241,874	241,874
Unassigned	3,771,250	-	(4,155)	3,767,095
TOTAL FUND BALANCES	$ 3,792,518	$ -	$ 237,719	$ 4,030,237

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, 2015

Total fund balances per governmental funds balance sheet	$ 4,030,237
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,111,004
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(101,418)
The other post-employment benefit plan has not been funded to meet annual requirement contributions, creating an accrued post-employment benefit liability. This liability is not due and payable in the current period and, therefore, is not reported in the funds.	(1,594,775)
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.	11,057
Net position of governmental activities	$ 9,456,105

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, 2015

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Taxes	$ 2,602,795	$ -	$ 312,039	$ 2,914,834
License and permits	36,935	-	-	36,935
Intergovernmental	12,002	2,712,382	279,263	3,003,647
Fines and forfeitures	93,540	-	-	93,540
Interest revenue	40,149	-	-	40,149
Other revenue	84,488	-	117,258	201,746
TOTAL REVENUES	2,869,909	2,712,382	708,560	6,290,851
EXPENDITURES				
Current expenditures				
General government	1,046,452	-	-	1,046,452
Public safety	940,676	-	10,778	951,454
Public works	1,283,142	-	-	1,283,142
Public welfare and recreation	325,269	-	674,187	999,456
Capital outlay	-	1,029,240	-	1,029,240
TOTAL EXPENDITURES	3,595,539	1,029,240	684,965	5,309,744
Excess (deficiency) of revenues over (under) expenditures	(725,630)	1,683,142	23,595	981,107
OTHER FINANCING SOURCES (USES)				
Transfers in	153,855	-	361,672	515,527
Transfers out	(187,000)	(1,683,142)	(328,527)	(2,198,669)
Loss on investments	(9,118)	-	-	(9,118)
Total other financing sources (uses)	(42,263)	(1,683,142)	33,145	(1,692,260)
Net changes in fund balances	(767,893)	-	56,740	(711,153)
Fund balances - beginning	4,560,411	-	180,979	4,741,390
Fund balances - end	$ 3,792,518	$ -	$ 237,719	$ 4,030,237

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, 2015

Net change in fund balances for total governmental funds	$ (711,153)
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.	2,181,298
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	751
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Post-employment benefits	(223,371)
Compensated absences	17,278
Change in net position of governmental activities	$ 1,264,803

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, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
City property tax	$ 518,000	$ 540,000	$ 533,862	$ (6,138)
Premium tax	184,000	207,000	206,281	(719)
Franchise tax	453,000	470,000	470,336	336
Excise tax	50,000	60,000	60,741	741
Local option sales tax	872,000	944,000	943,137	(863)
Malt beverage tax	160,000	160,000	158,817	(1,183)
Motor vehicle tax	126,000	112,000	111,739	(261)
Occupational tax	97,000	97,000	97,150	150
Intangible tax	5,000	15,000	15,881	881
Pawnbroker fees	1,000	2,000	2,344	344
Real estate transfer tax	2,000	3,000	2,507	(493)
Total taxes	2,468,000	2,610,000	2,602,795	(7,205)
License and permits				
Massage therapy license	1,000	1,000	315	(685)
Malt beverage license	19,000	34,000	34,970	970
Pawnbroker license	3,000	3,000	1,650	(1,350)
Total license and permits	23,000	38,000	36,935	(1,065)
Intergovernmental				
Payment in lieu of taxes - TVA	9,000	9,000	9,933	933
Grant revenue	10,000	3,000	2,069	(931)
Total intergovernmental	19,000	12,000	12,002	2
Fines and forfeitures				
Police and courts	76,000	93,000	93,540	540
Interest revenue				
Interest	25,000	40,000	40,149	149

(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, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue				
Fees	$ 21,000	$ 24,000	$ 22,713	$ (1,287)
Pool fees and pool concessions	58,000	46,000	45,119	(881)
Flag charges and flag donations	5,000	8,000	7,713	(287)
Miscellaneous	2,000	3,500	2,005	(1,495)
Contributions and donations	43,000	5,000	4,184	(816)
Insurance recoveries	-	500	429	(71)
Rent income	18,000	3,000	2,325	(675)
Total other revenue	147,000	90,000	84,488	(5,512)
TOTAL REVENUES	2,758,000	2,883,000	2,869,909	(13,091)
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	331,000	354,300	354,060	240
Zoning board pay	1,500	1,200	1,200	-
Payroll taxes	22,000	25,900	25,437	463
Administrative	7,000	7,000	6,954	46
Drug testing fees	1,000	400	350	50
Dues and subscriptions	31,000	29,000	28,888	112
Education and travel	8,000	7,500	7,401	99
Insurance	112,000	107,000	106,181	819
Printing and postage	5,500	6,400	6,101	299
Professional services	16,000	16,400	15,985	415
Repairs and maintenance	4,000	3,300	3,233	67
Retirement	31,000	31,000	30,974	26
Supplies and materials	14,000	20,700	20,529	171
Telephone	6,000	7,600	7,583	17
Vehicles	4,000	3,100	3,019	81
Total administration	594,000	620,800	617,895	2,905

(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, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Building and plant				
Insurance	$ 25,000	$ 25,000	$ 24,030	$ 970
Professional services	-	1,000	440	560
Repairs and maintenance	9,000	258,800	257,585	1,215
Supplies and materials	2,500	2,800	2,398	402
Telephone	1,500	1,400	1,291	109
Travel	1,000	-	-	-
Utilities	21,000	21,000	19,544	1,456
Total building and plant	60,000	310,000	305,288	4,712
Council				
Council salaries	18,300	18,000	18,000	-
Payroll taxes	1,500	1,450	1,377	73
Education and travel	15,100	15,300	15,281	19
Insurance	100	-	-	-
Professional services	-	2,100	2,100	-
Supplies and materials	-	150	129	21
Total council	35,000	37,000	36,887	113
Court				
City judge	7,800	7,800	7,800	-
Payroll taxes	600	700	597	103
Education and travel	1,500	1,400	1,118	282
Insurance	100	100	20	80
Total court	10,000	10,000	9,535	465
Elections				
Advertising	100	-	-	-
Professional services	1,400	9,400	8,862	538
Education and travel	800	800	486	314
Printing and postage	400	400	360	40
Supplies and materials	300	400	360	40
Total elections	3,000	11,000	10,068	932

(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, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Law				
Professional services	$ 58,000	$ 59,000	$ 58,643	$ 357
Mayor				
Mayor salaries	6,000	6,000	6,000	-
Payroll taxes	500	500	459	41
Education and travel	2,500	2,500	1,677	823
Total mayor	9,000	9,000	8,136	864
Total general government	769,000	1,056,800	1,046,452	10,348
Public safety				
Police department				
Salaries	407,000	420,700	420,544	156
Payroll taxes	28,000	30,500	30,469	31
Dues and subscriptions	3,000	2,000	1,908	92
Education and travel	4,000	3,000	2,122	878
Insurance	146,000	141,700	141,061	639
Printing and postage	1,000	300	295	5
Professional services	1,000	100	65	35
Repairs and maintenance	16,000	18,900	18,654	246
Retirement	38,000	34,800	34,757	43
Supplies and materials	23,000	54,000	51,237	2,763
Telephone	5,000	4,000	3,784	216
Uniforms	4,000	5,000	4,310	690
Vehicles	30,000	26,000	25,189	811
Total police department	706,000	741,000	734,395	6,605
Fire department				
Operations	184,000	207,000	206,281	719
Total public safety	890,000	948,000	940,676	7,324

(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, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 369,000	$ 323,000	$ 322,056	$ 944
Payroll taxes	26,000	24,000	22,974	1,026
Dues and subscriptions	-	1,000	518	482
Education and travel	1,000	1,300	842	458
Insurance	146,000	129,400	128,086	1,314
Prison crew	41,000	41,700	41,592	108
Professional services	1,000	4,500	4,405	95
Repairs and maintenance	18,000	70,400	70,059	341
Retirement	33,000	28,000	27,525	475
Stormwater mapping	7,000	1,300	1,250	50
Street lights	35,000	37,500	37,446	54
Supplies and materials	49,000	395,600	393,645	1,955
Telephone	1,000	300	277	23
Uniforms	5,000	5,600	5,588	12
Utilities	11,000	13,400	13,319	81
Vehicles	27,000	23,000	22,930	70
Total street department	770,000	1,100,000	1,092,512	7,488
Solid waste department				
Salaries	70,000	72,800	71,467	1,333
Payroll taxes	5,000	5,600	5,456	144
Education and travel	-	200	60	140
Insurance	29,000	30,700	30,604	96
Landfill fees	53,000	52,000	51,707	293
Repairs and maintenance	6,000	13,000	12,865	135
Retirement	7,000	7,200	7,107	93
Supplies	7,000	-	-	-
Uniforms	1,000	1,300	1,217	83
Vehicles	15,000	10,200	10,147	53
Total solid waste department	193,000	193,000	190,630	2,370
Total public works	963,000	1,293,000	1,283,142	9,858

(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, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation				
Pool operations				
Salaries	$ 33,000	$ 29,000	$ 28,768	$ 232
Payroll taxes	3,000	2,300	2,201	99
Concessions	4,000	3,300	3,264	36
Education and travel	1,000	-	-	-
Insurance	1,500	1,900	1,740	160
Repairs and maintenance	3,000	1,100	614	486
Supplies and materials	7,000	9,100	8,935	165
Telephone	1,500	1,300	1,273	27
Utilities	4,000	5,000	4,923	77
Total pool operations	58,000	53,000	51,718	1,282
Parks and recreation				
Salaries	112,000	111,400	110,869	531
Payroll taxes	9,000	9,000	8,460	540
Flag supplies	5,000	8,000	7,867	133
Education and travel	-	500	200	300
Insurance	25,000	26,600	25,884	716
Property rental	1,000	1,500	1,035	465
Repairs and maintenance	9,000	6,500	6,030	470
Retirement	8,000	8,300	8,269	31
Supplies and materials	11,000	97,500	95,433	2,067
Uniforms	1,000	1,100	1,028	72
Utilities	4,000	4,100	4,007	93
Vehicles	5,000	4,500	4,469	31
Total parks and recreation	190,000	279,000	273,551	5,449
Total public welfare and recreation	248,000	332,000	325,269	6,731
TOTAL EXPENDITURES	2,870,000	3,629,800	3,595,539	34,261
Excess (deficiency) of revenues over (under) expenditures	(112,000)	(746,800)	(725,630)	21,170

(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, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 132,000	$ 153,000	$ 153,855	$ 855
Transfers out	(20,000)	(187,000)	(187,000)	-
Loss on investments	-	(9,200)	(9,118)	82
Total other financing sources (uses)	112,000	(43,200)	(42,263)	937
Net changes in fund balances	-	(790,000)	(767,893)	22,107
Fund balances - beginning	4,560,411	4,560,411	4,560,411	-
Fund balances - end	$ 4,560,411	$ 3,770,411	$ 3,792,518	$ 22,107

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

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ 2,712,000	$ 2,712,000	$ 2,712,382	$ 382
TOTAL REVENUES	2,712,000	2,712,000	2,712,382	382
EXPENDITURES				
Capital outlay				
Public works	1,018,000	1,018,000	1,017,748	252
Public welfare and recreation	12,000	12,000	11,492	508
Total capital outlay	1,030,000	1,030,000	1,029,240	760
TOTAL EXPENDITURES	1,030,000	1,030,000	1,029,240	760
Excess (deficiency) of revenues over (under) expenditures	1,682,000	1,682,000	1,683,142	1,142
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,682,000)	(1,682,000)	(1,683,142)	(1,142)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2015

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current assets			
Cash	$ 2,371,938	$ 449,875	$ 2,821,813
Accounts receivable	170,666	36,373	207,039
Due from other funds	2,700,000	-	2,700,000
Total current assets	5,242,604	486,248	5,728,852
Non-current assets			
Capital assets			
Land	204,415	61,400	265,815
Other capital assets - net of accumulated depreciation	19,156,439	1,009,418	20,165,857
Total capital assets	19,360,854	1,070,818	20,431,672
TOTAL ASSETS	$ 24,603,458	$ 1,557,066	$ 26,160,524
LIABILITIES			
Current liabilities			
Accounts payable	$ 2,196	$ 8,201	$ 10,397
Accrued wages	1,107	1,806	2,913
Accrued liabilities	48,653	-	48,653
Bonds payable - due in one year	345,000	-	345,000
Total current liabilities	396,956	10,007	406,963
Non-current liabilities			
Compensated absences	20,683	34,118	54,801
Customer deposits	-	68,445	68,445
Bonds payable	7,141,000	-	7,141,000
Accrued post-employment benefits	40,645	37,561	78,206
Total non-current liabilities	7,202,328	140,124	7,342,452
TOTAL LIABILITIES	$ 7,599,284	$ 150,131	$ 7,749,415
NET POSITION			
Net investment in capital assets	$ 11,874,854	$ 1,070,818	$ 12,945,672
Unrestricted	5,129,320	336,117	5,465,437
TOTAL NET POSITION	$ 17,004,174	$ 1,406,935	$ 18,411,109

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, 2015

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 1,863,692	$ -	$ 1,863,692
Water sales	-	510,260	510,260
Installation charges	89,605	5,127	94,732
Penalties	-	24,466	24,466
Total operating revenues	1,953,297	539,853	2,493,150
OPERATING EXPENSES			
Operating and maintenance	759,225	544,046	1,303,271
Administration and general	8,899	12,810	21,709
Depreciation	570,338	100,753	671,091
Total operating expenses	1,338,462	657,609	1,996,071
Operating income (loss)	614,835	(117,756)	497,079
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous revenue	-	3,212	3,212
Intergovernmental revenue	323,117	-	323,117
Interest expense	(319,311)	-	(319,311)
Total non-operating revenues (expenses)	3,806	3,212	7,018
Income (loss) before transfers and capital contributions	618,641	(114,544)	504,097
Transfers in	1,511,585	171,557	1,683,142
Capital contributions	-	19,252	19,252
Changes in net position	2,130,226	76,265	2,206,491
Total net position - beginning	14,873,948	1,330,670	16,204,618
Total net position - end	$ 17,004,174	$ 1,406,935	$ 18,411,109

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, 2015

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 1,885,145	$ 587,758	$ 2,472,903
Payments to suppliers	(646,335)	(281,316)	(927,651)
Payments to employees	(75,305)	(229,426)	(304,731)
Net cash provided (used) by operating activities	1,163,505	77,016	1,240,521
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	1,511,585	171,557	1,683,142
Acquiring and construction of capital assets	(1,527,708)	(193,650)	(1,721,358)
Capital contributions	-	19,252	19,252
Intergovernmental revenue	323,117	-	323,117
Principal paid on long-term debt	(331,000)	-	(331,000)
Interest paid on long-term debt	(319,311)	-	(319,311)
Net cash provided (used) for capital and related financing activities	(343,317)	(2,841)	(346,158)
Cash Flows from Non-Capital Financing Activities			
Miscellaneous revenue	-	3,212	3,212
(Increase) in due from other funds	(2,700,000)	-	(2,700,000)
Net cash provided (used) for non-capital financing activities	(2,700,000)	3,212	(2,696,788)
Cash Flows from Investing Activities			
Sale (purchase) of investments	1,240,000	-	1,240,000
Net increase (decrease) in cash	(639,812)	77,387	(562,425)
Cash - beginning	3,011,750	372,488	3,384,238
Cash - end	$ 2,371,938	$ 449,875	$ 2,821,813
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 614,835	$ (117,756)	$ 497,079
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	570,338	100,753	671,091
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(68,152)	47,904	(20,248)
Increase (decrease) in current liabilities	(14,651)	(2,242)	(16,893)
Increase (decrease) in customer deposits	-	4,376	4,376
Increase (decrease) in compensated absences	20,490	6,420	26,910
Increase (decrease) in accrued post-employment benefits	40,645	37,561	78,206
Net cash provided (used) by operating activities	$ 1,163,505	$ 77,016	$ 1,240,521

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Assets and Liabilities
December 31, 2015

	Agency Funds
ASSETS	
Cash	$ 13,060
Due from other governments	67,892
TOTAL ASSETS	$ 80,952
LIABILITIES	
Surety bonds payable	$ 3,271
Due to other governments	77,681
TOTAL LIABILITIES	$ 80,952

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

The Downtown Development Authority

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

Related Organizations

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

B. Basic Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus - Basis of Accounting

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

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

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

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

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

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

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

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.

D. Budgetary Data (Continued)

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.

G. Property Taxes

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

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

Lien date	October 20, 2015
Levy date	October 20, 2015
Tax bills mailed	October 20, 2015
Payment due date	October 20, 2015 through February 28, 2016
Delinquency date	March 1, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	20
Buildings and improvements	5-40
Vehicles	4-15
Equipment	3-20

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets (Continued)

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

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

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Entity has no items that quality for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the Entity has one type of item that qualifies for reporting in this category: deferred inflows related to pensions.

N. Compensated Absences

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

O. Long-term Obligations

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Position

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

Q. Fund Balance

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

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

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

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

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

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

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

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

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2015, and June 10, 2016, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the City's deposits and investments was $8,529,174. The financial institution balance was $8,881,685. 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, 2015, $258,300 of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

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

Cash	$ 3,359,292
Investments	5,170,882
Less: Petty cash	(1,000)
Total	$ 8,529,174

Investments

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

Investments	$ 5,170,882

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2015, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 242,313	$ -	$ -	$ -	$ 242,313
Local beer/beverage tax	12,947	-	-	-	12,947
Business license	3,400	-	-	-	3,400
Hotel/motel tax	-	24,496	-	-	24,496
Customer receivables	-	-	170,666	57,573	228,239
Motor vehicle tax	8,876	-	-	-	8,876
Energy excise tax	4,921	-	-	-	4,921
Interest	10,031	-	-	-	10,031
Other	7,474	-	-	-	7,474
Less: allowance for doubtful accounts	(573)			(21,200)	(21,773)
Total	$ 289,389	$ 24,496	$ 170,666	$ 36,373	$ 520,924

NOTE 4 - GRANTS RECEIVABLE

Due to grantor at December 31, 2015, consist of the following:

Georgia Highway Safety	$ 2,069
Georgia Department of Natural Resources	82,122
Total	$ 84,191

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2015, consist of the following:

Year of Levy	
2015	$ 41,320
2014	5,539
2013	414
2012	444
2011	405
2010	689
	48,811
Less: allowance for uncollectibles	(8,429)
Property taxes receivable - net	$ 40,382

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2015, consists of the following:

	Governmental Activities
Property tax collected by Catoosa County	$ 403,020
Special Purpose Local Option Sales Tax	102,905
Catoosa County - motor vehicle tax collected	525
Local Option Sales Tax receivable	155,257
Intangible taxes	1,910
TVA in lieu of taxes	2,414
Transfer taxes	193
Totals	$ 666,224

NOTE 7 - INTERNAL BALANCES

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

	Due from:					
	General Fund	Capital Projects Fund	Hotel/Motel Tax Fund	Visitor Center Fund	Capital Projects Grant Fund	Total
General Fund	$ -	$ 82,122	$ 24,496	$ 1,522	$ 330,752	$ 438,892
Downtown Development Authority Fund	845	-	-	-	-	845
Sewer Fund	2,700,000	-	-	-	-	2,700,000
Total	$2,700,845	$ 82,122	$ 24,496	$ 1,522	$ 330,752	$3,139,737

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 759,915	$ -	$ -	$ 759,915
Capital assets being depreciated:				
Land improvements	1,728,039	2,134,125	-	3,862,164
Building and improvements	3,453,008	343,352	-	3,796,360
Vehicles	1,105,705	-	-	1,105,705
Equipment	881,239	47,176	-	928,415
Total capital assets being depreciated	7,167,991	2,524,653	-	9,692,644
Less accumulated depreciation for:				
Land improvements	298,239	139,755	-	437,994
Buildings and improvements	1,099,855	91,688	-	1,191,543
Vehicles	999,776	45,153	-	1,044,929
Equipment	600,330	66,759	-	667,089
Total accumulated depreciation	2,998,200	343,355	-	3,341,555
Total capital assets being depreciated - net	4,169,791	2,181,298	-	6,351,089
Governmental activities capital assets - net	$ 4,929,706	$ 2,181,298	$ -	$ 7,111,004

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

General government	$ 164,669
Public safety	36,706
Public welfare and recreation	89,197
Public works	52,783
Total	$ 343,355

NOTE 8 - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 265,815	$ -	$ -	$ 265,815
Capital assets being depreciated:				
Buildings	819,938	-	-	819,938
Equipment	1,222,198	16,125	-	1,238,323
Sewer lines	22,948,644	1,511,584	-	24,460,228
Vehicles	284,563	-	-	284,563
Water lines	1,498,687	193,649	-	1,692,336
Total capital assets being depreciated	26,774,030	1,721,358	-	28,495,388
Less accumulated depreciation for:				
Buildings	447,314	15,739	-	463,053
Equipment	1,140,804	51,881	-	1,192,685
Sewer lines	4,855,692	536,331	-	5,392,023
Vehicles	266,688	7,150	-	273,838
Water lines	947,942	59,990	-	1,007,932
Total accumulated depreciation	7,658,440	671,091	-	8,329,531
Total capital assets being depreciated - net	19,115,590	1,050,267	-	20,165,857
Business-type activities capital assets - net	$ 19,381,405	$ 1,050,267	$ -	$ 20,431,672

NOTE 9 - DEFERRED REVENUE - PROPERTY TAXES

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

	Unavailable	Total
Property taxes	$ 11,057	$ 11,057

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

NOTE 10 - LONG-TERM DEBT

A. Governmental Debt

Long-term debt, payable by the governmental funds, is summarized as follows:

	Principal Balance
Compensated absences	$ 101,418
Accrued post-employment benefits	1,594,775
Total governmental long-term debt	$ 1,696,193

A summary of changes in governmental long-term debt for the year ended December 31, 2015, are as follows:

	Balance 12-31-14	Additions	Retirements	Balance 12-31-15	Amount Due Within One Year
Compensated absences	$ 118,696	$ -	$(17,278)	$ 101,418	$ -
Accrued post-employment Benefits	1,371,404	223,371	-	1,594,775	-
Total	$ 1,490,100	$ 223,371	$(17,278)	1,696,193	$ -
Less: current portion of governmental long-term debt				-	
Total governmental long-term debt				$ 1,696,193	

Interest paid during the year ended December 31, 2015, on governmental long-term debt was $0.

Note: A debt service requirements schedule for compensated absences and accrued post-employment benefits is not included. Compensated absences and accrued post-employment benefits are generally liquidated by the General Fund.

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt

Sewer Fund

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

	Principal Balance
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due 2031, original balance $9,600,000	$ 7,486,000
Compensated absences	20,683
Accrued post-employment benefits	40,645
	7,547,328
Less: current portion of sewer debt	(345,000)
Total sewer long-term debt	$ 7,202,328

A summary of changes in sewer long-term debt for the year ended December 31, 2015, are as follows:

	Balance 12-31-14	Additions	Retirements	Balance 12-31-15	Amount Due Within One Year
2005 bond	$ 7,817,000	$ -	$ (331,000)	$ 7,486,000	$ 345,000
Compensated absences	193	20,490	-	20,683	-
Accrued post-employment benefits	-	40,645	-	40,645	-
Total	$ 7,817,193	$ 61,135	$ (331,000)	7,547,328	$ 345,000
Less: current portion of sewer long-term debt				(345,000)	
Total sewer long-term debt				$ 7,202,328	

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Sewer Fund (Continued)
Interest paid during the year ended December 31, 2015, on sewer long-term debt was $319,311.

Sewer Fund debt service requirements to maturity, including interest of $2,821,269, are as follows:

Year ended December 31	Principal	Interest	Total Requirements
2016	$ 345,000	$ 308,884	$ 653,884
2017	355,000	294,515	649,515
2018	370,000	279,565	649,565
2019	385,000	263,992	648,992
2020	402,000	247,734	649,734
2021-2025	2,278,000	969,844	3,247,844
2026-2030	2,800,000	447,599	3,247,599
2031	551,000	9,136	560,136
Total	$ 7,486,000	$ 2,821,269	$ 10,307,269

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

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

Customer deposits	$ 68,445
Compensated absences	34,118
Accrued post-employment benefits	37,561
Total water long-term debt	$ 140,124

A summary of changes in water long-term debt for the year ended December 31, 2015, are as follows:

	Balance 12-31-14	Additions	Retirements	Balance 12-31-15	Amount Due Within One Year
Customer deposits	$ 62,025	$ 6,420	$ -	$ 68,445	$ -
Compensated absences	29,742	4,376	-	34,118	-
Accrued post-employment benefits	-	37,561	-	37,561	-
Total	$ 91,767	$ 48,357	$ -	140,124	$ -
Less: current portion of water long-term debt				-	
Total water long-term debt				$ 140,124	

Interest paid during the year ended December 31, 2015, on water long-term debt was $0.

Note: A debt service requirements schedule for customer deposits, compensated absences and accrued post-employment benefits is not included.

NOTE 11 - NET POSITION / FUND BALANCE RESTRICTIONS

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

Haunted Depot Fund restricts $16,500 for future depot expenditures.

Confiscated Assets Fund restricts $3,181 for future confiscated asset expenditures.

Ringgold Depot Fund restricts $114,111 for the Ringgold Depot facility.

Visitor Center Fund restricts $99,705 to promote tourism in the Ringgold area.

Technology Fees Fund restricts $8,377 for future police expenditures.

The City also has $21,268 of nonspendable fund balance related to prepaid expenses.

The City's Downtown Development Authority Fund had a $(4,155) ending fund balance, which is shown as an unassigned balance on the governmental funds balance sheet.

NOTE 12 - TRANSFERS

Interfund transfers as of December 31, 2015, consist of the following:

	Transfers to:						
	General Fund	Downtown Development Authority Fund	Ringgold Depot Fund	Visitor Center Fund	Sewer Fund	Water Fund	Total
Transfer from:							
General Fund	$ -	$ 187,000	$ -	$ -	$ -	$ -	$ 187,000
Capital Projects Fund	-	-	-	-	1,511,585	171,557	1,683,142
Hotel/Motel Fund	153,855	-	52,728	105,456	-	-	312,039
Haunted Depot Fund	-	16,488	-	-	-	-	16,488
Total	$ 153,855	$ 203,488	$52,728	$105,456	$1,511,585	$171,557	$2,198,669

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

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

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

NOTE 13 - HOTEL/MOTEL LODGING TAX

The City of Ringgold levies a 6% lodging tax as authorized in Official Code of Georgia Annotated (OCGA) 48-13-50(a)(3.2). All expenditures were for the promotion of tourism. A summary of the transactions for the year ended December 31, 2015, is as follows:

Fund Balance - January 1, 2015	$ -
Lodging tax services	312,039
Amount available for disbursements	312,039
Disbursements:	
Transfer to General Fund	153,855
Transfer to the Ringgold Depot Fund	52,728
Transfer to Visitor Center Fund	105,456
Total disbursed	312,039
Balance - held in reserve for future hotel/motel tax projects	$ -

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

Explanation of certain differences between the governmental 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 $2,181,298 difference are as follows:

Depreciation expense	$(343,355)
Capital outlay	2,524,653
Net adjustment	$ 2,181,298

NOTE 15 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

There was no noncompliance with finance related legal and contractual provision for year ended December 31, 2015.

NOTE 16 - INSURANCE

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

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

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

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

NOTE 17 - PENSION PLAN

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

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

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

The City's total payroll for the year was $1.688,956. The amount of covered payroll was $1,416,750. Total contributions required was $170,010, which was 12% of covered payroll. The City's contribution required and actual was $141,675, which was 10% of covered payroll. The mandatory employee contributions required and actual was $28,335 which was 2% of covered payroll. Employee voluntary contributions totaled $45,731, making a total employee contribution of $74,066, which is 5% of covered payroll. The total City and employee contribution actually made was $215,741, which was 15% of covered payroll. There were no current year changes in plan provisions.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 172,443
Interest on net OPEB obligation	9,484
Adjustment to annual required contribution	119,650
Annual OPEB cost (expense)	301,577
Contributions made	-
Increase in net OPEB obligation	301,577
Net OPEB obligation - beginning of year	1,371,404
Net OPEB obligation - end of year	$ 1,672,981

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2015 is as follows:

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

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

Funded Status and Funding Progress
As of June 30, 2015, the actuarial accrued liability for benefits was $1,672,981, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $2,548,432 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 100 percent.

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

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

The following simplifying assumptions were made:

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

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

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

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

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

Health Insurance Premiums - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

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

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

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

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 5.5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was thirty years.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
For the Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06-30-15	$0	$ 2,548,432	$ 2,548,432	0.00%	$ 2,548,432	100.00%
06-30-14	$0	$ 2,359,342	$ 2,359,342	0.00%	$ 2,359,342	100.00%
06-30-13	$0	$ 1,920,208	$ 1,920,208	0.00%	$ 1,920,208	100.00%
06-30-12	$0	$ 1,810,678	$ 1,810,678	0.00%	$ 1,810,678	100.00%
06-30-11	$0	$ 1,528,892	$ 1,528,892	0.00%	$ 1,528,747	100.00%
06-30-10	$0	$ 1,376,265	$ 1,376,265	0.00	$ 1,435,195	100.00%

NOTE 19 - LITIGATION AND CLAIMS

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

NOTE 20 - CONTINGENT LIABILITIES

As of December 31, 2015, the City does not have any material contingent liabilities.

NOTE 21 - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2015, the City paid $3,679 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northwest Georgia Regional Commission
P.O. Box 1798
Rome, Georgia 30161

NOTE 22 - AGENCY FUNDS

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

NOTE 23 - RELATED PARTY TRANSACTION

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

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.

Downtown Development Authority Fund:

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

Confiscated Assets Fund:

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

Ringgold Depot Fund:

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

Visitor Center Fund:

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

Capital Projects Grant Fund:

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

Technology Fee Fund:

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

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
December 31, 2015

	Hotel/Motel Tax Fund	Haunted Depot Fund	Downtown Development Authority Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
ASSETS									
Cash	$ -	$ 16,500	$ -	$ 3,181	$ 122,372	$ 103,333	$ -	$ 8,657	$ 254,043
Accounts receivable - net	24,496	-	-	-	-	-	-	-	24,496
Grants receivable	-	-	-	-	-	-	82,122	-	82,122
Due from other funds	-	-	845	-	-	-	-	-	845
TOTAL ASSETS	$ 24,496	$ 16,500	$ 845	$ 3,181	$ 122,372	$ 103,333	$ 82,122	$ 8,657	$ 361,506
LIABILITIES									
Accounts payable	$ -	$ -	$ 4,132	$ -	$ 1,421	$ 2,017	$ -	$ 280	$ 7,850
Accrued wages	-	-	119	-	40	89	-	-	248
Accrued liabilities	-	-	749	-	6,800	-	-	-	7,549
Due to other funds	24,496	-	-	-	-	1,522	82,122	-	108,140
TOTAL LIABILITIES	$ 24,496	$ -	$ 5,000	$ -	$ 8,261	$ 3,628	$ 82,122	$ 280	$ 123,787
FUND BALANCES									
Restricted	$ -	$ 16,500	$ -	$ 3,181	$ 114,111	$ 99,705	$ -	$ 8,377	$ 241,874
Unassigned	-	-	(4,155)	-	-	-	-	-	(4,155)
TOTAL FUND BALANCES	$ -	$ 16,500	$ (4,155)	$ 3,181	$ 114,111	$ 99,705	$ -	$ 8,377	$ 237,719

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2015

	Hotel/Motel Tax Fund	Haunted Depot Fund	Downtown Development Authority Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
REVENUES									
Taxes	$ 312,039	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 312,039
Intergovernmental	-	-	-	-	-	-	279,263	-	279,263
Other revenue	-	34,475	20,685	-	30,077	2,600	15,401	14,020	117,258
TOTAL REVENUES	312,039	34,475	20,685	-	30,077	2,600	294,664	14,020	708,560
EXPENDITURES									
Current expenditures									
Public safety	-	-	-	1,250	-	-	-	9,528	10,778
Public welfare and recreation	-	15,207	237,094	-	45,059	82,163	294,664	-	674,187
Total current expenditures	-	15,207	237,094	1,250	45,059	82,163	294,664	9,528	684,965
TOTAL EXPENDITURES	-	15,207	237,094	1,250	45,059	82,163	294,664	9,528	684,965
Excess (deficiency) of revenue over (under) expenditures	312,039	19,268	(216,409)	(1,250)	(14,982)	(79,563)	-	4,492	23,595
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	203,488	-	52,728	105,456	-	-	361,672
Transfers out	(312,039)	(16,488)	-	-	-	-	-	-	(328,527)
Total other financing sources (uses)	(312,039)	(16,488)	203,488	-	52,728	105,456	-	-	33,145
Net changes in fund balances	-	2,780	(12,921)	(1,250)	37,746	25,893	-	4,492	56,740
Fund balances - beginning	-	13,720	8,766	4,431	76,365	73,812	-	3,885	180,979
Fund balances - end	$ -	$ 16,500	$ (4,155)	$ 3,181	$ 114,111	$ 99,705	$ -	$ 8,377	$ 237,719

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Taxes				
Hotel/motel tax	$ 264,000	$ 310,000	$ 312,039	$ 2,039
TOTAL REVENUES	264,000	310,000	312,039	2,039
Excess (deficiency) of revenue over (under) expenditures	264,000	310,000	312,039	2,039
OTHER FINANCING SOURCES (USES)				
Transfers out	(264,000)	(310,000)	(312,039)	(2,039)
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, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Haunted Depot	$ 20,000	$ 34,000	$ 34,475	$ 475
TOTAL REVENUES	20,000	34,000	34,475	475
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	-	1,000	750	250
Supplies and materials	10,000	16,000	14,457	1,543
Total public welfare and recreation	10,000	17,000	15,207	1,793
TOTAL EXPENDITURES	10,000	17,000	15,207	1,793
Excess (deficiency) of revenue over (under) expenditures	10,000	17,000	19,268	2,268
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(17,000)	(16,488)	512
Net changes in fund balances	-	-	2,780	2,780
Fund balances - beginning	13,720	13,720	13,720	-
Fund balances - end	$ 13,720	$ 13,720	$ 16,500	$ 2,780

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Lease revenue	$ 9,000	$ 9,100	$ 9,025	$ (75)
Miscellaneous	2,000	3,000	2,471	(529)
Program fees	12,000	11,000	-	(11,000)
Tickets	6,000	10,900	9,189	(1,711)
Total other revenue	29,000	34,000	20,685	(13,315)
TOTAL REVENUES	29,000	34,000	20,685	(13,315)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	16,500	17,200	17,130	70
Payroll taxes	2,000	1,400	1,308	92
Education and travel	1,000	1,600	1,541	59
Grant expenses	-	6,300	6,298	2
Insurance	5,000	5,100	5,006	94
Postage	-	100	13	87
Professional services	6,000	5,200	5,125	75
Property rental	-	1,200	1,200	-
Retirement	2,000	1,800	1,700	100
Ringgold playhouse	4,000	9,600	9,583	17
Site purchases	-	187,600	187,425	175
Supplies and materials	2,500	900	765	135
Total public welfare and recreation	39,000	238,000	237,094	906
TOTAL EXPENDITURES	39,000	238,000	237,094	906
Excess (deficiency) of revenue over (under) expenditures	(10,000)	(204,000)	(216,409)	(12,409)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	204,000	203,488	(512)
Net changes in fund balances	-	-	(12,921)	(12,921)
Fund balances - beginning	8,766	8,766	8,766	-
Fund balances - end	$ 8,766	$ 8,766	$ (4,155)	$ (12,921)

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 7,000	$ 2,000	$ -	$ (2,000)
TOTAL REVENUES	7,000	2,000	-	(2,000)
EXPENDITURES				
Current expenditures				
Public safety				
Professional services	-	1,000	350	650
Supplies and materials	7,000	1,000	900	100
Total public safety	7,000	2,000	1,250	750
TOTAL EXPENDITURES	7,000	2,000	1,250	750
Excess (deficiency) of revenue over (under) expenditures	-	-	(1,250)	(1,250)
Fund balances - beginning	4,431	4,431	4,431	-
Fund balances - end	$ 4,431	$ 4,431	$ 3,181	$ (1,250)

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Rental	$ 31,000	$ 31,000	$ 30,077	$ (923)
TOTAL REVENUES	31,000	31,000	30,077	(923)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	11,000	11,000	8,947	2,053
Payroll taxes	1,500	2,000	685	1,315
Insurance	1,500	3,000	1,052	1,948
Professional services	1,000	2,000	1,782	218
Repairs and maintenance	31,000	35,000	5,727	29,273
Supplies and materials	9,000	8,000	5,987	2,013
Telephone	1,000	1,000	135	865
Utilities	19,000	21,000	20,744	256
Total public welfare and recreation	75,000	83,000	45,059	37,941
TOTAL EXPENDITURES	75,000	83,000	45,059	37,941
Excess (deficiency) of revenue over (under) expenditures	(44,000)	(52,000)	(14,982)	37,018
OTHER FINANCING SOURCES (USES)				
Transfers in	44,000	52,000	52,728	728
Net changes in fund balances	-	-	37,746	37,746
Fund balances - beginning	76,365	76,365	76,365	-
Fund balances - end	$ 76,365	$ 76,365	$ 114,111	$ 37,746

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Rental	$ -	$ 2,000	$ 2,600	$ 600
TOTAL REVENUES	-	2,000	2,600	600
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	16,500	24,000	18,584	5,416
Payroll taxes	2,000	3,000	1,419	1,581
Dues and subscriptions	-	2,000	30	1,970
Events	51,000	49,000	45,209	3,791
Insurance	6,000	8,000	5,693	2,307
Postage	-	2,000	313	1,687
Professional services	-	1,000	97	903
Retirement	1,500	2,000	1,707	293
Supplies and materials	8,000	6,000	1,402	4,598
Telephone	3,000	8,000	7,270	730
Travel	-	1,000	51	949
Utilities	-	1,000	388	612
Total public welfare and recreation	88,000	107,000	82,163	24,837
TOTAL EXPENDITURES	88,000	107,000	82,163	24,837
Excess (deficiency) of revenue over (under) expenditures	(88,000)	(105,000)	(79,563)	25,437
OTHER FINANCING SOURCES (USES)				
Transfers in	88,000	105,000	105,456	456
Net changes in fund balances	-	-	25,893	25,893
Fund balances - beginning	73,812	73,812	73,812	-
Fund balances - end	$ 73,812	$ 73,812	$ 99,705	$ 25,893

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Grant revenue	$ 279,000	$ 279,000	$ 279,263	$ 263
Other revenue				
Donations	16,000	16,000	15,401	(599)
TOTAL REVENUES	295,000	295,000	294,664	(336)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	160,000	160,000	160,150	(150)
Supplies and materials	135,000	135,000	134,514	486
Total public welfare and recreation	295,000	295,000	294,664	336
TOTAL EXPENDITURES	295,000	295,000	294,664	336
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Technology Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Technology fees	$ 12,000	$ 12,000	$ 14,020	$ 2,020
TOTAL REVENUES	12,000	12,000	14,020	2,020
EXPENDITURES				
Current expenditures				
Public safety				
Professional services	1,000	3,000	2,410	590
Supplies and materials	8,000	6,000	4,187	1,813
Telephone	3,000	3,000	2,931	69
Total public safety	12,000	12,000	9,528	2,472
TOTAL EXPENDITURES	12,000	12,000	9,528	2,472
Excess (deficiency) of revenue over (under) expenditures	-	-	4,492	4,492
Fund balances - beginning	3,885	3,885	3,885	-
Fund balances - end	$ 3,885	$ 3,885	$ 8,377	$ 4,492

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Grant/Program Number	Accrued (Receivable) 01/01/15	Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/15
Federal						
Georgia Highway Safety	20.600	GA-2016-000-00330	$ -	$ -	$ 2,069	$ (2,069)
Total federal awards			-	-	2,069	(2,069)
State						
Georgia Department of Transportation						
Pedestrian Safety Enhancements	-	0008993	123,656	-	123,656	-
LMIG Street Resurfacing	-	2013	-	55,607	55,607	-
Sanitary Sewer	-	BRSTO-0001-06(047)	-	323,117	323,117	-
			123,656	378,724	502,380	-
Georgia Department of Natural Resources						
Recreational Trails Program	-	NRT-12(17)	-	17,878	100,000	(82,122)
Total state awards			123,656	396,602	602,380	(82,122)
TOTAL FEDERAL AND STATE AWARDS			$ 123,656	$ 396,602	$ 604,449	$ (84,191)

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2015

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.

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
OPERATING REVENUES				
Sewer charges	$ 1,581,000	$ 1,637,000	$ 1,863,692	$ 226,692
Installation charges	47,000	51,000	89,605	38,605
Total operating revenues	1,628,000	1,688,000	1,953,297	265,297
OPERATING EXPENSE				
Operating and maintenance	744,000	2,297,000	759,225	1,537,775
Administration and general	16,000	11,000	8,899	2,101
Depreciation	551,000	571,000	570,338	662
Total operating expenses	1,311,000	2,879,000	1,338,462	1,540,538
Operating income (loss)	317,000	(1,191,000)	614,835	1,805,835
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	-	-	323,117	323,117
Interest income	3,000	-	-	-
Interest expense	(320,000)	(320,000)	(319,311)	689
Total non-operating revenues (expenses)	(317,000)	(320,000)	3,806	323,806
Income (loss) before transfers	-	(1,511,000)	618,641	2,129,641
Transfers in	-	1,511,000	1,511,585	585
Changes in net position	-	-	2,130,226	2,130,226
Total net position - beginning	14,873,948	14,873,948	14,873,948	-
Total net position - end	$ 14,873,948	$ 14,873,948	$ 17,004,174	$ 2,130,226

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING INCOME				
Water sales	$ 509,000	$ 477,000	$ 510,260	$ 33,260
Installation charges	6,000	5,000	5,127	127
Penalties	23,000	22,000	24,466	2,466
Total operating revenues	538,000	504,000	539,853	35,853
OPERATING EXPENSES				
Operating and maintenance	448,000	558,000	544,046	13,954
Administration and general	17,000	16,000	12,810	3,190
Depreciation	93,000	101,000	100,753	247
Total operating expenses	558,000	675,000	657,609	17,391
Operating income (loss)	(20,000)	(171,000)	(117,756)	53,244
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous revenue	-	-	3,212	3,212
Income (loss) before transfers and capital contributions	(20,000)	(171,000)	(114,544)	56,456
Transfers in	20,000	171,000	171,557	557
Capital contributions	-	-	19,252	19,252
Changes in net position	-	-	76,265	76,265
Total net position - beginning	1,330,670	1,330,670	1,330,670	-
Total net position - end	$ 1,330,670	$ 1,330,670	$ 1,406,935	$ 76,265

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2015

	Enterprise		
Operating Expenses	**Sewer Fund**	**Water Fund**	**Totals**
Operating and maintenance			
Salaries	$ 75,305	$ 229,426	$ 304,731
Payroll taxes	5,578	16,419	21,997
Catoosa utility charges	-	19,738	19,738
Chemicals	-	33,335	33,335
Drinking water program	-	5,205	5,205
Equipment	2,572	716	3,288
Fuel	2,700	6,428	9,128
Insurance	36,232	67,984	104,216
Plant supplies	14,023	24,307	38,330
Post-employment benefits	40,645	37,561	78,206
Professional services	2,110	6,337	8,447
Repairs and maintenance	29,109	11,779	40,888
Retirement	5,297	22,436	27,733
Sewer treatment charges	520,474	-	520,474
Telephone	2,667	568	3,235
Uniforms	1,311	2,354	3,665
Utilities	21,202	49,667	70,869
Water line repairs	-	9,786	9,786
Total operating and maintenance	759,225	544,046	1,303,271
Administration and general			
Education and travel	1,702	1,705	3,407
Insurance	4,727	4,129	8,856
Licenses and dues	2,470	940	3,410
Printing and postage	-	6,036	6,036
Total administration and general	8,899	12,810	21,709
Depreciation	570,338	100,753	671,091
Total operating expenses	$ 1,338,462	$ 657,609	$ 1,996,071

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2015

Year of Levy	
2015	$ 41,320
2014	5,539
2013	414
2012	444
2011	405
2010	689
Total property taxes receivable	48,811
Less: allowance for uncollectibles	(8,429)
Net property taxes receivable	$ 40,382

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2015

	Taxes Receivable December 31, 2014	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2015
2015	$ -	$ 547,641	$ (12,722)	$ (493,599)	$ 41,320
2014	44,584	-	6,078	(45,123)	5,539
2013	6,163	-	(147)	(5,602)	414
2012	643	-	(46)	(153)	444
2011	557	-	(50)	(102)	405
2010	689	-	-	-	689
Total	$ 52,636	$ 547,641	$ (6,887)	$ (544,579)	$ 48,811

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
Year Ended December 31, 2015

Sewer System Revenue Improvement Bonds
Series 2005, 4.15%
Due 2031

Year Ended December 31	Principal	Interest	Total Requirements
2016	$ 345,000	$ 308,884	$ 653,884
2017	355,000	294,515	649,515
2018	370,000	279,565	649,565
2019	385,000	263,992	648,992
2020	402,000	247,734	649,734
2021	419,000	230,802	649,802
2022	436,000	213,134	649,134
2023	455,000	194,759	649,759
2024	474,000	175,566	649,566
2025	494,000	155,583	649,583
2026	515,000	134,771	649,771
2027	536,000	113,077	649,077
2028	559,000	90,470	649,470
2029	583,000	66,929	649,929
2030	607,000	42,352	649,352
2031	551,000	9,136	560,136
	$ 7,486,000	$ 2,821,269	$ 10,307,269

CITY OF RINGGOLD, GEORGIA
SCHEDULES OF STATISTICAL INFORMATION
December 31, 2015

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2015	.3000	$ 182,547,000	$ 547,641
2014	.2763	$ 179,560,261	$ 496,125
2013	.2683	$ 170,606,411	$ 457,737
2012	.2680	$ 169,020,896	$ 452,976
2011	.2707	$ 165,931,289	$ 449,176
2010	.2707	$ 174,772,811	$ 473,110
2009	.2707	$ 186,103,436	$ 503,782
2008	.2707	$ 199,217,584	$ 539,282
2007	.2751	$ 192,006,906	$ 528,211
2006	.2762	$ 177,475,018	$ 490,186

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2015, were:

Water Rates

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

Sewer Rates

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

As of December 31, 2015 the City had 1,131 water customers and 990 sewer customers.

III. INTERNAL CONTROL AND COMPLIANCE SECTION

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

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

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

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, 2015, 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 June 10, 2016.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

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

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

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

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
June 10, 2016

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2015

SUMMARY OF AUDITOR'S RESULTS

Opinion on Financial Statements

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

Internal Control Significant Deficiencies:

During the audit of the financial statements, two deficiencies in internal controls were disclosed.

Material Noncompliance:

One instance of noncompliance or other matters was disclosed.

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

INTERNAL CONTROL:

Finding 2015-001 - Approvals and documentation (Repeat 2014-001)

Criteria:

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

Condition:

1) Not all credit card charges had proper documentation attached (i.e., receipts).
2) Not all time cards were initialed as approved by the department head.
3) Not all direct deposit reports were initialed as approved by the City Manager.

Cause:

Document retention processes were not followed so that each credit card charge had proper documentation attached. Approved processes were not followed so that all direct deposit reports and time cards were initialed as approved.

Effect:

Without following the proper procedures, improper payments could be expensed to the City.

Management's Response:

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

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

INTERNAL CONTROL: (Continued)

Finding 2015-002 - Safeguarding of Assets

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

Condition:
The former City Court Clerk changed court records to show no payments due and kept the cash collected for his own personal purposes.

Cause:
There was inadequate separation of duties related to the City Court Clerk's responsibilities. The former City Court Clerk collected payments for traffic citations/fines/fees, and was also responsible for recording all of the court sentences in the accounting software.

Effect:
The former City Court Clerk was able to divert City collections for his own personal purposes.

Management's Response:
We concur. We have separated the recording and collecting of these fines. We have also dismissed the former City Court Clerk.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2015

Finding 2014-001 - Approvals and documentation

Still in effect.

Certified Public Accountants

301 N. Market
Chattanooga, TN
37405

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

Members
American Institute
of Certified
Public Accountants

Paul Johnson, III, CPA

Brian T. Wright, CPA

Karen Hutcherson, CPA

Marianne Greene, CPA

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, 2015. 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, 2015, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
June 10, 2016

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2015

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2004 SPLOST -					
Ringgold water and sewer projects	$ 1,935,000	$ 1,955,551	$ -	$ 1,955,551	100%
Ringgold Sewer Basin	$ 3,000,000	$ 2,317,619	$ -	$ 2,317,619	77%
Peavine Basin	$ 8,000,000	$ 271,205	$ -	$ 271,205	4%
2009 SPLOST -					
Ringgold water and sewer projects	$ 13,270,000	$ 6,284,726	$ 1,647,017	$ 7,931,743	60%
Ringgold projects -					
Vehicles and equipment	$ 520,000	$ 98,643	$ 379,663	$ 478,306	92%
Government buildings	$ 1,500,000	$ 435,790	$ 120,615	$ 556,405	37%
Streets, sidewalks & parks	$ 500,000	$ 699,223	$ 5,450	$ 704,673	100%
2014 SPLOST					
Ringgold SPLOST Projects	$ 2,500,000	$ -	$ 523,512	$ 523,512	21%
Ringgold Water/Sewer Projects	$ 7,400,000	$ -	$ 36,125	$ 36,125	0.5%

City of Ringgold

150 Tennessee Street
Ringgold, GA 30736

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

June 10, 2016

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

Dear Mr. Blaha:

The corrective action plan for our December 31, 2015 audit is as follows:

2015-001 - Approvals and Documentation

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

Finding 2015-002 - Safeguarding of Assets

We concur. We have separated the recording and collecting of these fines. We have also dismissed the former city court clerk.

Thank you for your attention to this matter.

Respectively submitted,

CITY OF RINGGOLD, GEORGIA

Dan Wright
City Manager