CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

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

I. INTRODUCTORY SECTION

CITY OF RINGGOLD, GEORGIA
Table of Contents
December 31, 2016

		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
	Downtown Development Authority Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	27
	Capital Projects Fund	
	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	28
	Proprietary Funds	
	Statement of Net Position	29
	Statement of Revenues, Expenses and Changes in Net Position	30
	Statement of Cash Flows	31
	Fiduciary Funds	
	Statement of Fiduciary Assets and Liabilities	32
	Notes to Financial Statements	33-54
	Other Supplementary Information	
	Non-major Governmental Funds	55
	Combining Balance Sheet	56
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	57
	Hotel/Motel Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	58
	Haunted Depot Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	59
	Confiscated Assets Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	60

CITY OF RINGGOLD, GEORGIA
Table of Contents (Continued)
December 31, 2016

	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	61
Visitor Center Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	62
Capital Projects Grant Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	63
Technology Fee Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	64
Financial Schedules	
Schedule of Expenditures of Federal and State Awards	65
Notes to the Schedule of Expenditures of Federal and State Awards	66
Sewer Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	67
Water Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	68
Proprietary Funds	
Schedule of Operating Expenses	69
Schedule of Property Taxes Receivable	70
Schedule of Changes in Property Taxes Receivable	71
Schedule of Debt Service Requirements	72-73
Schedules of Statistical Information	74
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*	75-76
Schedule of Findings and Responses	77
Schedule of Prior Audit Findings	78
Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax	79
Schedule of Special Purpose Local Option Sales Tax	80
Corrective Action Plan	81

CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2016

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

II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ringgold, Georgia, as of and for the year ended December 31, 2016, 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, 2016, 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 May 5, 2017, on our consideration of the City of Ringgold, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ringgold, Georgia's internal control over financial reporting and compliance.

Chattanooga, Tennessee
May 5, 2017

Johnson, Murphey & Wright, P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ringgold, Georgia, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Ringgold, Georgia for the fiscal year ended December 31, 2016. 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, 2016, by $28,629,704 (net position). Of this amount, $7,695,481 (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 $10,142. The City's business-type activities operated at a surplus of $752,348.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,248,606.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,874,687, or 126.18%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, loss on investments or proceeds from debt, which netted to $104,628 in the City's General Fund.

As of the close of the current fiscal year, the City of Ringgold, Georgia's enterprise funds reported combined ending net position of $19,163,457. Of that balance, $5,605,462 is unrestricted and the remaining $13,557,995 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, the Downtown Development Fund and the Capital Projects Fund, which are considered to be major funds. Individual fund data for the Hotel/Motel Tax, Haunted Depot, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant and Technology Fee funds are provided later in this report beginning on page 55.

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 29 through 31 of this report.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 33 through 54 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 55 through 64 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 $28,629,704 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (72.15%) 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, 0.97%, or $276,569, represents resources that are subject to external restrictions on how they may be used. The remaining 26.88% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2016, 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	
	2016	2015	2016	2015	2016	2015
Capital assets	$ 7,154,659	$ 7,111,004	$ 20,698,995	$ 20,431,672	$ 27,853,654	$ 27,542,676
Other assets	4,350,366	4,134,311	6,113,809	5,728,852	10,464,175	9,863,163
Total assets	$ 11,505,025	$ 11,245,315	$ 26,812,804	$ 26,160,524	$ 38,317,829	$ 37,405,839
Long-term liabilities	$ 1,946,595	$ 1,696,193	$ 7,118,243	$ 7,342,452	$ 9,064,838	$ 9,038,645
Other liabilities	92,183	93,017	531,104	406,963	623,287	499,980
Total liabilities	$ 2,038,778	$ 1,789,210	$ 7,649,347	$ 7,749,415	$ 9,688,125	$ 9,538,625
Net investment in capital assets	$ 7,099,659	$ 7,111,004	$ 13,557,995	$ 12,945,672	$ 20,657,654	$ 20,056,676
Restricted	276,569	241,874	-	-	276,569	241,874
Unrestricted	2,090,019	2,103,227	5,605,462	5,465,437	7,695,481	7,568,664
Total net position	$ 9,466,247	$ 9,456,105	$ 19,163,457	$ 18,411,109	$ 28,629,704	$ 27,867,214

Changes in Net Position

Governmental activities increased the City's net position by $10,142, and business-type activities increased the City's net position by $752,348. 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.

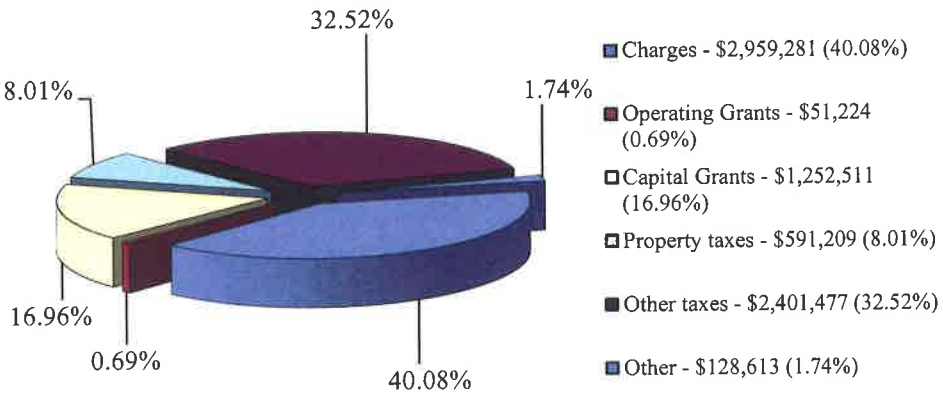
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

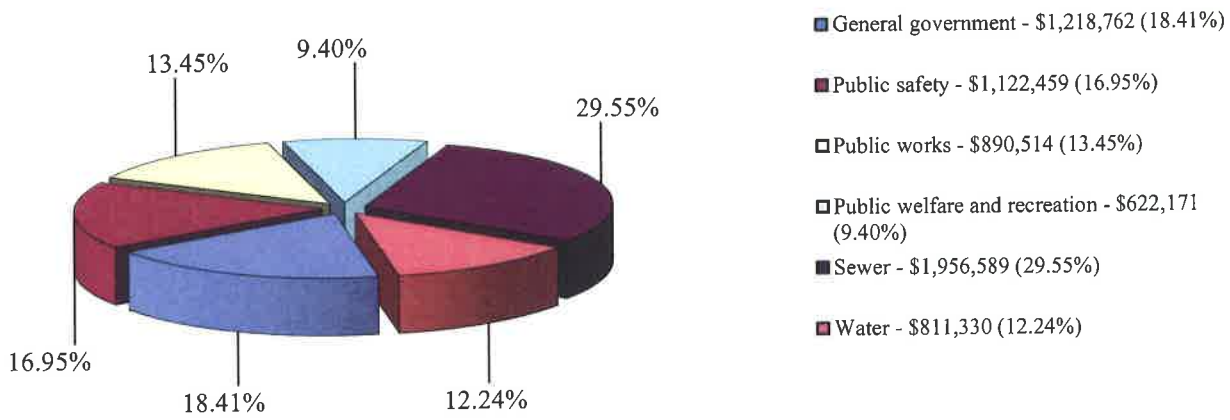
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 369,662	$ 295,271	$ 2,589,619	$ 2,496,362	$ 2,959,281	$ 2,791,633
Operating grants and contributions	51,224	18,737	-	-	51,224	18,737
Capital grants and contributions	1,252,511	2,993,714	-	342,369	1,252,511	3,336,083
General revenues:						
Property taxes	591,209	541,453	-	-	591,209	541,453
Other taxes	2,401,477	2,381,722	-	-	2,401,477	2,381,722
Other income	128,613	60,707	-	-	128,613	60,707
Total revenues	4,794,696	6,291,604	2,589,619	2,838,731	7,384,315	9,130,335
Expenses:						
General government	1,218,762	1,023,849	-	-	1,218,762	1,023,849
Public safety	1,122,459	1,060,792	-	-	1,122,459	1,060,792
Public works	890,514	748,222	-	-	890,514	748,222
Public welfare and recreation	622,171	510,796	-	-	622,171	510,796
Sewer	-	-	1,956,589	1,657,945	1,956,589	1,657,945
Water	-	-	811,330	657,437	811,330	657,437
Total expenses	3,853,906	3,343,659	2,767,919	2,315,382	6,621,825	5,659,041
Excess (deficiency) before transfers	940,790	2,947,945	(178,300)	523,349	762,490	3,471,294
Interfund transfers	(930,648)	(1,683,142)	930,648	1,683,142	-	-
Change in net position	10,142	1,264,803	752,348	2,206,491	762,490	3,471,294
Net position - beginning	9,456,105	8,191,302	18,411,109	16,204,618	27,867,214	24,395,920
Net position - end	$ 9,466,247	$ 9,456,105	$ 19,163,457	$ 18,411,109	$ 28,629,704	$ 27,867,214

The graphs below summarize the $7,384,315 of city-wide revenues by source, and the associated $6,621,825 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



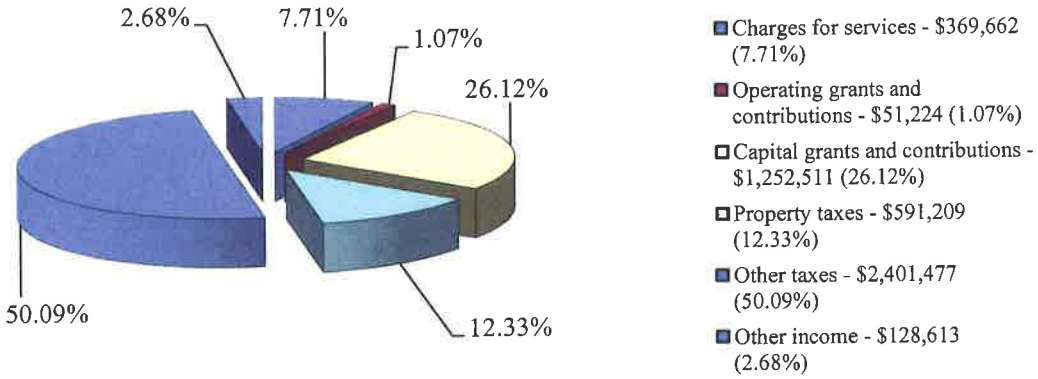
City-Wide Program Expenses



Governmental Activities

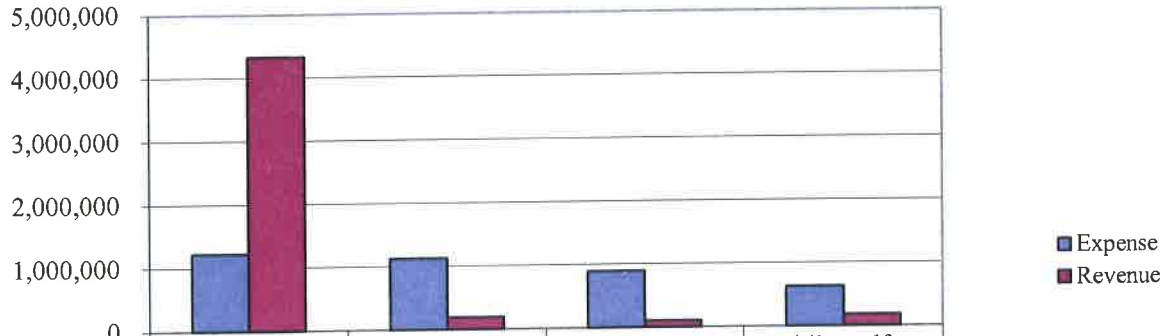
Governmental activities accounted for revenues of $4,794,696. The following graph summarizes the revenue by source.

Revenue by Source - Governmental Activities



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

Expenses and Program Revenues - Governmental Activities



	General government	Public safety	Public works	Public welfare and recreation
Expense	1,218,762	1,122,459	890,514	622,171
Revenue	4,327,347	188,440	101,834	177,075

Business-type activities

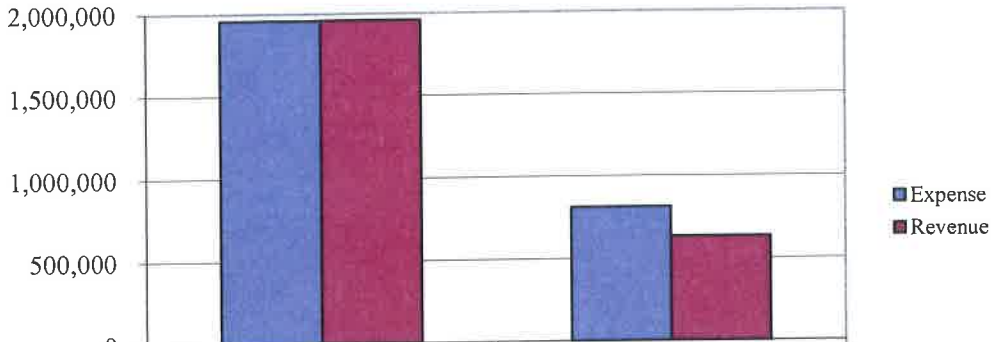
Business-type activities accounted for revenues of $2,589,619. The following graph summarizes the revenue by source.

Revenue by Source - Business-Type Activities



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

Expenses and Program Revenues - Business-Type Activities



	Sewer	Water
Expense	1,956,589	811,330
Revenue	1,958,074	631,545

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 $4,248,606.

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 $3,874,687. 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 126.18% of total General Fund expenditures, excluding transfers, proceeds from debt 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 $5,351,882 for the Sewer Fund and $253,580 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $0 in fund balance change. The offsetting changes are listed below:

There was $132,000 in various increases in revenues.
Current expenditures were increased by $338,000.
Transfers in were increased by $182,000.
Transfers out were increased by $51,000.
Proceeds from debt increased by $80,000.
Loss on investments were increased by $5,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
The City of Ringgold, Georgia's investment in capital assets for its governmental and business type activities as of December 31, 2016, amounts to $27,853,654 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

Sewer lines	$ 546,847
Water lines	$ 382,721
Depot barn	$ 233,131
Benton property	$ 100,000
3 2016 Dodge Chargers	$ 81,548

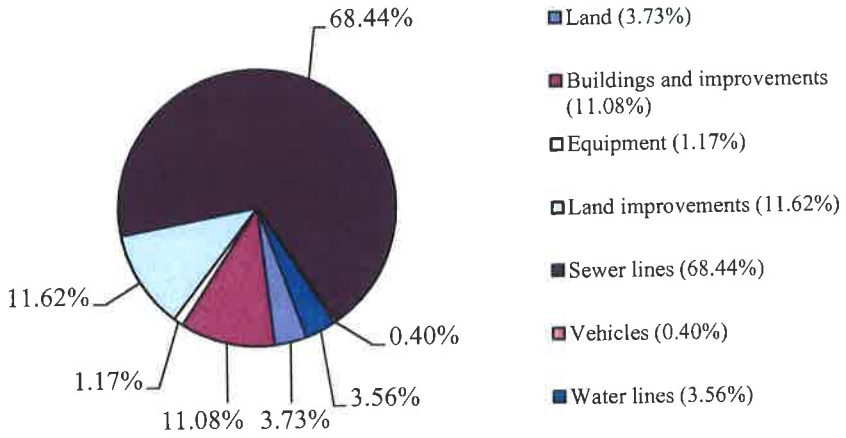
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

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

	Governmental Activities	Business-type Activities	Total
Land	$ 772,424	$ 265,815	$ 1,038,239
Buildings and improvements	2,743,678	341,145	3,084,823
Equipment	295,215	30,401	325,616
Land improvements	3,236,565	-	3,236,565
Sewer lines	-	19,062,776	19,062,776
Vehicles	106,777	3,576	110,353
Water lines	-	995,282	995,282
Total capital assets	$ 7,154,659	$ 20,698,995	$ 27,853,654

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

City-Wide Capital Assets



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

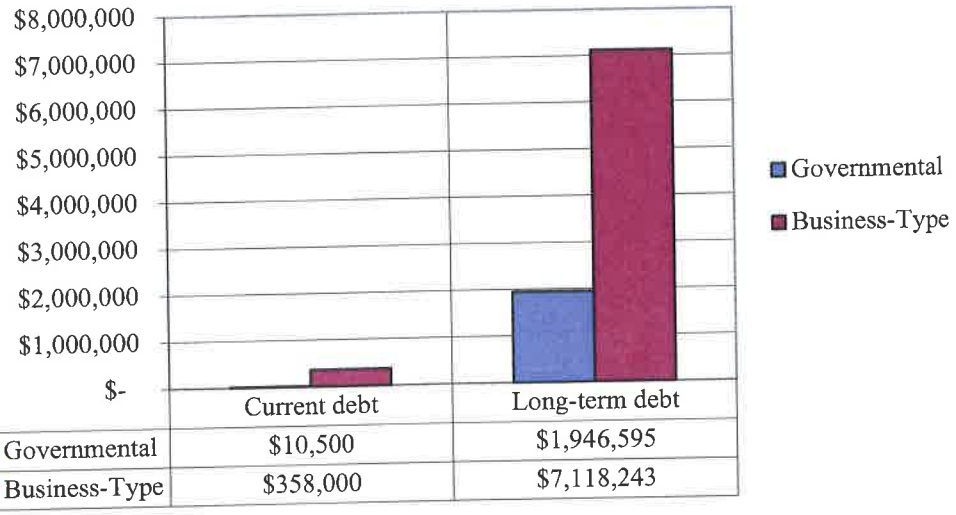
City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Ringgold, Georgia had total debt outstanding of $9,433,338. Of that amount $368,500 is due in the next fiscal year. The table below summarizes outstanding debt broken down by governmental and business type activities.

	Governmental Activities	Business-type Activities	Total
Note payable	$ 55,000	$ -	$ 55,000
Bond payable	-	7,141,000	7,141,000
Compensated absences	91,474	70,880	162,354
Customer deposits	-	74,037	74,037
Accrued post-employment benefits	1,810,621	190,326	2,000,947
Total	1,957,095	7,476,243	9,433,338
Less current portion	(10,500)	(358,000)	(368,500)
Total long-term debt	$ 1,946,595	$ 7,118,243	$ 9,064,838

As shown in the graph below, long-term debt is attributed greatly to the City's business-type activities. Long-term debt of governmental activities only accounts for 20.75% of total long-term debt.

Long-Term Debt By Activity



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

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

Currently Known Conditions Affecting Future Years

During 2016 many projects came to fruition.

The City was awarded a streetscaping project in 2014 and is adding 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, and the General Fund balance. Several unexpected issues came up during the construction project and the DOT contributed an additional amount of $55,607 to offset 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 contractor had the subcontractors redo several of the items and they should be completed in early 2017.

The City applied for Phase II of the Trail of Tears Grant. The City was awarded another $100,000 DNR State Grant and a $25,000 Lyndhurst Matching Grant and a $5,000 in-kind match. The project is expected to cost $144,200.

A master plan for the Ringgold Recreational Complex was conducted by an engineering firm and the bid for Phase I was estimated to cost of $500,000. The bid opening was held in 2016 and the low bid was over $1,100,000. The project is on hold until funding is available.

Georgia Northwestern College has built a satellite campus in the City of Ringgold on a 38-acre tract. The College opened in August of 2016. The City installed the water and sewer to the development. In addition to the 38-acre college, there is a 12-acre commercial development. The cost of water and sewer was funded through SPLOST at over $400,000.

Patriot Hall reconstruction was completed and it is being rented out as a convention center.

Water plant improvements to allow the plant to use liquid chemicals instead of dry chemicals are in the process of design and permitting. A GEFA Grant and low interest loan have been awarded to assist with the $200,000 project. GEFA has agreed to an $86,000 forgiveness toward the project. The project was rebid twice after the initial bids came in high. The project was split up into three contracts to allow local small firms to participate and the project has been awarded and is moving forward in 2017.

The City was successful in completing permitting for a withdrawal permit for 1,444,000 gallons per day on a new well on Poplar Springs Road. The City is now considering alternatives to connect the well to the City water system and construction of the pump house.

The industrial park area is in need for additional water storage due to fire protection needs. The City sought a grant to assist and was preliminarily awarded a $600,000 ARC Grant. This planned tank will be located on Taylors Ridge and will have a 500,000-gallon capacity.

The Downtown Development Authority has conveyed approximately 6,800 sq. ft. of the Tennessee Street and Mountain Street property to Evitt Land Management Company to build a commercial two story building. The lot was purchased for $100,000. The 22-space parking lot will remain owned by the DDA.

Sewer Projects:
Phase II of Exit 345 Sewer was completed and paid by the County SPLOST and will increase the City's customers by over 100 homes and 5 commercial properties.

The Three Notch Area includes the following: Foster Hill SD Sewer completed, Three Notch Road Estates completed, Lehon Estates and Melody Estates completed and will be making sewer available to approximately 900 homes. Final cleanup is to be completed by early 2017.

The Police Department received a grant and low interest loan for three vehicles and received the funding in the fall of 2016. The total cost of the vehicles was $80,000.

Martha Denton Pool purchased pole LED lights in 2016. The lights were installed in early 2017.

Hwy. 41 and Chapman Road Improvements were awarded in late 2016 for $920,919. The City received an LMIG Grant for $350,000 from the GDOT in March 2017. Catoosa County has agreed to increase the City's SPLOST in the 2019 round by $140,830.

The City has decided to add two positions for 2017. One is a full-time building maintenance position and the second is a full-time police and court services administrative position.

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

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	$ 347,307	$ 3,468,666	$ 3,815,973
Investments	5,203,732	-	5,203,732
Accounts receivable - net	335,385	214,600	549,985
Grants receivable	31,489	-	31,489
Property tax receivable - net	45,337	-	45,337
Prepaid expenses	97,350	1,844	99,194
Due from other governments	718,465	-	718,465
Internal balances	(2,428,699)	2,428,699	-
Total current assets	4,350,366	6,113,809	10,464,175
Non-current assets			
Capital assets			
Land	772,424	265,815	1,038,239
Other capital assets - net of accumulated depreciation	6,382,235	20,433,180	26,815,415
Total non-current assets	7,154,659	20,698,995	27,853,654
TOTAL ASSETS	$ 11,505,025	$ 26,812,804	$ 38,317,829
LIABILITIES			
Current liabilities			
Accounts payable	$ 57,006	$ 117,253	$ 174,259
Accrued wages	13,621	5,173	18,794
Accrued liabilities	10,056	50,678	60,734
Unearned revenue	1,000	-	1,000
Note payable - due in one year	10,500	-	10,500
Bond payable - due in one year	-	358,000	358,000
Total current liabilities	92,183	531,104	623,287
Non-current liabilities			
Compensated absences	91,474	70,880	162,354
Customer deposits	-	74,037	74,037
Note payable	44,500	-	44,500
Bond payable	-	6,783,000	6,783,000
Accrued post-employment benefits	1,810,621	190,326	2,000,947
Total non-current liabilities	1,946,595	7,118,243	9,064,838
TOTAL LIABILITIES	$ 2,038,778	$ 7,649,347	$ 9,688,125
NET POSITION			
Net investment in capital assets	$ 7,099,659	$ 13,557,995	$ 20,657,654
Restricted for:			
Downtown development	24,172	-	24,172
Haunted depot	27,079	-	27,079
Confiscated assets	6,391	-	6,391
Ringgold depot	137,143	-	137,143
Tourism	74,666	-	74,666
Technology	7,118	-	7,118
Unrestricted	2,090,019	5,605,462	7,695,481
TOTAL NET POSITION	$ 9,466,247	$ 19,163,457	$ 28,629,704

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities:							
General government	$ 1,218,762	$ 61,808	$ -	$ 1,144,240	$ (12,714)	$ -	$ (12,714)
Public safety	1,122,459	144,233	-	44,207	(934,019)	-	(934,019)
Public works	890,514	4,983	38,775	58,076	(788,680)	-	(788,680)
Public welfare and recreation	622,171	158,638	12,449	5,988	(445,096)	-	(445,096)
Total governmental activities	3,853,906	369,662	51,224	1,252,511	(2,180,509)	-	(2,180,509)
Business-type activities:							
Sewer	1,956,589	1,958,074	-	-	-	1,485	1,485
Water	811,330	631,545	-	-	-	(179,785)	(179,785)
Total business-type activities	2,767,919	2,589,619	-	-	-	(178,300)	(178,300)
Total primary government	$ 6,621,825	$ 2,959,281	$ 51,224	$ 1,252,511	(2,180,509)	(178,300)	(2,358,809)
General revenues:							
Property tax					591,209	-	591,209
Franchise tax					490,836	-	490,836
Local option sales tax					905,603	-	905,603
Motor vehicle tax					90,518	-	90,518
Occupational tax					74,240	-	74,240
Hotel/motel tax					353,251	-	353,251
Payment in lieu of taxes - TVA					9,897	-	9,897
Other taxes					477,132	-	477,132
Interest revenue					70,886	-	70,886
Other revenue					57,727	-	57,727
Transfers					(930,648)	930,648	-
Total general revenues and transfers					2,190,651	930,648	3,121,299
Change in net position					10,142	752,348	762,490
Net position - beginning					9,456,105	18,411,109	27,867,214
Net position - end					$ 9,466,247	$ 19,163,457	$ 28,629,704

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	Downtown Development Authority Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS					
Cash	$ 15,316	$ 27,620	$ 29,000	$ 275,371	$ 347,307
Investments	5,203,732	-	-	-	5,203,732
Accounts receivable - net	305,403	-	-	29,982	335,385
Grants receivable	-	-	-	31,489	31,489
Property tax receivable - net	45,337	-	-	-	45,337
Prepaid expenses	97,350	-	-	-	97,350
Due from other governments	613,267	-	105,198	-	718,465
Due from other funds	196,953	-	-	4,000	200,953
TOTAL ASSETS	$ 6,477,358	$ 27,620	$ 134,198	$ 340,842	$ 6,980,018
LIABILITIES					
Accounts payable	$ 36,605	$ 1,652	$ -	$ 18,749	$ 57,006
Accrued wages	13,034	246	-	341	13,621
Accrued liabilities	2,906	1,550	-	5,600	10,056
Unearned revenue	-	-	-	1,000	1,000
Due to other funds	2,432,699	-	134,198	62,755	2,629,652
TOTAL LIABILITIES	$ 2,485,244	$ 3,448	$ 134,198	$ 88,445	$ 2,711,335
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	$ 20,077	$ -	$ -	$ -	$ 20,077
FUND BALANCES					
Nonspendable	$ 97,350	$ -	$ -	$ -	$ 97,350
Restricted	-	24,172	-	252,397	276,569
Unassigned	3,874,687	-	-	-	3,874,687
TOTAL FUND BALANCES	$ 3,972,037	$ 24,172	$ -	$ 252,397	$ 4,248,606

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, 2016

Total fund balances per governmental funds balance sheet	$ 4,248,606
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,154,659
Long-term liabilities, including notes payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(146,474)
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.	(1,810,621)
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.	20,077
Net position of governmental activities	$ 9,466,247

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, 2016

	General Fund	Downtown Development Authority Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	$ 2,624,352	$ -	$ -	$ 353,251	$ 2,977,603
License and permits	48,175	-	-	-	48,175
Intergovernmental	86,679	-	1,144,240	31,489	1,262,408
Fines and forfeitures	122,193	-	-	3,709	125,902
Interest revenue	70,886	-	-	-	70,886
Other revenue	193,373	133,873	-	107,727	434,973
TOTAL REVENUES	3,145,658	133,873	1,144,240	496,176	4,919,947
EXPENDITURES					
Current expenditures					
General government	858,088	-	-	-	858,088
Public safety	1,124,622	-	-	20,089	1,144,711
Public works	811,563	-	-	-	811,563
Public welfare and recreation	276,494	404,685	-	267,369	948,548
Capital outlay	-	-	58,752	-	58,752
TOTAL EXPENDITURES	3,070,767	404,685	58,752	287,458	3,821,662
Excess (deficiency) of revenues over (under) expenditures	74,891	(270,812)	1,085,488	208,718	1,098,285
OTHER FINANCING SOURCES (USES)					
Transfers in	331,466	299,139	-	176,625	807,230
Transfers out	(277,570)	-	(1,085,488)	(374,820)	(1,737,878)
Proceeds from debt	55,000	-	-	-	55,000
Loss on investments	(4,268)	-	-	-	(4,268)
Total other financing sources (uses)	104,628	299,139	(1,085,488)	(198,195)	(879,916)
Net changes in fund balances	179,519	28,327	-	10,523	218,369
Fund balances - beginning	3,792,518	(4,155)	-	241,874	4,030,237
Fund balances - end	$ 3,972,037	$ 24,172	$ -	$ 252,397	$ 4,248,606

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, 2016

Net change in fund balances for total governmental funds	$ 218,369
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 and loss on disposal in the current period.	43,655
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	9,020
Notes issued are reported as a financial resource in the governmental funds. However, this is reported as an increase in long-term liabilities in the Statement of Net Position. During the current year, additional loan proceeds were drawn on notes payable.	(55,000)
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	(215,846)
Compensated absences	9,944
Change in net position of governmental activities	$ 10,142

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
City property tax	$ 562,000	$ 584,000	$ 583,991	$ (9)
Premium tax	206,000	224,000	223,692	(308)
Franchise tax	468,000	490,000	490,836	836
Excise tax	61,000	92,000	92,133	133
Local option sales tax	943,000	906,000	905,603	(397)
Malt beverage tax	172,000	147,000	146,308	(692)
Motor vehicle tax	117,000	92,000	90,518	(1,482)
Occupational tax	98,000	75,000	74,240	(760)
Intangible tax	4,000	11,000	10,679	(321)
Pawnbroker fees	2,000	4,000	3,834	(166)
Real estate transfer tax	2,000	3,000	2,518	(482)
Total taxes	2,635,000	2,628,000	2,624,352	(3,648)
License and permits				
Malt beverage license	19,000	40,000	39,874	(126)
Pouring license	1,000	3,000	2,241	(759)
Other licenses	4,000	9,000	6,060	(2,940)
Total license and permits	24,000	52,000	48,175	(3,825)
Intergovernmental				
Payment in lieu of taxes - TVA	10,000	10,000	9,897	(103)
Grant revenue	75,000	52,000	76,782	24,782
Total intergovernmental	85,000	62,000	86,679	24,679
Fines and forfeitures				
Police and courts	99,000	117,000	122,193	5,193
Interest revenue				
Interest	39,000	59,000	70,886	11,886

(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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Other revenue	$ 16,000	$ 19,000	$ 18,616	$ (384)
Fees	60,000	48,000	46,115	(1,885)
Pool fees and pool concessions	10,000	11,000	11,475	475
Flag charges and flag donations	2,000	4,000	3,052	(948)
Miscellaneous	-	54,000	51,934	(2,066)
Contributions and donations	-	48,000	48,007	7
Insurance recoveries	-	-	12,149	12,149
Sale of assets	3,000	3,000	2,025	(975)
Rent income	91,000	187,000	193,373	6,373
Total other revenue				
TOTAL REVENUES	2,973,000	3,105,000	3,145,658	40,658
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	338,000	352,000	350,743	1,257
Zoning board pay	1,000	1,000	1,000	-
Payroll taxes	24,000	26,000	25,055	945
Administrative	5,000	7,000	6,793	207
Drug testing fees	-	1,500	1,210	290
Dues and subscriptions	35,000	30,000	28,910	1,090
Education and travel	10,000	14,000	12,836	1,164
Grant expenses	-	1,500	1,479	21
Insurance	113,000	114,000	111,822	2,178
Printing and postage	7,000	8,000	6,873	1,127
Professional services	18,000	24,000	22,620	1,380
Repairs and maintenance	5,000	5,000	4,043	957
Retirement	31,000	27,000	26,863	137
Supplies and materials	23,000	19,000	18,141	859
Telephone	7,000	7,000	6,898	102
Vehicles	4,000	4,000	3,116	884
Total administration	621,000	641,000	628,402	12,598

(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, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Building and plant				
Salaries	$ 11,000	$ 11,000	$ 8,032	$ 2,968
Payroll taxes	1,500	1,500	621	879
Insurance	25,500	30,500	29,549	951
Professional services	1,000	3,000	2,300	700
Repairs and maintenance	89,000	79,000	40,262	38,738
Supplies and materials	5,000	5,000	3,225	1,775
Telephone	2,000	4,000	3,046	954
Utilities	23,000	24,000	23,779	221
Total building and plant	158,000	158,000	110,814	47,186
Council				
Council salaries	18,300	18,300	18,248	52
Payroll taxes	1,700	1,500	1,371	129
Education and travel	15,000	20,000	18,938	1,062
Professional services	2,000	6,200	5,262	938
Supplies and materials	-	1,000	858	142
Total council	37,000	47,000	44,677	2,323
Court				
City judge	8,000	8,000	7,800	200
Payroll taxes	1,500	1,200	597	603
Education and travel	3,000	2,400	1,729	671
Insurance	500	100	19	81
Professional services	-	500	423	77
Supplies and materials	-	800	716	84
Total court	13,000	13,000	11,284	1,716
Elections				
Printing and postage	-	1,000	278	722

(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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Law				
Professional services	$ 60,000	$ 60,000	$ 52,666	$ 7,334
Mayor				
Mayor salaries	6,000	6,000	6,000	-
Payroll taxes	500	500	459	41
Education and travel	4,500	4,500	3,508	992
Total mayor	11,000	11,000	9,967	1,033
Total general government	900,000	931,000	858,088	72,912
Public safety				
Police department				
Salaries	437,000	438,000	437,306	694
Payroll taxes	31,000	35,500	34,580	920
Dues and subscriptions	7,000	3,000	2,783	217
Education and travel	5,000	5,000	4,096	904
Insurance	157,000	171,000	169,300	1,700
Printing and postage	1,000	1,000	232	768
Professional services	1,000	1,000	611	389
Repairs and maintenance	17,000	25,000	24,600	400
Retirement	38,000	30,500	30,016	484
Supplies and materials	29,000	162,000	159,396	2,604
Telephone	5,000	7,000	6,947	53
Uniforms	4,000	9,000	8,259	741
Vehicles	25,000	23,000	22,804	196
Total police department	757,000	911,000	900,930	10,070
Fire department				
Operations	206,000	224,000	223,692	308
Total public safety	963,000	1,135,000	1,124,622	10,378

(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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 135,000	$ 134,000	$ 126,642	$ 7,358
Payroll taxes	10,000	10,000	9,414	586
Dues and subscriptions	1,000	1,000	10	990
Education and travel	2,000	2,000	757	1,243
Insurance	58,000	58,000	55,795	2,205
Prison crew	38,000	38,000	19,750	18,250
Professional services	3,000	2,000	1,275	725
Repairs and maintenance	126,000	288,000	282,623	5,377
Retirement	12,000	13,000	12,594	406
Site purchases	20,000	47,000	46,778	222
Stormwater mapping	8,000	6,000	1,250	4,750
Street lights	37,000	37,000	36,218	782
Supplies and materials	106,000	59,000	54,838	4,162
Telephone	1,000	1,000	834	166
Uniforms	5,000	5,000	1,544	3,456
Utilities	13,000	13,000	12,146	854
Vehicles	25,000	20,000	12,093	7,907
Total street department	600,000	734,000	674,561	59,439
Solid waste department				
Salaries	38,000	38,800	38,737	63
Payroll taxes	4,000	3,100	2,964	136
Education and travel	-	100	30	70
Insurance	17,000	18,100	17,912	188
Landfill fees	57,000	54,000	53,916	84
Repairs and maintenance	20,000	10,000	9,448	552
Retirement	4,000	3,900	3,854	46
Uniforms	2,000	2,000	1,682	318
Vehicles	15,000	9,000	8,459	541
Total solid waste department	157,000	139,000	137,002	1,998
Total public works	757,000	873,000	811,563	61,437

(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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation				
Pool operations				
Salaries	$ 34,000	$ 34,000	$ 29,145	$ 4,855
Payroll taxes	3,000	3,000	2,230	770
Concessions	4,000	4,000	2,285	1,715
Insurance	2,000	2,500	1,332	1,168
Repairs and maintenance	2,000	2,000	301	1,699
Supplies and materials	9,000	8,000	5,495	2,505
Telephone	1,000	1,500	1,475	25
Utilities	5,000	5,000	4,913	87
Total pool operations	60,000	60,000	47,176	12,824
Parks and recreation				
Salaries	113,000	129,000	127,381	1,619
Payroll taxes	9,000	9,900	9,723	177
Flag supplies	10,000	11,000	10,564	436
Insurance	27,000	30,300	29,558	742
Property rental	2,000	1,100	1,035	65
Repairs and maintenance	8,000	6,600	5,234	1,366
Retirement	9,000	9,000	8,327	673
Supplies and materials	27,000	30,000	29,545	455
Uniforms	2,000	1,100	1,059	41
Utilities	5,000	3,000	2,515	485
Vehicles	5,000	5,000	4,377	623
Total parks and recreation	217,000	236,000	229,318	6,682
Total public welfare and recreation	277,000	296,000	276,494	19,506
TOTAL EXPENDITURES	2,897,000	3,235,000	3,070,767	164,233
Excess (deficiency) of revenues over (under) expenditures	76,000	(130,000)	74,891	204,891

(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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 150,000	$ 332,000	$ 331,466	$ (534)
Transfers out	(226,000)	(277,000)	(277,570)	(570)
Proceeds from debt	-	80,000	55,000	(25,000)
Loss on investments	-	(5,000)	(4,268)	732
Total other financing sources (uses)	(76,000)	130,000	104,628	(25,372)
Net changes in fund balances	-	-	179,519	179,519
Fund balances - beginning	3,792,518	3,792,518	3,792,518	-
Fund balances - end	$ 3,792,518	$ 3,792,518	$ 3,972,037	$ 179,519

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

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Donations	$ -	$ -	$ 10,065	$ 10,065
Lease revenue	9,000	10,900	10,901	1
Miscellaneous	2,000	700	743	43
Program fees	2,000	1,400	1,448	48
Sale of property	-	100,000	99,738	(262)
Tickets	11,000	11,000	10,978	(22)
Total other revenue	24,000	124,000	133,873	9,873
TOTAL REVENUES	24,000	124,000	133,873	9,873
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	16,000	17,100	16,984	116
Payroll taxes	1,300	1,300	1,293	7
Dues and subscriptions	-	3,100	2,716	384
Education and travel	1,500	1,700	1,591	109
Grant expenses	2,000	-	-	-
Insurance	6,100	5,600	5,442	158
Miscellaneous	-	4,300	4,235	65
Postage	100	100	40	60
Professional services	10,000	100	23	77
Property rental	1,200	1,200	1,200	-
Repairs and maintenance	-	30,000	14,946	15,054
Retirement	1,500	1,700	1,601	99
Ringgold playhouse	6,000	7,900	7,848	52
Site purchases	1,300	346,000	344,041	1,959
Supplies and materials	6,000	1,100	1,062	38
Utilities	5,000	1,800	1,663	137
Total public welfare and recreation	58,000	423,000	404,685	18,315
TOTAL EXPENDITURES	58,000	423,000	404,685	18,315
Excess (deficiency) of revenue over (under) expenditures	(34,000)	(299,000)	(270,812)	28,188
OTHER FINANCING SOURCES (USES)				
Transfers in	34,000	299,000	299,139	139
Net changes in fund balances	-	-	28,327	28,327
Fund balances - beginning	(4,155)	(4,155)	(4,155)	-
Fund balances - end	$ (4,155)	$ (4,155)	$ 24,172	$ 28,327

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ 1,146,000	$ 1,146,000	$ 1,144,240	$ (1,760)
TOTAL REVENUES	1,146,000	1,146,000	1,144,240	(1,760)
EXPENDITURES				
Capital outlay				
Public works	57,400	57,400	56,637	763
Public welfare and recreation	2,600	2,600	2,115	485
Total capital outlay	60,000	60,000	58,752	1,248
TOTAL EXPENDITURES	60,000	60,000	58,752	1,248
Excess (deficiency) of revenues over (under) expenditures	1,086,000	1,086,000	1,085,488	(512)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,086,000)	(1,086,000)	(1,085,488)	512
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, 2016

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current assets			
Cash	$ 3,031,615	$ 437,051	$ 3,468,666
Accounts receivable	175,401	39,199	214,600
Prepaid expenses	-	1,844	1,844
Due from other funds	2,428,699	-	2,428,699
Total current assets	5,635,715	478,094	6,113,809
Non-current assets			
Capital assets			
Land	204,415	61,400	265,815
Other capital assets - net of accumulated depreciation	19,137,209	1,295,971	20,433,180
Total capital assets	19,341,624	1,357,371	20,698,995
TOTAL ASSETS	$ 24,977,339	$ 1,835,465	$ 26,812,804
LIABILITIES			
Current liabilities			
Accounts payable	$ 108,396	$ 8,857	$ 117,253
Accrued wages	1,912	3,261	5,173
Accrued liabilities	50,678	-	50,678
Bonds payable - due in one year	358,000	-	358,000
Total current liabilities	518,986	12,118	531,104
Non-current liabilities			
Compensated absences	22,830	48,050	70,880
Customer deposits	-	74,037	74,037
Bonds payable	6,783,000	-	6,783,000
Accrued post-employment benefits	100,017	90,309	190,326
Total non-current liabilities	6,905,847	212,396	7,118,243
TOTAL LIABILITIES	$ 7,424,833	$ 224,514	$ 7,649,347
NET POSITION			
Net investment in capital assets	$ 12,200,624	$ 1,357,371	$ 13,557,995
Unrestricted	5,351,882	253,580	5,605,462
TOTAL NET POSITION	$ 17,552,506	$ 1,610,951	$ 19,163,457

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, 2016

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 1,885,684	$ -	$ 1,885,684
Water sales	-	604,365	604,365
Installation charges	72,390	1,650	74,040
Penalties	-	25,530	25,530
Total operating revenues	1,958,074	631,545	2,589,619
OPERATING EXPENSES			
Operating and maintenance	1,062,333	701,487	1,763,820
Administration and general	9,864	13,675	23,539
Depreciation	579,045	96,168	675,213
Total operating expenses	1,651,242	811,330	2,462,572
Operating income (loss)	306,832	(179,785)	127,047
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	(305,347)	-	(305,347)
Income (loss) before transfers	1,485	(179,785)	(178,300)
Transfers in	546,847	383,801	930,648
Changes in net position	548,332	204,016	752,348
Total net position - beginning	17,004,174	1,406,935	18,411,109
Total net position - end	$ 17,552,506	$ 1,610,951	$ 19,163,457

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, 2016

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 1,953,339	$ 628,719	$ 2,582,058
Payments to suppliers	(721,949)	(318,389)	(1,040,338)
Payments to employees	(179,699)	(324,234)	(503,933)
Net cash provided (used) by operating activities	1,051,691	(13,904)	1,037,787
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	546,847	383,801	930,648
Acquiring and construction of capital assets	(559,815)	(382,721)	(942,536)
Principal paid on long-term debt	(345,000)	-	(345,000)
Interest paid on long-term debt	(305,347)	-	(305,347)
Net cash provided (used) for capital and related financing activities	(663,315)	1,080	(662,235)
Cash Flows from Non-Capital Financing Activities			
(Increase) in due from other funds	271,301	-	271,301
Net increase (decrease) in cash	659,677	(12,824)	646,853
Cash - beginning	2,371,938	449,875	2,821,813
Cash - end	$ 3,031,615	$ 437,051	$ 3,468,666
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 306,832	$ (179,785)	$ 127,047
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	579,045	96,168	675,213
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(4,735)	(2,826)	(7,561)
(Increase) decrease in prepaid expenses	-	(1,844)	(1,844)
Increase (decrease) in current liabilities	109,030	2,111	111,141
Increase (decrease) in customer deposits	-	5,592	5,592
Increase (decrease) in compensated absences	2,147	13,932	16,079
Increase (decrease) in accrued post-employment benefits	59,372	52,748	112,120
Net cash provided (used) by operating activities	$ 1,051,691	$ (13,904)	$ 1,037,787

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Assets and Liabilities
December 31, 2016

	Agency Funds
ASSETS	
Cash	$ 28,976
Due from other governments	75,903
TOTAL ASSETS	$ 104,879
LIABILITIES	
Surety bonds payable	$ 9,460
Due to other governments	95,419
TOTAL LIABILITIES	$ 104,879

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.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

The City reports the following major enterprise funds:

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

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

C. Measurement Focus - Basis of Accounting

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

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

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

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

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

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

Lien date	October 20, 2016
Levy date	October 20, 2016
Tax bills mailed	October 20, 2016
Payment due date	October 20, 2016 through February 28, 2017
Delinquency date	March 1, 2017

H. Interfund Transactions

Interfund Receivables and Payables

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

Transactions between Funds

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

I. Prepayment of Expenditures

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

J. Inventories

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

K. Restricted Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

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

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

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

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

O. Long-term Obligations

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

P. Net Position

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

Q. Fund Balance

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

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

S. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2016, and May 5, 2017, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the City's deposits and investments was $9,018,755. The financial institution balance was $9,398,086. 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, 2016, none of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

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

Cash	$ 3,815,973
Investments	5,203,732
Less: Petty cash	(950)
Total	$ 9,018,755

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	$ 5,203,732

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2016, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Visitor Center Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 242,379	$ -	$ -	$ -	$ -	$ 242,379
Local beer/beverage tax	11,760	-	-	-	-	11,760
Business license	9,269	-	-	-	-	9,269
Hotel/motel tax	-	28,962	-	-	-	28,962
Customer receivables	-	-	-	175,401	63,199	238,600
Motor vehicle tax	6,573	-	-	-	-	6,573
Energy excise tax	7,466	-	-	-	-	7,466
Interest	10,032	-	-	-	-	10,032
Other	19,778	-	1,020	-	-	20,798
Less: allowance for doubtful accounts	(1,854)	-	-	-	(24,000)	(25,854)
Total	$ 305,403	$ 28,962	$ 1,020	$ 175,401	$ 39,199	$ 549,985

NOTE 4 - GRANTS RECEIVABLE

Due from grantor at December 31, 2016, consist of the following:

Georgia Department of Transportation	$ 25,501
Georgia Department of Natural Resources	5,988
Total	$ 31,489

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2016, consist of the following:

Year of Levy	
2016	$ 45,415
2015	6,730
2014	511
2013	56
2012	9
2011	3
	52,724
Less: allowance for uncollectibles	(7,387)
Property taxes receivable - net	$ 45,337

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2016, consists of the following:

	Governmental Activities
Property tax collected by Catoosa County	$ 458,988
Special Purpose Local Option Sales Tax	105,198
Catoosa County - motor vehicle tax collected	362
Local Option Sales Tax receivable	151,032
Intangible taxes	243
TVA in lieu of taxes	2,462
Transfer taxes	180
Totals	$ 718,465

NOTE 7 - INTERNAL BALANCES

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

	Due from:				
Due to:	General Fund	Capital Projects Fund	Hotel/Motel Tax Fund	Capital Projects Grant Fund	Total
General Fund	$ -	$ 134,198	$ 28,962	$ 33,793	$ 196,953
Capital Projects Grant Fund	4,000	-	-	-	4,000
Sewer Fund	2,428,699	-	-	-	2,428,699
Total	$ 2,432,699	$ 134,198	$ 28,962	$ 33,793	$ 2,629,652

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 759,915	$ 146,778	$(134,269)	$ 772,424
Capital assets being depreciated:				
Land improvements	3,862,164	105,154	(106,136)	3,861,182
Building and improvements	3,796,360	238,438	(1,073)	4,033,725
Vehicles	1,105,705	81,547	-	1,187,252
Equipment	928,415	106,777	-	1,035,192
Total capital assets being depreciated	9,692,644	531,916	(107,209)	10,117,351
Less accumulated depreciation for:				
Land improvements	437,994	292,759	(106,136)	624,617
Buildings and improvements	1,191,543	99,577	(1,073)	1,290,047
Vehicles	1,044,929	35,546	-	1,080,475
Equipment	667,089	72,888	-	739,977
Total accumulated depreciation	3,341,555	500,770	-	3,735,116
Total capital assets being depreciated - net	6,351,089	31,146	(107,209)	6,382,235
Governmental activities capital assets - net	$ 7,111,004	$ 177,924	$(134,269)	$ 7,154,659

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

General government	$ 301,532
Public safety	49,649
Public welfare and recreation	112,769
Public works	36,820
Total	$ 500,770

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	1,238,323	12,968	(446,591)	804,700
Sewer lines	24,460,228	546,847	-	25,007,075
Vehicles	284,563	-	-	284,563
Water lines	1,692,336	382,721	-	2,075,057
Total capital assets being depreciated	28,495,388	942,536	(446,591)	28,991,333
Less accumulated depreciation for:				
Buildings	463,053	15,740	-	478,793
Equipment	1,192,685	28,205	(446,596)	774,299
Sewer lines	5,392,023	552,276	-	5,944,299
Vehicles	273,838	7,149	-	280,987
Water lines	1,007,932	71,843	-	1,079,775
Total accumulated depreciation	8,329,531	675,213	(446,591)	8,558,153
Total capital assets being depreciated - net	20,165,857	267,323	-	20,433,180
Business-type activities capital assets - net	$ 20,431,672	$ 267,323	$ -	$ 20,698,995

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	$ 20,077	$ 20,077

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

NOTE 10 - LONG-TERM DEBT

A. Governmental Debt

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

	Principal Balance
USDA Rural Development note, issued October, 2016, 2.375%, due 2021, original balance $55,000	$ 55,000
Compensated absences	91,474
Accrued post-employment benefits	1,810,621
	1,957,095
Less: current portion of governmental debt	(10,500)
Total governmental long-term debt	$ 1,946,595

A summary of changes in governmental long-term debt for the year ended December 31, 2016, are as follows:

	Balance 12-31-15	Additions	Retirements	Balance 12-31-16	Amount Due Within One Year
USDA Rural Development	$ -	$ 55,000	$ -	$ 55,000	$ 10,500
Compensated absence	101,418	-	(9,994)	91,474	-
Accrued post-employment benefits	1,594,775	215,846	-	1,810,621	-
Total	$ 1,696,193	$ 270,846	$(9,944)	1,957,095	$ 10,500
Less: current portion of governmental long-term debt				(10,500)	
Total governmental long-term debt				$ 1,946,595	

Interest paid during the year ended December 31, 2016, on governmental long-term debt was $0.

Governmental debt service requirements to maturity, including interest of $3,985, are as follows:

Year Ended December 31	Principal	Interest	Total Requirements
2017	$ 10,500	$ 1,297	$ 11,797
2018	10,750	1,047	11,797
2019	11,000	797	11,797
2020	11,250	547	11,797
2021	11,500	297	11,797
Total	$ 55,000	$ 3,985	$ 58,985

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

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt

Sewer Fund

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

	Principal Balance
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due 2031, original balance $9,600,000	$ 7,141,000
Compensated absences	22,830
Accrued post-employment benefits	100,017
	7,263,847
Less: current portion of sewer debt	(358,000)
Total sewer long-term debt	$ 6,905,847

A summary of changes in sewer long-term debt for the year ended December 31, 2016, are as follows:

	Balance 12-31-15	Additions	Retirements	Balance 12-31-16	Amount Due Within One Year
2005 bond	$ 7,486,000	$ -	$(345,000)	$ 7,141,000	$ 358,000
Compensated absences	20,683	2,147	-	22,830	-
Accrued post-employment benefits	40,645	59,372	-	100,017	-
Total	$ 7,547,328	$ 61,519	$(345,000)	7,263,847	$ 358,000
Less: current portion of sewer long-term debt				(358,000)	
Total sewer long-term debt				$ 6,905,847	

Interest paid during the year ended December 31, 2016, on sewer long-term debt was $305,347.

Sewer Fund debt service requirements to maturity, including interest of $2,512,385, are as follows:

Year ended December 31	Principal	Interest	Total Requirements
2017	$ 358,000	$ 294,515	$ 652,515
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
2022-2026	2,374,000	873,813	3,247,813
2027-2031	2,833,000	321,964	3,154,964
Total	$ 7,141,000	$ 2,512,385	$ 9,653,385

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

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Water Fund

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

Customer deposits	$ 74,037
Compensated absences	48,050
Accrued post-employment benefits	90,309
Total water long-term debt	$ 212,396

A summary of changes in water long-term debt for the year ended December 31, 2016, are as follows:

	Balance 12-31-15	Additions	Retirements	Balance 12-31-16	Amount Due Within One Year
Customer deposits	$ 68,445	$ 5,592	$ -	$ 74,037	$ -
Compensated absences	34,118	13,932	-	48,050	-
Accrued post-employment benefits	37,561	52,748	-	90,309	-
Total	$ 140,124	$ 72,272	$ -	212,396	$ -
Less: current portion of water long-term debt				-	
Total water long-term debt				$ 212,396	

Interest paid during the year ended December 31, 2016, 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:

Downtown Development Authority Fund restricts $24,172 for future downtown development expenditures.

Haunted Depot Fund restricts $27,079 for future depot expenditures.

Confiscated Assets Fund restricts $6,391 for future confiscated asset expenditures.

Ringgold Depot Fund restricts $137,143 for the Ringgold Depot facility.

Visitor Center Fund restricts $74,666 to promote tourism in the Ringgold area.

Technology Fees Fund restricts $7,118 for future police expenditures.

The City also has $97,350 of nonspendable fund balance related to prepaid expenses.

NOTE 12 - TRANSFERS

Interfund transfers as of December 31, 2016, 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	$ -	$ 277,570	$ -	$ -	$ -	$ -	$ 277,570
Capital Projects Fund	154,840	-	-	-	546,847	383,801	1,085,488
Hotel/Motel Fund	176,626	-	58,875	117,750	-	-	353,251
Haunted Depot Fund	-	21,569	-	-	-	-	21,569
Total	$ 331,466	$ 299,139	$ 58,875	$ 117,750	$ 546,847	$ 383,801	$ 1,737,878

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 General Fund, 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, 2016, is as follows:

Fund Balance - January 1, 2016	$ -
Lodging tax services	353,251
Amount available for disbursements	353,251
Disbursements:	
Transfer to General Fund	176,626
Transfer to the Ringgold Depot Fund	58,875
Transfer to Visitor Center Fund	117,750
Total disbursed	353,251
Balance - held in reserve for future hotel/motel tax projects	$ -

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

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

The governmental funds Balance Sheet includes a reconciliation between fund balance - total governmental funds and net position - government activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that, "long-term liabilities, including notes payable and compensated absences are not due and payable in the current period, and therefore, are not reported in the funds". The details of this $(146,474) differences are as follows:

Note payable	$(55,000)
Compensated absences	(91,474)
Net adjustment	$(146,474)

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 $43,655 difference are as follows:

Depreciation expense	$(500,770)
Capital outlay	678,694
Loss on disposal	(134,269)
Net adjustment	$ 43,655

NOTE 15 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

NOTE 16 - INSURANCE

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

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

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

NOTE 16 - INSURANCE (Continued)

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 $1,705,473. The amount of covered payroll was $1,297,812. Total contributions required was $155,737, which was 12% of covered payroll. The City's contribution required and actual was $129,781, which was 10% of covered payroll. The mandatory employee contributions required and actual was $25,956 which was 2% of covered payroll. Employee voluntary contributions totaled $46,047, making a total employee contribution of $72,003, which is 5% of covered payroll. The total City and employee contribution actually made was $201,784, 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.

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

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	$ 188,735
Interest on net OPEB obligation	10,380
Adjustment to annual required contribution	128,851
Annual OPEB cost (expense)	327,966
Contributions made	-
Increase in net OPEB obligation	327,966
Net OPEB obligation - beginning of year	1,672,981
Net OPEB obligation - end of year	$ 2,000,947

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2016 is as follows:

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

Funded Status and Funding Progress

As of December 31, 2016, the actuarial accrued liability for benefits was $2,000,947, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $2,744,437 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 100 percent.

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

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

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

The following simplifying assumptions were made:

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

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

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

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

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

Health Insurance Premiums - 2016 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

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

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

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

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 5.5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016, was thirty years.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
For the Healthcare Plan

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

NOTE 19 - LITIGATION AND CLAIMS

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

NOTE 20 - CONTINGENT LIABILITIES

As of December 31, 2016, 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, 2016, the City paid $3,700 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.

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, 2016

	Hotel/Motel Tax Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
ASSETS								
Cash	$ -	$ 27,079	$ 6,391	$ 148,582	$ 82,358	$ -	$ 10,961	$ 275,371
Accounts receivable - net	28,962	-	-	-	1,020	-	-	29,982
Grants receivable	-	-	-	-	-	31,489	-	31,489
Due from other funds	-	-	-	-	-	4,000	-	4,000
TOTAL ASSETS	$ 28,962	$ 27,079	$ 6,391	$ 148,582	$ 83,378	$ 35,489	$ 10,961	$ 340,842
LIABILITIES								
Accounts payable	$ -	$ -	$ -	$ 5,783	$ 8,427	$ 696	$ 3,843	$ 18,749
Accrued wages	-	-	-	56	285	-	-	341
Accrued liabilities	-	-	-	5,600	-	-	-	5,600
Unearned revenue	-	-	-	-	-	1,000	-	1,000
Due to other funds	28,962	-	-	-	-	33,793	-	62,755
TOTAL LIABILITIES	$ 28,962	$ -	$ -	$ 11,439	$ 8,712	$ 35,489	$ 3,843	$ 88,445
FUND BALANCES								
Restricted	$ -	$ 27,079	$ 6,391	$ 137,143	$ 74,666	$ -	$ 7,118	$ 252,397

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2016

	Hotel/Motel Tax Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
REVENUES								
Taxes	$ 353,251	$ -	$ -	$ -	$ -	$ -	$ -	$ 353,251
Intergovernmental	-	-	-	-	-	31,489	-	31,489
Fines and forfeitures	-	-	3,709	-	-	-	-	3,709
Other revenue	-	44,788	-	33,009	11,599	-	18,331	107,727
TOTAL REVENUES	353,251	44,788	3,709	33,009	11,599	31,489	18,331	496,176
EXPENDITURES								
Current expenditures								
Public safety	-	-	499	-	-	-	19,590	20,089
Public welfare and recreation	-	12,640	-	68,852	154,388	31,489	-	267,369
Total current expenditures	-	12,640	499	68,852	154,388	31,489	19,590	287,458
TOTAL EXPENDITURES	-	12,640	499	68,852	154,388	31,489	19,590	287,458
Excess (deficiency) of revenue over (under) expenditures	353,251	32,148	3,210	(35,843)	(142,789)	-	(1,259)	208,718
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	58,875	117,750	-	-	176,625
Transfers out	(353,251)	(21,569)	-	-	-	-	-	(374,820)
Total other financing sources (uses)	(353,251)	(21,569)	-	58,875	117,750	-	-	(198,195)
Net changes in fund balances	-	10,579	3,210	23,032	(25,039)	-	(1,259)	10,523
Fund balances - beginning	-	16,500	3,181	114,111	99,705	-	8,377	241,874
Fund balances - end	$ -	$ 27,079	$ 6,391	$ 137,143	$ 74,666	$ -	$ 7,118	$ 252,397

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance**
REVENUES				
Taxes				
Hotel/motel tax	$ 300,000	$ 354,000	$ 353,251	$ (749)
TOTAL REVENUES	300,000	354,000	353,251	(749)
Excess (deficiency) of revenue over (under) expenditures	300,000	354,000	353,251	(749)
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,000)	(354,000)	(353,251)	749
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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Haunted Depot	$ 28,000	$ 45,000	$ 44,788	$ (212)
TOTAL REVENUES	28,000	45,000	44,788	(212)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	-	2,000	1,050	950
Supplies and materials	15,000	21,000	11,590	9,410
Total public welfare and recreation	15,000	23,000	12,640	10,360
TOTAL EXPENDITURES	15,000	23,000	12,640	10,360
Excess (deficiency) of revenue over (under) expenditures	13,000	22,000	32,148	10,148
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,000)	(22,000)	(21,569)	431
Net changes in fund balances	-	-	10,579	10,579
Fund balances - beginning	16,500	16,500	16,500	-
Fund balances - end	$ 16,500	$ 16,500	$ 27,079	$ 10,579

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 3,000	$ 3,000	$ 3,709	$ 709
TOTAL REVENUES	3,000	3,000	3,709	709
EXPENDITURES				
Current expenditures				
Public safety				
Supplies and materials	3,000	3,000	499	2,501
TOTAL EXPENDITURES	3,000	3,000	499	2,501
Excess (deficiency) of revenue over (under) expenditures	-	-	3,210	3,210
Fund balances - beginning	3,181	3,181	3,181	-
Fund balances - end	$ 3,181	$ 3,181	$ 6,391	$ 3,210

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Concession	$ -	$ -	$ 75	$ 75
Rental	30,000	30,000	32,934	2,934
TOTAL REVENUES	30,000	30,000	33,009	3,009
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	22,000	20,000	14,382	5,618
Payroll taxes	3,000	2,700	1,101	1,599
Insurance	2,000	2,100	1,677	423
Professional services	1,000	1,000	601	399
Repairs and maintenance	21,000	30,000	19,970	10,030
Supplies and materials	7,000	9,200	8,015	1,185
Telephone	1,000	-	-	-
Utilities	23,000	24,000	23,106	894
Total public welfare and recreation	80,000	89,000	68,852	20,148
TOTAL EXPENDITURES	80,000	89,000	68,852	20,148
Excess (deficiency) of revenue over (under) expenditures	(50,000)	(59,000)	(35,843)	23,157
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	59,000	58,875	(125)
Net changes in fund balances	-	-	23,032	23,032
Fund balances - beginning	114,111	114,111	114,111	-
Fund balances - end	$ 114,111	$ 114,111	$ 137,143	$ 23,032

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Donations	$ -	$ -	$ 134	$ 134
Program fees	-	-	410	410
Rental	25,000	43,000	11,055	(31,945)
TOTAL REVENUES	25,000	43,000	11,599	(31,401)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	26,000	21,100	20,140	960
Payroll taxes	2,800	2,200	1,537	663
Dues and subscriptions	100	900	810	90
Insurance	7,600	6,400	6,052	348
Marketing and tourism	60,000	82,000	80,546	1,454
Printing and postage	1,000	500	364	136
Professional services	1,000	6,500	6,361	139
Repairs and maintenance	1,000	2,100	1,390	710
Retirement	1,500	1,700	1,601	99
Supplies and materials	10,000	32,100	30,283	1,817
Telephone	3,000	1,600	1,579	21
Travel	-	1,800	1,657	143
Utilities	11,000	2,100	2,068	32
Total public welfare and recreation	125,000	161,000	154,388	6,612
TOTAL EXPENDITURES	125,000	161,000	154,388	6,612
Excess (deficiency) of revenue over (under) expenditures	(100,000)	(118,000)	(142,789)	(24,789)
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	118,000	117,750	(250)
Net changes in fund balances	-	-	(25,039)	(25,039)
Fund balances - beginning	99,705	99,705	99,705	-
Fund balances - end	$ 99,705	$ 99,705	$ 74,666	$ (25,039)

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental				
Grant revenue	$ 32,000	$ 32,000	$ 31,489	$ (511)
TOTAL REVENUES	32,000	32,000	31,489	(511)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	32,000	32,000	31,489	511
TOTAL EXPENDITURES	32,000	32,000	31,489	511
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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other revenue				
Technology fees	$ 14,000	$ 20,000	$ 18,331	$ (1,669)
TOTAL REVENUES	14,000	20,000	18,331	(1,669)
EXPENDITURES				
Current expenditures				
Public safety				
Dues and subscriptions	-	1,500	1,500	-
Professional services	3,000	1,300	1,272	28
Repairs and maintenance	-	900	658	242
Supplies and materials	8,000	12,900	12,784	116
Telephone	3,000	3,400	3,376	24
Total public safety	14,000	20,000	19,590	410
TOTAL EXPENDITURES	14,000	20,000	19,590	410
Excess (deficiency) of revenue over (under) expenditures	-	-	(1,259)	(1,259)
Fund balances - beginning	8,377	8,377	8,377	-
Fund balances - end	$ 8,377	$ 8,377	$ 7,118	$ (1,259)

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Grant/Program Number	Accrued (Receivable) 01/01/16	Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/16
Federal						
Georgia Highway Safety	20.600	GA-2016-000-00330	$ (2,069)	$ 9,999	$ 7,930	$ -
Georgia Highway Safety	20.600	GA-2016-000-00372	-	9,999	9,999	-
Bureau of Justice Assistance	-	16.710	-	1,278	1,278	-
USDA - Grant	-	-	-	25,000	25,000	-
USDA - Loan	-	-	-	55,000	55,000	-
Total federal awards			(2,069)	101,276	99,207	-
State						
Georgia Department of Transportation						
LMIG - Chapman Road	-	627596	-	-	25,501	(25,501)
LMIG Street Resurfacing	-	2016	-	32,575	32,575	-
Total Georgia Department of Transportation			-	32,575	58,076	(25,501)
Georgia Department of Natural Resources						
Recreational Trails Program	-	NRT-12(17)	(82,122)	82,122	-	-
Recreational Trails Program	-	NRT-15(17)	-	-	5,988	(5,988)
Total Georgia Department of Natural Resources			(82,122)	82,122	5,988	(5,988)
Total state awards			(82,122)	114,697	64,064	(31,489)
TOTAL FEDERAL AND STATE AWARDS			$ (84,191)	$ 215,973	$ 163,271	$ (31,489)

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2016

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING REVENUES				
Sewer charges	$ 1,841,000	$ 1,905,000	$ 1,885,684	$ (19,316)
Installation charges	54,000	72,400	72,390	(10)
Total operating revenues	1,895,000	1,977,400	1,958,074	(19,326)
OPERATING EXPENSE				
Operating and maintenance	1,009,000	1,624,400	1,062,333	562,067
Administration and general	12,000	14,000	9,864	4,136
Depreciation	568,000	580,000	579,045	955
Total operating expenses	1,589,000	2,218,400	1,651,242	567,158
Operating income (loss)	306,000	(241,000)	306,832	547,832
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(306,000)	(306,000)	(305,347)	653
Income (loss) before transfers	-	(547,000)	1,485	548,485
Transfers in	-	547,000	546,847	(153)
Changes in net position	-	-	548,332	548,332
Total net position - beginning	17,004,174	17,004,174	17,004,174	-
Total net position - end	$ 17,004,174	$ 17,004,174	$ 17,552,506	$ 548,332

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance
OPERATING INCOME				
Water sales	$ 506,000	$ 800,000	$ 604,365	$ (195,635)
Installation charges	5,000	2,000	1,650	(350)
Penalties	23,000	27,000	25,530	(1,470)
Total operating revenues	534,000	829,000	631,545	(197,455)
OPERATING EXPENSES				
Operating and maintenance	632,000	1,099,000	701,487	397,513
Administration and general	16,000	17,000	13,675	3,325
Depreciation	91,000	97,000	96,168	832
Total operating expenses	739,000	1,213,000	811,330	401,670
Operating income (loss)	(205,000)	(384,000)	(179,785)	204,215
Transfers in	205,000	384,000	383,801	(199)
Changes in net position	-	-	204,016	204,016
Total net position - beginning	1,406,935	1,406,935	1,406,935	-
Total net position - end	$ 1,406,935	$ 1,406,935	$ 1,610,951	$ 204,016

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2016

	Enterprise		
	Sewer Fund	Water Fund	Totals
Operating Expenses			
Operating and maintenance			
Salaries	$ 179,699	$ 324,234	$ 503,933
Payroll taxes	12,763	22,996	35,759
Catoosa utility charges	-	30,942	30,942
Chemicals	-	44,703	44,703
Drinking water program	-	4,340	4,340
Equipment	6,090	3,400	9,490
Fuel	8,597	5,277	13,874
Insurance	84,689	96,714	181,403
Plant supplies	17,678	10,589	28,267
Post-employment benefits	59,372	52,748	112,120
Professional services	250	5,721	5,971
Repairs and maintenance	41,584	11,108	52,692
Retirement	14,261	31,009	45,270
Sewer treatment charges	614,447	-	614,447
Telephone	1,965	383	2,348
Uniforms	2,290	2,101	4,391
Utilities	18,648	53,582	72,230
Water line repairs	-	1,640	1,640
Total operating and maintenance	1,062,333	701,487	1,763,820
Administration and general			
Education and travel	2,224	2,542	4,766
Insurance	4,325	3,750	8,075
Licenses and dues	3,111	399	3,510
Printing and postage	204	6,984	7,188
Total administration and general	9,864	13,675	23,539
Depreciation	579,045	96,168	675,213
Total operating expenses	$ 1,651,242	$ 811,330	$ 2,462,572

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2016

Year of Levy	
2016	$ 45,415
2015	6,730
2014	511
2013	56
2012	9
2011	3
Total property taxes receivable	52,724
Less: allowance for uncollectibles	(7,387)
Net property taxes receivable	$ 45,337

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2016

	Taxes Receivable December 31, 2015	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2016
2016	$ -	$ 590,875	$ (333)	$ (545,127)	$ 45,415
2015	41,320	-	6,761	(41,351)	6,730
2014	5,539	-	(2,593)	(2,435)	511
2013	414	-	(358)	-	56
2012	444	-	(334)	(101)	9
2011	405	-	(402)	-	3
2010	689	-	(689)	-	-
Total	$ 48,811	$ 590,875	$ 2,052	$ (589,014)	$ 52,724

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
General Fund
December 31, 2016

USDA RURAL DEVELOPMENT NOTE

Maturing December 31,	Principal	Interest	Total Requirements
2017	$ 10,500	$ 1,297	$ 11,797
2018	10,750	1,047	11,797
2019	11,000	797	11,797
2020	11,250	547	11,797
2021	11,500	297	11,797
Total	$ 55,000	$ 3,985	$ 58,985

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
December 31, 2016

SEWER SYSTEM REVENUE IMPROVEMENT BONDS

Maturing December 31,	Principal	Interest	Total Requirements
2017	$ 358,000	$ 294,515	$ 652,515
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	548,000	9,136	557,136
Total	$ 7,141,000	$ 2,512,385	$ 9,653,385

CITY OF RINGGOLD, GEORGIA
SCHEDULES OF STATISTICAL INFORMATION
December 31, 2016

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2016	.3150	$ 187,579,365	$ 590,875
2015	.3000	$ 182,547,000	$ 547,641
2014	.2763	$ 179,560,261	$ 496,125
2013	.2683	$ 170,606,411	$ 457,737
2012	.2680	$ 169,020,896	$ 452,976
2011	.2707	$ 165,931,289	$ 449,176
2010	.2707	$ 174,772,811	$ 473,110
2009	.2707	$ 186,103,436	$ 503,782
2008	.2707	$ 199,217,584	$ 539,282
2007	.2751	$ 192,006,906	$ 528,211

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2016, 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, 2016 the City had 1,144 water customers and 1,018 sewer customers.

III. INTERNAL CONTROL AND COMPLIANCE SECTION

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

To the Mayor and Council Members
City of Ringgold, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Ringgold, Georgia's basic financial statements, and have issued our report thereon dated May 5, 2017.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Response to Findings

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

Purpose of this Report

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

Chattanooga, Tennessee
May 5, 2017

Johnson, Murphey & Wright, P.C.

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2016

SUMMARY OF AUDITOR'S RESULTS

Opinion on Financial Statements

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

Internal Control Significant Deficiencies:

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

Material Noncompliance:

No instances of noncompliance or other matters were disclosed.

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

INTERNAL CONTROL:

Finding 2016-001 - Approvals and documentation (Repeat 2015-001)

Criteria:

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

Condition:

Not all direct deposit reports were initialed as approved by the City Manager.

Cause:

Approved processes were not followed so that all direct deposit reports 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 area as noted.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2016

Finding 2015-001 - Approvals and documentation

Still in effect.

Finding 2015-002 - Safeguarding of assets

Corrected.

Certified Public Accountants

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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, 2016. 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, 2016, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
May 5, 2017

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2016

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2009 SPLOST -					
Ringgold water and sewer projects	$ 13,270,000	$ 7,931,743	$ 768,347	$ 8,700,090	66%
Ringgold projects -					
Vehicles and equipment	$ 520,000	$ 478,306	$ -	$ 478,306	92%
Government buildings	$ 1,500,000	$ 556,405	$ -	$ 556,405	37%
Streets, sidewalks & parks	$ 500,000	$ 704,673	$ -	$ 704,673	100%
2014 SPLOST					
Ringgold SPLOST Projects	$ 2,500,000	$ 523,512	$ 213,594	$ 737,106	29%
Ringgold Water/Sewer Projects	$ 7,400,000	$ 36,125	$ 162,299	$ 198,424	3%

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City of Ringgold

May 5, 2017

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, 2016 audit is as follows:

2016-001 - Approvals and Documentation

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

Thank you for your attention to this matter.

Respectively submitted,

CITY OF RINGGOLD, GEORGIA

Dan Wright
City Manager