



City of West Point, Georgia
Financial Statements for the
Fiscal Year Ended December 31, 2010
Independent Auditor's Report

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City of West Point, Georgia
Annual Financial Report
For the Year Ended December 31, 2010

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Independent Auditor's Report

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Report of Independent Certified Public Accountants

Honorable Mayor and Members of the Council
City of West Point, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Point, Georgia (the "City"), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of West Point's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of West Point, Georgia as of December 31, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2011 on our consideration of the City of West Point's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Point's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, including the SPLOST Schedule, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink, appearing to read 'J. Underwood', with a large, stylized initial 'J'.

J. Robyn Underwood, CPA
Barnesville, Georgia
March 20, 2011

Management's Discussion and Analysis

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of West Point, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2010. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by \$26,150,342 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 1. Capital assets, net of related debt, of \$17,537,719 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 2. Net assets of \$239,634 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 3. At the end of the current fiscal year, unreserved and undesignated General Fund fund balance increased from \$874,049 to \$1,257,085. This increase of \$383,036 is approximately 9.5 percent of total General Fund expenditures.
- The City's governmental funds reported total ending fund balance of \$2,435,760. This compares to the prior year ending fund balance of \$1,819,826 showing an increase of \$615,934 during the current year. The increases in fund balances are mainly due to the decrease in expenditures.
- At the end of the current fiscal year, unreserved unassigned fund balance for the City's governmental funds was \$1,341,279, or 31.2 percent of total governmental funds expenditures.
- Overall, the City continues to maintain a strong financial position, in spite of a somewhat recessed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document is intended to serve as an introduction to the City of West Point's financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-Wide Financial Statements

The City's annual financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

The government-wide financial statements are designed to provide readers with a broad overview of the City of West Point's finances, in a manner similar to private-sector business. The *Statement of Activities*, reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems, electric, gas and sanitation systems are reported here.
- Component units – The City includes two separate legal entities in its report – the West Point Development Authority and the Downtown West Point Development Authority. Although legally separate, these "component units" are important because the City is financially accountable for them.

The government-wide financial statements are presented on pages 11 & 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

- *Governmental funds* – The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 13 – 16 of this report.

The City maintains two major governmental funds. The City's major governmental funds are the General Fund and one Capital Project Fund – SPLOST.

- Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the City charges customers a fee. The four City proprietary funds are classified as an enterprise funds. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers internal to the City organization for water, sewer, electric, gas and sanitation utilities.

The basic enterprise fund financial statements are presented on pages 17 – 20 of this report.

The City maintains four enterprise funds: Water and Sewerage, Electric, Gas and Sanitation.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

Notes to the Basic Financial Statements

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Budgetary Presentation

Budgetary comparison statements are included as "required supplementary information" for the general and special revenue funds. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements are presented as supplementary financial information of this report beginning on page 42.

Financial Analysis of the City as a Whole

The City's net assets at fiscal year-end are \$26,150,342. The following table provides a summary of the City's net assets:

	Summary of Net Assets (Table 1)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets:						
Current Assets	\$ 3,087,807	\$ 2,095,342	\$ 6,376,733	\$ 4,353,730	\$ 9,464,540	\$ 6,449,072
Non-Current Assets	<u>8,900,835</u>	<u>9,109,090</u>	<u>34,714,246</u>	<u>33,123,751</u>	<u>43,615,081</u>	<u>42,232,841</u>
Total Assets	\$ 11,988,642	\$ 11,204,432	\$ 41,090,979	\$ 37,477,481	\$ 53,079,621	\$ 48,681,913
Liabilities						
Current Liabilities	\$ 652,047	\$ 275,516	\$ 439,504	\$ 559,081	\$ 1,091,551	\$ 834,597
Long-Term Liabilities	<u>810,986</u>	<u>934,696</u>	<u>25,026,742</u>	<u>25,402,490</u>	<u>25,837,728</u>	<u>26,337,186</u>
Total Liabilities	\$ 1,463,033	\$ 1,210,212	\$ 25,466,246	\$ 25,961,571	\$ 26,929,279	\$ 27,171,783
Net Assets:						
Investments in Capital						
Assets, Net of Debt	\$ 8,089,849	\$ 8,174,394	\$ 9,447,870	\$ 7,568,273	\$ 17,537,719	\$ 15,742,667
Restricted	<u>-----</u>	<u>-----</u>	<u>239,634</u>	<u>152,814</u>	<u>239,634</u>	<u>152,814</u>
Unrestricted	<u>2,435,960</u>	<u>1,819,826</u>	<u>5,937,229</u>	<u>3,794,823</u>	<u>8,372,989</u>	<u>5,614,649</u>
Total Net Assets	\$ 10,525,609	\$ 9,994,220	\$ 15,624,733	\$ 11,515,910	\$ 26,150,342	\$ 21,510,130
	=====	=====	=====	=====	=====	=====

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.74 to 1 and 14.5 for business type activities. For the City overall, the current ratio is 8.7 to 1. The national trend indicators state that the normal ratio is 2 to 1. The City's ratio as stated is 8.7 to 1 which reflects the City's sound financial strength.

The City reported positive balances in net assets for both governmental and business-type activities. Analyzing the net assets and net expenses of governmental and business-type activities, separately, the business-type activities net assets are \$15,624,733. This analysis focuses on the net assets (Table 1) and revenues and expenses (Table 2) of the City's governmental and business-type activities. Net assets increased \$531,389 for governmental activities and increased \$4,108,823 for business-type activities. The City's overall financial position improved during fiscal year 2010.

Note that approximately 85 percent of the governmental activities' net assets are tied up in capital. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has spent approximately 60 percent of its net assets on capital. Capital assets in business-type activities provide utility services and generate revenues for these funds. Sixty-seven percent of the City's total net assets are included in capital assets.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

The following table provides a summary of the City's changes in net assets:

Summary of Changes in Net Assets
(Table 2)
(in thousands of dollars)

	Governmental Activities		Business Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program:						
Charges for Services	\$ 625	\$ 484	\$ 11,182	\$ 9,220	\$ 11,807	\$ 9,704
Operating Grants	124	125	-----	-----	124	125
Capital Grants	50	705	2,759	994	2,809	1,699
General:						
Property Taxes	1,030	947	-----	-----	1,030	947
Sales Taxes	1,183	1,711	-----	-----	1,183	1,711
Other Taxes	850	605	-----	-----	850	605
Interest	2	1	1	3	3	4
Other	165	83	-----	-----	165	83
Total Revenues	\$ 4,029	\$ 4,661	\$ 13,942	\$ 10,217	\$ 17,971	\$ 14,878
Program Expenses:						
General Government	\$ 825	\$ 840	\$ -----	\$ -----	\$ 825	\$ 840
Public Safety	2,715	2,639	-----	-----	2,715	2,639
Public Service	517	504	-----	-----	517	504
Culture and Recreation	51	58	-----	-----	51	58
Housing and Urban Development	237	230	-----	-----	237	230
Interest	38	34	-----	-----	38	34
Water and Sewer System	-----	-----	2,466	1,538	2,466	1,538
Electric System	-----	-----	4,421	4,463	4,421	4,463
Gas System	-----	-----	1,574	1,417	1,574	1,417
Sanitation System	-----	-----	486	370	486	370
Total Expenses	\$ 4,383	\$ 4,305	\$ 8,947	\$ 7,788	\$ 13,330	\$ 12,093
Excess (deficiency)	\$< 354>	\$ 356	\$ 4,995	\$ 2,429	\$ 4,641	\$ 2,785
Transfers	886	1,190	< 886>	< 1,190>	-----	-----
Change in Net Assets	\$ 532	\$ 1,546	\$ 4,109	\$ 1,239	\$ 4,641	\$ 2,785
Beginning Net Assets	\$ 9,994	\$ 8,448	\$ 11,516	\$ 10,277	\$ 21,510	\$ 18,725
Ending Net Assets	\$ 10,526	\$ 9,994	\$ 15,625	\$ 11,516	\$ 26,151	\$ 21,510
	=====	=====	=====	=====	=====	=====

GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes, sales taxes, and malt beverage taxes to support governmental operations. Property taxes provided 26 percent, sales taxes provided 29 percent, and the malt beverage taxes provided 5 percent of the City's total governmental revenues. Also, note that program revenues cover only 18 percent of governmental operating expenses. This means that the government's taxpayers, the City's other general revenues, and transfers in fund 69 percent of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

The most significant governmental expense for the City is providing Public Safety services such as Fire and Police protection. This comprises 62 percent of the total governmental expenses. Public Safety expenses are offset by revenues collected from a variety of sources, with the largest being fines, forfeitures, and fees which was \$380,116 for fiscal year ended December 31, 2010. The second largest City cost for government is the general government totaling \$824,527 or 18.8 percent of governmental expenses.

- The cost of all governmental activities this year was \$4,382,088.
- The revenue amount that paid for most of these activities came from City property taxes, sales tax and business taxes (\$2,622,081).
- Some of the costs were paid by those who benefited directly from the programs (\$624,959) and subsidies from other governments and organizations through grants and/or contributions (\$173,379).

	Governmental Activities (Table 3) (in thousands of dollars)			
	FY 2010 Total Cost of Services	FY 2009 Total Cost of Services	FY 2010 Net Cost of Services	FY 2009 Net Cost of Services
General Government	\$ 825	\$ 840	\$ 599	\$ 649
Public Safety	2,715	2,639	2,307	1,818
Public Works	517	504	430	330
Culture and Recreation	50	58	-----	< 36>
Housing and Urban Development	237	230	210	197
Interest	38	34	38	33
Total	\$ 4,382 =====	\$ 4,305 =====	\$ 3,584 =====	\$ 2,991 =====

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The cost of all Proprietary (Business-Type) activities this year was \$8,947,188 as shown in Table 2 (Summary of Changes in Net Assets), the amounts paid by the users of the systems were \$11,181,854 and additionally the business-type activities earned \$1,575 in interest from idle cash. Within the total business-type activities of the City, these activities reported a \$4,108,823 operating gain.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental funds reported ending fund balances of \$2,435,760. Of this year-end total, \$1,257,085 is unreserved, unassigned indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show an increase of \$615,934 or a 34 percent increase. This increase relates primarily to the decrease in expenditures.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

Major Governmental Funds

Total revenues were \$633,762 or 13.6 percent less than fiscal year 2009. Property taxes increased 9 percent over the prior year and sales taxes were up 13 percent due to the increase in SPLOST proceeds. The Operating and Capital Grant decreased \$1,327,832 over 2009. Franchise taxes increased \$250,192 from the prior year.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The water and sewer fund operating income for 2010 was \$1,005,029. Operating revenues were 45 percent above those in fiscal year 2009 due to the increase in water sales to KIA and operating expenses increased 36 percent from the prior year. The electric had an operating income of \$1,550,586 versus an operating income of \$841,491 in the prior year. Operating revenues were 84 percent above those in fiscal year 2009 and operating expenses were 1 percent above the prior year. The gas fund operating income for 2010 was \$812,263. Operating revenues were 135 percent above the prior year while operating expenses were 12 percent above the prior year. The sanitation fund's operating revenue for fiscal year ending December 31, 2010 was \$324,305 and the operating expenses were \$484,988 for 2010.

Component Units

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level. The City of West Point has two discretely presented component units: West Point Development Authority and Downtown West Point Development Authority.

Budgetary Highlights

The General Fund – The original revenue budget was amended in 2010. We expended 100 percent of the final budget.

Comparing the FY 2010 original adopted budget for the General Fund to the final budget shows a net increase of four percent. As stated, earlier the General Fund's expenditure budget is prepared on a GAAP basis, except that outstanding encumbrances at year-end are charged as expenditures on the budgetary basis.

Capital Assets and Debt Administration

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2010 was \$8,900,835 and \$34,474,612 respectively. The major additions and deletions to capital for FY 10 were:

- A capital expense associated with infrastructure (road improvements, sidewalks, etc.) was \$2,756,937. Primary expenses in this category went for repaving, gas lines water and sewer lines, street lights, and electric lines.
- Equipment expenditures totaled \$ 202,127.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

For more information on the changes in capital assets, see Note 4-D.

(in thousands of dollars)	Governmental Activities		Business Activities		Total	
	2010	2009	2010	2009	2010	2009
Non-depreciable assets:						
Land and Construction in progress	\$ 1,346	\$ 1,346	\$ 5,041	\$ 4,768	\$ 6,387	\$ 6,114
Depreciable assets:						
Furniture and Fixtures	\$ 305	\$ 305	\$ -----	\$ -----	\$ 305	\$ 305
Buildings and Plant	4,043	4,043	14,851	14,851	18,894	18,894
Vehicles, Machinery and Equipment	4,067	3,980	1,907	1,792	5,974	5,772
Infrastructure	3,958	3,783	20,442	18,972	24,400	22,755
Total Depreciable Assets	\$ 12,373	\$ 12,111	\$ 37,200	\$ 35,615	\$ 49,573	\$ 47,726
Less Accumulated Depreciation	4,818	4,348	7,767	7,412	12,585	11,760
Book Value- Depreciable Assets	\$ 7,555	\$ 7,763	\$ 29,433	\$ 28,203	\$ 36,988	\$ 35,966
Percentage Depreciated	39%	36%	21%	26%	25%	25%
Total Capital Assets	\$ 8,901	\$ 9,109	\$ 34,474	\$ 32,971	\$ 43,375	\$ 42,080
	=====	=====	=====	=====	=====	=====

At December 31, 2010, the depreciable capital assets for governmental activities were 39 percent depreciated. This compares to the December 31, 2009 at a decrease of 3 percent. This comparison indicates that the City is focusing on replacing its assets at close to the same rate as they are depreciating which is a positive indicator. Note that business-type activities are 21 percent depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$14,152,083. The bonds are secured by a first lien on and payable solely from the net revenues of the system.

During the year, the City retired \$87,259 or .6 percent of the ending outstanding bonded debt balance.

Outstanding Borrowings as of December 31, 2010
(in thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue Bonds	\$ -----	\$ -----	\$ 14,152	\$ 14,239	\$ 14,152	\$ 14,239
Total	\$ -----	\$ -----	\$ 14,152	\$ 14,239	\$ 14,152	\$ 14,239
	=====	=====	=====	=====	=====	=====

See Notes 4-F and 4-G for additional information about the City's long-term debt.

Economic Conditions Affecting the City

Prior to beginning the formal budget process each year, the Mayor and Council Members with assistance from city staff identify and prepare basic economic assumptions around which the framework of the budget is built. Transfers from the utilities system, Local Option Sales Taxes and Ad Valorem Taxes are the major revenue components of the General Fund. Weather, local economic conditions, as well as the state, national, and global economies all have an effect on the city budget.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2010

The signing of an agreement with KIA Motors America to build a 1.2 billion dollar assembly plant in West Point has certainly changed the economic predictions and assumptions. The increase in water/sewer revenues have begun to increase in 2010. This activity combined with the successful resolution of legal issues between Hyundai/KIA management and the Korean government has sparked a large increase in real estate sales. This inevitably will drive up assessments of commercial and residential property, and an increase in the City's tax digest. Also, the City has created a new Planning and Zoning Department to facilitate in the heavy increase of real estate interest and development.

Some of the changes for 2010 were:

Revenues from the electric utility increased from 2009. The natural gas system's gross revenues increased over 2009. Expenses for water system and wastewater treatment systems increased radically with engineering/design costs leading to construction in 2010 as discussed above.

Contacting the City's Financial Management

This financial report is designated to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have, questions about this report or would like to request additional information, contact the City at (706) 645-3500 or visit the City's Website at www.CityOfWestPointGA.com.

Basic Financial Statements

Government-wide Financial Statements

City of West Point, Georgia
Statement of Net Assets
For the Year Ended December 31, 2010

	Primary Government			Non-Major Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 1,949,054	\$ 4,389,100	\$ 6,338,154	\$ 204,246
Receivables (Net of Allowance)				
Taxes	350,776	-----	350,776	11,325
Accounts	514,235	1,632,329	2,146,564	-----
Internal Balances	72,725	< 72,725>	-----	-----
Due From Other Governments	91,625	-----	91,625	-----
Inventory	84,881	419,386	504,267	-----
Pre-Paid Insurance	24,511	8,643	33,154	-----
Total Current Assets	<u>\$ 3,087,807</u>	<u>\$ 6,376,733</u>	<u>\$ 9,464,540</u>	<u>\$ 215,571</u>
Non-Current Assets				
Restricted Cash and Investments	\$ -----	\$ 239,634	\$ 239,634	\$ -----
Capital Assets:				
Land and Construction in Progress	1,345,573	5,041,472	6,387,045	849,430
Other Capital Assets, Net of Accumulated Depreciation	<u>7,555,262</u>	<u>29,433,140</u>	<u>36,988,402</u>	<u>1,513</u>
Total Non-Current Assets	<u>\$ 8,900,835</u>	<u>\$34,714,246</u>	<u>\$43,615,081</u>	<u>\$ 850,943</u>
Total Assets	<u>\$11,988,642</u>	<u>\$41,090,979</u>	<u>\$53,079,621</u>	<u>\$ 1,066,514</u>
Liabilities				
Current Liabilities				
Accounts and Claims Payable	\$ 84,413	\$ 311,216	\$ 395,629	\$ -----
Accrued Liabilities	69,824	11,701	81,525	-----
Customer Deposits	-----	116,587	116,587	-----
Due to Rural Development	497,810	-----	497,810	-----
Total Current Liabilities	<u>\$ 652,047</u>	<u>\$ 439,504</u>	<u>\$ 1,091,551</u>	<u>\$ -----</u>
Non-Current Liabilities				
Due within One Year	\$ 68,351	\$ 407,731	\$ 476,082	\$ -----
Due in more than One Year	<u>742,635</u>	<u>24,619,011</u>	<u>25,361,646</u>	<u>-----</u>
Total Non-Current Liabilities	<u>\$ 810,986</u>	<u>\$25,026,742</u>	<u>\$25,837,728</u>	<u>\$ -----</u>
Total Liabilities	<u>\$ 1,463,033</u>	<u>\$25,466,246</u>	<u>\$26,929,279</u>	<u>\$ -----</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	\$ 8,089,849	\$ 9,447,870	\$17,537,719	\$ 850,943
Restricted For:				
Debt Service	-----	239,634	239,634	-----
Unrestricted	<u>2,435,760</u>	<u>5,937,229</u>	<u>8,372,989</u>	<u>215,571</u>
Total Net Assets	<u>\$10,525,609</u> =====	<u>\$15,624,733</u> =====	<u>\$26,150,342</u> =====	<u>\$ 1,066,514</u> =====

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

City of West Point, Georgia
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
General Government	\$ 824,527	\$ 130,236	\$ 95,397	\$ -----	\$< 598,894>
Public Safety	2,715,033	380,116	28,482	-----	< 2,306,435>
Public Service	516,550	86,169	-----	-----	< 430,381>
Culture and Recreation	50,524	1,760	-----	49,500	736
Housing and Urban Development	237,081	26,678	-----	-----	< 210,403>
Interest on Long-Term Debt	38,373	-----	-----	-----	< 38,373>
Total Governmental Activities	\$ 4,382,088	\$ 624,959	\$ 123,879	\$ 49,500	\$< 3,583,750>
Business-Type Activities					
Water and Sewer System	\$ 2,465,971	\$ 2,800,470	-----	\$ 2,759,292	\$ 3,093,791
Electric System	4,421,075	5,775,038	-----	-----	1,353,963
Gas System	1,574,117	2,282,041	-----	-----	707,924
Sanitation System	486,325	324,305	-----	-----	< 162,020>
Total Business-Type Activities	\$ 8,947,188	\$ 11,181,854	-----	\$ 2,759,292	\$ 4,993,658
Total Primary Government	\$ 13,329,576	\$ 11,806,813	\$ 123,879	\$ 2,808,792	\$ 1,409,908
	=====	=====	=====	=====	=====
Non-Major Discretely Presented Component Units					
West Point Development Authority	\$ 147,579	\$ 6,919	\$ 92,350	\$ -----	\$< 48,310>
Downtown West Point Development Authority	61,700	-----	-----	-----	< 61,700>
	\$ 209,279	\$ 6,919	\$ 92,350	\$ -----	\$< 110,010>
	=====	=====	=====	=====	=====
					Non-Major Discretely Presented Component Units
Changes in Net Assets					
Net (Expense) Revenue		\$< 3,583,750>	\$ 4,993,658	\$ 1,409,908	\$< 110,010>
General Revenues Taxes					
General Purpose Taxes		\$ 1,030,040	-----	\$ 1,030,040	\$ 44,754
Malt Beverage and Liquor		201,132	-----	201,132	-----
Sales Tax		1,182,644	-----	1,182,644	-----
Insurance Premium		182,059	-----	182,059	-----
Franchise Tax		409,397	-----	409,397	-----
Hotel/Motel Tax		9,796	-----	9,796	9,796
Motor Vehicle (Ad Valorem)		39,458	-----	39,458	-----
Intangible		8,179	-----	8,179	-----
Unrestricted Investment Earnings		2,063	1,575	3,683	1,260
Miscellaneous		164,579	-----	164,579	572
Transfers - Internal Activities		886,410	< 886,410>	-----	1,400
Total General Revenues and Transfers		\$ 4,115,757	\$< 884,835>	\$ 3,230,922	\$ 57,782
Change in Net Assets		\$ 532,007	\$ 4,108,823	\$ 4,640,830	\$< 52,228>
Net Assets - Beginning of Year		9,994,220	11,515,910	21,510,130	1,118,742
Net Assets - End of Year		\$ 10,526,227	\$ 15,624,733	\$ 26,150,960	\$ 1,066,514
		=====	=====	=====	=====

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

Fund Financial Statements

Governmental Funds

City of West Point, Georgia
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2010

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects SPLOST	Special Revenue	
Assets				
Cash and Cash Equivalents	\$ 961,924	\$ 916,311	\$ 70,819	\$ 1,949,054
Receivables (Net of Allowance)				
Taxes	350,776	-----	-----	350,776
Intergovernmental	-----	91,625	-----	91,625
Other	-----	-----	514,235	514,235
Due from Other Funds	74,111	-----	1,664	75,775
Inventory	84,881	-----	-----	84,881
Pre-Paid Insurance	24,511	-----	-----	24,511
Total Assets	\$ 1,496,203	\$ 1,007,936	\$ 586,718	\$ 3,090,857
	=====	=====	=====	=====
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 84,413	\$ -----	\$ -----	\$ 84,413
Accrued Liabilities	69,824	-----	-----	69,824
Due to Other Funds	-----	-----	3,050	3,050
Due to Rural Development	-----	-----	497,810	497,810
Total Liabilities	\$ 154,237	\$ -----	\$ 500,860	\$ 655,097
	=====	=====	=====	=====
Fund Balances				
Reserved Assigned - SPLOST Projects	\$ -----	\$ 1,007,936	\$ -----	\$ 1,007,936
Reserved Unassigned - DDA	-----	-----	1,664	1,664
Unreserved Assigned - Inventory	84,881	-----	-----	84,881
Unreserved Unassigned	1,257,085	-----	84,194	1,341,279
Total Fund Balances	\$ 1,341,966	\$ 1,007,936	\$ 85,858	\$ 2,435,760
	=====	=====	=====	=====
Total Liabilities and Fund Balances	\$ 1,496,203	\$ 1,007,936	\$ 586,718	\$ 3,090,857
	=====	=====	=====	=====

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

City of West Point, Georgia
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Assets
For the Year Ended December 31, 2010

	2010	2009
Total Fund Balance - All Governmental Funds	\$ 2,435,760	\$ 1,819,826
Amounts Reported For Governmental Activities in the Statements of Net Assets are Different Because:		
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds	8,900,835	9,109,090
Some Liabilities, Including Net Pension Obligation Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds	-----	-----
Some Liabilities, Including Capital Leases, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds	<u>< 810,986 ></u>	<u>< 934,696 ></u>
Net Assets of Governmental Activities	\$10,525,609 =====	\$ 9,994,220 =====

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

City of West Point, Georgia
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects SPLOST	Special Revenue	
Revenues				
Taxes	\$ 2,563,239	\$ -----	\$ 9,796	\$ 2,573,035
Licenses and Permits	152,694	-----	-----	152,694
Intergovernmental	123,879	489,670	-----	613,549
Charges for Services	233,836	-----	91,951	325,787
Fines, Forfeitures and Penalties	140,498	-----	-----	140,498
Investment Income	1,278	781	4	2,063
Miscellaneous & Donations	220,059	-----	-----	220,059
Total Revenues	<u>\$ 3,435,483</u>	<u>\$ 490,451</u>	<u>\$ 101,751</u>	<u>\$ 4,027,685</u>
Expenditures				
Current:				
General Government	\$ 723,840	\$ -----	\$ -----	\$ 723,840
Public Safety	2,495,875	-----	-----	2,495,875
Public Service	424,494	-----	31,947	456,441
Culture and Recreation	24,259	-----	7,796	32,055
Housing and Urban Development	229,013	-----	-----	229,013
Capital Outlay				
Current Operations	-----	174,503	23,733	198,236
Debt Service:				
Principal Retirements	92,790	-----	31,538	124,328
Interest	36,886	-----	1,487	38,373
Total Expenditures	<u>\$ 4,027,157</u>	<u>\$ 174,503</u>	<u>\$ 96,501</u>	<u>\$ 4,298,161</u>
Excess of Revenues Over				
<Under> Expenditures	<u>\$< 591,674></u>	<u>\$ 315,948</u>	<u>\$ 5,250</u>	<u>\$< 270,476></u>
Other Financing Sources (Uses)				
Transfers In/<Out> - Net	<u>\$ 1,052,122</u>	<u>\$< 165,712></u>	<u>\$ -----</u>	<u>\$ 886,410</u>
Total Other Financing				
Sources (Uses)	<u>\$ 1,052,122</u>	<u>\$< 165,712></u>	<u>\$ -----</u>	<u>\$ 886,410</u>
Change in Fund Balance	<u>\$ 460,448</u>	<u>\$ 150,236</u>	<u>\$ 5,250</u>	<u>\$ 615,934</u>
Fund Balance - Beginning of Year	<u>\$ 881,518</u>	<u>\$ 857,700</u>	<u>\$ 80,608</u>	<u>\$ 1,819,826</u>
Fund Balance - End of Year	<u>\$ 1,341,966</u>	<u>\$ 1,007,936</u>	<u>\$ 85,858</u>	<u>\$ 2,435,760</u>
	=====	=====	=====	=====

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

City of West Point, Georgia
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**
For the Year Ended December 31, 2010

	2010	2009
Net Change in Fund Balances - All Governmental Funds	\$ 615,934	\$ 616,430
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
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.		
Capital Outlay	261,730	2,133,776
Depreciation	< 469,985>	< 410,497>
Capital Lease Proceeds provide Current Financial Resources to Governmental Funds, but Issuing Debt Increases Long-Term Liabilities in the Statement of Net Assets. Repayment of Capital Lease Principal is an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Assets.		
Principal Retirements	124,328	116,098
Principal from Long-Term Debt	-----	< 909,474>
Some Expenses Reported in the Statement of Activities do not Require the use of Current Financial Resources and, Therefore, are not Reported as Expenditures in the General Fund.		
Decrease (Increase) in Accrued Liabilities	-----	-----
Change in Net Assets of Governmental Activities	\$ 532,007 =====	\$ 1,546,333 =====

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

Proprietary Funds

City of West Point, Georgia
Proprietary Funds

Statement of Net Assets

For the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 1,627,193	\$ 2,184,668	\$ 577,239	\$ -----	\$ 4,389,100
Receivables					
Accounts	523,461	520,117	564,028	23,108	1,630,714
Other	-----	-----	1,603	12	1,615
Inventory	37,414	189,944	192,028	-----	419,386
Pre-Paid Insurance	3,515	2,192	2,934	-----	8,643
Total Current Assets	<u>\$ 2,191,585</u>	<u>\$ 2,896,921</u>	<u>\$ 1,337,832</u>	<u>\$ 23,108</u>	<u>\$ 6,449,458</u>
Non-Current Assets					
Restricted Assets					
Restricted Investments	\$ 122,100	-----	-----	-----	\$ 122,100
Restricted Cash	117,534	-----	-----	-----	117,534
Capital Assets - Net	30,603,687	753,420	2,720,665	396,840	34,474,612
Total Non-Current Assets	<u>\$30,843,321</u>	<u>\$ 753,420</u>	<u>\$ 2,720,665</u>	<u>\$ 396,840</u>	<u>\$34,714,246</u>
Total Assets	<u>\$33,034,906</u>	<u>\$ 3,650,341</u>	<u>\$ 4,058,497</u>	<u>\$ 419,960</u>	<u>\$41,163,704</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 21,874	\$ 25,677	\$ 260,538	\$ 3,127	\$ 311,216
Accrued Liabilities	-----	5,658	4,196	1,847	11,701
Interfund Payable	72,725	-----	-----	-----	72,725
Capital Lease - Current	-----	-----	4,465	21,622	26,087
Notes Payable and Revenue Bonds - Current	381,644	-----	-----	-----	381,644
Total Current Liabilities	<u>\$ 476,243</u>	<u>\$ 31,335</u>	<u>\$ 269,199</u>	<u>\$ 26,596</u>	<u>\$ 803,373</u>
Long-Term Liabilities					
Customer Deposits	\$ 23,748	\$ 59,383	\$ 33,456	-----	\$ 116,587
Capital Leases Payable	-----	-----	-----	82,082	82,082
Notes Payable/Revenue Bonds	21,911,318	-----	2,625,611	-----	24,536,929
Total Long-Term Liabilities	<u>\$21,935,066</u>	<u>\$ 59,383</u>	<u>\$ 2,659,067</u>	<u>\$ 82,082</u>	<u>\$24,735,598</u>
Total Liabilities	<u>\$22,411,319</u>	<u>\$ 90,718</u>	<u>\$ 2,928,266</u>	<u>\$ 108,678</u>	<u>\$25,538,971</u>
Net Assets					
Invested in Capital Assets, Net of Debt	\$ 8,428,259	\$ 753,420	\$ 90,589	\$ 293,136	\$ 9,565,404
Restricted for Debt Service	239,634	-----	-----	-----	239,634
Unrestricted	1,955,704	2,806,203	1,039,642	18,146	5,819,695
Total Net Assets	<u>\$10,623,597</u>	<u>\$ 3,559,623</u>	<u>\$ 1,130,231</u>	<u>\$ 311,282</u>	<u>\$15,624,733</u>

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

City of West Point, Georgia

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets For the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Operating Revenues					
Water and Sewer System	\$ 2,781,858	\$ -----	\$ -----	\$ -----	\$ 2,781,858
Gas System	-----	-----	2,282,041	-----	2,282,041
Electric System	-----	5,331,291	-----	-----	5,331,291
Sanitation System	-----	-----	-----	324,305	324,305
Other (including intergovernmental)	18,612	443,747	-----	-----	462,359
Total Operating Revenues	\$ 2,800,470	\$ 5,775,038	\$ 2,282,041	\$ 324,305	\$11,181,854
Operating Expenses					
Water and Sewer System	\$ 1,551,415	\$ -----	\$ -----	\$ -----	\$ 1,551,415
Gas System	-----	-----	287,062	-----	287,062
Electric System	-----	989,628	-----	-----	989,628
Sanitation System	-----	-----	-----	448,781	448,781
Gas Purchases	-----	-----	1,145,267	-----	1,145,267
Electric Purchases	-----	3,394,120	-----	-----	3,394,120
Depreciation	244,026	37,327	37,449	36,207	355,009
Total Operating Expenses	\$ 1,795,441	\$ 4,421,075	\$ 1,469,778	\$ 484,988	\$ 8,171,282
Operating Income <Loss>	\$ 1,005,029	\$ 1,550,586	\$ 812,263	\$ < 160,683>	\$ 3,010,572
Non-Operating Revenues (Expenses)					
Investment Income	\$ 1,575	\$ -----	\$ -----	\$ -----	\$ 1,575
Interest Expense	< 670,530>	-----	< 104,339>	< 1,337>	< 776,206>
Total Non-Operating Revenues (Expenses)	\$ < 668,955>	\$ -----	\$ < 104,339>	\$ < 1,337>	\$ < 774,631>
Net Income <Loss> before Capital Contributions and Transfers	\$ 336,074	\$ 1,550,586	\$ 707,924	\$ < 162,020>	\$ 2,235,941
Capital Contributions	2,759,292	-----	-----	-----	2,759,292
Transfers In <Out>	165,712	<1,036,400>	< 156,384>	140,662	< 886,410>
Change in Net Assets	\$ 3,261,078	\$ < 317,563>	\$ 551,540	\$ < 21,358>	\$ 4,108,823
Net Assets - Beginning of Year	7,362,519	3,242,060	578,691	332,640	11,515,910
Net Assets - End of Year	\$10,623,597	\$ 3,559,623	\$ 1,130,231	\$ 311,282	\$15,624,733

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

City of West Point, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND
Cash Flows from Operating Activities				
Cash Received from Customers and Users	\$ 2,696,877	\$ 5,799,462	\$ 2,261,629	\$ 335,126
Cash Paid to Suppliers	< 1,139,147>	<3,843,596>	<1,375,493>	< 192,156>
Cash Paid to Employees	< 439,456>	< 576,217>	< 160,164>	< 271,544>
Net Cash Provided By Operating Activities	\$ 1,118,274	\$ 1,379,649	\$ 725,972	\$< 128,574>
Cash Flow from Non-Capital Financing Activities				
Interfund Loan	\$ 24,306	\$ -----	\$ -----	\$ -----
Transfers In <Out>	165,712	<1,036,400>	< 156,384>	140,662
Net Cash Used in Non-Capital Financing Activities	\$ 190,018	\$<1,036,400>	\$< 156,384>	\$ 140,662
Cash Flows from Capital and Related Financing Activities				
Principal Payments on Capital Leases	\$ -----	\$ -----	\$< 18,541>	\$< 10,751>
Principal Payments on Notes Payable and Revenue Bonds	< 1,851,436>	< 68,680>	<1,286,825>	< 114,900>
Acquisition of Capital Assets	< 388,453>	< 68,680>	<1,286,825>	< 114,900>
Capital Contributions	2,759,292	-----	-----	-----
Interest Expense	< 670,530>	-----	< 104,339>	< 1,337>
Loan Proceeds	-----	-----	1,397,357	114,900
Net Cash used in Capital and Related Financing Activities	\$< 151,127>	\$< 68,680>	\$< 12,348>	\$< 12,088>
Cash Flows from Investing Activities				
Interest Income	\$ 1,575	\$ -----	\$ -----	\$ -----
Net Cash provided by Investing Activities	\$ 1,575	\$ -----	\$ -----	\$ -----
Net Increase <Decrease> in Cash	\$ 1,158,740	\$ 274,569	\$ 557,240	\$ -----
Cash - Beginning of Year	585,987	1,910,099	19,999	-----
Cash - End of Year	\$ 1,744,727	\$ 2,184,668	\$ 577,239	\$ -----
	=====	=====	=====	=====
* Unrestricted \$1,627,193				
Restricted \$ 117,534				

* Unrestricted \$1,627,193
Restricted \$ 117,534

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

City of West Point, Georgia
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2010

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Report on the Balance Sheet as					
Cash and Cash Equivalents	\$ 1,627,193	\$ 2,184,668	\$ 577,239	\$	\$ 4,389,100
Restricted Cash	117,534	-----	-----	-----	117,534
Total	<u>\$ 1,744,727</u>	<u>\$ 2,184,668</u>	<u>\$ 577,239</u>	<u>\$</u>	<u>\$ 4,506,634</u>
Cash Flows from Operating Activities					
Operating Income <Loss>	\$ 1,005,029	\$ 1,550,586	\$ 812,263	\$ < 160,683>	\$ 3,207,195
Adjustment to Reconcile Operating Income to Net Cash					
Provided by Operating Activities					
Depreciation	244,026	37,327	37,449	36,207	355,009
Changes in Operating Assets and Liabilities					
Accounts Receivable	< 104,318>	25,818	< 23,094>	1,834	< 99,760>
Inventory	2,992	1,372	< 39,812>	-----	< 35,448>
Pre-Paid Insurance	< 3,517>	< 2,192>	< 2,934>	-----	< 8,643>
Accounts Payable	< 19,796>	< 29,536>	< 57,166>	173>	< 106,671>
Accrued Liabilities	< 6,867>	< 5,709>	< 3,416>	< 5,759>	< 21,751>
Customer Deposits	725	< 1,394>	2,682	-----	2,013
Net Cash Provided by Operating Activities	<u>\$ 1,118,274</u>	<u>\$ 1,576,272</u>	<u>\$ 725,972</u>	<u>\$ < 128,574></u>	<u>\$ 3,291,944</u>

Supplemental Schedule of Non-Cash Investing and Financing Activities

Acquisition of Capital Assets	\$	-----	\$ 41,490	\$ 1,286,825	\$ 114,900	\$ 1,470,405
Capital Assets Acquired through Contributions		388,453	-----	-----	-----	388,453
Total	<u>\$</u>	<u>388,453</u>	<u>\$ 41,490</u>	<u>\$ 1,286,825</u>	<u>\$ 114,900</u>	<u>\$ 1,858,858</u>

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

Component Units

City of West Point Development Authority

Statement of Net Assets

For the Year Ended December 31, 2010

	<u>2010</u>
ASSETS	
Current Assets	
Cash	\$ 23,765
Money Market Account	<u>173,631</u>
Total Current Assets	<u>\$ 197,396</u>
Non-current Assets	
Capital Assets, Net	<u>\$ 789,930</u>
Total Non-Current Assets	<u>\$ 789,930</u>
TOTAL ASSETS	<u>\$ 987,326</u> =====
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 789,930
Unrestricted	<u>197,396</u>
TOTAL NET ASSETS	<u>\$ 987,326</u> =====

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

City of West Point Development Authority
Statement of Revenues, Expenses,
and Changes In Fund Net Assets
For the Year Ended December 31, 2010

	<u>2010</u>
Operating Revenue	
Intergovernmental	\$ 2,263,242
Lease Income	17,618
Other	10,000
Total Operating Revenue	<u>\$ 2,290,860</u>
Operating Expenses	
Professional and Legal	\$ 25,513
Community Development	94,642
Office Expenses	2,138
Depreciation	7,721
Executive Director Contract Fees	16,250
Miscellaneous	1,091
Total Operating Expenses	<u>\$ 147,355</u>
Operating Income <Loss>	<u>\$< 47,514></u>
Non-Operating Revenue	
Investment Interest	\$ 1,084
Interest Expense	< 224>
Total Non-Operating Revenues	<u>\$ 860</u>
Change in Net Assets	<u>\$< 46,654></u>
Net Assets - Beginning of Year	<u>\$ 1,033,980</u>
Net Assets - End of Year	\$ 987,326 =====

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

Downtown West Point Development Authority

Statement of Net Assets

For the Period Ending December 31, 2010

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 6,850
Accounts Receivable - Hotel/Motel Tax	11,325
Non-Current Assets	
Property and Equipment	2,117
Land	59,500
Accumulated Depreciation	< 604 >
Total Assets	\$ 79,188
	=====
Liabilities	\$ -----
Total Liabilities	\$ -----
	=====
Net Assets	
Invested in Capital Assets	\$ 61,013
Unrestricted	18,175
Total Net Assets	\$ 79,188
	=====

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

Downtown West Point Development Authority
Statement of Activities
For the Period Ending December 31, 2010

Functions/Programs	Program Revenues				Primary Government	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Total
Primary Government:						
Government Activities						
General Government	\$ 61,700	\$ -----	\$ -----	\$ -----	\$< 61,700>	\$< 61,700>
Total Governmental Activities	\$ 61,700	\$ -----	\$ -----	\$ -----	\$< 61,700>	\$< 61,700>
Total Primary Government	\$ 61,700	\$ -----	\$ -----	\$ -----	\$< 61,700>	\$< 61,700>
General Revenues						
General Purpose Taxes						
Hotel/Motel Tax					\$ 9,796	\$ 9,796
Property Tax					44,754	44,754
Investment Earnings					176	176
Miscellaneous					1,400	1,400
Merchants Association					-----	-----
Total General Revenues					\$ 56,126	\$ 56,126
Change in Net Assets					\$< 5,574>	\$< 5,574>
Net Assets- Beginning					84,762	84,762
Net Assets- Ending					\$ 79,188	\$ 79,188
					=====	=====
					\$ 43,952	\$ 43,952
					\$< 75,572>	\$< 75,572>
					160,334	160,334
					\$ 84,762	\$ 84,762
					=====	=====
					\$ 9,095	\$ 9,095
					23,412	23,412
					166	166
					1,317	1,317
					9,962	9,962
					-----	-----
					\$ 9,796	\$ 9,796
					44,754	44,754
					176	176
					1,400	1,400
					-----	-----
					\$ 56,126	\$ 56,126
					\$< 5,574>	\$< 5,574>
					84,762	84,762
					\$ 79,188	\$ 79,188
					=====	=====
					\$ 43,952	\$ 43,952
					\$< 75,572>	\$< 75,572>
					160,334	160,334
					\$ 84,762	\$ 84,762
					=====	=====
					\$ 9,095	\$ 9,095
					23,412	23,412
					166	166
					1,317	1,317
					9,962	9,962
					-----	-----
					\$ 9,796	\$ 9,796
					44,754	44,754
					176	176
					1,400	1,400
					-----	-----
					\$ 56,126	\$ 56,126
					\$< 5,574>	\$< 5,574>
					84,762	84,762
					\$ 79,188	\$ 79,188
					=====	=====
					\$ 43,952	\$ 43,952
					\$< 75,572>	\$< 75,572>
					160,334	160,334
					\$ 84,762	\$ 84,762
					=====	=====

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

Notes to the Basic Financial Statements

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

The City of West Point, Georgia (the "City"), which was incorporated in 1854 under the provisions of the State of Georgia, has a population of 3,382 living within an area of 4.8 square miles. The City is a Georgia municipal corporation and operates under a charter adopted in 1900, and is a City Administrator/Mayor and Council form of government.

The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, housing and urban development, sanitation, recreation, natural gas, electricity, water and sewer, and general administrative services.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, and component units and other organizations that are included to ensure that the financial statements are not misleading.

The component unit is a legally separate organization for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; the City is obligated for the debt of the organization.

The discretely presented component unit generally is reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

The following component units are discretely presented in the reporting entity:

The West Point Development Authority, (the "Authority"), consists of a board appointed by the governing authority of the City. The Authority promotes the industrial and economic development of the City. Although it is legally separate from the City, the Council appoints all of the Authority's board members and provides a substantial portion of the Authority's funding. However, the City does not control the operations of the Authority. The Authority is reported as a component unit in the City's financial statements due to its financial dependence on the City. Separate financial statements are not prepared by the Authority.

The Downtown West Point Development Authority (the "DDA") consists of a board appointed by the governing authority of the City. The DDA promotes the growth of Downtown area. Although it is legally separate from the City, the Council appoints all of the DDA's board members and provides a substantial portion of the DDA's funding. However, the City does not control the operations of the DDA. The DDA is reported as a component unit in the City's financial statements due to its financial dependence on the City. Separate financial statements are prepared by the DDA.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Government-wide Financial Statements – The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information for the City as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The fiduciary funds are reported by type.

Fund Accounting – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

General Fund – Major Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

Capital Project – Major Fund – These Funds and SPLOST proceeds account for the activities carried out by the City from intergovernmental grants for Infrastructure, construction and land acquisition under terms of certain municipal agreements.

Special Revenue – Non-Major Fund – These funds account for the activities carried out by the City from user fees designated for a particular purpose or under terms of certain intergovernmental grants.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise funds.

Water and Sewer System Fund – Major Fund - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City.

Electric Fund – Major Fund - This fund is used to account for the operations of the City's electric system.

Gas Fund – Major Fund - This fund is used for the operation of the City's natural gas system.

Sanitation Fund – Major Fund - This fund is used for the operation of the City's sanitation system.

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses, including depreciation.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types and fiduciary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting on both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within twelve months of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 4-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred revenue.

Expenses/Expenditures – (including Prepaid) On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable. Expenditure recognition for prepaids in governmental funds are recognized during the benefiting periods.

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations. Investments are stated at fair value based upon quoted market prices.

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

1-E-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings and Plant*	40 years	40 – 50 years
Machinery and Equipment	7 – 12 years	7 – 25 years
Vehicles	7 – 25 years	7 – 25 years
Infrastructure	25 – 50 years	25 – 50 years

*Includes Water and Sewer lines.

1-E-6. Compensated Absences

Neither vacation nor sick leave benefits are paid at termination neither does the unused vacation rollover to the subsequent year. Therefore, compensated absences are not accrued.

1-E-7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds.

1-E-8. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the straight line method.

At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

1-E-9. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations demonstrate management’s intent to set aside these resources for specific services.

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net asset amount also is adjusted by any bond issuance deferred amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-10. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, electric and sanitation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program.

1-E-11. Non-Operating Revenues and Expenses

Non-operating revenues are those revenues not generated directly from the primary activity of the proprietary funds. For the City, these revenues are interest revenues generated from cash holdings. Non-operating expenses are not considered necessary costs incurred to provide the good or service related to the primary activity of each program. The City’s proprietary non-operating expenses are interest expense incurred on the related debt and amortization of a deferred loss.

1-E-12. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-13. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from fund responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-14. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

1-E-15. Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Changes in Accounting Principles, Fund Reclassifications and Restatement of Equity Balances

2-A. Changes in Accounting Principles

None.

Note 3 – Stewardship, Compliance and Accountability

3-A. Budgetary Information

The City adopts an annual operating budget for the general fund, each special revenue fund and each enterprise fund. A project budget is adopted for each projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The City Manager may transfer funds from one object or purpose to another within the same department
- The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as management control device during the year for all budgeted funds.

3-B. Excess of Expenditures Over Appropriations

The following funds reported expenditures/expenses over appropriations:

None.

Note 4 – Detailed Notes on All Funds

4-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the City or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the City's name.

The City's deposits are classified as follows at December 31, 2010:

(in thousands of dollars)	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 6,456	\$ -----	\$ -----	\$ 6,456	\$ 6,456
	=====	=====	=====	=====	=====
Component Unit:					
West Point Development Authority	\$ 197	\$ -----	\$ -----	\$ 199	\$ 197
Downtown West Point Development Authority	7	-----	-----	7	7
	\$ 204	\$ -----	\$ -----	\$ 206	\$ 204
	=====	=====	=====	=====	=====

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Investments – Primary Government – Investments of the City are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the City's agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name. The City also participates in the Georgia Fund 1. The participation is minimal and account balance at December 31, 2010 is zero.

(Amounts Expressed in Thousands)	Category			Carrying
Investment Instrument	1	2	3	Amount/ Fair Value
Georgia Fund One	\$ ----	\$ ----	\$ ----	\$ ----
City of West Point Certificates of deposit	<u>122</u>	<u>----</u>	<u>----</u>	<u>122</u>
Grand Total	<u>\$ 122</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 122</u>

Cash and Cash Equivalents Reconciliation:

	Primary Government
Fund Reporting Level:	
Governmental Funds – Balance Sheet	\$ 1,949,054
Proprietary Fund Type Statement of Net Assets	<u>4,506,734</u>
Total Carrying Amount	<u>\$ 6,455,788</u>

4-B. Receivables

Receivables at December 31, 2010, consisted of taxes, grants, and accounts (billings for user charges).

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

4-C. Property Taxes

Normally, property tax levies are set by the City Council in September of each year for collection in the following fiscal year beginning January 1. Troup County spreads all levies over assessable property. Taxes are levied annually by the City and for the year ended December 31, 2010, the levy occurred on October 1, 2010. Real and personal property taxes are due December 3, 2010. Property taxes receivable become a lien on January 16, 2011 and are recorded in the General Fund usually in November of each fiscal year.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

4-D. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

(in thousands of dollars)

	Balance 12/31/09	Additions	Deductions	Balance 12/31/10
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 100	\$ -----	\$ -----	\$ 100
Construction in Progress	1,245.5	-----	-----	1,245.5
Total Non Depreciable Assets	<u>\$1,345.5</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$1,345.5</u>
Depreciable Capital Assets:				
Furniture and Fixtures	\$ 305	\$ -----	\$ -----	\$ 305
Buildings and Plant	4,043	-----	-----	4,043
Vehicles, Machinery and Equipment	3,980	87	-----	4,067
Infrastructure	<u>3,782</u>	<u>175</u>	<u>-----</u>	<u>3,957</u>
Total Depreciable Capital Assets	<u>\$ 12,110</u>	<u>\$ 262</u>	<u>\$ -----</u>	<u>\$ 12,372</u>
Accumulated Depreciation				
Furniture and Fixtures	\$ 129	\$ 5	\$ -----	\$ 134
Buildings and Plant	1,365	93	-----	1,458
Vehicles, Machinery and Equipment	1,611.5	247	-----	1,858.5
Infrastructure	<u>1,241</u>	<u>125</u>	<u>-----</u>	<u>1,366</u>
Total Accumulated Depreciation	<u>\$4,346.5</u>	<u>\$ 470</u>	<u>\$ -----</u>	<u>\$4,816.5</u>
Governmental Activities Depreciable Capital Assets, Net	<u>\$7,763.5</u>	<u>\$< 208></u>	<u>\$ -----</u>	<u>\$7,555.5</u>
Total Non and Depreciable Capital Assets	<u>\$ 9,109</u>	<u>\$< 208></u>	<u>\$ -----</u>	<u>\$ 8,901</u>
	=====	=====	=====	=====
Governmental Activities Depreciation Expense:				
General Government		\$ 101		
Police		79		
Fire		145		
Street and Right of Way		119		
Culture and Recreation		18		
Housing and Urban Development		<u>8</u>		
Total Governmental Activities Depreciation Expense		<u>\$ 470</u>		
		=====		
	Balance 12/31/09	Additions	Deductions	Balance 12/31/10
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 53	\$ -----	\$ -----	\$ 53
Construction In Progress	4,715	273	-----	4,988
Total Non-Depreciated Assets	<u>\$ 4,768</u>	<u>\$ 273</u>	<u>\$ -----</u>	<u>\$ 5,041</u>
Depreciable Capital Assets:				
Buildings and Plant	\$ 33,823	\$ 1,470	\$ -----	\$ 35,293
Vehicles, Machinery and Equipment	1,792	115	-----	1,907
Total Depreciable Capital Assets	<u>\$ 35,615</u>	<u>\$ 1,585</u>	<u>\$ -----</u>	<u>\$ 37,200</u>
Accumulated Depreciation				
Buildings and Plant	\$ 6,669	\$ 255	\$ -----	\$ 6,924
Vehicles, Machinery & Equipment	743	100	-----	843
Total Accumulated Depreciation	<u>\$ 7,412</u>	<u>\$ 355</u>	<u>\$ -----</u>	<u>\$ 7,767</u>
Business-Type Activities Depreciable Capital Assets, Net	<u>\$ 28,203</u>	<u>\$ 1,230</u>	<u>\$ -----</u>	<u>\$ 29,433</u>
Total Non and Depreciable Capital Assets	<u>\$ 32,971</u>	<u>\$ 1,503</u>	<u>\$ -----</u>	<u>\$ 34,474</u>
Component Unit:				
West Point Development Authority	\$ 798	\$ -----	\$ -----	\$ 798
Downtown West Point Development Authority	61	-----	-----	61
	<u>\$ 859</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 859</u>

*Current Depreciation

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

4-E. Interfund Balances and Transfers

Interfund balances at December 31, 2010, consisted of the following amounts. The inter fund balances are not expected to be paid in one year from the date of the financial statements and have existed for more than one year and the original purpose of the inter fund balances were to finance capital acquisitions in other funds.

Payable To:	Payable From:			Total
	Water and Sewer Fund	Non-Major Special Revenue Funds	Capital Projects	
General Fund	\$ 72,725 =====	\$ 1,386 =====	\$ ----- =====	\$ 74,111 =====

Interfund transfers for the year ended December 31, 2010, consisted of the following:

Transfers To:	Transfers From:				Total
	General Fund	Electric Fund	Gas Fund	Capital Projects Fund	
General Fund	\$ -----	\$ 1,036,400	\$ 156,384	\$ -----	\$ 1,192,784
Sanitation Fund	140,662	-----	-----	-----	140,662
Water & Sewer Fund	-----	-----	-----	165,712	165,712
Total	\$ 140,662 =====	\$ 1,036,400 =====	\$ 156,384 =====	\$ 165,712 =====	\$ 1,499,158 =====

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

4-F. Revenue Bonds Payable

The City issued Water and Sewerage Bonds Series 1978 on June 1, 1978. The bonds were issued (1) to finance Water and Sewer Plant Additions, (2) to fund in whole a debt service reserve; and (3) to pay all expenses incident to the issuance of the bonds. The bonds are secured by a first lien on and payable solely from the net revenues of the system. The 1978 Series Revenue Bonds were completely defeased in 2010.

The City issued Water and Sewer Bond Series Revenue A and B 2001 on June 1, 2001. The Bond Series of 2001 proceeds paid all expenses incident to the issuance of the bonds. The bonds are secured by a first lien on and payable solely from the net revenues of the system and the proceeds were used for water and sewer plant additions.

The City issued Water & Sewer Bond Series 2008 Bonds. The Bond Series of 2008 proceeds paid all expenses incident to the issuance of the Bonds. The Bonds are secured by a first lien on and payable solely from the net revenues of the system and the proceeds were used for water and sewer plant additions.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

The following is a summary of revenue bond transactions of the City for the year ended December 31, 2010.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*2001 Series A	4.50% to 4.50%	\$ 4,064,508	\$< 55,529>	\$ 4,008,979
**2001 Series B	4.50% to 4.50%	711,834	< 9,739>	7,020,095
^2010 Series	4.125%	9,463,000	< 21,991>	9,441,009
		\$14,239,342	\$< 87,259>	\$14,152,083
		=====	=====	=====

*Original issue amount \$4,393,830 - Purpose to Construct Water and Sewer Treatment Plant

**Original issue amount \$ 769,580 - Purpose to Construct Water and Sewer Treatment Plant

^Original issue amount \$9,463,000

The annual principal maturities of the debt during the years following 2010 are as follows:

Year	2001 A	2001 B	2010	2001 A Interest	2001 B Interest	2010 Interest
2011	\$ 57,621	\$ 9,924	\$ 20,557	\$ 179,595	\$ 31,655	\$ 319,587
2012	60,032	10,134	21,988	177,187	31,445	318,156
2013	63,668	11,843	22,741	173,548	29,736	317,403
2014	66,324	11,617	23,519	170,889	29,962	316,625
2015	72,548	12,709	130,238	164,668	28,839	209,906
2016 - 2020	415,961	69,656	154,108	770,119	147,084	1,546,612
2021 - 2025	520,697	87,195	182,353	665,383	120,545	1,518,367
2026 - 2030	651,808	109,150	215,775	534,272	71,109	1,484,945
2031 - 2035	815,930	136,631	255,322	370,150	36,702	1,445,398
2036 - 2040	798,352	171,038	302,117	352,728	3,107	1,398,603
2041 - 2045	486,038	72,198	282,449	12,864	-----	1,418,271
2046 - 2050	-----	-----	334,217	-----	-----	1,366,503
2051 - 2055	-----	-----	482,870	-----	-----	1,217,850
2056 - 2060	-----	-----	483,972	-----	-----	1,216,748
2061 - 2065	-----	-----	572,674	-----	-----	1,128,046
2066 - 2070	-----	-----	677,633	-----	-----	1,023,087
2071 - 2075	-----	-----	801,830	-----	-----	898,890
2076 - 2080	-----	-----	948,789	-----	-----	751,931
2081 - 2085	-----	-----	1,122,683	-----	-----	578,037
2086 - 2090	-----	-----	1,328,447	-----	-----	372,273
2091 - 2095	-----	-----	1,076,717	-----	-----	312,002
	\$ 4,008,979	\$ 702,095	\$ 9,441,009	\$ 3,571,403	\$ 628,774	\$19,159,240

Interest expense for 2010 amounted to \$573,809 for the above and has been expended within the accompanying financial statements.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

4-G. Notes Payable and Capital Leases

General Obligation Debt – The City has issued general obligation debt to provide funds for the purchase of a new E-911 equipment, vehicles, fire truck, street loader, and ambulance. The debt is a direct obligation of the City and is pledged by the full faith and credit of the City. General obligation debt currently outstanding as of December 31, 2010, is as follows:

Name	Interest Rate	Balance Beginning of Year	Additions	(Reductions) in Indebtedness	Balance End of Year	Original Debt Amount
Street Loader	4.46%	\$ 24,583	\$ -----	\$ < 23,824 >	\$ 759	\$ 85,040
Ambulance	3.73%	2,697	-----	< 2,697 >	-----	115,067
E-911 Equip	5.17%	45,020	-----	< 31,538 >	13,482	145,241
Fire Truck	4.39%	818,890	-----	< 42,416 >	777,092	850,000
Police Cars	1.70%	33,002	-----	< 16,280 >	16,722	43,910
P&Z Vehicle	4.50%	10,504	-----	< 7,573 >	2,931	15,564
Total		\$ 934,696	\$ -----	\$ < 124,328 >	\$ 810,986	\$ 1,254,822
		=====	=====	=====	=====	=====

Annual debt service requirements and interest to maturity are as follows:

Year Ending December 31	Loader Truck		E-911 Equip	
	Principal	Interest	Principal	Interest
2011	\$ 759	\$ -----	\$ 13,482	\$ 177

Year Ending December 31	Fire Truck		Police Vehicles		Planning & Zoning Vehicle	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 44,225	\$ 33,232	\$ 16,722	\$ 800	\$ 2,931	\$ 73
2012	46,205	31,252	-----	-----	-----	-----
2013	48,275	29,182	-----	-----	-----	-----
2014	50,437	27,020	-----	-----	-----	-----
2015-2019	235,473	151,812	-----	-----	-----	-----
2020-2024	352,477	35,338	-----	-----	-----	-----
Totals	\$ 777,092	\$ 307,836	\$ 16,722	\$ 800	\$ 2,931	\$ 73

Interest expense on the above amounted to \$38,373 and has been expended within the accompanying financial statements.

Enterprise Funds – The following lists of the notes payable of the City as of December 31, 2010 for the Enterprise Funds:

Georgia Environmental Facilities Authority – Water and Sewerage Fund - \$ 8,749,094

The loan proceeds are financing Water and Sewer lines and infrastructure for the new industrial park and KIA Motors site. The loan is not finalized and at present no terms are available.

BB&T Bank – Gas Fund - \$ 2,521,910

The loan proceeds are financing gas line replacement. The loan is not finalized and at present no terms are available except interest is 4.19% and is paid quarterly on the outstanding balance. The interest paid for 2010 was \$104,339.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2010:

	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Governmental Activities					
General Obligation Debt					
(Street Loader)	\$ 24,583	\$ -----	\$< 23,824>	\$ 759	\$ 759
(Ambulance)	2,697	-----	< 2,697>	-----	-----
(E-911 Equipment)	45,020	-----	< 31,538>	13,482	13,482
(Fire Truck)	818,390	-----	< 42,416>	777,092	44,225
(Police Vehicles)	33,002	-----	< 16,280>	16,722	16,722
(P&Z Vehicle)	10,504	-----	< 7,573>	2,931	2,931
Total Governmental Activities	\$ 934,696	\$ -----	\$< 124,328>	\$ 810,986	\$ 78,119
	=====	=====	=====	=====	=====
Business-Type Activities					
Water & Sewer Revenue Bonds					
(Water line extension and plants)	\$14,239,342	\$ -----	\$< 87,259>	\$14,152,083	\$ 88,102
Water Fund – GEFA Loan	9,905,056	-----	<1,764,177>	8,140,879	-----
Gas Fund – Gas Lines	1,235,086	1,286,824	-----	2,521,910	-----
Total Business-Type Activities	\$25,379,484	\$ 1,286,824	\$<1,851,436>	\$24,814,872	\$ 88,102
	=====	=====	=====	=====	=====

Capital Lease Payable

Gas Fund – Enterprise Fund – Purchased a new gas vehicle through Georgia Municipal Authority under a Capital Lease. At the end of the lease, the ownership of the capital asset will transfer to the City. Original Costs of Asset: \$36,500

Year Ending December 31,	Minimum Lease Payment	Interest
2011	\$ 4,465*	\$ 150
	=====	=====

*represents present value of lease payments.

	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Gas Vehicle	\$ 14,714	\$ -----	\$ 18,541	\$ 4,465	\$ 4,465
	=====	=====	=====	=====	=====

Component Unit

Component Unit- The following is a summary of the Notes Payable of the West Point Development Authority as of December 31, 2010. The Authority purchased and financed two vehicles and presently leases them to the State of Georgia.

Name	Interest Rate	Balance Beginning of Year	Additions	Deletions	Balance End of Year
2 Vehicles	5.79%	\$ 8,388	\$ -----	\$ 8,388	\$ -----

Original debt amount - \$48,546 – Purpose to purchase two Kia vehicles.

Interest expense on the above amounted to \$224 and has been expended within the accompanying financial statements.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

4-H. Pensions

GMEBS Plan

Plan Description- The City passed an ordinance whereby it adopted a defined benefit pension plan that covers officials and employees with one or more years of service. The plan benefit provisions are established and may be amended under the authority of the City of West Point's Council. The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. The report may be obtained by writing to:

The Segal Company
2018 Powers Ferry Road, Suite 850
Atlanta, Georgia 30339

Funding Policy – City employees are not required to contribute to GMEBS. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 8.6% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the GMEBS Board of Trustees. The City's contributions to GMEBS for the years ended September 30, 2010, 2009, and 2008 were \$312,506, \$283,198, and \$223,956 respectively. The required contributions for each year, 2010, 2009, and 2008 were \$312,506, \$283,198, and \$223,956 respectively.

Annual Pension Cost – For December 31, 2010 the City's annual pension cost of \$312,506 for GMEBS was equal to the City's required and actual contributions were \$312,506. The required contribution was determined as part of the July 1, 2010, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses); (b) projected salary increases of 5.00% per year for inflation, (c) .50% per year for merit or seniority; and (d) 5.00% per year for post retirement benefit increases. The actuarial value of GMEBS assets was determined using techniques that smooth the effects of short-term volatility in the market of value of investments over a four-year period. GMEBS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis of 30 years, beginning July 1, 1984. The remaining amortization period at December 31, 2010 was 5 years.

(Amounts Expressed in Thousands)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL/ (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
9/1/2008	\$ 4,287	\$ 5,639	\$ 1,353	75.0%	\$ 2,337	57.9%
9/1/2009	4,350	6,236	1,886	76.0%	2,381	79.2%
7/1/2010	4,770	6,763	1,993	69.8%	2,467	80.8%

Schedule of Employer Contributions				
Year Ended	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
9/1/2008	\$ 224	100%	\$ 224	100%
9/1/2009	276	100%	283	100%
7/1/2010	312	100%	312	100%

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

4-I. Equity

Net Assets – Net assets on the government-wide statement of net assets as of December 31, 2010 are as follows:

	(Amounts Expressed in Thousands)	
	Governmental Activities	Business-Type Activities
Invested in capital assets, net of related debt:		
Cost of Capital Assets	\$ 13,719	\$ 43,053
Less Accumulated Depreciation	< 4,818>	< 7,767>
Book Value	8,901	35,286
Less Capital Related Debt	< 811>	< 25,838>
Invested in capital assets, net of related debt	\$ 8,090	\$ 9,448
	=====	=====

Fund Balances – At December 31, 2010, fund balance designations at the fund reporting level are as follows:

	General	Special Revenue	Capital Projects
Designated for Inventory	\$ 84,881	\$ -----	\$ -----
	=====	=====	=====

At December 31, 2010, fund balance reservations at the fund reporting level are as follows:

	Capital Projects	Special Revenue
Reserved for SPLOST Projects	\$1,007,936	\$ -----
Reserved for Tourism (Deficit)	-----	1,664
Total Reserved Funds:	\$1,007,936	\$ 1,664
	=====	=====

4-J. Compliance with Legal Provisions

Grants – In the year ended December 31, 2010, the City received payments from the State of Georgia as follows:

Georgia Bureau of Justice - \$28,482 to fund a safer urban environment.

Hotel/Motel Lodging Tax – During the year ended December 31, 2010, the City levied a 5% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. The West Point Downtown Development Authority has certified that the \$9,796 of lodging tax received from the City during the year ended December 31, 2010 was used for the promotion of tourism. The City collected \$9,796 in hotel/motel tax for the year ending December 31, 2010 and expended \$9,796 for the same period. The expenditures of hotel/motel tax for December 31, 2010 is 100% of the hotel/motel tax collected for the same period, the City owes the West Point Downtown Development Authority \$0 at year end for tourism.

4-K. Other Required Individual Fund Disclosures

Deficit fund balances or retained earnings balances of individual funds: None.

4-L. Segment Information

The following Enterprise funds have been created to provide various services to the general public:

Water and Sewer Fund – established to account for the operation of the City's water and sewer services.

Electric Fund – established to account for the operation of the City's electric services.

Gas Fund – established to account for the operation of the City's natural gas services.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Sanitation Fund – established to account for the operation of the City’s waste collection and disposal services. The Water and Sewer Fund consists of water and sewer system operations, of which the revenues are pledged against revenue bonds. The Electric Fund consists of electric operations and there are no outstanding revenue bonds. The Gas Fund consists of natural gas operations and there are no outstanding revenue bonds. The Sanitation Fund consists of garbage collection and disposal and there are no outstanding revenue bonds.

Segment information for the Enterprise Funds for the year ended December 31, 2010 is not presented here since it is presented in the basic financial statements.

4-M. Commitment and Contingencies

Agreements with Municipal Electric Authority of Georgia

During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the Cities are obligated to purchase, all of the Cities’ bulk power supply requirements for a period not to exceed 50 years. The Cities have agreed to purchase all their future power and energy requirements in excess of that received by the Cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At December 31, 2010, the outstanding debt of the Authority was approximately \$3.91 billion. The City’s guarantee varies by individual projects undertaken by the Authority and totals approximately \$17 million at December 31, 2010.

On January 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the “Trust”), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust’s beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

At December 31, 2010, \$3,431,490 has been placed into the Trust for the benefit of the City, of which \$1,910,100 is available without restriction and \$1,521,390 is subject to restrictions. Of the \$3,431,490 approximately \$2,156,481 has been recognized as revenue for the years ended December 31, 2010 and prior. Due to the restricted nature of the \$1,521,390, the amount is not reported as deferred revenue at December 31, 2010, on the City financial statements.

Pending Litigation or Overtly Threatened Litigation, Claims, or Assessments

The City is presently involved in a number of matters involving pending litigation, overtly threatened litigation, claims, or assessments. While the City intends to defend these actions, the ultimate outcome is uncertain at this time. The City’s management and legal counsel are of the opinion that any unfavorable outcome would not materially affect the financial statements.

4-N. Joint Ventures

Under Georgia Law, the City, in conjunction with other Cities and Counties in the five county west Georgia area, is a member of the Chattahoochee-Flint Regional Development Center (the “RDC”) and is required to pay annual dues thereto.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2010

Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board Membership includes the Chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from: Chattahoochee-Flint Regional Development Center, P.O. Box 1600, Franklin, Georgia 30217.

4-O. Related Organization

The City's Mayor is responsible for appointing all board members of the City of West Point Housing Authority. However, the City has no further accountability for the Authority.

Note 5 – Other Notes

5-A. Closure and Postclosure Care Requirements

GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", require certain disclosures be reported relating to the closure and postclosure care.

The current estimated cost of postclosure is \$0.

The City owned and operated the city landfill until 1990. The landfill was closed in 1990 in order to meet the State of Georgia Solid Waste Reduction requirements. The solid waste disposal is conducted in the Sanitation Fund.

The estimated costs of postclosure are based on the landfill capacity used to date. The landfill capacity used to date is 100 percent. The estimated remaining landfill life is zero years. The current estimated postclosure costs recognized for the year ending are \$0.

The source of the estimated cost of postclosure care requirements are regulated by the Environmental Protection Division of the Environmental Protection Agency. The nature of the postclosure care requirements consist of well monitoring, laboratory analysis, and inspections. The estimated cost of postclosure varies due to environmental changes and requirements stipulated by the Environmental Protection Division. Requirements for post closure are fulfilled.

The City received postclosure certification from the State of Georgia and is not liable for future postclosure activities.

5-B. Risk Management

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage and provide for these risks, the City carries commercial insurance coverage for these risks to the extent deemed prudent by City management. There was no significant reduction in insurance coverage during the year. Losses and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The City participates in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The Fund was established to insure members for liabilities imposed under workers' compensation and employers' liability laws. The Fund is obligated to provide for the cost of claims and related interest incurred by the City under the Workers' Compensation Law of Georgia along with the cost of investigating, negotiation, and defending such claims. The Fund is intended to be self-sustaining through member premiums. Accordingly, the City is required to pay an annual premium to the Fund.

5-C. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

Required Supplementary Information

City of West Point, Georgia
Pension Fund
Required Supplementary Information (Unaudited)

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
01/01/99	\$ 1,702,938	\$ 2,527,640	\$ 824,702	67.4%	\$ 1,675,476	49.2%
01/01/00	1,848,419	3,042,354	1,193,935	60.8%	1,686,603	70.8%
01/01/01	2,100,540	3,356,558	1,256,018	62.6%	1,782,523	70.5%
01/01/02	2,393,470	2,383,395	< 10,075>	100.4%	1,835,782	-0.5%
01/01/03	2,590,545	2,363,586	< 226,959>	109.6%	1,851,572	-12.3%
01/01/04	3,187,172	3,141,136	< 46,036>	102.0%	1,868,362	-2.5%
09/01/05	3,219,117	4,347,578	1,128,461	74.0%	1,822,083	61.9%
09/01/06	3,518,422	4,577,545	1,059,123	76.97%	1,969,272	53.8%
09/01/07	3,934,820	5,235,225	1,300,405	75.0%	2,323,657	55.0%
09/01/08	4,286,570	5,639,418	1,352,848	76.0%	2,336,982	57.9%
10/01/09	4,349,928	6,236,349	1,886,421	69.8%	2,381,226	79.2%
07/01/10	4,770,862	6,763,707	1,992,845	70.6%	2,466,902	80.8%

City of West Point, Georgia

General Fund

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual – GAAP Basis

For The Year Ended December 31, 2010

	Budgeted Amounts		Actual GAAP Basis	Variance Positive <Negative>
	Original	Final		
Revenues				
Tax Revenue	\$ 2,483,456	\$ 2,563,239	\$ 2,563,239	\$ -----
Licenses and Permits	175,000	152,694	152,694	-----
Intergovernmental	351,424	123,879	123,879	-----
Fines and Forfeitures	70,000	140,498	140,498	-----
Charges for Services	131,000	233,836	233,836	-----
Investment Income	-----	1,278	1,278	-----
Miscellaneous & Donations	99,177	220,059	220,059	-----
Total Revenues	<u>\$ 3,310,057</u>	<u>\$ 3,435,483</u>	<u>\$ 3,435,483</u>	<u>\$ -----</u>
Expenditures				
Current				
General Government	\$ 698,050	\$ 723,840	\$ 723,840	\$ -----
Public Safety - Police	1,413,700	1,404,106	1,404,106	-----
Public Safety - Fire	1,004,875	1,091,769	1,091,769	-----
Highways and Streets	528,256	424,494	424,494	-----
Culture and Recreation	23,700	24,259	24,259	-----
Housing and Urban Development	233,400	229,013	229,013	-----
Debt Service				
Principal	92,967	92,790	92,790	-----
Interest	36,709	36,886	36,886	-----
Total Expenditures	<u>\$ 4,031,657</u>	<u>\$ 4,027,157</u>	<u>\$ 4,027,157</u>	<u>\$ -----</u>
Excess of Revenues Over <Under> Expenditures	<u>\$< 721,600></u>	<u>\$< 591,674></u>	<u>\$< 591,674></u>	<u>\$ -----</u>
Other Financing Sources (Uses)				
Transfers In	\$ 601,600	\$ 1,192,784	\$ 1,192,784	\$ -----
Transfers Out	-----	< 140,662>	< 140,662>	-----
Debt Proceeds	120,000	-----	-----	-----
Total Other Financing Sources (Uses)	<u>\$ 721,600</u>	<u>\$ 1,052,122</u>	<u>\$ 1,052,122</u>	<u>-----</u>
Net Change in Fund Balance	<u>\$ -----</u>	<u>\$ 460,448</u>	<u>\$ 460,448</u>	<u>\$ -----</u>
Fund Balance - Beginning of Year	<u>\$ -----</u>	<u>\$ 881,518</u>	<u>\$ 881,518</u>	<u>\$ -----</u>
Fund Balance - End of Year	<u>\$ -----</u>	<u>\$ 1,341,966</u>	<u>\$ 1,341,966</u>	<u>\$ -----</u>
	=====	=====	=====	=====

City of West Point, Georgia
Capital Project Fund
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget (Gaap Basis) and Actual
For The Year Ended December 31, 2010

	SPLOST PROCEEDS		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 3,400,000	\$ 489,670	\$< 2,910,330>
Investment Income	-----	781	781
TOTAL REVENUES	\$ 3,400,000	\$ 490,451	\$< 2,909,549>
EXPENDITURES			
Capital Outlay	\$ 3,400,000	\$ 174,503	\$ 3,225,497
TOTAL EXPENDITURES	\$ 3,400,000	\$ 174,503	\$ 3,225,497
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$ 315,948	\$ 315,948
OTHER FINANCING SOURCES (Uses)			
Transfer Out	\$ -----	\$< 165,712>	\$< 165,712>
TOTAL OTHER FINANCING SOURCES (USES)	\$ -----	\$< 165,712>	\$< 165,712>
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 150,236	\$ 150,236
Fund Balance - Beginning of Year	-----	857,700	-----
Fund Balance - End of Year	\$ ----- =====	\$ 1,007,936 =====	\$ ----- =====

Supplementary Information

City of West Point, Georgia
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget (Gaap Basis) and Actual
Special Revenue Funds
For the Year Ended December 31, 2010

	EMERGENCY TELEPHONE SYSTEM			ORIGINAL & FINAL BUDGET		VARIANCE POSITIVE <NEGATIVE>		HOTEL/MOTEL TAX		VARIANCE POSITIVE <NEGATIVE>	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	POSITIVE <NEGATIVE>		ACTUAL		POSITIVE <NEGATIVE>	
REVENUES											
Hotel/Motel Tax	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----		\$ 9,796	\$ -----	\$ -----	
Charges for Services	90,000	91,951	91,951	91,951	91,951	-----		-----	-----	-----	
Governmental	-----	-----	-----	-----	-----	-----		-----	-----	-----	
Investment Income (Loss)	-----	4	4	4	-----	-----		-----	-----	-----	
TOTAL REVENUES	\$ 90,000	\$ 91,955	\$ 91,955	\$ 91,955	\$ 9,796	\$ -----		\$ 9,796	\$ -----	\$ -----	
EXPENDITURES											
Current											
Public Service	\$ 35,000	\$ 31,947	\$ 31,947	\$ -----	\$ -----	\$ -----		\$ -----	\$ -----	\$ -----	
Culture and Recreation	-----	-----	-----	-----	7,796	-----		7,796	-----	-----	
Capital Outlay	25,000	23,733	23,733	23,733	-----	-----		-----	-----	-----	
Debt Service	30,000	33,025	33,025	33,025	-----	-----		-----	-----	-----	
TOTAL EXPENDITURES	\$ 90,000	\$ 88,705	\$ 88,705	\$ 88,705	\$ 7,796	\$ -----		\$ 7,796	\$ -----	\$ -----	
EXCESS REVENUES OVER <UNDER>	\$ -----	\$ 3,250	\$ 3,250	\$ 3,250	\$ 2,000	\$ -----		\$ 2,000	\$ -----	\$ -----	
Other Financing Sources <Uses>											
Transfer In	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----		\$ -----	\$ -----	\$ -----	
Lease Proceeds	-----	-----	-----	-----	-----	-----		-----	-----	-----	
TOTAL OTHER FINANCING SOURCES <USES>	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----		\$ -----	\$ -----	\$ -----	
Fund Balance – Beginning of Year	-----	80,944	80,944	80,944	< 336 >	-----		< 336 >	-----	-----	
Fund Balance – End of Year	\$ -----	\$ 84,194	\$ 84,194	\$ -----	\$ 1,664	\$ -----		\$ 1,664	\$ -----	\$ -----	

Governmental Funds

City of West Point, Georgia
General Fund
Schedule of Tax Revenues Compared to Budget
For the Year Ended December 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
Sales	\$ 710,000	\$ 692,974	\$ 692,974	\$ -----
City	1,045,656	1,030,040	1,030,040	-----
Ad Valorem	60,000	39,458	39,458	-----
Intangible	10,000	8,179	8,179	-----
Insurance Premium	185,000	182,059	182,059	-----
Malt Beverage and Liquor	204,100	201,132	201,132	-----
Gross Receipts Tax	<u>292,700</u>	<u>409,397</u>	<u>409,397</u>	<u>-----</u>
Total Tax Revenues	\$ 2,507,456 =====	\$ 2,563,239 =====	\$ 2,563,239 =====	\$ ----- =====

City of West Point, Georgia
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended December 31, 2010

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
General Government			
Personnel Services	\$ 300,759	\$ 300,759	\$ -----
Supplies and Materials	20,185	20,185	-----
Other Services and Charges	402,896	402,896	-----
Capital Outlay	-----	-----	-----
Total General Government	<u>\$ 723,840</u>	<u>\$ 723,840</u>	<u>\$ -----</u>
Public Safety			
Police Department			
Personnel Services	\$ 1,053,391	\$ 1,053,391	\$ -----
Supplies and Materials	35,221	35,221	-----
Other Services and Charges	315,494	315,494	-----
Debt Service	17,023	17,023	-----
Capital Outlay	-----	-----	-----
Total Police Department	<u>\$ 1,421,129</u>	<u>\$ 1,421,129</u>	<u>\$ -----</u>
Fire Department			
Personnel Services	\$ 922,866	\$ 922,866	\$ -----
Supplies and Materials	18,080	18,080	-----
Other Services and Charges	145,773	145,773	-----
Debt Service	80,121	80,121	-----
Capital Outlay	5,050	5,050	-----
Total Fire Department	<u>\$ 1,171,890</u>	<u>\$ 1,171,890</u>	<u>\$ -----</u>
Total Public Safety	<u>\$ 2,593,019</u>	<u>\$ 2,593,019</u>	<u>\$ -----</u>
Public Works			
Highways and Streets			
Personnel Services	\$ 161,239	\$ 161,239	\$ -----
Supplies and Materials	14,917	14,917	-----
Other Services and Charges	165,195	165,195	-----
Debt Service	24,699	24,699	-----
Capital Outlay	58,444	58,444	-----
Total Public Works	<u>\$ 424,494</u>	<u>\$ 424,494</u>	<u>\$ -----</u>
Culture and Recreation Study Center			
Supplies and Materials	\$ 3,636	\$ 3,636	\$ -----
Other Services and Charges	20,623	20,623	-----
Total Culture and Recreation Study Center	<u>\$ 24,259</u>	<u>\$ 24,259</u>	<u>\$ -----</u>
Housing and Urban Development			
Planning and Zoning			
Personnel Services	\$ 154,997	\$ 154,997	\$ -----
Supplies and Materials	13,737	13,737	-----
Other Services and Charges	52,448	52,448	-----
Debt Service	7,833	7,833	-----
Capital Outlay	-----	-----	-----
Total Housing and Urban Development	<u>\$ 229,015</u>	<u>\$ 229,015</u>	<u>\$ -----</u>
Total General Fund	<u>\$ 5,415,756</u> =====	<u>\$ 5,415,756</u> =====	<u>\$ -----</u> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Administrative Department
For the Year Ended December 31, 2010

	<u>2010</u>
EXPENDITURES:	
Personnel Services	\$ 206,490
Employee Benefits	94,269
Professional Services	135,964
Repairs and Maintenance	17,917
Insurance	37,728
Training and Education	27,666
Donations - Health and Welfare	16,241
Public Property Expenditure	7,030
Library Contribution	21,409
Supplies	20,185
Postage	2,924
Telephone	12,488
Utilities	24,153
Miscellaneous	20,637
Fuel and Oil	3,688
Economic Development Expenditure	68,040
Advertisement	2,705
Election Expenditure	1,251
Chattahoochee River Improvements	<u>3,055</u>
Total Administrative Expenditures	\$ 723,840 =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Police Department
For the Year Ended December 31, 2010

	<u>2010</u>
REVENUES:	
Fines and Forfeitures	\$ 137,342
Seizures	4,132
Miscellaneous	<u>-----</u>
Total Revenues	<u>\$ 141,474</u>
EXPENDITURES:	
Personnel Services	\$ 856,943
Employee Benefits	196,448
Professional Services	24,359
Repairs and Maintenance	79,422
Insurance	60,445
Training and Education	15,673
Dog Control	5,346
Recruitment	9,386
Supplies	35,221
Fuel	32,552
Telephone	39,790
Uniforms	14,299
Utilities	21,152
Miscellaneous	<u>13,076</u>
Total Police Department Expenditures	<u>\$ 1,404,106</u>
EXPENDITURES OVER REVENUES	\$ <1,262,632> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Fire Department
For the Year Ended December 31, 2010

	<u>2010</u>
REVENUES:	
Ambulance Calls	\$ 131,676
Fire - Miscellaneous	4,599
Intergovernmental	<u>28,482</u>
Total Revenues	<u>\$ 164,757</u>
EXPENDITURES:	
Personnel Services	\$ 735,099
Employee Benefits	187,767
Professional Services	1,722
Repairs and Maintenance	27,021
Insurance	55,810
Training and Education	8,539
EMS Billing	8,159
Supplies	18,080
Fuel	15,896
Telephone	5,228
Utilities	5,686
Capital Outlay	5,050
Debt Service	80,121
Miscellaneous	4,164
Uniforms and Gear	<u>13,548</u>
Total Fire Department Expenditures	<u>\$ 1,091,769</u>
EXPENDITURES OVER REVENUES	\$< 927,012> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Street Department
For the Year Ended December 31, 2010

	2010
REVENUES:	
Miscellaneous	\$ 86,169
EXPENDITURES:	
Personnel Services	\$ 98,498
Employee Benefits	62,741
Repairs and Maintenance	76,354
Insurance	35,056
Supplies	14,917
Fuel	25,315
Telephone	2,567
Uniforms	3,678
Utilities	4,489
Capital Outlay	58,444
Miscellaneous	17,736
Total Street Department Expenditures	\$ 399,795
EXPENDITURES OVER REVENUES	\$< 313,626> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Study Center
For the Year Ended December 31, 2010

	<u>2010</u>
REVENUES:	\$ <u>1,760</u>
EXPENDITURES:	
Repairs and Maintenance	\$ 10,561
Insurance	1,492
Supplies	3,636
Telephone	537
Utilities	8,033
Miscellaneous	<u>-----</u>
Total Study Center Expenditures	\$ <u>24,259</u>
EXPENDITURES OVER REVENUES	\$< 22,499> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Planning and Zoning
For the Year Ended December 31, 2010

	<u>2010</u>
REVENUES:	
Zoning and Annexations	\$ 300
Land Disturbing Permits	2,092
Land Development Plan Reviews	1,312
Building Permits	<u>22,974</u>
Total Revenues	<u>\$ 26,678</u>
EXPENDITURES:	
Personnel Services	\$ 129,782
Employee Benefits	25,215
Professional Services	25,039
Repairs and Maintenance	3,391
Insurance	13,885
Telephone	2,891
Supplies	13,737
Capital Outlay	-----
Debt Service	7,839
Miscellaneous	<u>7,242</u>
Total Planning and Zoning Expenditures	<u>\$ 221,182</u>
EXPENDITURES OVER REVENUES	\$< 194,504> =====

City of West Point, Georgia
Combining Balance Sheet
Special Revenue Funds – Non-Major
For the Year Ended December 31, 2010

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/ MOTEL TAX	2010
ASSETS				
Cash and Cash Equivalents	\$ -----	\$ 70,819	\$ -----	\$ 70,819
Receivables				
Accounts	497,810	16,425	-----	514,235
Due from Other Funds	<u>-----</u>	<u>-----</u>	<u>1,664</u>	<u>1,664</u>
TOTAL ASSETS	<u>\$ 497,810</u>	<u>\$ 87,244</u>	<u>\$ 1,664</u>	<u>\$ 586,718</u>
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ -----	\$ -----	\$ -----	\$ -----
Due to other Funds	-----	3,050	-----	3,050
Due to Rural Development	<u>497,810</u>	<u>-----</u>	<u>-----</u>	<u>497,810</u>
Total Liabilities	<u>\$ 497,810</u>	<u>\$ 3,050</u>	<u>\$ -----</u>	<u>\$ 500,860</u>
Fund Balance				
Unreserved	\$ -----	\$ 84,194	\$ -----	\$ 84,194
Reserved	<u>-----</u>	<u>-----</u>	<u>1,664</u>	<u>1,664</u>
Total Fund Balance	<u>\$ -----</u>	<u>\$ 84,194</u>	<u>\$ 1,664</u>	<u>\$ 85,858</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 497,810</u>	<u>\$ 87,244</u>	<u>\$ 1,664</u>	<u>\$ 586,718</u>
	=====	=====	=====	=====

City of West Point, Georgia
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2010

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/MOTEL TAX	Total 2010
REVENUES				
Hotel/Motel Tax	\$ -----	\$ -----	\$ 9,796	\$ 9,796
Charges for Services	-----	91,951	-----	91,951
Intergovernmental	30,000	-----	-----	30,000
Investment Income (Loss)	-----	4	-----	4
Contributions	-----	-----	-----	-----
TOTAL REVENUES	\$ 30,000	\$ 91,955	\$ 9,796	\$ 131,751
EXPENDITURES				
Current				
Public Services	\$ -----	\$ 31,947	\$ -----	\$ 31,947
Culture and Recreation	-----	-----	7,796	7,796
Intergovernmental	30,000	-----	-----	30,000
Capital Outlay	-----	23,733	-----	23,733
Debt Service	-----	33,025	-----	33,025
TOTAL EXPENDITURES	\$ 30,000	\$ 88,705	\$ 7,796	\$ 126,501
Excess of Revenues Over <Under> Expenditures	\$ 30,000	\$ 3,250	\$ 2,000	\$ 5,250
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -----	\$ -----	\$ -----	\$ -----
Lease Proceeds	-----	-----	-----	-----
TOTAL OTHER FINANCING SOURCES (USES)	\$ -----	\$ -----	\$ -----	\$ -----
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 3,250	\$ 2,000	\$ 5,250
Fund Balance - Beginning of Year	-----	80,944	< 336>	80,608
Fund Balance - End of Year	\$ ----- =====	\$ 84,194 =====	\$ 1,664 =====	\$ 85,858 =====

City of West Point, Georgia
Capital Projects Fund
Balance Sheet
For the Year Ended December 31, 2010

	SPLOST Proceeds
ASSETS	
Cash and Cash Equivalents	\$ 916,311
Receivables	
Accounts	-----
Intergovernmental	<u>91,625</u>
TOTAL ASSETS	\$ 1,007,936
	=====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Due to other Funds	<u>-----</u>
Total Liabilities	\$ -----
Fund Balance	
Unreserved	\$ -----
Reserved	<u>1,007,936</u>
Total Fund Balance	\$ 1,007,936
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,007,936
	=====

City of West Point, Georgia
Capital Assets Used in the
Operation of Governmental Funds
Comparative Schedules by Source
For the Year Ended December 31, 2010 and 2009

	2010	2009
General Fixed Assets		
Land and Land Improvements	\$ 140,759	\$ 140,759
Buildings	4,042,991	4,042,991
Furniture and Fixtures	304,611	304,611
Vehicles, Machinery and Equipment	4,067,650	3,980,422
Infrastructure	3,804,375	3,782,116
Construction in Progress	<u>1,358,400</u>	<u>1,206,156</u>
Total General Fixed Assets	\$13,718,786	\$13,457,055
	=====	=====
Investment in General Fixed Assets From:		
General Fund Revenues	\$10,363,507	\$10,300,013
Special Revenue Funds and Capital Projects Fund	<u>3,355,279</u>	<u>3,157,042</u>
Total Investment in General Fixed Assets	\$13,718,786	\$13,457,055
	=====	=====

City of West Point, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes in General Fixed
Assets by Function and Activity
For the Year Ended December 31, 2010

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
General Government	\$ 1,954,484	\$ 6,974	\$ -----	\$ 1,961,458
Public Safety				
Police Protection	1,038,436	39,018	-----	1,077,454
Fire Protection	1,984,619	5,050	-----	1,989,669
Highways and Streets	4,458,371	58,445	-----	4,516,816
Culture and Recreation	3,177,993	-----	-----	3,177,993
Cemetery	175,051	-----	-----	175,051
Planning and Zoning	55,435	-----	-----	55,435
SPLOST CIP	612,666	152,244	-----	764,910
	\$13,457,055	\$ 261,731	\$ -----	\$13,718,786
	=====	=====	=====	=====

Proprietary Funds

City of West Point, Georgia
Water and Sewer Fund
Comparative Statements of Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,627,193	\$ 555,099
Accounts Receivable		
Utility	523,461	419,143
Inventory	37,414	40,406
Prepaid Insurance	3,517	-----
Total Current Assets	\$ 2,191,585	\$ 1,014,648
Restricted Assets		
Restricted Cash	\$ 117,534	\$ 30,888
Investments	122,100	122,100
Total Restricted Assets	\$ 239,634	\$ 152,988
Capital Assets - Net	\$ 30,603,687	\$ 30,459,260
Total Assets	\$ 33,034,876	\$ 31,626,896
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 21,844	\$ 41,670
Accrued Liabilities	-----	6,867
Interfund	72,725	48,419
Total Current Liabilities	\$ 94,569	\$ 96,956
Liabilities Payable from Restricted Assets		
Customer Deposits	\$ 23,748	\$ 23,023
Revenue Bonds - Current	67,545	64,924
Notes Payable - Current	314,099	-----
Total Liabilities Payable from Restricted Assets	\$ 405,392	\$ 87,947
Long-Term Liabilities		
Revenue Bonds - Long-Term	\$ 4,581,917	\$ 24,079,474
Notes Payable - Long-Term	17,329,401	-----
Total Long-Term Liabilities	\$ 21,911,318	\$ 24,264,377
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 8,428,259	\$ 6,314,862
Reserved for Debt Service	239,634	152,814
Unrestricted	1,955,704	894,843
Total Net Assets	\$ 10,623,597	\$ 7,362,519
	=====	=====

City of West Point, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Water System	\$ 1,565,102	\$ 1,131,584
Sewer System	1,216,756	762,130
Sewer Capacity Fees	-----	24,052
Other	18,612	7,600
	<hr/>	<hr/>
Total Operating Revenues	\$ 2,800,470	\$ 1,925,366
	<hr/>	<hr/>
Operating Expenses		
Personnel Services and Benefits	\$ 439,456	\$ 397,536
Supplies	257,893	266,417
Repairs and Maintenance	174,912	126,624
Professional/Technical Services	86,261	42,958
Utilities	288,198	-----
Other Operating	304,695	250,037
Depreciation	244,026	232,174
Amortization	-----	693
	<hr/>	<hr/>
Total Operating Expenses	\$ 1,795,441	\$ 1,316,439
	<hr/>	<hr/>
Operating Income	\$ 1,005,029	\$ 608,927
	<hr/>	<hr/>
Non-Operating Revenues (Expenses)		
Investment Income	\$ 1,575	\$ 3,388
Interest Expense	< 670,530>	< 221,190>
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	\$< 668,955>	\$< 217,802>
	<hr/>	<hr/>
Net Income <Loss> before Capital Contributions And Operating Transfers	\$ 336,074	\$ 391,125
	<hr/>	<hr/>
Capital Contributions	2,759,292	993,415
	<hr/>	<hr/>
Transfers In	165,712	-----
	<hr/>	<hr/>
Change in Net Assets	\$ 3,261,078	\$ 1,384,540
	<hr/>	<hr/>
Net Assets - Beginning of Year	7,362,519	5,977,979
	<hr/>	<hr/>
Net Assets - End of Year	\$10,623,597	\$ 7,362,519
	=====	=====

City of West Point, Georgia
Electric Fund
Comparative Statements of Net Assets
For the Year Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,184,668	\$ 1,910,099
Receivables		
Accounts	520,117	545,935
Inventory	189,944	191,316
Pre-Paid Insurance	<u>2,192</u>	<u>-----</u>
Total Current Assets	<u>\$ 2,896,921</u>	<u>\$ 2,647,350</u>
Capital Assets - Net	<u>\$ 753,420</u>	<u>\$ 722,067</u>
Total Assets	<u>\$ 3,650,341</u>	<u>\$ 3,369,417</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 25,677	\$ 55,213
Accrued Liabilities	5,658	11,367
Customer Deposits	<u>59,383</u>	<u>60,777</u>
Total Current Liabilities	<u>\$ 90,718</u>	<u>\$ 127,357</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 753,420	\$ 722,067
Unrestricted	<u>2,806,203</u>	<u>1,691,124</u>
Total Net Assets	<u>\$ 3,559,623</u> =====	<u>\$ 3,242,060</u> =====

City of West Point, Georgia
Electric Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Electricity Sales	\$ 5,331,291	\$ 4,896,711
Other	900	-----
MEAG Trust	<u>443,747</u>	<u>407,437</u>
Total Operating Revenues	<u>\$ 5,775,038</u>	<u>\$ 5,304,148</u>
Operating Expenses		
Personnel Services and Benefits	\$ 576,217	\$ 512,976
Electric System Supplies	235,011	202,348
Repairs and Maintenance	82,433	176,760
Electric Purchases	3,394,120	3,253,375
System Improvements	618	6,810
Depreciation	37,327	31,882
Insurance	26,739	28,057
Other Operating	<u>68,610</u>	<u>202,662</u>
Total Operating Expenses	<u>\$ 4,421,075</u>	<u>\$ 4,414,870</u>
Operating Income	<u>\$ 1,550,586</u>	<u>\$ 889,278</u>
Transfers Out	<u>\$ <1,036,400></u>	<u>\$ <1,036,400></u>
Change in Net Assets	\$ 317,563	\$ < 147,122>
Net Assets - Beginning of Year	<u>3,242,060</u>	<u>3,389,182</u>
Net Assets - End of Year	<u>\$ 3,559,623</u> =====	<u>\$ 3,242,060</u> =====

City of West Point, Georgia
Gas Fund
Comparative Statements of Net Assets
For the Year Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 577,239	\$ 19,999
Receivables		
Accounts	564,028	542,537
Other	1,603	-----
Inventory	192,028	152,216
Prepaid Items	<u>2,934</u>	<u>-----</u>
Total Current Assets	<u>\$ 1,337,832</u>	<u>\$ 714,752</u>
Capital Assets - Net	<u>\$ 2,720,665</u>	<u>\$ 1,471,289</u>
Total Assets	<u>\$ 4,058,497</u>	<u>\$ 2,186,041</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 260,538	\$ 317,704
Accrued Liabilities	4,196	780
Customer Deposits	33,456	30,774
Capital Leases Payable - Current	<u>4,465</u>	<u>14,714</u>
Total Current Liabilities	<u>\$ 302,655</u>	<u>\$ 363,972</u>
Long-Term Liabilities		
Notes Payable	\$ 2,625,611	\$ 1,235,086
Lease Payable - Non-Current	<u>-----</u>	<u>8,292</u>
Total Long-Term Liabilities	<u>\$ 2,625,611</u>	<u>\$ 1,243,378</u>
Total Liabilities	<u>\$ 2,928,266</u>	<u>\$ 1,607,350</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 90,589	\$ 213,197
Unrestricted	<u>282,412</u>	<u>365,494</u>
Total Net Assets	<u>\$ 1,130,231</u> =====	<u>\$ 578,691</u> =====

City of West Point, Georgia
Gas Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Gas Sales	\$ 2,282,041	\$ 1,651,434
Other	-----	6,035
Total Operating Revenues	<u>\$ 2,282,041</u>	<u>\$ 1,657,469</u>
Operating Expenses		
Personnel Services and Benefits	\$ 160,164	\$ 239,953
Repairs and Maintenance	21,419	13,971
Gas Purchases	1,145,267	937,281
Insurance	15,934	21,667
Supplies	51,763	18,143
Other Operating	37,782	61,922
Contract Labor	-----	-----
Depreciation	<u>37,449</u>	<u>20,232</u>
Total Operating Expenses	<u>\$ 1,469,778</u>	<u>\$ 1,313,169</u>
Operating Income	\$ 812,263	\$ 344,300
Non-Operating Revenues (Expenses)		
Interest Expense	< 104,339>	< 104,411>
Transfers In/<Out>	<u>< 156,384></u>	<u>< 162,806></u>
Change in Net Assets	\$ 551,540	\$ 77,083
Net Assets - Beginning of Year	<u>578,691</u>	<u>501,608</u>
Net Assets - End of Year	<u>\$ 1,130,231</u> =====	<u>\$ 578,691</u> =====

City of West Point, Georgia
Sanitation Fund
Comparative Statements of Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Receivables		
Accounts	\$ 23,108	\$ 24,954
Other	<u>12</u>	<u>445</u>
Total Current Assets	\$ 23,120	\$ 25,399
Capital Assets - Net	\$ 396,840	\$ 318,147
Total Assets	\$ 419,960	\$ 343,546
	=====	=====
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 3,127	\$ 3,300
Accrued Liabilities	1,847	7,606
Current Portion of Lease Payable	<u>21,622</u>	<u>-----</u>
Total Current Liabilities	\$ 26,596	\$ 10,906
Long-Term Liabilities		
Non-Current Portion of Lease Payable	\$ 82,082	\$ -----
Total Long-Term Liabilities	\$ 82,082	\$ -----
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 293,136	\$ 318,147
Unrestricted	<u>18,146</u>	<u>14,493</u>
Total Net Assets	\$ 311,282	\$ 332,640
	=====	=====

City of West Point, Georgia
Sanitation Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Garbage Fees	\$ 324,305	\$ 333,292
Other	-----	-----
Total Operating Revenues	<u>\$ 324,305</u>	<u>\$ 333,292</u>
Operating Expenses		
Personnel Services and Benefits	\$ 271,544	\$ 214,028
Repairs and Maintenance	33,588	10,168
Insurance	39,526	36,450
Landfill Fees	35,099	32,729
Supplies	41,443	10,880
Other Operating	14,187	24,210
Depreciation	36,207	36,439
Recycling and Grinding	<u>13,394</u>	<u>5,265</u>
Total Operating Expenses	<u>\$ 484,988</u>	<u>\$ 370,169</u>
Operating Income <Loss>	\$< 160,683>	\$< 36,877>
Non-Operating Revenues <Expenses>		
Interest Expense	< 1,337>	-----
Transfers In	<u>140,662</u>	<u>9,170</u>
Change in Net Assets	\$< 21,358>	\$< 27,707>
Net Assets - Beginning of Year	<u>332,640</u>	<u>360,347</u>
Net Assets - End of Year	\$ 311,282 =====	\$ 332,640 =====

SPLOST Reporting Schedule

City of West Point, Georgia
Schedule of Projects Constructed
with Special Sales Tax Proceeds
For the Year Ended December 31, 2010

PROJECT	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR		
Green Space	\$ 125,000	\$ 256,923	\$ 1,586	\$ 258,509	100.0%
Public Safety Facilities and Equipment	1,150,000	237,042	79,231	316,273	27.5%
Roads and Streets	125,000	70,668	5,120	75,788	60.6%
Sewer (Waste Water Collection and Treatment)	2,000,000	612,666	88,566	701,232	35.1%
Total	\$3,400,000	\$1,177,299	\$ 174,503	\$1,351,802	
	=====	=====	=====	=====	

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Phone: (770)358-3737

Fax: (770) 358 - 3787

Honorable Mayor and Members
of the City Council
West Point, Georgia

Gentlemen:

We have concluded our examination of the financial statements of the City of West Point, Georgia for the year ended December 31, 2010. As we noted in our engagement letter, our firm believes that an auditor's responsibilities should include recommendations to the entity being audited for needed improvements to the financial and managerial systems. This letter includes the major observations and recommendations that we felt should be brought to your attention.

Budgetary Control:

The budgetary process is an important element of proper control and financial planning and can be further refined by estimating revenues from taxes, police fines, utility service charges, and interest income. Many non-profit organizations (and for profits) find it helpful to monitor the budgetary process in order to achieve better control of cash flow and expenditures. The budget should be prepared and approved before the beginning of a new fiscal year. The budget may be amended as necessary for various changes during the year. We suggest the budget be reviewed periodically to determine if the budgeted line items have been properly utilized. We also suggest the budget amendments be made on a monthly/quarterly basis as the City Councilman and management encounter various financial changes.

Financial Records:

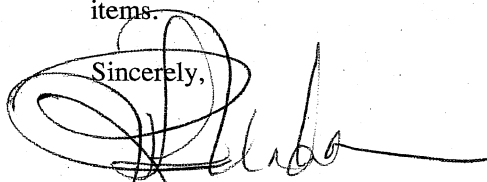
We found the financial records to be in good order. We did, however, make the appropriate year end adjustments.

The City's management is to be commended for meeting all financial obligations and liabilities without any loans for normal operations.

The Financial status of the various funds is as follows: the General Fund increased \$460,448 due to an increase in transfers from the Utility Funds. Enterprise funds had a combined surplus of \$4,108,823 after operating transfers to the General Fund of \$1,052,122. Great strides were made in the Water and Sewer Fund on construction of the pollution control plant and installing additional water lines. The Gas Fund replaced over one million dollars in gas pipes. We commend the City on the financial decisions made to improve the quality of its residents well being and the financial status of the City.

We certainly appreciate the cooperation and promptness extended by Mr. Moon, Richard, Virginia, Erica and the other staff members during our engagement. We also appreciate the more than adequate working facilities provided to us. We will be available to discuss the matters reported and to answer any questions you may have on these items.

Sincerely,



J. Robyn Underwood, CPA, P.C.
March 20, 2011