

CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2021

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

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CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2021

Mayor Nick Millwood

Mayor Pro-Tem Sara Clark

Council Member Jake Haynes

Council Member Rhonda Swaney

Council Member Randall Franks

Council Member Kelly Bomar

City Manager Mark Vaughn

City Judge Robert Stultz

Interim Financial Director Gina Wilson

II. FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ringgold, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Ringgold, Georgia's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Hotel/Motel Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ringgold, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Karen Hutcherson, CPA

Marianne Greene, CPA

Stuart Johnson, CPA

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Ringgold, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ringgold, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ringgold, Georgia's basic financial statements. The non-major governmental fund financial statements and financial schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the non-major governmental fund financial statements and financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022, on our consideration of the City of Ringgold, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ringgold, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ringgold, Georgia's internal control over financial reporting and compliance.

Johnson, Murspley & Wright, P.C.

Chattanooga, Tennessee
May 13, 2022

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, 2021. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Ringgold, Georgia exceeded its liabilities and deferred inflows of resources at December 31, 2021, by \$33,639,459 (net position). Of this amount, \$9,289,228 (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 \$128,343. The City's business-type activities operated at a surplus of \$202,844.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of \$5,271,492.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,783,099, or 120.06%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, which netted to \$274,195 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 \$21,102,821. Of that balance, \$5,826,425 is unrestricted and the remaining \$15,276,396 of net position is net investment in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The government-wide financial statements are:

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

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

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

The government-wide financial statements can be found on pages 15 through 17 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The City of Ringgold, Georgia maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Hotel/Motel Tax Fund, which are considered to be major funds. Individual fund data for the Downtown Development Fund, Haunted Depot, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant, Technology Fee and Capital Projects funds are provided later in this report beginning on page 66.

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

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

Proprietary Funds

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 35 through 64 of this report.

Other Information

Non-major fund statements and schedules can be found on pages 66 through 76 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ringgold, Georgia, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,639,459 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (71.00%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The City of Ringgold, Georgia uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Ringgold, Georgia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 1.38%, or \$464,956, represents resources that are subject to external restrictions on how they may be used. The remaining 27.62% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2021, 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	
	2021	2020	2021	2020	2021	2020
Capital assets	\$ 8,608,916	\$ 8,819,194	\$ 20,503,650	\$ 21,227,495	\$ 29,112,566	\$ 30,046,689
Other assets	6,295,524	5,265,750	6,651,711	6,068,777	12,947,235	11,334,527
Total assets	<u>\$ 14,904,440</u>	<u>\$ 14,084,944</u>	<u>\$ 27,155,361</u>	<u>\$ 27,296,272</u>	<u>\$ 42,059,801</u>	<u>\$ 41,381,216</u>
Deferred outflows of resources	\$ 244,440	\$ 240,241	\$ 90,409	\$ 88,856	\$ 334,849	\$ 329,097
Long-term liabilities	\$ 1,499,406	\$ 1,386,158	\$ 5,458,325	\$ 5,863,961	\$ 6,957,731	\$ 7,250,119
Other liabilities	999,265	408,982	642,619	576,160	1,641,884	985,142
Total liabilities	<u>\$ 2,498,671</u>	<u>\$ 1,795,140</u>	<u>\$ 6,100,944</u>	<u>\$ 6,440,121</u>	<u>\$ 8,599,615</u>	<u>\$ 8,235,261</u>
Deferred inflows of resources	\$ 113,571	\$ 121,750	\$ 42,005	\$ 45,030	\$ 155,576	\$ 166,780
Net investment in capital assets	\$ 8,608,879	\$ 8,807,634	\$ 15,276,396	\$ 15,560,701	\$ 23,885,275	\$ 24,368,335
Restricted	464,956	413,368	-	-	464,956	413,368
Unrestricted	3,462,803	3,187,293	5,826,425	5,339,276	9,289,228	8,526,569
Total net position	<u>\$ 12,536,638</u>	<u>\$ 12,408,295</u>	<u>\$ 21,102,821</u>	<u>\$ 20,899,977</u>	<u>\$ 33,639,459</u>	<u>\$ 33,308,272</u>

Changes in Net Position

Governmental activities increased the City's net position by \$128,343, and business-type activities increased the City's net position by \$202,844. 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.

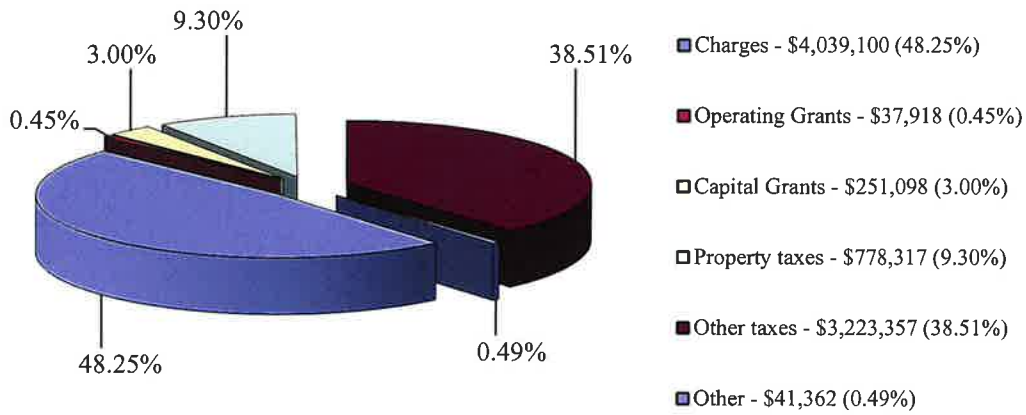
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

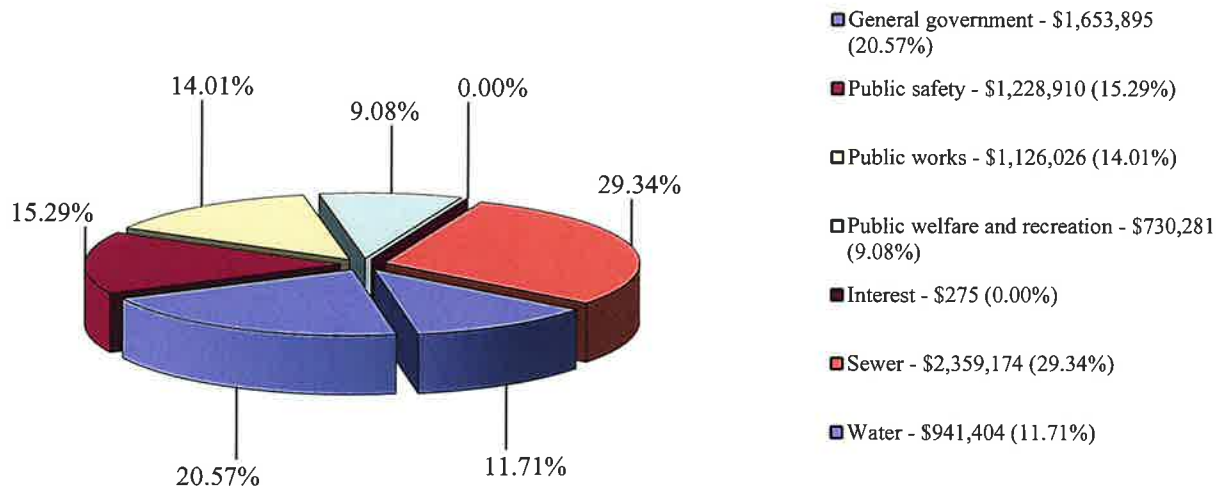
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 666,532	\$ 446,201	\$ 3,372,568	\$ 2,887,298	\$ 4,039,100	\$ 3,333,499
Operating grants and contributions	37,918	13,541	-	-	37,918	13,541
Capital grants and contributions	251,098	432,103	-	10,967	251,098	443,070
General revenues:						
Property taxes	778,317	730,218	-	-	778,317	730,218
Other taxes	3,223,357	2,790,601	-	-	3,223,357	2,790,601
Other income	41,362	427,953	-	5,297	41,362	433,250
Total revenues	<u>4,998,584</u>	<u>4,840,617</u>	<u>3,372,568</u>	<u>2,903,562</u>	<u>8,371,152</u>	<u>7,744,179</u>
Expenses:						
General government	1,653,895	1,346,840	-	-	1,653,895	1,346,840
Public safety	1,228,910	1,176,254	-	-	1,228,910	1,176,254
Public works	1,126,026	660,845	-	-	1,126,026	660,845
Public welfare and recreation	730,281	648,303	-	-	730,281	648,303
Interest on long-term debt	275	1,436	-	-	275	1,436
Sewer	-	-	2,359,174	2,347,006	2,359,174	2,347,006
Water	-	-	941,404	822,056	941,404	822,056
Total expenses	<u>4,739,387</u>	<u>3,833,678</u>	<u>3,300,578</u>	<u>3,169,062</u>	<u>8,039,965</u>	<u>7,002,740</u>
Excess (deficiency) before transfers	259,197	1,006,939	71,990	(265,500)	331,187	741,439
Interfund transfers	<u>(130,854)</u>	<u>(464,347)</u>	<u>130,854</u>	<u>464,347</u>	<u>-</u>	<u>-</u>
Change in net position	128,343	542,592	202,844	198,847	331,187	741,439
Net position - beginning	<u>12,408,295</u>	<u>11,865,703</u>	<u>20,899,977</u>	<u>20,701,130</u>	<u>33,308,272</u>	<u>32,566,833</u>
Net position - end	<u>\$12,536,638</u>	<u>\$12,408,295</u>	<u>\$21,102,821</u>	<u>\$20,899,977</u>	<u>\$33,639,459</u>	<u>\$33,308,272</u>

The graphs below summarize the \$8,371,152 of city-wide revenues by source, and the associated \$8,039,965 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



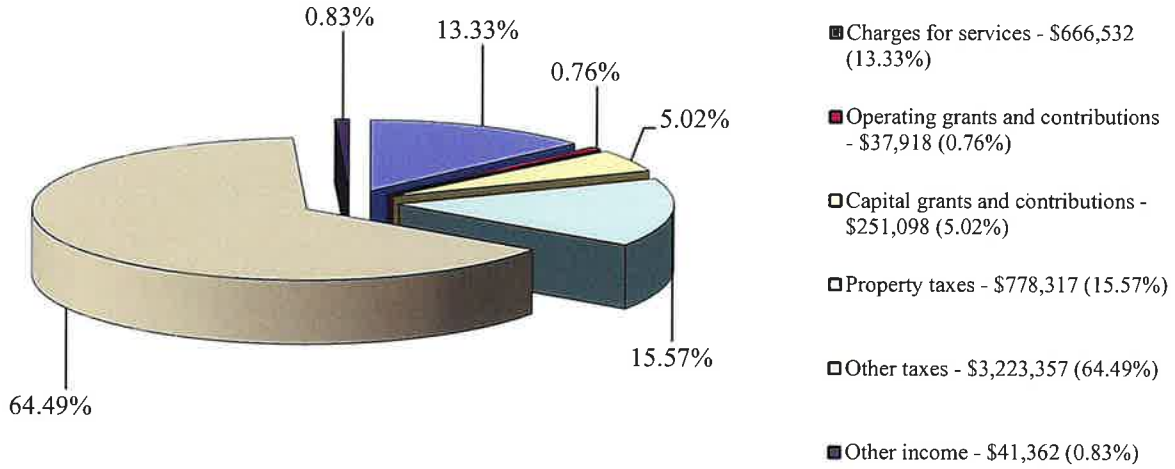
City-Wide Program Expenses



Governmental Activities

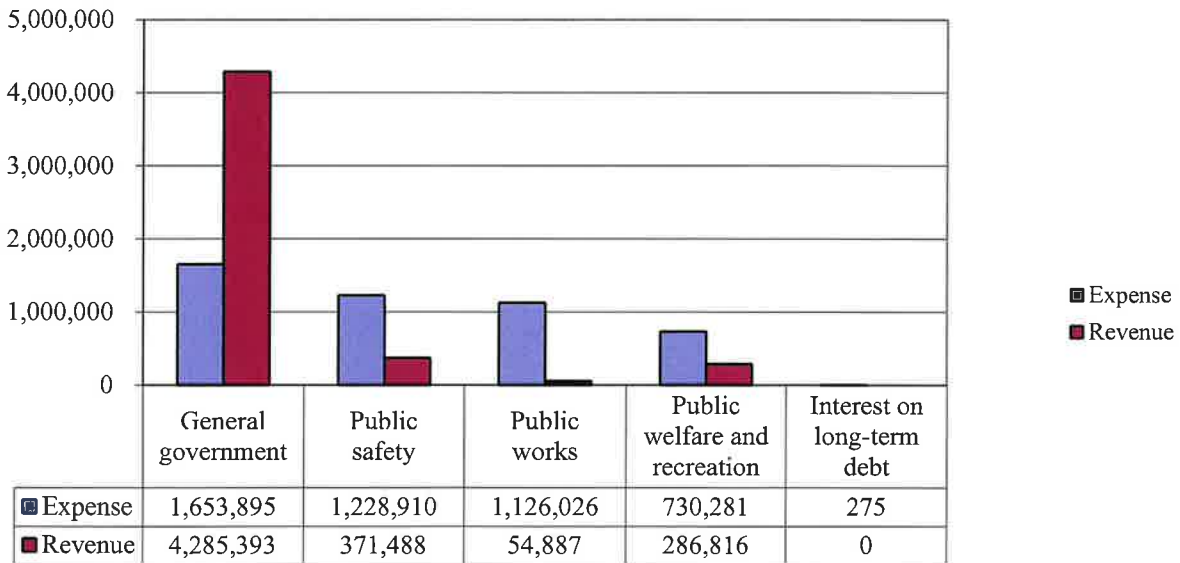
Governmental activities accounted for revenues of \$4,998,584. The following graph summarizes the revenue by source.

**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.

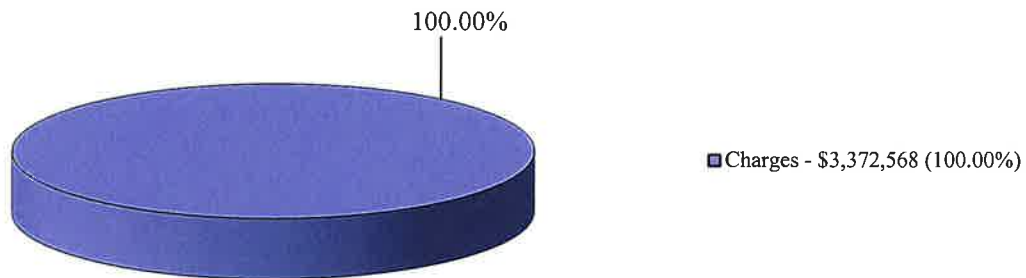
**Expenses and Program Revenues -
Governmental Activities**



Business-type activities

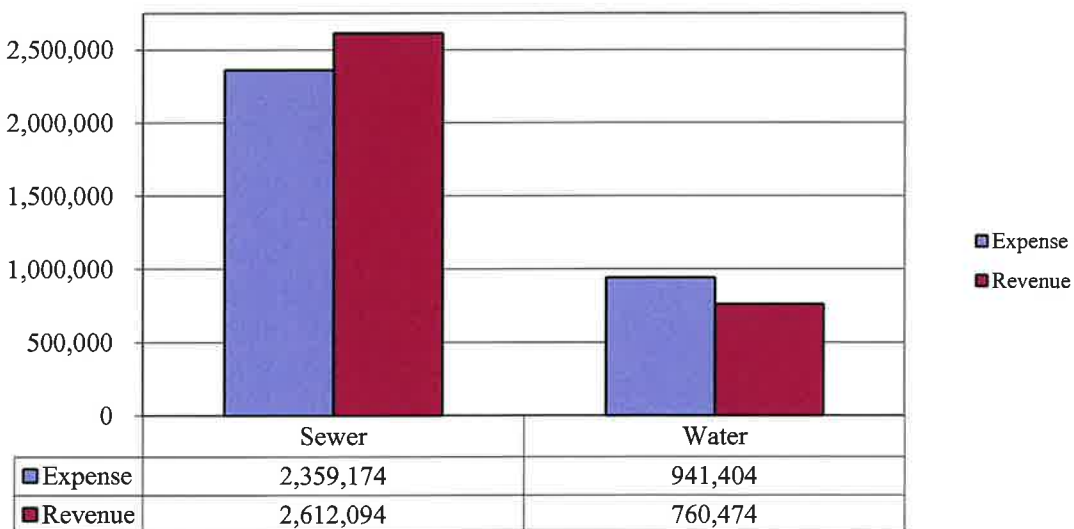
Business-type activities accounted for revenues of \$3,372,568. The following graph summarizes the revenue by source.

**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**



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 \$5,271,492.

The General Fund is the chief operating fund of the City of Ringgold, Georgia. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,783,099. 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 120.06% of total General Fund expenditures, excluding transfers.

Proprietary Funds

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

Unrestricted net position at the end of the year amounted to \$5,567,455 for the Sewer Fund and \$258,970 for the Water Fund.

General Fund Budgetary Highlights

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

Current expenditures were increased by \$400.

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, 2021, amounts to \$29,112,566 (net of accumulated depreciation). Major capital asset events during the current fiscal year included the following:

Golden Mile	\$ 176,221
Two (2) Dodge Durangos	\$ 57,231
Leaf Vac	\$ 89,500
Slip lining	\$ 61,117
2021 Ford Interceptor	\$ 33,501

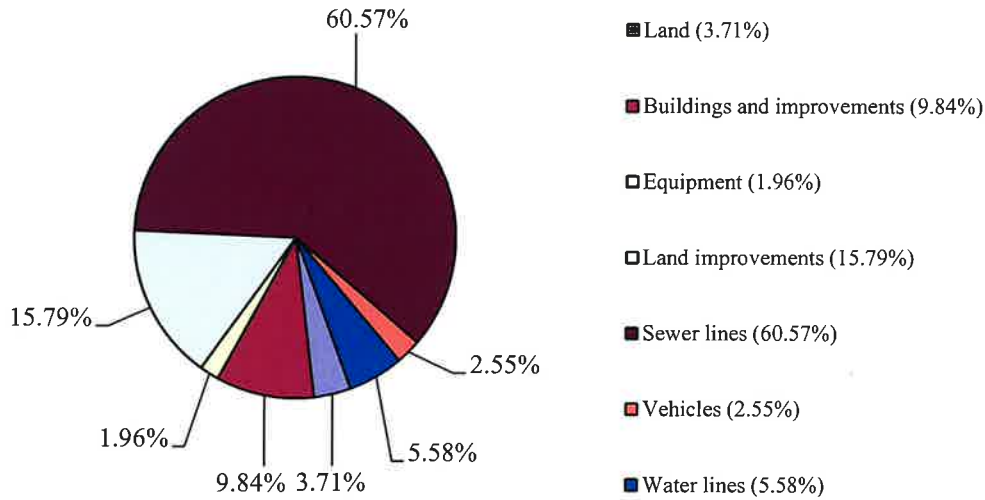
The table below summarizes the City’s investment in capital assets and is broken down by governmental and business-type activities.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 813,766	\$ 265,815	\$ 1,079,581
Buildings and improvements	2,584,443	279,235	2,863,678
Equipment	243,927	325,225	569,152
Land improvements	4,595,500	-	4,595,500
Sewer lines	-	17,634,805	17,634,805
Vehicles	371,280	371,505	742,785
Water lines	-	1,627,065	1,627,065
 Total capital assets	 <u>\$ 8,608,916</u>	 <u>\$ 20,503,650</u>	 <u>\$ 29,112,566</u>

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

City-Wide Capital Assets



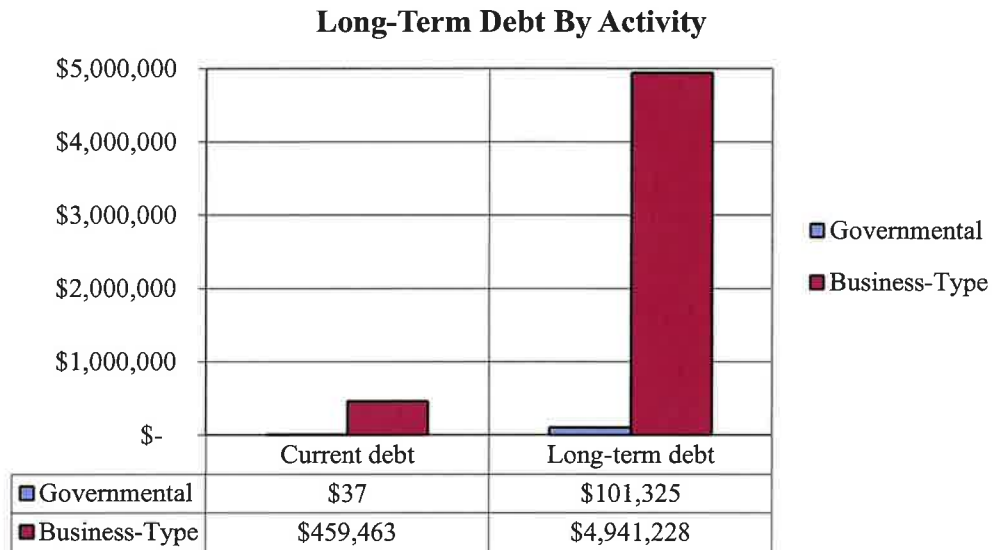
Additional information on the City of Ringgold, Georgia’s capital assets can be found in Note 8 on pages 44 and 45.

City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Ringgold, Georgia had total debt outstanding of \$5,502,053. Of that amount \$459,500 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	\$ 37	\$ 36,253	\$ 36,290
Bond payable	-	5,191,000	5,191,000
Compensated absences	101,325	77,082	178,407
Customer deposits	-	96,356	96,356
Total	101,362	5,400,691	5,502,053
Less current portion	(37)	(459,463)	(459,500)
Total long-term debt	<u>\$ 101,325</u>	<u>\$ 4,941,228</u>	<u>\$ 5,042,553</u>

As shown in the graph below, long-term debt is attributed greatly to the City's business-type activities. Long-term debt of governmental activities only accounts for 1.88% of total long-term debt.



Additional information on outstanding debt can be found in Note 11 on pages 46 through 49 of this report.

Currently Known Conditions Affecting Future Years

City Manager, Dan Wright, retired in May of 2021. Ringgold Mayor and Council appointed Mark Vaughn to serve as City Manager.

Finance Director, Jama House, left the City of Ringgold in 2021. This position is currently being held by Interim Finance Director, Gina Wilson.

In response to COVID 19, Ringgold was awarded Georgia OPEB and ARPA funds for a total of \$1,100,000. Half of the allotted funds were received in 2021 and the City is expecting the remaining half to be received in June of 2022.

CVB:

The Convention and Visitor's Bureau applied for and received a grant from Georgia Council for Arts for a mural located at Tennessee and Nashville Street. Permits were obtained from the property owner and an artist was commissioned for the artwork. Completion is expected in May of 2022.

DDA:

The Downtown Development Authority applied for an ARC grant of \$750,000 for the renovation of Historic Benton Coal building and Depot Square project. Awarding of this grant is expected in June 2022. City staff are currently working to provide underground stormwater retention for the proposed Depot Square site. One of the funding sources for the materials was through SPLOST.

Recreation:

The Ringgold Recreation Department applied for a grant through the DNR for the Land Water Conservation Fund of \$250,000 to extend the paved portion of the Golden Mile phase 2. Awarding of this grant is expected in June 2022.

Ringgold is looking to replace the outdated playground equipment at the current Little Generals Playground. The materials will be funded through General Fund and TPD Hotel Motel Tax.

City staff and officials are beginning the redevelopment of the Ringgold Recreation Complex design.

Streets:

Phase 2 of the Boynton Drive Sidewalk project is expected to begin in 2022, to extend this project up to Kristen Drive.

This department is also applying for the Rural Downtown redevelopment grant through Georgia Department of Community Affairs at a proposed \$3,000,000 opportunity at a 10% match to provide beautification and sidewalks for our downtown area.

Police Department:

The City of Ringgold has purchased two new patrol vehicles for its fleet and will be purchasing one additional vehicle for CID. 2022 will also bring the new school safety zone with increased speed detection and enforcement provided by Blue Line Solutions in the Tennessee Street School Zone.

Sewer:

The sewer department has planned to begin a rehabilitation project of nearly 10,000 feet of existing sewer line in Ringgold. The budget amount for this project is \$750,000.

Sewer rates are currently being reviewed for evidence of needed adjustment.

Water:

Taylor's Ridge water tank project is scheduled to begin in 2022. This project is an estimated \$3,000,000 project funded by a GEFA loan, SPLOST, and a \$600,000 ARC Grant.

A water line replacement project is scheduled for 2022. The Coined Peters Lane Water Line Replacement project is to be funded from the General Fund.

The use of the ARPA funds has been allocated to the design and creation of the Poplar Springs Well Site. City staff is currently obtaining task order pricing for this design.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 1,283,784	\$ 1,768,284	\$ 3,052,068
Investments	8,455,071	-	8,455,071
Accounts receivable - net	406,569	264,679	671,248
Grants receivable	46,514	-	46,514
Property tax receivable - net	48,006	-	48,006
Prepaid expenses	23,790	-	23,790
Due from other governments	650,538	-	650,538
Internal balances	(4,618,748)	4,618,748	-
Total current assets	<u>6,295,524</u>	<u>6,651,711</u>	<u>12,947,235</u>
Non-current assets			
Capital assets			
Land and construction in progress	813,766	265,815	1,079,581
Other capital assets - net of accumulated depreciation	7,795,150	20,237,835	28,032,985
Total non-current assets	<u>8,608,916</u>	<u>20,503,650</u>	<u>29,112,566</u>
TOTAL ASSETS	<u>\$ 14,904,440</u>	<u>\$ 27,155,361</u>	<u>\$ 42,059,801</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	<u>\$ 244,440</u>	<u>\$ 90,409</u>	<u>\$ 334,849</u>

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

CITY OF RINGGOLD, GEORGIA
Statement of Net Position (Continued)
December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 99,671	\$ 11,808	\$ 111,479
Accrued wages	16,889	-	16,889
Accrued liabilities	144,382	171,348	315,730
Accrued grant revenue	677,787	-	677,787
Unearned revenue	60,499	-	60,499
Note payable - due in one year	37	26,463	26,500
Bond payable - due in one year	-	433,000	433,000
Total current liabilities	<u>999,265</u>	<u>642,619</u>	<u>1,641,884</u>
Non-current liabilities			
Compensated absences	101,325	77,082	178,407
Customer deposits	-	96,356	96,356
Note payable	-	9,790	9,790
Bond payable	-	4,758,000	4,758,000
Net OPEB liability	1,398,081	517,097	1,915,178
Total non-current liabilities	<u>1,499,406</u>	<u>5,458,325</u>	<u>6,957,731</u>
TOTAL LIABILITIES	<u>\$ 2,498,671</u>	<u>\$ 6,100,944</u>	<u>\$ 8,599,615</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	<u>\$ 113,571</u>	<u>\$ 42,005</u>	<u>\$ 155,576</u>
NET POSITION			
Net investment in capital assets	\$ 8,608,879	\$ 15,276,396	\$ 23,885,275
Restricted for:			
Downtown development	109,418	-	109,418
Haunted depot	77,410	-	77,410
Ringgold depot	88,905	-	88,905
Tourism	171,283	-	171,283
Technology	17,940	-	17,940
Unrestricted	<u>3,462,803</u>	<u>5,826,425</u>	<u>9,289,228</u>
TOTAL NET POSITION	<u>\$ 12,536,638</u>	<u>\$ 21,102,821</u>	<u>\$ 33,639,459</u>

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

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2021

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues		Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
General government	\$ 1,653,895	\$ 82,780	\$ 16,600	\$ 142,977	\$ (1,411,538)	\$ (1,411,538)
Public safety	1,228,910	327,186	-	44,302	(857,422)	(857,422)
Public works	1,126,026	10,980	-	43,907	(1,071,139)	(1,071,139)
Public welfare and recreation	730,281	245,586	21,318	19,912	(443,465)	(443,465)
Interest on long-term debt	275	-	-	-	(275)	(275)
Total governmental activities	<u>4,739,387</u>	<u>666,532</u>	<u>37,918</u>	<u>251,098</u>	<u>(3,783,839)</u>	<u>(3,783,839)</u>
Business-type activities:						
Sewer	2,359,174	2,612,094	-	-	-	252,920
Water	941,404	760,474	-	-	-	(180,930)
Total business-type activities	<u>3,300,578</u>	<u>3,372,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,990</u>
Total primary government	<u>\$ 8,039,965</u>	<u>\$ 4,039,100</u>	<u>\$ 37,918</u>	<u>\$ 251,098</u>	<u>(3,783,839)</u>	<u>(3,711,849)</u>
General revenues:						
Property tax		778,317			-	778,317
Franchise tax		443,972			-	443,972
Local option sales tax		1,333,413			-	1,333,413
Motor vehicle tax		96,190			-	96,190
Occupational tax		196,512			-	196,512
Hotel/motel tax		524,145			-	524,145
Payment in lieu of taxes - TVA		9,393			-	9,393
Other taxes		619,732			-	619,732
Interest revenue		(20,030)			-	(20,030)
Other revenue		61,392			-	61,392
Transfers		(130,854)			-	-
Total general revenues and transfers		<u>3,912,182</u>			<u>130,854</u>	<u>4,043,036</u>
Change in net position		128,343			202,844	331,187
Net position - beginning		<u>12,408,295</u>			<u>20,899,977</u>	<u>33,308,272</u>
Net position - end		<u>\$ 12,536,638</u>			<u>\$ 21,102,821</u>	<u>\$ 33,639,459</u>

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

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2021

	<u>General Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 736,138	\$ -	\$ 547,646	\$ 1,283,784
Investments	8,455,071	-	-	8,455,071
Accounts receivable - net	365,723	40,846	-	406,569
Grants receivable	25,000	-	21,514	46,514
Property tax receivable - net	48,006	-	-	48,006
Prepaid expenses	23,790	-	-	23,790
Due from other governments	650,538	-	-	650,538
TOTAL ASSETS	<u>\$ 10,304,266</u>	<u>\$ 40,846</u>	<u>\$ 569,160</u>	<u>\$ 10,914,272</u>
LIABILITIES				
Accounts payable	\$ 88,366	\$ -	\$ 11,305	\$ 99,671
Accrued wages	16,889	-	-	16,889
Accrued liabilities	122,411	-	21,971	144,382
Accrued grant revenue	677,787	-	-	677,787
Unearned revenue	-	-	60,499	60,499
Due to other funds	4,567,120	40,846	10,782	4,618,748
TOTAL LIABILITIES	<u>\$ 5,472,573</u>	<u>\$ 40,846</u>	<u>\$ 104,557</u>	<u>\$ 5,617,976</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 24,804	\$ -	\$ -	\$ 24,804
FUND BALANCES				
Nonspendable	\$ 23,790	\$ -	\$ -	\$ 23,790
Restricted	-	-	464,956	464,956
Unassigned	4,783,099	-	(353)	4,782,746
TOTAL FUND BALANCES	<u>\$ 4,806,889</u>	<u>\$ -</u>	<u>\$ 464,603</u>	<u>\$ 5,271,492</u>

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, 2021

Total fund balances per governmental funds balance sheet	\$ 5,271,492
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,608,916
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.	(101,362)
OPEB liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,267,212)
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.	<u>24,804</u>
Net position of governmental activities	<u>\$ 12,536,638</u>

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, 2021

	General Fund	Hotel/Motel Tax Fund	Other Governmental Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 3,467,555	\$ 524,145	\$ -	\$ 3,991,700
License and permits	70,197	-	-	70,197
Intergovernmental	114,202	-	162,828	277,030
Fines and forfeitures	321,095	-	6,091	327,186
Interest revenue	(20,030)	-	-	(20,030)
Charges for services	91,221	-	8,473	99,694
Other revenue	40,523	-	202,814	243,337
TOTAL REVENUES	4,084,763	524,145	380,206	4,989,114
EXPENDITURES				
Current expenditures				
General government	1,248,751	-	-	1,248,751
Public safety	1,277,546	-	13,952	1,291,498
Public works	1,104,035	-	-	1,104,035
Public welfare and recreation	341,812	-	441,872	783,684
Debt service	11,797	-	-	11,797
TOTAL EXPENDITURES	3,983,941	-	455,824	4,439,765
Excess (deficiency) of revenues over (under) expenditures	100,822	524,145	(75,618)	549,349
OTHER FINANCING SOURCES (USES)				
Insurance reimbursement	-	-	7,757	7,757
Transfers in	402,902	-	302,306	705,208
Transfers out	(128,707)	(524,145)	(183,210)	(836,062)
Total other financing sources (uses)	274,195	(524,145)	126,853	(123,097)
Net changes in fund balances	375,017	-	51,235	426,252
Fund balances - beginning	4,431,872	-	413,368	4,845,240
Fund balances - end	\$ 4,806,889	\$ -	\$ 464,603	\$ 5,271,492

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, 2021

Net change in fund balances for total governmental funds	\$ 426,252
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(210,278)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,716
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	11,523
OPEB expense from the prior year is not reported in the governmental funds but is reported in the Statement of Activities. Current year OPEB contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities.	(112,595)
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	<u>11,725</u>
Change in net position of governmental activities	<u>\$ 128,343</u>

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
City property tax	\$ 780,000	\$ 780,000	\$ 804,931	\$ 24,931
Premium tax	260,000	260,000	277,801	17,801
Franchise tax	475,000	475,000	443,972	(31,028)
Excise tax	80,000	80,000	100,909	20,909
Local option sales tax	1,100,000	1,100,000	1,310,676	210,676
Local option mixed drink tax	15,600	15,600	22,737	7,137
Alcoholic beverage tax	180,000	180,000	176,727	(3,273)
Motor vehicle tax	75,000	75,000	96,190	21,190
Occupational tax	155,000	155,000	196,512	41,512
Intangible tax	20,000	20,000	26,653	6,653
Pawnbroker fees	1,500	1,500	1,134	(366)
Other taxes	1,500	1,500	1,332	(168)
Real estate transfer tax	3,000	3,000	7,981	4,981
Total taxes	<u>3,146,600</u>	<u>3,146,600</u>	<u>3,467,555</u>	<u>320,955</u>
License and permits				
Malt beverage and liquor license	53,000	53,000	62,487	9,487
Insurance license	-	-	5,120	5,120
Other licenses	1,500	1,500	2,590	1,090
Total license and permits	<u>54,500</u>	<u>54,500</u>	<u>70,197</u>	<u>15,697</u>
Intergovernmental				
Payment in lieu of taxes - TVA	10,000	10,000	9,393	(607)
Other awards	543,700	543,700	35,902	(507,798)
Grant revenue	43,900	43,900	68,907	25,007
Total intergovernmental	<u>597,600</u>	<u>597,600</u>	<u>114,202</u>	<u>(483,398)</u>
Fines and forfeitures				
Police and courts	326,000	326,000	321,095	(4,905)
Interest revenue				
Interest	160,000	160,000	(20,030)	(180,030)
(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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for services				
Other fees	\$ 13,300	\$ 13,300	\$ 13,355	\$ 55
Solid waste fees	9,000	9,000	10,676	1,676
Pool fees and pool concessions	51,000	51,000	54,004	3,004
Flag charges	7,000	7,000	10,496	3,496
Rental	1,500	1,500	1,975	475
Vending	500	500	715	215
Total charges for services	<u>82,300</u>	<u>82,300</u>	<u>91,221</u>	<u>8,921</u>
Other revenue				
Sale of equipment	1,000	1,000	-	(1,000)
Contributions and donations	4,000	4,000	2,366	(1,634)
Insurance recoveries	2,000	2,000	35,627	33,627
Miscellaneous	-	-	2,530	2,530
Total other revenue	<u>7,000</u>	<u>7,000</u>	<u>40,523</u>	<u>33,523</u>
TOTAL REVENUES	<u>4,374,000</u>	<u>4,374,000</u>	<u>4,084,763</u>	<u>(289,237)</u>
EXPENDITURES				
Current expenditures				
General government				
Financial administration				
Administrative salaries	381,000	381,000	434,623	(53,623)
Payroll taxes	28,000	28,000	31,525	(3,525)
Administrative	2,500	2,500	7,064	(4,564)
Advertising	2,000	2,000	-	2,000
Drug testing fees	1,000	1,000	35	965
Dues and subscriptions	27,000	27,000	30,350	(3,350)
Education and travel	9,000	9,000	5,206	3,794
Insurance	125,300	125,300	175,949	(50,649)
Miscellaneous	3,000	3,000	4,210	(1,210)
Printing and postage	7,500	7,500	5,553	1,947
Professional services	34,600	34,600	32,380	2,220
Repairs and maintenance	4,000	4,000	5,095	(1,095)
Retirement	30,000	30,000	37,129	(7,129)
Supplies and materials	18,000	18,000	17,384	616
Telephone	16,500	16,500	14,700	1,800
Vehicles	2,700	2,700	1,848	852
Total financial administration	<u>692,100</u>	<u>692,100</u>	<u>803,051</u>	<u>(110,951)</u>

(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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Buildings and plant				
Salaries	\$ 43,000	\$ 43,000	\$ 34,615	\$ 8,385
Payroll taxes	3,100	3,100	2,261	839
Dues and subscriptions	1,000	1,000	5,736	(4,736)
Insurance	54,000	54,000	46,136	7,864
Professional services	2,500	2,500	2,270	230
Repairs and maintenance	9,000	9,000	10,763	(1,763)
Retirement	3,500	3,500	-	3,500
Supplies and materials	18,000	18,000	118,460	(100,460)
Travel	500	500	-	500
Uniforms	1,000	1,000	1,160	(160)
Utilities	25,000	25,000	21,018	3,982
Vehicles	2,000	2,000	1,380	620
Total buildings and plant	<u>162,600</u>	<u>162,600</u>	<u>243,799</u>	<u>(81,199)</u>
Council				
Council salaries	18,300	18,300	18,300	-
Payroll taxes	1,500	1,500	1,399	101
Dues and subscriptions	100	100	34	66
Education and travel	23,000	23,000	18,350	4,650
Insurance	-	-	60	(60)
Professional services	1,000	1,000	1,282	(282)
Supplies and materials	1,500	1,900	1,705	195
Total council	<u>45,400</u>	<u>45,800</u>	<u>41,130</u>	<u>4,670</u>
Municipal court				
City judge	52,100	52,100	36,337	15,763
Payroll taxes	4,300	4,300	2,745	1,555
Dues and subscriptions	-	-	48	(48)
Education and travel	3,000	3,000	1,625	1,375
Insurance	6,350	6,350	6,316	34
Postage	100	100	134	(34)
Professional services	1,750	1,750	2,540	(790)
Retirement	2,400	2,400	2,175	225
Supplies and materials	1,400	1,400	1,281	119
Total municipal court	<u>71,400</u>	<u>71,400</u>	<u>53,201</u>	<u>18,199</u>

(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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Elections				
Printing and postage	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Professional services	14,000	14,000	14,903	(903)
Total elections	<u>15,000</u>	<u>15,000</u>	<u>14,903</u>	<u>97</u>
Legal and auditing services				
Professional services	<u>61,000</u>	<u>61,000</u>	<u>84,486</u>	<u>(23,486)</u>
Mayor				
Mayor salaries	6,000	6,000	6,000	-
Payroll taxes	500	500	459	41
Education and travel	5,000	5,000	1,690	3,310
Insurance	-	-	32	(32)
Professional services	100	100	-	100
Supplies and materials	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>
Total mayor	<u>11,800</u>	<u>11,800</u>	<u>8,181</u>	<u>3,619</u>
Total general government	<u>1,059,300</u>	<u>1,059,700</u>	<u>1,248,751</u>	<u>(189,051)</u>
Public safety				
Police department				
Salaries	647,500	647,500	479,363	168,137
Payroll taxes	48,000	48,000	34,511	13,489
Dues and subscriptions	3,500	3,500	5,247	(1,747)
Education and travel	11,000	11,000	4,237	6,763
Insurance	280,600	280,600	196,750	83,850
Miscellaneous	9,500	9,500	11,100	(1,600)
Printing and postage	2,000	2,000	1,338	662
Professional services	10,600	10,600	17,429	(6,829)
Repairs and maintenance	24,000	24,000	26,796	(2,796)
Retirement	46,150	46,150	14,709	31,441
Supplies and materials	13,500	13,500	160,598	(147,098)
Telephone	1,350	1,350	16	1,334
Uniforms	9,000	9,000	7,011	1,989
Utilities	2,500	2,500	2,291	209
Vehicles	<u>41,000</u>	<u>41,000</u>	<u>38,349</u>	<u>2,651</u>
Total police department	<u>1,150,200</u>	<u>1,150,200</u>	<u>999,745</u>	<u>150,455</u>

(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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public safety (Continued)				
Fire department				
Operations	\$ 260,000	\$ 260,000	\$ 277,801	\$ (17,801)
Total public safety	<u>1,410,200</u>	<u>1,410,200</u>	<u>1,277,546</u>	<u>132,654</u>
Public works				
Street department				
Salaries	140,000	140,000	116,041	23,959
Payroll taxes	10,500	10,500	8,762	1,738
Dues and subscriptions	1,000	1,000	640	360
Education and travel	2,000	2,000	544	1,456
Insurance	74,500	74,500	88,321	(13,821)
Professional services	4,000	4,000	30,582	(26,582)
Repairs and maintenance	180,000	180,000	121,091	58,909
Retirement	13,000	13,000	9,810	3,190
Site purchases	814,700	814,700	326,730	487,970
Stormwater mapping	1,000	1,000	2,400	(1,400)
Street lights	41,000	41,000	52,860	(11,860)
Supplies and materials	49,500	49,500	140,259	(90,759)
Telephone	1,800	1,800	1,418	382
Uniforms	2,400	2,400	3,773	(1,373)
Utilities	11,300	11,300	8,801	2,499
Vehicles	6,000	6,000	5,109	891
Total street department	<u>1,352,700</u>	<u>1,352,700</u>	<u>917,141</u>	<u>435,559</u>
(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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works (Continued)				
Solid waste department				
Salaries	\$ 57,500	\$ 57,500	\$ 43,607	\$ 13,893
Payroll taxes	4,300	4,300	3,037	1,263
Dues and subscriptions	200	200	-	200
Insurance	28,000	28,000	29,648	(1,648)
Landfill fees	75,000	75,000	77,599	(2,599)
Professional services	500	500	322	178
Recycling disposal	2,000	2,000	378	1,622
Repairs and maintenance	15,000	15,000	3,717	11,283
Retirement	5,000	5,000	4,378	622
Supplies and materials	1,000	1,000	9,738	(8,738)
Uniforms	1,000	1,000	945	55
Vehicles	11,500	11,500	13,525	(2,025)
Total solid waste department	<u>201,000</u>	<u>201,000</u>	<u>186,894</u>	<u>14,106</u>
Total public works	<u>1,553,700</u>	<u>1,553,700</u>	<u>1,104,035</u>	<u>449,665</u>
Public welfare and recreation				
Pool operations				
Salaries	36,000	36,000	37,165	(1,165)
Payroll taxes	3,100	3,100	2,844	256
Concessions	2,800	2,800	3,834	(1,034)
Dues and subscriptions	200	200	315	(115)
Insurance	2,600	2,600	2,344	256
Professional services	100	100	360	(260)
Repairs and maintenance	5,500	5,500	534	4,966
Supplies and materials	17,000	17,000	3,304	13,696
Telephone	1,800	1,800	1,559	241
Utilities	5,000	5,000	4,631	369
Total pool operations	<u>74,100</u>	<u>74,100</u>	<u>56,890</u>	<u>17,210</u>
(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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation (Continued)				
Parks and recreation				
Salaries	\$ 145,000	\$ 145,000	\$ 124,173	\$ 20,827
Payroll taxes	10,500	10,500	9,476	1,024
Education and travel	1,000	1,000	60	940
Flag supplies	11,000	11,000	11,320	(320)
Insurance	46,300	46,300	51,672	(5,372)
Professional services	6,000	6,000	586	5,414
Property rental	1,500	1,500	1,035	465
Repairs and maintenance	18,500	18,500	16,075	2,425
Retirement	9,000	9,000	9,221	(221)
Supplies and materials	185,000	185,000	52,355	132,645
Uniforms	2,000	2,000	2,123	(123)
Utilities	2,700	2,700	1,976	724
Vehicles	6,000	6,000	4,850	1,150
Total parks and recreation	<u>444,500</u>	<u>444,500</u>	<u>284,922</u>	<u>159,578</u>
Total public welfare and recreation	<u>518,600</u>	<u>518,600</u>	<u>341,812</u>	<u>176,788</u>
Debt service				
Retirement of debt	<u>24,000</u>	<u>24,000</u>	<u>11,797</u>	<u>12,203</u>
TOTAL EXPENDITURES	<u>4,565,800</u>	<u>4,566,200</u>	<u>3,983,941</u>	<u>582,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,800)</u>	<u>(192,200)</u>	<u>100,822</u>	<u>293,022</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	402,902	202,902
Transfers out	<u>(158,200)</u>	<u>(158,200)</u>	<u>(128,707)</u>	<u>29,493</u>
Total other financing sources (uses)	<u>41,800</u>	<u>41,800</u>	<u>274,195</u>	<u>232,395</u>
Net changes in fund balances	(150,000)	(150,400)	375,017	525,417
Fund balances - beginning	<u>4,431,872</u>	<u>4,431,872</u>	<u>4,431,872</u>	<u>-</u>
Fund balances - end	<u>\$ 4,281,872</u>	<u>\$ 4,281,472</u>	<u>\$ 4,806,889</u>	<u>\$ 525,417</u>

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

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Hotel/motel tax	\$ 400,000	\$ 400,000	\$ 524,145	\$ 124,145
TOTAL REVENUES	<u>400,000</u>	<u>400,000</u>	<u>524,145</u>	<u>124,145</u>
Excess (deficiency) of revenue over (under) expenditures	400,000	400,000	524,145	124,145
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(524,145)</u>	<u>(124,145)</u>
Net changes in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2021

	Enterprise		Totals
	Sewer Fund	Water Fund	
ASSETS			
Current assets			
Cash	\$ 1,122,398	\$ 645,886	\$ 1,768,284
Accounts receivable	264,679	-	264,679
Due from other funds	4,618,748	-	4,618,748
Total current assets	<u>6,005,825</u>	<u>645,886</u>	<u>6,651,711</u>
Non-current assets			
Capital assets			
Land and construction in progress	204,415	61,400	265,815
Other capital assets - net of accumulated depreciation	18,334,306	1,903,529	20,237,835
Total capital assets	<u>18,538,721</u>	<u>1,964,929</u>	<u>20,503,650</u>
TOTAL ASSETS	<u>\$ 24,544,546</u>	<u>\$ 2,610,815</u>	<u>\$ 27,155,361</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	<u>\$ 46,879</u>	<u>\$ 43,530</u>	<u>\$ 90,409</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 7,394	\$ 4,414	\$ 11,808
Accrued liabilities	168,356	2,992	171,348
Note payable - due in one year	-	26,463	26,463
Bonds payable - due in one year	433,000	-	433,000
Total current liabilities	<u>608,750</u>	<u>33,869</u>	<u>642,619</u>
Non-current liabilities			
Compensated absences	19,594	57,488	77,082
Customer deposits	-	96,356	96,356
Note payable	-	9,790	9,790
Bonds payable	4,758,000	-	4,758,000
Net OPEB liability	268,124	248,973	517,097
Total non-current liabilities	<u>5,045,718</u>	<u>412,607</u>	<u>5,458,325</u>
TOTAL LIABILITIES	<u>\$ 5,654,468</u>	<u>\$ 446,476</u>	<u>\$ 6,100,944</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	<u>\$ 21,781</u>	<u>\$ 20,224</u>	<u>\$ 42,005</u>
NET POSITION			
Net investment in capital assets	\$ 13,347,721	\$ 1,928,675	\$ 15,276,396
Unrestricted	5,567,455	258,970	5,826,425
TOTAL NET POSITION	<u>\$ 18,915,176</u>	<u>\$ 2,187,645</u>	<u>\$ 21,102,821</u>

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, 2021

	Enterprise		Totals
	Sewer Fund	Water Fund	
OPERATING REVENUES			
Sewer charges	\$ 2,507,454	\$ -	\$ 2,507,454
Water sales	-	728,914	728,914
Installation charges	104,640	5,600	110,240
Penalties	-	25,960	25,960
Total operating revenues	<u>2,612,094</u>	<u>760,474</u>	<u>3,372,568</u>
OPERATING EXPENSES			
Operating and maintenance	1,449,960	739,786	2,189,746
Administration and general	13,821	47,307	61,128
Depreciation	668,987	154,038	823,025
Total operating expenses	<u>2,132,768</u>	<u>941,131</u>	<u>3,073,899</u>
Operating income (loss)	<u>479,326</u>	<u>(180,657)</u>	<u>298,669</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest expense	<u>(226,406)</u>	<u>(273)</u>	<u>(226,679)</u>
Income (loss) before transfers	252,920	(180,930)	71,990
Transfers in	<u>-</u>	<u>130,854</u>	<u>130,854</u>
Changes in net position	252,920	(50,076)	202,844
Total net position - beginning	<u>18,662,256</u>	<u>2,237,721</u>	<u>20,899,977</u>
Total net position - end	<u>\$ 18,915,176</u>	<u>\$ 2,187,645</u>	<u>\$ 21,102,821</u>

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, 2021

	Enterprise		Totals
	Sewer Fund	Water Fund	
Cash Flows from Operating Activities			
Receipts from customers	\$ 2,528,503	\$ 811,055	\$ 3,339,558
Payments to suppliers	(1,131,438)	(436,736)	(1,568,174)
Payments to employees	(229,493)	(327,152)	(556,645)
Net cash provided (used) by operating activities	<u>1,167,572</u>	<u>47,167</u>	<u>1,214,739</u>
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	-	2,147	2,147
Transfers	-	128,707	128,707
Acquiring and construction of capital assets	(99,180)	-	(99,180)
Proceeds from debt issuance	-	9,790	9,790
Principal paid on long-term debt	(423,000)	(26,331)	(449,331)
Interest paid on long-term debt	(226,406)	(273)	(226,679)
Net cash provided (used) for capital and related financing activities	<u>(748,586)</u>	<u>114,040</u>	<u>(634,546)</u>
Cash Flows from Non-Capital Financing Activities			
(Increase) in due from other funds	<u>3,079</u>	<u>-</u>	<u>3,079</u>
Net increase (decrease) in cash	422,065	161,207	583,272
Cash - beginning	<u>700,333</u>	<u>484,679</u>	<u>1,185,012</u>
Cash - end	<u>\$ 1,122,398</u>	<u>\$ 645,886</u>	<u>\$ 1,768,284</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 479,326	\$ (180,657)	\$ 298,669
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	668,987	154,038	823,025
(Increase) decrease in deferred outflows related to OPEB	(806)	(747)	(1,553)
Increase (decrease) in deferred inflows related to OPEB	(1,568)	(1,457)	(3,025)
Increase (decrease) in net OPEB liability	23,967	22,255	46,222
(Increase) decrease in accounts receivable	(83,591)	50,581	(33,010)
(Increase) decrease in grants receivable	30,269	-	30,269
Increase (decrease) in accounts payable	316	(2,738)	(2,422)
Increase (decrease) in accrued wages	(5,256)	(8,225)	(13,481)
Increase (decrease) in accrued liabilities	76,037	(3,807)	72,230
Increase (decrease) in customer deposits	-	3,074	3,074
Increase (decrease) in compensated absences	(20,109)	14,850	(5,259)
Net cash provided (used) by operating activities	<u>\$ 1,167,572</u>	<u>\$ 47,167</u>	<u>\$ 1,214,739</u>

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

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Custodial Funds
ASSETS	
Cash	\$ 142,485
Due from other governments	112,355
TOTAL ASSETS	\$ 254,840
 LIABILITIES	
Surety bonds payable	\$ 38,570
Accounts payable	7,687
Due to other governments	96,228
TOTAL LIABILITIES	\$ 142,485
 NET POSITION	
Restricted for:	
Baxter addition	\$ 112,355

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

CITY OF RINGGOLD, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2021

	Custodial Funds
ADDITIONS	
Court fines	\$ 92,945
Donations	6,944
Total additions	99,889
 DEDUCTIONS	
Court fines remitted	92,946
Cemetery care	2,500
Total deductions	95,446
Net increase (decrease) in fiduciary net position	4,443
Net position - beginning	107,912
Net position - ending	\$ 112,355

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

CITY OF RINGGOLD, GEORGIA
Notes to Financial Statements
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

The Downtown Development Authority and Visitors Center

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

Related Organizations

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

B. Basic Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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

The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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. One non-major fund, the Confiscated Asset Fund has a deficit fund balance.

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.

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.

The City reports the following major enterprise funds:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus - Basis of Accounting

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

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

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

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

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

E. Cash and Cash Equivalents

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

F. Investments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Taxes

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

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

Lien date	October 20, 2021
Levy date	October 20, 2021
Tax bills mailed	October 20, 2021
Payment due date	October 20, 2021 through February 28, 2022
Delinquency date	March 1, 2022

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:

<u>Asset Class</u>	<u>Years</u>
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:

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

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Entity has one item that qualifies for reporting in this category: deferred outflows related to OPEB.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

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

O. Long-term Obligations

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

P. Net Position

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

Q. Fund Balance

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

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

S. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2021, and May 13, 2022, 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 \$11,505,140. The financial institution balance was \$11,747,081. 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, 2021, \$2,464,191 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	\$ 3,052,069
Investments	8,455,071
Less: Petty cash	<u>(2,000)</u>
Total	<u>\$ 11,505,140</u>

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	<u>\$ 8,455,071</u>
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NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2021, consist of the following:

	<u>General Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Franchise taxes	\$ 222,608	\$ -	\$ -	\$ 222,608
Local beer/beverage tax	16,776	-	-	16,776
Business license	198	-	-	198
Hotel/motel tax	-	40,846	-	40,846
Customer receivables	-	-	284,679	284,679
Motor vehicle tax	7,894	-	-	7,894
Energy excise tax	8,286	-	-	8,286
Interest	18,865	-	-	18,865
Other	91,096	-	-	91,096
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Total	<u>\$ 365,723</u>	<u>\$ 40,846</u>	<u>\$ 264,679</u>	<u>\$ 671,248</u>

NOTE 4 - GRANTS RECEIVABLE

Due from grantor at December 31, 2021, consist of the following:

United States Department of Agriculture	\$ 25,000
Georgia Department of Natural Resources	<u>21,514</u>
Total	<u>\$ 46,514</u>

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2021, consist of the following:

<u>Year of Levy</u>	
2021	\$ 49,261
2020	7,363
2019	2,592
2018	314
2017	-
2016	31
2015	30
2014	<u>30</u>
	59,621
Less: allowance for uncollectibles	<u>(11,615)</u>
Property taxes receivable - net	<u>\$ 48,006</u>

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2021, consists of the following:

	<u>Governmental Activities</u>
Property tax collected by Catoosa County	\$ 541,035
Local Option Sales Tax receivable	<u>109,503</u>
Total	<u>\$ 650,538</u>

NOTE 7 - INTERNAL BALANCES

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

	<u>Due from:</u>				
<u>Due to:</u>	<u>General Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Confiscated Assets Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Sewer Fund	<u>\$ 4,567,120</u>	<u>\$ 40,846</u>	<u>\$ 5,782</u>	<u>\$ 5,000</u>	<u>\$ 4,618,748</u>

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$ 813,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 813,766</u>
Capital assets being depreciated:				
Land improvements	6,508,953	176,221	-	6,685,174
Building and improvements	4,366,349	48,992	-	4,415,341
Vehicles	1,380,864	101,159	(44,101)	1,437,922
Equipment	<u>1,218,689</u>	<u>96,401</u>	<u>-</u>	<u>1,315,090</u>
Total capital assets being depreciated	<u>13,474,855</u>	<u>422,773</u>	<u>(44,101)</u>	<u>13,853,527</u>
Less accumulated depreciation for:				
Land improvements	1,760,366	329,308	-	2,089,674
Buildings and improvements	1,710,852	120,046	-	1,830,898
Vehicles	1,010,021	100,722	(44,101)	1,066,642
Equipment	<u>988,188</u>	<u>82,975</u>	<u>-</u>	<u>1,071,163</u>
Total accumulated depreciation	<u>5,469,427</u>	<u>633,051</u>	<u>(44,101)</u>	<u>6,058,377</u>
Total capital assets being depreciated - net	<u>8,005,428</u>	<u>(210,278)</u>	<u>-</u>	<u>7,795,150</u>
Governmental activities capital assets - net	<u>\$ 8,819,194</u>	<u>\$ (210,278)</u>	<u>\$ -</u>	<u>\$ 8,608,916</u>

NOTE 8 - CAPITAL ASSETS (Continued)

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

General government	\$ 345,051
Public safety	71,216
Public welfare and recreation	108,593
Public works	<u>108,191</u>
Total	<u>\$ 633,051</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 265,815	\$ -	\$ -	\$ -	\$ 265,815
Construction in progress	91,168	-	-	(91,168)	-
Total capital assets not being depreciated	<u>356,983</u>	<u>-</u>	<u>-</u>	<u>(91,168)</u>	<u>265,815</u>
Capital assets being depreciated:					
Buildings	833,138	-	-	-	833,138
Equipment	1,295,341	10,337	-	-	1,305,678
Sewer lines	26,186,434	61,117	-	63,358	26,310,909
Vehicles	813,138	27,726	-	-	840,864
Water lines	3,213,389	-	-	27,810	3,241,199
Total capital assets being depreciated	<u>32,341,440</u>	<u>99,180</u>	<u>-</u>	<u>91,168</u>	<u>32,531,788</u>
Less accumulated depreciation for:					
Buildings	536,188	17,715	-	-	553,903
Equipment	911,608	68,845	-	-	980,453
Sewer lines	8,125,233	550,871	-	-	8,676,104
Vehicles	408,922	60,437	-	-	469,359
Water lines	1,488,977	125,157	-	-	1,614,134
Total accumulated depreciation	<u>11,470,928</u>	<u>823,025</u>	<u>-</u>	<u>-</u>	<u>12,293,953</u>
Total capital assets being depreciated - net	<u>20,870,512</u>	<u>(723,845)</u>	<u>-</u>	<u>91,168</u>	<u>20,237,835</u>
Business-type activities capital assets - net	<u>\$ 21,227,495</u>	<u>\$ (723,845)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,503,650</u>

NOTE 9 - DEFERRED OUTFLOWS RELATED TO OPEB

Deferred outflows related to OPEB at December 31, 2021, consists of the following:

Beginning balance	\$ 329,097
Assumption changes	21,805
Amortization of deferrals	(20,511)
Prepayments	46,801
Reverse prior year payments	<u>(42,343)</u>
Total	<u>\$ 334,849</u>

NOTE 10 - ACCRUED GRANT REVENUE

Accrued grant revenue at December 31, 2021, consist of the following:

Department of Human Services	<u>\$ 677,787</u>
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NOTE 11 - LONG-TERM DEBT

A. Governmental Debt

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

	<u>Principal Balance</u>
USDA Rural Development Note, issued October 31, 2016, 2.375%, due 2021, original balance \$55,000, direct borrowing	\$ 37
Compensated absences	<u>101,325</u>
	101,362
Less: current portion of governmental debt	<u>(37)</u>
Total governmental long-term debt	<u>\$ 101,325</u>

A summary of changes in governmental long-term debt for the year ended December 31, 2021, are as follows:

	<u>Balance 12-31-20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12-31-21</u>	<u>Due Within One Year</u>
<u>Direct borrowings:</u>					
USDA Note	\$ 11,560	\$ -	\$(11,523)	\$ 37	\$ 37
<u>Other debt:</u>					
Compensated absences	113,050	-	(11,725)	101,325	-
Total	<u>\$ 124,610</u>	<u>\$ -</u>	<u>\$(23,248)</u>	101,362	<u>\$ 37</u>
Less: current portion of governmental long-term debt				<u>(37)</u>	
Total governmental long-term debt				<u>\$ 101,325</u>	

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

The City does not have unused lines of credit.

NOTE 11 - LONG-TERM DEBT (Continued)

A. Governmental Debt (Continued)

Governmental debt service requirements to maturity, including interest of \$0, are as follows:

Year ended December 31, 2022	Direct Borrowings		Total
	Principal	Interest	
	\$ 37	\$ -	\$ 37

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

Interest paid during the year ended December 31, 2021, on governmental long-term debt was \$275.

B. Business-Type Debt

Sewer Fund

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

	Principal Balance
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due April 1, 2031, original balance \$9,600,000, direct borrowing	\$ 5,191,000
Compensated absences	19,594
	5,210,594
Less: current portion of sewer debt	(433,000)
Total sewer long-term debt	<u>\$ 4,777,594</u>

A summary of changes in sewer long-term debt for the year ended December 31, 2021, are as follows:

	Balance 12-31-20	Additions	Retirements	Balance 12-31-21	Amount Due Within One Year
<u>Direct borrowings:</u>					
Revenue bonds	\$ 5,614,000	\$ -	\$ (423,000)	\$ 5,191,000	\$ 433,000
<u>Other debt:</u>					
Compensated absences	39,703	-	(20,109)	19,594	-
Total	\$ 5,653,703	\$ -	\$ (443,109)	5,210,594	<u>\$ 433,000</u>
Less: current portion of Sewer Fund long-term debt				(433,000)	
Total Sewer Fund long-term debt				<u>\$ 4,777,594</u>	

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

NOTE 11 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Sewer Fund (Continued)

Sewer Fund debt service requirements to maturity, including interest of \$1,195,777, are as follows:

Year ended December 31	Direct Borrowings		Total
	Principal	Interest	
2022	\$ 433,000	\$ 213,134	\$ 646,134
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
2027-2031	<u>2,820,000</u>	<u>321,964</u>	<u>3,141,964</u>
Total	<u>\$ 5,191,000</u>	<u>\$ 1,195,777</u>	<u>\$6,386,777</u>

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

Interest paid during the year ended December 31, 2021, on sewer long-term debt was \$226,406.

Water Fund

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

Georgia Environmental Facilities Administration Loan, .5%, due 2022, original balance \$131,000, direct borrowing	\$ 26,463
Georgia Environmental Facilities Administration Loan, 1.56%, still in draw down phase as of December 31, 2021	9,790
Customer deposits	96,356
Compensated absences	<u>57,488</u>
	190,097
Less: current portion of water debt	<u>(26,463)</u>
Total water long-term debt	<u>\$ 163,634</u>

NOTE 11 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Water Fund (Continued)

A summary of changes in water long-term debt for the year ended December 31, 2021, are as follows:

	<u>Balance</u> <u>12-31-20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-21</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
<u>Direct borrowings:</u>					
GEFA loan	\$ 52,794	\$ -	\$ (26,331)	\$ 26,463	\$ 26,463
GEFA loan	<u>-</u>	<u>9,790</u>	<u>-</u>	<u>9,790</u>	<u>-</u>
Total direct borrowings	<u>52,794</u>	<u>9,790</u>	<u>(26,331)</u>	<u>36,253</u>	<u>26,463</u>
<u>Other debt:</u>					
Customer deposits	93,282	3,074	-	96,356	-
Compensated absences	<u>42,638</u>	<u>14,850</u>	<u>-</u>	<u>57,488</u>	<u>-</u>
Total other debt	<u>135,920</u>	<u>17,924</u>	<u>-</u>	<u>153,844</u>	<u>-</u>
Total	<u>\$ 188,714</u>	<u>\$ 27,714</u>	<u>\$ (26,331)</u>	190,097	<u>\$ 26,463</u>
Less: current portion of Water Fund long-term debt				(26,463)	
Total Sewer Fund long-term debt				<u>\$ 163,634</u>	

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

Water Fund debt service requirements to maturity, including interest of \$74, are as follows:

Year ended December 31	<u>Direct Borrowings</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	<u>\$ 26,463</u>	<u>\$ 74</u>	<u>\$ 26,537</u>

Note: The above debt service requirements schedule does not include customer deposits, compensated absences, or the loan in draw down.

Interest paid during the year ended December 31, 2021, on water long-term debt was \$273.

NOTE 12 - NET OPEB LIABILITY

Net OPEB liability at December 31, 2021 consists of the following:

Beginning balance	\$ 1,743,983
Service cost	151,985
Interest expense	39,748
Assumption changes	21,805
Benefit payments	<u>(42,343)</u>
 Total	 <u>\$ 1,915,178</u>

NOTE 13 - DEFERRED INFLOWS RELATED TO OPEB

Deferred inflows related to OPEB at December 31, 2021, consists of the following:

Beginning balance	\$ 166,780
Amortization of deferrals	<u>(11,204)</u>
 Total	 <u>\$ 155,576</u>

NOTE 14 - 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:

	<u>Unavailable</u>	<u>Total</u>
Property taxes	<u>\$ 24,804</u>	<u>\$ 24,804</u>

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

NOTE 15 - 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 \$109,418 for future downtown development expenditures.

Haunted Depot Fund restricts \$77,410 for future depot expenditures.

Ringgold Depot Fund restricts \$88,905 for the Ringgold Depot facility.

Visitor Center Fund restricts \$171,283 to promote tourism in the Ringgold area.

Technology Fund restricts \$17,940 for police expenditures.

The City also has \$23,790 of nonspendable fund balance related to prepaid expenses.

NOTE 16 - TRANSFERS

Interfund transfers as of December 31, 2021, consist of the following:

	Transfers to					Total
	General Fund	Downtown Development Authority Fund	Ringgold Depot Fund	Visitor Center Fund	Water Fund	
<u>Transfer from</u>						
General Fund	\$ -	\$ -	\$ -	\$ -	\$128,707	\$128,707
Hotel/Motel Fund	262,072	-	27,518	234,555	-	524,145
Haunted Depot Fund	-	40,233	-	-	-	40,233
Capital Projects Fund	<u>140,830</u>	-	-	-	<u>2,147</u>	<u>142,977</u>
Total	<u>\$402,902</u>	<u>\$ 40,233</u>	<u>\$ 27,518</u>	<u>\$234,555</u>	<u>\$130,854</u>	<u>\$836,062</u>

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

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

NOTE 17 - 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). Half of the expenditures are used for the promotion of tourism and the other half are used for general expenditures. A summary of the transactions for the year ended December 31, 2021, is as follows:

Fund Balance - January 1, 2021	\$ -
Lodging tax services	<u>524,145</u>
Amount available for disbursements	<u>524,145</u>
Disbursements:	
Transfer to General Fund	262,072
Transfer to the Ringgold Depot Fund	27,518
Transfer to Visitor Center Fund	<u>234,555</u>
Total disbursed	<u>524,145</u>
Balance - held in reserve for future hotel/motel tax projects	<u>\$ -</u>

NOTE 18 - 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 \$(101,362) differences are as follows:

Note payable	\$ (37)
Compensated absences	<u>(101,325)</u>
Net adjustment	<u>\$ (101,362)</u>

Another element of that reconciliation states that “OPEB liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$(1,267,212) difference are as follows:

Deferred outflows related to OPEB	\$ 244,440
Net OPEB liability	(1,398,081)
Deferred inflows related to OPEB	<u>(113,571)</u>
Net adjustment	<u>\$ (1,267,212)</u>

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 \$(210,278) difference are as follows:

Depreciation expense	\$ (633,051)
Capital outlay	<u>422,773</u>
Net adjustment	<u>\$ (210,278)</u>

Another element of that reconciliation states that, “OPEB expense from the prior year is not reported in the governmental funds but is reported in the Statement of Activities. Current year OPEB contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities.” The details of this \$(112,595) difference are as follows:

OPEB expense	\$ (146,759)
Contributions	<u>34,164</u>
Net adjustment	<u>\$ (112,595)</u>

NOTE 19 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

Expenditures in the Downtown Development Authority, Ringgold Depot, and Visitor Center funds exceeded the amount budgeted by \$10,705, \$3,887, and \$27,7995, respectively.

As of December 31, 2021, \$2,464,191 of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 20 - INSURANCE

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

The City is a member of the Georgia Municipal Association (self-funded and administered by Corvel). The liability to the employees of the City is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

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

NOTE 21 - 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 \$1,957,979. The amount of covered payroll was \$1,234,764. Total contributions required was \$148,409, which was 12% of covered payroll. The City's contribution required and actual was \$123,476, which was 10% of covered payroll. The mandatory employee contributions required and actual was \$24,933 which was 2% of covered payroll. Employee voluntary contributions totaled \$48,413, making a total employee contribution of \$73,346, which is 6% of covered payroll. The total City and employee contribution actually made was \$196,822, which was 16% of covered payroll. There were no current year changes in plan provisions.

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary of Results

The City of Ringgold, Georgia administers a single-employer defined benefit healthcare plan. For fiscal year ending December 31, 2021, the total OPEB liability, the fiduciary net position, the net OPEB liability and deferred (outflows)/inflows of resources are based on calculations as of the valuation date projected to the end of the fiscal year. The valuation date is as of January 1, 2021, and is updated as of December 31, 2021 using the December 31, 2021 discount rate. The plan does not issue a stand-alone financial statement.

Fiscal Year Ending December 31, 2021

Total OPEB liability	\$ 1,915,178
Fiduciary net position	\$ 0
Net OPEB liability	\$ 1,915,178
OPEB expense	\$ 201,040
Deferred (outflows)/inflows of resources	\$ (132,472)
Expected benefit payments	\$ 42,343

Economic Assumptions

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

<u>Assumption</u>	<u>Selection Date</u>	<u>December 31, 2021</u>
Discount rate		2.03%
2021 medical trend rates		6.50%
Ultimate medical trend rate		4.50%
Year ultimate trend rates reached		2025
Annual payroll increase		2.50%

Experience Gains and Losses

The plan had an accumulated experience gain over the past two years primarily due to favorable demographic experience.

Assumption Changes Included in Current Valuation

The healthcare cost trend rate was set to 7.0% in 2021, grading down 0.5% per annum to an ultimate rate of 4.5% in years 2025 and later. The mortality table improvement scale was updated from MP2018 to MP2019.

Benefit Changes Included in Current Valuation

None

Changes as of December 31, 2021

The discount rate was changed from 2.12% as of December 31, 2020 to 2.03% as of December 31, 2021, based on the Bond Buyer 20-Bond Index.

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

GASB 75 Liabilities and Expense
For Fiscal Year Ending December 31, 2021

I. Present value of Future Benefits	
A. Retirees/Disableds	\$ 447,985
B. Active Employees	<u>4,958,039</u>
C. Total	<u>\$ 5,406,024</u>
II. Total OPEB Liability	
A. Retirees/Disableds	\$ 447,985
B. Active Employees	<u>1,467,193</u>
C. Total	<u>\$ 1,915,178</u>
III. Fiduciary Net Position	\$ -
IV. Net OPEB Liability	\$ 1,915,178
V. Expected Benefit Payments	
A. Retirees/Disableds	\$ 39,207
B. Active Employees	<u>3,136</u>
C. Total	<u>\$ 42,343</u>
VI. OPEB Expense	
A. Service Cost	\$ 151,985
B. Interest	39,748
C. Changes of Benefit Terms	-
D. Recognition of Deferred Outflows/Inflows of Resources	<u>9,307</u>
E. OPEB Expense (A. + B. + C. + D.)	<u>\$ 201,040</u>

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

GASB 75 Liabilities and Expense
For Fiscal Year Ending December 31, 2021 (Continued)

VII. Deferred (Outflows) of Resources					
A. Experience Loss		\$		-	
B. Change in Assumptions		(288,048)		
C. Prepayments		(46,801)		
D. Total		<u>\$</u>	<u>(</u>	<u>334,849)</u>	
Deferred Inflows of Resources					
A. Experience Gain		\$		72,004	
B. Change in Assumptions				<u>83,572</u>	
C. Total		<u>\$</u>		<u>155,576</u>	
Recognition in Expense					
Year Ended December 31,					
2022		\$		9,307	
2023		\$		9,307	
2024		\$		9,307	
2025		\$		9,307	
2026		\$		9,307	
Thereafter		\$		85,937	

Census Information

Employee Counts
As of January 1, 2021

	<u>Actives</u>	<u>Inactives Not Receiving Benefits</u>	<u>Inactives Receiving Benefits</u>	<u>Total</u>
Male	31	-	3	34
Female	<u>9</u>	-	<u>1</u>	<u>10</u>
Total	<u>40</u>	=	<u>4</u>	<u>44</u>

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Census Information (Continued)

Counts By Age and Eligibility Status

<u>Age</u>	<u>Active Employees</u>			<u>Inactive Employees Not Yet Receiving Benefits</u>		
	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>
29 and under	-	7	7	-	-	-
30 - 34	-	6	6	-	-	-
35 - 39	-	5	5	-	-	-
40 - 44	-	7	7	-	-	-
45 - 49	-	4	4	-	-	-
50 - 54	-	4	4	-	-	-
55 - 59	1	1	2	-	-	-
60 - 64	-	5	5	-	-	-
65 and over	-	-	-	-	-	-
Total	<u>1</u>	<u>39</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>

Inactives Receiving Benefits

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

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Census Information (Continued)

Average Age and Service
As of January 1, 2021

Active Employees

A. Average age at hire	
Males	32.7
Females	44.3
Total	35.4
B. Average Service	
Males	7.4
Females	3.2
Total	6.4
C. Average Current Age	
Males	40.1
Females	47.5
Total	41.8

Inactives Not Receiving Benefits

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

Inactives Receiving Benefits

E. Average Current Age	
Males	74.4
Females	71.2
Total	73.6

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Required Disclosures for Fiscal Year Ending December 31, 2021

Changes in Total OPEB Liability

Balance at 12/31/2020	<u>\$ 1,743,983</u>
Changes for the year:	
Service cost	151,985
Interest	39,748
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	21,805
Benefit payments	<u>(42,343)</u>
Net changes	<u>171,195</u>
Balance at 12/31/2021	<u>\$ 1,915,178</u>

Notes:

Plan changes - None

Assumption changes - The discount rate was 2.12% as of December 31, 2020 and 2.03% as of December 31, 2021.

Sensitivity of the Total OPEB Liability

1% Decrease <u>(1.03%)</u>	Discount Rate <u>(2.03%)</u>	1% Increase <u>(3.03%)</u>
\$ 2,179,675	\$ 1,915,178	\$ 1,689,300
	Healthcare Cost Trend Rates	
1% Decrease (5.50%) <u>decreasing to 3.50%</u>	(6.50%) <u>decreasing to 4.50%</u>	1% Increase (7.50%) <u>decreasing to 5.50%</u>
\$ 1,753,743	\$ 1,915,178	\$ 2,117,395

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology

- 1. Discount Rate: A discount rate of 2.03% was used as of December 31, 2021. The discount rate was based on the Bond Buyer's 20 Bond Index.
- 2. Mortality: RPH-2014 headcount-weighted fully generational table with projection scale MP2019
- 3. Retirement Rates: It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	7.0%	6.5%
56	7.0%	7.0%
57	8.0%	8.0%
58	9.0%	9.0%
59	11.0%	12.0%
60	25.0%	30.0%
62	40.0%	40.0%
64	25.0%	27.0%
66	32.0%	35.0%
68	25.0%	25.0%
70	30.0%	30.0%
75+	100.0%	100.0%

- 4. Disability Rates: None

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

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology (Continued)

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

<u>Year</u>	<u>Current Valuation</u>	<u>Prior Valuation</u>
2021	6.5%	6.5%
2022	6.0%	6.0%
2023	5.5%	5.5%
2024	5.0%	5.0%
2025+	4.5%	5.0%

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

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

9. Actuarial Value of Assets: N/A

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

<u>Age</u>	<u>Male</u>	<u>Female</u>
50	12,315	14,206
51	12,795	14,473
52	13,293	14,750
53	13,819	14,999
54	14,372	15,258
55	14,953	15,516
56	15,553	15,783
57	16,171	16,051
58	16,770	16,448
59	17,388	16,863
60	18,034	17,287
61	18,698	17,711
62	19,390	18,154
63	19,759	18,505
64	20,137	18,855

11. Administrative Expenses: Included in premiums used.

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methodology (Continued)

- 12. Participant Salary
Increases: 3.50% annually
- 13. Payroll Growth Rate: 2.50% annually

Actuarial Cost Method

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

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

Additional Comments

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

Plan Provisions

- a. Plan Types: Pre-65: Fully insured through Georgia Municipal Association
Post 65: Medicare Reimbursement Plan
- b. Eligibility: Age 55 with 25 years of service
- c. Benefit/Cost Sharing: The City pays 100% of the cost for the retiree and 50% of the cost for the retiree spouse until Medicare eligible.
The City reimburses \$500 per month per retiree and \$250 per month per retiree spouse once Medicare eligible.
- d. Spouse Benefit: Yes
- e. Surviving Spouse Benefit: Yes

NOTE 22 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Provisions (Continued)

f. Annual Premiums: Effective January 1, 2021 - December 31, 2021

<u>PPO 90/70</u>	
Employee Only	\$ 11,436
Employee and Family	\$ 26,856
<u>HMO 90</u>	
Employee Only	\$ 10,656
Employee and Family	\$ 25,020
<u>POS 80/60</u>	
Employee Only	\$ 8,808
Employee and Family	\$ 20,676

NOTE 23 - 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 24 - CONTINGENT LIABILITIES

As of December 31, 2021, the City does not have any material contingent liabilities.

NOTE 25 - 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, 2021, the City paid \$3,630 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 26 - FIDUCIARY FUNDS

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

NOTE 27 - RELATED PARTY TRANSACTION

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

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

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in the Total OPEB
Liability and Related Ratios
December 31, 2021

	2018	2019	2020	2021
Service cost	\$ 87,071	\$ 77,019	\$ 129,367	\$ 151,985
Interest	46,508	54,649	43,554	39,748
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	(81,604)	-
Changes of assumptions and other inputs	(109,188)	255,146	66,128	21,805
Benefit payments	(32,171)	(34,745)	(38,610)	(42,343)
Net changes	(7,780)	352,069	118,835	171,195
Total OPEB liability - beginning	<u>1,280,859</u>	<u>1,273,079</u>	<u>1,625,148</u>	<u>1,743,983</u>
Total OPEB liability - ending	<u>\$ 1,273,079</u>	<u>\$ 1,625,148</u>	<u>\$ 1,743,983</u>	<u>\$ 1,915,178</u>
Covered-employee payroll	\$ 1,453,668	\$ 1,490,010	\$ 1,691,831	\$ 1,734,127
Total OPEB liability as a percentage of covered-employee payroll	87.58%	109.07%	103.08%	110.44%

Notes to Schedule

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

Assumption changes:

Discount rate	4.10%	2.74%	2.12%	2.03%
Trend rate	8.0% initially, grading down 5.0% in 2024	7.5% initially, grading down 5.0% in 2024	7.0% initially, grading down 4.5% in 2025	6.5% initially, grading down 4.5% in 2025
Mortality improvement scale	MP2018	MP2018	MP2019	MP2019
Plan changes:	None	None	None	None

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

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

Downtown Development Authority Fund:

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

Haunted Depot Fund:

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

Confiscated Assets Fund:

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

Ringgold Depot Fund:

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

Visitor Center Fund:

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

Capital Projects Grant Fund:

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

Technology Fee Fund:

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

Capital Projects Fund:

Capital Projects Fund:

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

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
December 31, 2021

	Special Revenue										Total Non-major Governmental Funds
	Capital Projects										
	Downtown Development Authority Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Capital Projects Fund			
ASSETS											
Cash	\$ 131,672	\$ 77,542	\$ 5,429	\$ 96,338	\$ 194,551	\$ 19,174	\$ 17,940	\$ 5,000		\$ 547,646	
Grants receivable	-	-	-	-	-	21,514	-	-		21,514	
TOTAL ASSETS	\$ 131,672	\$ 77,542	\$ 5,429	\$ 96,338	\$ 194,551	\$ 40,688	\$ 17,940	\$ 5,000		\$ 569,160	
LIABILITIES											
Accounts payable	\$ 297	\$ 132	\$ -	\$ 852	\$ 10,024	\$ -	\$ -	\$ -		\$ 11,305	
Accrued liabilities	2,146	-	-	6,581	13,244	-	-	-		21,971	
Unearned revenue	19,811	-	-	-	-	40,688	-	-		60,499	
Due to other funds	-	-	5,782	-	-	-	-	5,000		10,782	
TOTAL LIABILITIES	\$ 22,254	\$ 132	\$ 5,782	\$ 7,433	\$ 23,268	\$ 40,688	\$ -	\$ 5,000		\$ 104,557	
FUND BALANCES											
Restricted	\$ 109,418	\$ 77,410	\$ -	\$ 88,905	\$ 171,283	\$ -	\$ 17,940	\$ -		\$ 464,956	
Unassigned	-	-	(353)	-	-	-	-	-		(353)	
TOTAL FUND BALANCES	\$ 109,418	\$ 77,410	\$ (353)	\$ 88,905	\$ 171,283	\$ -	\$ 17,940	\$ -		\$ 464,603	

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2021

	Special Revenue							Capital Projects		Total Non-major Governmental Funds
	Downtown Development Authority Fund	Haunted Depot Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Capital Projects Fund		
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,851	\$ -	\$ 142,977	\$ 162,828	
Fines and forfeitures	-	-	-	-	-	-	6,091	-	6,091	
Charges for services	4,913	-	-	-	3,560	-	-	-	8,473	
Other revenue	66,681	77,491	-	17,369	19,895	21,378	-	-	202,814	
TOTAL REVENUES	<u>71,594</u>	<u>77,491</u>	<u>-</u>	<u>17,369</u>	<u>23,455</u>	<u>41,229</u>	<u>6,091</u>	<u>142,977</u>	<u>380,206</u>	
EXPENDITURES										
Current expenditures										
Public safety	-	-	782	-	-	-	13,170	-	13,952	
Public welfare and recreation	93,955	21,006	-	44,887	240,795	41,229	-	-	441,872	
Total current expenditures	<u>93,955</u>	<u>21,006</u>	<u>782</u>	<u>44,887</u>	<u>240,795</u>	<u>41,229</u>	<u>13,170</u>	<u>-</u>	<u>455,824</u>	
TOTAL EXPENDITURES	<u>93,955</u>	<u>21,006</u>	<u>782</u>	<u>44,887</u>	<u>240,795</u>	<u>41,229</u>	<u>13,170</u>	<u>-</u>	<u>455,824</u>	
Excess (deficiency) of revenue over (under) expenditures	<u>(22,361)</u>	<u>56,485</u>	<u>(782)</u>	<u>(27,518)</u>	<u>(217,340)</u>	<u>-</u>	<u>(7,079)</u>	<u>142,977</u>	<u>(75,618)</u>	
OTHER FINANCING SOURCES (USES)										
Insurance reimbursement	7,757	-	-	-	-	-	-	-	7,757	
Transfers in	40,233	-	-	27,518	234,555	-	-	-	302,306	
Transfers out	-	(40,233)	-	-	-	-	-	(142,977)	(183,210)	
Total other financing sources (uses)	<u>47,990</u>	<u>(40,233)</u>	<u>-</u>	<u>27,518</u>	<u>234,555</u>	<u>-</u>	<u>-</u>	<u>(142,977)</u>	<u>126,853</u>	
Net changes in fund balances	25,629	16,252	(782)	-	17,215	-	(7,079)	-	51,235	
Fund balances - beginning	<u>83,789</u>	<u>61,158</u>	<u>429</u>	<u>88,905</u>	<u>154,068</u>	<u>-</u>	<u>25,019</u>	<u>-</u>	<u>413,368</u>	
Fund balances - end	<u>\$ 109,418</u>	<u>\$ 77,410</u>	<u>\$ (353)</u>	<u>\$ 88,905</u>	<u>\$ 171,283</u>	<u>\$ -</u>	<u>\$ 17,940</u>	<u>\$ -</u>	<u>\$ 464,603</u>	

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for services				
Promotions	\$ 6,500	\$ 6,500	\$ 4,913	\$ (1,587)
Other revenue				
Donations	1,000	1,000	26,620	25,620
Rental	25,750	25,750	25,008	(742)
Program fees	12,000	12,000	4,128	(7,872)
Events	16,000	16,000	10,925	(5,075)
Total other revenue	<u>54,750</u>	<u>54,750</u>	<u>66,681</u>	<u>11,931</u>
TOTAL REVENUES	<u>61,250</u>	<u>61,250</u>	<u>71,594</u>	<u>10,344</u>
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	24,300	24,300	25,132	(832)
Payroll taxes	2,000	2,000	1,921	79
Dues and subscriptions	1,000	1,000	495	505
Education and travel	2,000	2,000	562	1,438
Grant expenses	5,000	5,000	5,225	(225)
Insurance	6,350	6,350	7,536	(1,186)
Postage	100	100	-	100
Professional services	1,000	1,000	2,053	(1,053)
Program expenses	4,500	4,500	609	3,891
Repairs and maintenance	19,500	19,500	9,931	9,569
Retirement	1,800	1,800	1,904	(104)
Ringgold playhouse	10,000	10,000	4,254	5,746
Site purchases and improvements	-	-	26,620	(26,620)
Supplies and materials	4,500	4,500	5,372	(872)
Utilities	1,200	1,200	2,341	(1,141)
Total public welfare and recreation	<u>83,250</u>	<u>83,250</u>	<u>93,955</u>	<u>(10,705)</u>
TOTAL EXPENDITURES	<u>83,250</u>	<u>83,250</u>	<u>93,955</u>	<u>(10,705)</u>
Excess (deficiency) of revenue over (under) expenditures	(22,000)	(22,000)	(22,361)	(361)
OTHER FINANCING SOURCES (USES)				
Insurance reimbursement	-	-	7,757	7,757
Transfers in	22,000	22,000	40,233	18,233
Total other financing sources (uses)	<u>22,000</u>	<u>22,000</u>	<u>47,990</u>	<u>25,990</u>
Net changes in fund balances	-	-	25,629	25,629
Fund balances - beginning	<u>83,789</u>	<u>83,789</u>	<u>83,789</u>	<u>-</u>
Fund balances - end	<u>\$ 83,789</u>	<u>\$ 83,789</u>	<u>\$ 109,418</u>	<u>\$ 25,629</u>

CITY OF RINGGOLD, GEORGIA
Haunted Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue				
Haunted Depot	\$ 44,500	\$ 44,500	\$ 77,491	\$ 32,991
TOTAL REVENUES	<u>44,500</u>	<u>44,500</u>	<u>77,491</u>	<u>32,991</u>
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	2,500	2,500	3,200	(700)
Supplies and materials	20,000	20,000	17,806	2,194
Total public welfare and recreation	<u>22,500</u>	<u>22,500</u>	<u>21,006</u>	<u>1,494</u>
TOTAL EXPENDITURES	<u>22,500</u>	<u>22,500</u>	<u>21,006</u>	<u>1,494</u>
Excess (deficiency) of revenue over (under) expenditures	22,000	22,000	56,485	34,485
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(22,000)</u>	<u>(22,000)</u>	<u>(40,233)</u>	<u>(18,233)</u>
Net changes in fund balances	-	-	16,252	16,252
Fund balances - beginning	<u>61,158</u>	<u>61,158</u>	<u>61,158</u>	<u>-</u>
Fund balances - end	<u>\$ 61,158</u>	<u>\$ 61,158</u>	<u>\$ 77,410</u>	<u>\$ 16,252</u>

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures				
Cash confiscation	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
TOTAL REVENUES	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
EXPENDITURES				
Current expenditures				
Public safety				
Dues	-	-	630	(630)
Payments to agencies	1,000	1,000	-	1,000
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>152</u>	<u>1,848</u>
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>782</u>	<u>2,218</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	(782)	(782)
Fund balances - beginning	<u>429</u>	<u>429</u>	<u>429</u>	<u>-</u>
Fund balances - end	<u>\$ 429</u>	<u>\$ 429</u>	<u>\$ (353)</u>	<u>\$ (782)</u>

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue				
Rental	\$ 20,000	\$ 20,000	\$ 17,369	\$ (2,631)
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>17,369</u>	<u>(2,631)</u>
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Insurance	2,000	2,000	1,028	972
Professional services	1,500	1,500	885	615
Repairs and maintenance	11,000	11,000	9,745	1,255
Supplies and materials	6,000	6,000	14,895	(8,895)
Telephone	1,500	1,500	1,518	(18)
Utilities	19,000	19,000	16,816	2,184
Total public welfare and recreation	<u>41,000</u>	<u>41,000</u>	<u>44,887</u>	<u>(3,887)</u>
TOTAL EXPENDITURES	<u>41,000</u>	<u>41,000</u>	<u>44,887</u>	<u>(3,887)</u>
Excess (deficiency) of revenue over (under) expenditures	(21,000)	(21,000)	(27,518)	(6,518)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>21,000</u>	<u>21,000</u>	<u>27,518</u>	<u>6,518</u>
Net changes in fund balances	-	-	-	-
Fund balances - beginning	<u>88,905</u>	<u>88,905</u>	<u>88,905</u>	<u>-</u>
Fund balances - end	<u>\$ 88,905</u>	<u>\$ 88,905</u>	<u>\$ 88,905</u>	<u>\$ -</u>

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for services				
Tourism	\$ -	\$ -	\$ 3,560	\$ 3,560
Other revenue				
Rental	34,000	34,000	19,895	(14,105)
TOTAL REVENUES	34,000	34,000	23,455	(10,545)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	59,500	59,500	45,978	13,522
Payroll taxes	4,600	4,600	3,516	1,084
Dues and subscriptions	1,000	1,000	320	680
Insurance	8,200	8,200	9,253	(1,053)
Marketing and tourism	113,500	113,500	147,292	(33,792)
Postage and printing	-	-	136	(136)
Professional services	800	800	3,842	(3,042)
Repairs and maintenance	2,200	2,200	2,333	(133)
Retirement	1,800	1,800	1,904	(104)
Supplies and materials	11,400	11,400	15,909	(4,509)
Telephone	2,000	2,000	1,351	649
Travel	1,000	1,000	122	878
Utilities	7,000	7,000	8,839	(1,839)
Total public welfare and recreation	213,000	213,000	240,795	(27,795)
TOTAL EXPENDITURES	213,000	213,000	240,795	(27,795)
Excess (deficiency) of revenue over (under) expenditures	(179,000)	(179,000)	(217,340)	(38,340)
OTHER FINANCING SOURCES (USES)				
Transfers in	179,000	179,000	234,555	55,555
Net changes in fund balances	-	-	17,215	17,215
Fund balances - beginning	154,068	154,068	154,068	-
Fund balances - end	\$ 154,068	\$ 154,068	\$ 171,283	\$ 17,215

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Grant revenue	\$ 100,000	\$ 100,000	\$ 19,851	\$ (80,149)
Other revenue				
Donations	-	-	21,378	21,378
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>41,229</u>	<u>(58,771)</u>
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Contract labor	100,000	100,000	27,776	72,224
Professional services	-	-	4,532	(4,532)
Supplies and materials	-	-	8,921	(8,921)
Total public welfare and recreation	<u>100,000</u>	<u>100,000</u>	<u>41,229</u>	<u>58,771</u>
TOTAL EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>41,229</u>	<u>58,771</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF RINGGOLD, GEORGIA
Technology Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures				
Technology fees	\$ 22,000	\$ 22,000	\$ 6,091	\$ (15,909)
TOTAL REVENUES	<u>22,000</u>	<u>22,000</u>	<u>6,091</u>	<u>(15,909)</u>
EXPENDITURES				
Current expenditures				
Public safety				
Dues and subscriptions	1,000	1,000	665	335
Supplies and materials	16,000	16,000	3,739	12,261
Telephone	5,000	5,000	8,766	(3,766)
Total public safety	<u>22,000</u>	<u>22,000</u>	<u>13,170</u>	<u>8,830</u>
TOTAL EXPENDITURES	<u>22,000</u>	<u>22,000</u>	<u>13,170</u>	<u>8,830</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	(7,079)	(7,079)
Fund balances - beginning	<u>25,019</u>	<u>25,019</u>	<u>25,019</u>	<u>-</u>
Fund balances - end	<u>\$ 25,019</u>	<u>\$ 25,019</u>	<u>\$ 17,940</u>	<u>\$ (7,079)</u>

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	\$ -	\$ -	\$ 142,977	\$ 142,977
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>142,977</u>	<u>142,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>142,977</u>	<u>142,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(142,977)</u>	<u>(142,977)</u>
Net changes in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FINANCIAL SCHEDULES

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State Grant/Program Number</u>	<u>Accrued (Receivable) 1/1/2021</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>	<u>Accrued (Receivable) 12/31/2021</u>
Federal						
Department of Human Services						
Cares Act Grant	21.019	-	\$ -	\$ 677,787	\$ -	\$ 677,787
United States Department of Agriculture						
Community Facilities Grant	10.766	-	-	-	25,000	(25,000)
Total federal awards			-	677,787	25,000	652,787
State						
Georgia Department of Transportation						
Graysville Road	-	STP00-0003-00(948)	(30,269)	30,269	-	-
LMIG Street Resurfacing	-	2021	-	43,907	43,907	-
Total Georgia Department of Transportation			(30,269)	74,176	43,907	-
Georgia Department of Natural Resources						
Golden Mile Trail I	-	P20AP00169	(100,000)	98,337	-	(1,663)
Golden Mile Trail II	-	P20AP00169	-	-	19,851	(19,851)
Total Georgia Department of Natural Resources			(100,000)	98,337	19,851	(21,514)
Total state awards			(130,269)	172,513	63,758	(21,514)
TOTAL FEDERAL AND STATE AWARDS			<u>\$ (130,269)</u>	<u>\$ 850,300</u>	<u>\$ 88,758</u>	<u>\$ 631,273</u>

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2021

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - INDIRECT COST RATE

The City of Ringgold, Georgia has not elected to use the 10-percent de minimis indirect cost rate or to allocate any indirect cost.

NOTE 3 - LOAN BALANCE

	<u>Balance</u>
GEFA-Loan	\$ 26,463

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Sewer charges	\$ 2,349,000	\$ 2,349,000	\$ 2,507,454	\$ 158,454
Installation charges	87,000	87,000	104,640	17,640
Other operating	300	300	-	(300)
Total operating revenues	<u>2,436,300</u>	<u>2,436,300</u>	<u>2,612,094</u>	<u>175,794</u>
OPERATING EXPENSE				
Operating and maintenance	1,623,500	1,623,500	1,449,960	173,540
Administration and general	22,300	22,300	13,821	8,479
Depreciation	646,000	646,000	668,987	(22,987)
Total operating expenses	<u>2,291,800</u>	<u>2,291,800</u>	<u>2,132,768</u>	<u>159,032</u>
Operating income (loss)	<u>144,500</u>	<u>144,500</u>	<u>479,326</u>	<u>334,826</u>
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	30,000	30,000	-	(30,000)
Interest expense	(230,000)	(230,000)	(226,406)	3,594
Total non-operating revenues (expenses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(226,406)</u>	<u>(26,406)</u>
Changes in net position	(55,500)	(55,500)	252,920	308,420
Total net position - beginning	<u>18,662,256</u>	<u>18,662,256</u>	<u>18,662,256</u>	<u>-</u>
Total net position - end	<u>\$ 18,606,756</u>	<u>\$ 18,606,756</u>	<u>\$ 18,915,176</u>	<u>\$ 308,420</u>

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
OPERATING INCOME				
Water sales	\$ 605,000	\$ 605,000	\$ 728,914	\$ 123,914
Installation charges	5,000	5,000	5,600	600
Penalties	16,000	16,000	25,960	9,960
Other operating	1,000	1,000	-	(1,000)
Total operating revenues	<u>627,000</u>	<u>627,000</u>	<u>760,474</u>	<u>133,474</u>
OPERATING EXPENSES				
Operating and maintenance	607,200	607,200	739,786	(132,586)
Administration and general	30,000	30,000	47,307	(17,307)
Depreciation	147,000	147,000	154,038	(7,038)
Total operating expenses	<u>784,200</u>	<u>784,200</u>	<u>941,131</u>	<u>(156,931)</u>
Operating income (loss)	<u>(157,200)</u>	<u>(157,200)</u>	<u>(180,657)</u>	<u>(23,457)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	<u>(1,000)</u>	<u>(1,000)</u>	<u>(273)</u>	<u>727</u>
Income (loss) before transfers	(158,200)	(158,200)	(180,930)	(22,730)
Transfers in	<u>158,200</u>	<u>158,200</u>	<u>130,854</u>	<u>(27,346)</u>
Changes in net position	-	-	(50,076)	(50,076)
Total net position - beginning	<u>2,237,721</u>	<u>2,237,721</u>	<u>2,237,721</u>	<u>-</u>
Total net position - end	<u>\$ 2,237,721</u>	<u>\$ 2,237,721</u>	<u>\$ 2,187,645</u>	<u>\$ (50,076)</u>

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2021

Operating Expenses	Enterprise		Totals
	Sewer Fund	Water Fund	
Operating and maintenance			
Salaries	\$ 229,493	\$ 327,152	\$ 556,645
Payroll taxes	18,001	23,254	41,255
Chemicals	209	27,555	27,764
Drinking water program	-	4,340	4,340
Equipment	4,339	7,877	12,216
Fuel	12,185	8,293	20,478
Insurance	107,816	128,711	236,527
Plant supplies	29,238	38,950	68,188
Post-employment benefits	28,146	26,135	54,281
Professional services	3,802	39,984	43,786
Repairs and maintenance	33,513	11,758	45,271
Retirement	13,152	26,521	39,673
Sewer treatment charges	942,374	-	942,374
Telephone	1,389	1,305	2,694
Uniforms	4,793	5,173	9,966
Utilities	21,510	48,665	70,175
Water line repairs	-	14,113	14,113
Total operating and maintenance	<u>1,449,960</u>	<u>739,786</u>	<u>2,189,746</u>
Administration and general			
Education and travel	5,195	5,055	10,250
Insurance	7,156	5,357	12,513
Licenses and dues	1,144	9,339	10,483
Printing and postage	326	7,536	7,862
Fees	-	20,020	20,020
Total administration and general	<u>13,821</u>	<u>47,307</u>	<u>61,128</u>
Depreciation	<u>668,987</u>	<u>154,038</u>	<u>823,025</u>
Total operating expenses	<u>\$ 2,132,768</u>	<u>\$ 941,131</u>	<u>\$ 3,073,899</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2021

<u>Year of Levy</u>	
2021	\$ 49,261
2020	7,363
2019	2,592
2018	314
2017	-
2016	31
2015	30
2014	<u>30</u>
Total property taxes receivable	59,621
Less: allowance for uncollectibles	<u>(11,615)</u>
Net property taxes receivable	<u>\$ 48,006</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2021

	<u>Taxes Receivable December 31, 2020</u>	<u>Taxes Levied</u>	<u>Pickups and (Releases)</u>	<u>Collections</u>	<u>Taxes Receivable December 31, 2021</u>
2021	\$ -	\$ 780,261	\$ 197	\$ (731,197)	\$ 49,261
2020	47,183	-	-	(39,820)	7,363
2019	5,476	-	-	(2,884)	2,592
2018	1,598	-	-	(1,284)	314
2017	115	-	-	(115)	-
2016	31	-	-	-	31
2015	30	-	-	-	30
2014	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Total	<u>\$ 54,463</u>	<u>\$ 780,261</u>	<u>\$ 197</u>	<u>\$ (775,300)</u>	<u>\$ 59,621</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
General Fund
December 31, 2021

USDA RURAL DEVELOPMENT NOTE

<u>Maturing</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2022	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 37</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
December 31, 2021

SEWER SYSTEM REVENUE IMPROVEMENT BONDS

<u>Maturing</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2022	\$ 433,000	\$ 213,134	\$ 646,134
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	<u>535,000</u>	<u>9,136</u>	<u>544,136</u>
Total	<u>\$ 5,191,000</u>	<u>\$ 1,195,777</u>	<u>\$ 6,386,777</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Water Fund
December 31, 2021

GEORGIA ENVIRONMENTAL FACILITIES ADMINISTRATION LOAN

<u>Maturing December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	<u>\$ 26,463</u>	<u>\$ 74</u>	<u>\$ 26,537</u>

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Long-term Debt by Individual Issue
December 31, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 1/1/2021	Issued During Period	Paid and/or		Outstanding 12/31/2021
							Matured During Period	Refunded During Period	
Governmental Activities									
Notes Payable through General Fund									
USDA Rural Development Note	\$ 55,000	2.375%	10/31/16	10/31/21	\$ 11,560	\$ -	\$ (11,523)	\$ -	\$ 37
Business-Type Activities									
Bonds Payable through Sewer Fund									
Revenue Improvement Bond, Series 2005	\$9,600,000	4.15%	04/01/05	04/01/31	\$5,614,000	\$ -	\$ (423,000)	\$ -	\$5,191,000
Notes Payable through Water Fund									
Georgia Environmental Facilities Administration Note	\$ 131,000	0.50%	12/11/17	12/08/22	\$ 52,794	\$ -	\$ (26,331)	\$ -	\$ 26,463
Georgia Environmental Facilities Administration Note	*	1.56%	*	*	\$ -	\$ 9,790	\$ -	\$ -	\$ 9,790

* Note is still in draw down phase as of December 31, 2021

CITY OF RINGGOLD, GEORGIA
Schedules of Statistical Information
December 31, 2021

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

<u>Tax Year</u>	<u>City Tax Rate</u>	<u>Assessment</u>	<u>Levy</u>
2021	.3100	\$ 251,697,244	\$ 780,261
2020	.3100	\$ 236,920,495	\$ 734,454
2019	.3110	\$ 219,343,408	\$ 682,158
2018	.3110	\$ 201,788,103	\$ 627,561
2017	.3110	\$ 185,088,424	\$ 575,625
2016	.3150	\$ 187,579,365	\$ 590,875
2015	.3000	\$ 182,547,000	\$ 547,641
2014	.2763	\$ 179,560,261	\$ 496,125
2013	.2683	\$ 170,606,411	\$ 457,737
2012	.2680	\$ 169,020,896	\$ 452,976

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2021, were:

Water Rates

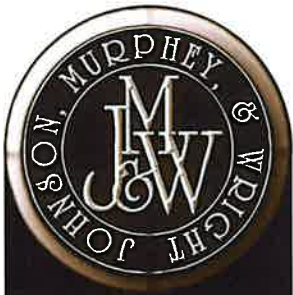
<u>Meter Size</u>	<u>Minimum Usage (Gallons)</u>	<u>Minimum Monthly Bill</u>
3/4" meter	0-2,000	\$ 15.00 plus \$4.12/1,000 gal.
1" meter	0-8,000	\$ 39.36 plus \$4.12/1,000 gal.
1-1/2" meter	0-17,000	\$ 75.88 plus \$4.12/1,000 gal.
2" meter	0-25,000	\$ 108.35 plus \$4.12/1,000 gal.
3" meter	0-45,000	\$ 336.89 plus \$4.12/1,000 gal.
4" meter	0-60,000	\$ 449.20 plus \$4.12/1,000 gal.
6" meter	0-90,000	\$ 673.77 plus \$4.12/1,000 gal.
8" meter	0-120,000	\$ 898.39 plus \$4.12/1,000 gal.
10" meter	0-150,000	\$1,122.98 plus \$4.12/1,000 gal.

Sewer Rates

<u>Meter Size</u>	<u>Minimum Usage (Gallons)</u>	<u>Minimum Monthly Bill</u>
3/4" meter	0-2,000	\$ 16.83 plus \$4.19/1,000 gal.
1" meter	0-8,000	\$ 41.93 plus \$4.19/1,000 gal.
1-1/2" meter	0-17,000	\$ 79.62 plus \$4.19/1,000 gal.
2" meter	0-25,000	\$ 113.17 plus \$4.19/1,000 gal.
3" meter	0-45,000	\$ 378.49 plus \$4.19/1,000 gal.
4" meter	0-60,000	\$ 504.47 plus \$4.19/1,000 gal.
6" meter	0-90,000	\$ 756.71 plus \$4.19/1,000 gal.
8" meter	0-120,000	\$1,008.94 plus \$4.19/1,000 gal.
10" meter	0-150,000	\$1,262.42 plus \$4.19/1,000 gal.

As of December 31, 2021 the City had 1,377 water customers, 1,194 City sewer customers, and 4,756 County 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, 2021, 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 13, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001 that we consider to be a significant deficiency.

Mayor and Council Members
City of Ringgold, Georgia
Page Two

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Responses as items 2021-002 and 2021-003.

City of Ringgold, Georgia's Response to Findings

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

Purpose of this Report

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

Johnson, Murpley & Wright, P.C.

Chattanooga, Tennessee
May 13, 2022

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2021

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, a deficiency in internal controls was disclosed.

Material Noncompliance:

Two instances of noncompliance or other matters were disclosed.

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

INTERNAL CONTROL:

Finding 2021-001 - Approvals and Documentation

Criteria:

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

Condition:

The Judge is not always signing tickets for dismissed and reduced charge tickets.

Cause:

City policies are not being followed so that every ticket is being signed by the Judge.

Effect:

Without following proper procedures for all tickets, court fines could be uncollected.

Management's Response:

We concur. We will make every effort to correct this issue as noted.

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2021

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

COMPLIANCE:

Finding 2021-002 - Expenditures Exceeded Budget

Criteria:

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

Condition:

Expenditures in the Downtown Development Authority, Ringgold Depot, and Visitor Center funds exceeded the amount budgeted by \$10,705, \$3,887, and \$27,795, respectively.

Cause:

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

Effect:

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

Management's Response:

We concur. We will make every effort in the future to provide for all expenditures in our budget.

Finding 2021-003 - Uncollateralized Bank Balance

Criteria:

The State of Georgia requires that municipalities maintain collateralization of 110% on all deposits above the FDIC insured amounts.

Condition:

As of December 31, 2021, \$2,464,191 of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

Cause:

The City's pledged collateral agreements were under the necessary amount to fully collateralize all deposits.

Effect:

A portion of the City's deposits were exposed to custodial credit risk.

Management's Response:

We concur. We will review our pledged collateral agreements to ensure our deposits are held in accordance with all applicable legal provisions.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2021

Prior Year
Finding Number

Finding Title

Current Year Finding
Number/Status

None noted.



City of Ringgold

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Management's Corrective Action Plan December 31, 2021

Management's corrective action plan for our December 31, 2021 audit is as follows:

2021-001 Approvals and Documentation

We concur. Mark Vaughn, City Manager, will ensure for the upcoming fiscal year that the City Judge is signing all tickets.

2021-002 Expenditures Exceeded Budget

We concur. Gina Wilson, Interim Financial Director, will ensure as of the date of this letter that all necessary budget amendments have been made prior to the end of the fiscal year.

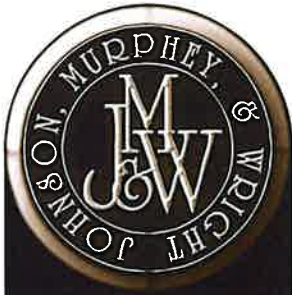
2021-003 Uncollateralized Bank Balance

We concur. As of the date of this letter, Gina Wilson, Interim Financial Director, will review our pledged collateral agreements to ensure our deposits are held in accordance with all applicable legal provisions.

Respectfully submitted,

City of Ringgold, Georgia

Nick Millwood, Mayor



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

Independent Auditor's Report

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

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Ringgold, Georgia for the year ended December 31, 2021. 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, 2021, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
May 13, 2022

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2021

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>			<u>Estimated Percentage of Completion</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
2009 SPLOST - Ringgold water and sewer projects	<u>\$ 13,270,000</u>	<u>\$ 9,254,513</u>	<u>\$ -</u>	<u>\$ 9,254,513</u>	70%
Ringgold projects - Vehicles and equipment	<u>\$ 520,000</u>	<u>\$ 478,306</u>	<u>\$ -</u>	<u>\$ 478,306</u>	92%
Government buildings	<u>\$ 1,500,000</u>	<u>\$ 556,405</u>	<u>\$ -</u>	<u>\$ 556,405</u>	37%
Streets, sidewalks & parks	<u>\$ 500,000</u>	<u>\$ 704,673</u>	<u>\$ -</u>	<u>\$ 704,673</u>	100%
2014 SPLOST Ringgold SPLOST Projects	<u>\$ 2,500,000</u>	<u>\$ 1,497,279</u>	<u>\$ -</u>	<u>\$ 1,497,279</u>	60%
Ringgold Water/Sewer Projects	<u>\$ 7,400,000</u>	<u>\$ 564,859</u>	<u>\$ 2,147</u>	<u>\$ 567,006</u>	8%
Stormwater Projects	<u>\$ 140,829</u>	<u>\$ -</u>	<u>\$ 140,829</u>	<u>\$ 140,829</u>	100%