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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, 2012. 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 \$455,210 due to an increase in revenues and a decrease in expenditures. The construction of the new fire station is completed. Enterprise funds had a combined surplus of \$572,158 after operating transfers to the General Fund of \$907,812. The water and sewer revenues continue to increase upon completion of the pollution control plant and water line installations. 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, and Virginia 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 15, 2013

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Financial Highlights for the City of West Point FYE 2012

General Fund

An increase of \$584,114 was reported for FYE 2012 in the Fund Balance; the net position in the government wide statements for the General Fund increased by \$685,792.

The major General Fund Capital purchase was for the Fire Station \$3,228,925. Overall tax revenue increased \$861,037 due to increase in property taxes and franchise taxes. The total gross revenues increased \$924,906 over the prior year. The total General Fund expenditures decreased \$301,024 from the prior year, only requiring a transfer from the Proprietary Funds of \$758,753 (net); a decrease of \$489,078 from FYE 2011.

Special Revenue Fund

This fund consists of the E911 Fund. The City received \$100,290 in revenue funds and spent \$46,924 on operations.

Capital Projects Fund

This fund is comprised of the 2008 and 2012 Troup County SPLOST accounts. The 2008 SPLOST received \$548,925 in SPLOST proceeds and disbursed \$920,988 on voter approved Capital Outlay. The City issued SPLOST revenue bonds for the 2012 SPLOST projects in the amount of \$4,505,000. The amount expended on capital projects during 2012 was \$2,651,704.

The Capital Projects Fund is also comprised of the 2004 and 2009 Harris County SPLOST. The 2004 Harris County SPLOST expended \$165,114 on land for recreational purposes. The City received \$116,250 from the 2009 Harris County SPLOST for Water/Sewer approved projects.

Proprietary Funds

Water and Sewerage Fund

The net position of the Water and Sewerage Fund increased \$273,330 during the 2012. The Water and Sewerage Fund received a \$116,250 transfer for the approved Water Pollution Control Facility Construction from the 2009 Harris County SPLOST.

Electric Fund

The net position of the Electric Fund increased \$107,267. The operating expenses increased \$263,897 over the prior year and the transfer to General Fund decreased \$289,531 from the prior year.

Gas Fund

The net position of the Gas Fund increased \$188,019 even though the gross revenue was \$290,023 less than the prior year due to less usage. The expenses were also less by \$129,074 than the prior year. The transfers from the Gas Fund to the General Fund were \$25,940 and \$180,447 less than the prior year.

Sanitation Fund

The net position of the Sanitation Fund increased \$3,542 during the 2012. The charges for services increased by \$9,564 compared to the prior year. The expenses increased \$4,704 over 2011. General Fund transfers to the Sanitation Fund were \$149,059.



City of West Point, Georgia
Financial Statements for the
Fiscal Year Ended December 31, 2012
Independent Auditor's Report

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City of West Point, Georgia
Annual Financial Report
For the Year Ended December 31, 2012

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City of West Point, Georgia
Annual Financial Report
For the Year Ended December 31, 2012

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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 aggregate discretely presented component units, 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, 2012, 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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Point, Georgia as of December 31, 2012 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 15, 2013 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, pension information 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" and a long, sweeping horizontal stroke at the end.

J. Robyn Underwood, CPA
Barnesville, Georgia
March 15, 2013

Management's Discussion and Analysis

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2012

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, 2012. 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 \$29,875,568 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 1. Capital assets, net of related debt, of \$16,757,031 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 \$3,639,442 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, unassigned General Fund fund balance increased from \$1,317,404 to \$1,772,614,. This increase of \$455,210 is approximately 5.8 percent of total General Fund expenditures.
- The City's governmental funds reported total ending fund balance of \$5,177,103. This compares to the prior year ending fund balance of \$2,988,417 showing an increase of \$2,188,686 during the current year. The increases in fund balances are mainly due to the increase transfers from other funds.
- At the end of the current fiscal year, unassigned fund balance for the City's governmental funds was \$1,772,614, or 14.95 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 an 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, 2012

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 and governable 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 two Capital Project Funds – 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, 2012

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 \$29,894,818. 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	
	2012	2011	2012	2011	2012	2011
Assets:						
Current Assets	\$ 5,795,503	\$ 3,627,003	\$ 7,298,124	\$ 6,971,249	\$ 13,093,627	\$ 10,598,252
Non-Current Assets	16,284,053	9,604,151	35,303,178	35,584,080	51,587,231	45,188,231
Total Assets	\$ 22,079,556	\$ 13,231,154	\$ 42,601,302	\$ 42,555,329	\$ 64,680,858	\$ 55,786,483
Liabilities						
Current Liabilities	\$ 618,400	\$ 638,586	\$ 119,339	\$ 204,014	\$ 737,739	\$ 842,600
Long-Term Liabilities	8,802,390	1,215,127	25,265,161	25,706,671	34,067,551	25,921,798
Total Liabilities	\$ 9,420,790	\$ 1,853,713	\$ 25,384,500	\$ 25,910,685	\$ 34,805,290	\$ 27,764,398
Net Assets:						
Investments in Capital						
Assets, Net of Debt	\$ 7,481,663	\$ 8,389,024	\$ 9,275,368	\$ 9,160,185	\$ 16,757,031	\$ 17,549,209
Restricted	2,750,425	1,123,421	889,017	836,945	3,639,442	1,960,366
Unrestricted	2,426,678	1,864,996	7,052,417	6,647,514	9,479,095	8,512,510
Total Net Assets	\$ 12,658,766	\$ 11,377,441	\$ 17,216,802	\$ 16,644,644	\$ 29,875,568	\$ 28,022,085
	=====	=====	=====	=====	=====	=====

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 9.37 to 1 and 61 for business type activities. For the City overall, the current ratio is 12.5 to 1. The national trend indicators state that the normal ratio is 2 to 1. The City's ratio as stated is 17.7 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 \$17,216,802. 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 \$1,281,325 for governmental activities and increased \$572,158 for business-type activities. The City's overall financial position improved during fiscal year 2012.

Note that approximately 59 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 54 percent of its net assets on capital. Capital assets in business-type activities provide utility services and generate revenues for these funds. Fifty-six 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, 2012

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	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program:						
Charges for Services	\$ 687	\$ 716	\$ 11,235	\$ 11,110	\$ 11,922	\$ 11,826
Operating Grants	48	25	-----	-----	48	25
Capital Grants	1,296	938	-----	116	1,296	1,054
General:						
Property Taxes	1,679	1,165	-----	-----	1,679	1,165
Sales Taxes	735	648	-----	-----	735	648
Other Taxes	1,215	950	-----	-----	1,215	950
Interest	1	7	2	2	3	9
Other	84	145	-----	-----	84	145
Total Revenues	\$ 5,745	\$ 4,594	\$ 11,237	\$ 11,228	\$ 16,982	\$ 15,822
Program Expenses:						
General Government	\$ 1,095	\$ 998	\$ -----	\$ -----	\$ 1,095	\$ 998
Public Safety	3,023	2,926	-----	-----	3,023	2,926
Public Service	567	593	-----	-----	567	593
Culture and Recreation	119	76	-----	-----	119	76
Housing and Urban Development	270	246	-----	-----	270	246
Interest	32	34	-----	-----	32	34
Water and Sewer System	-----	-----	3,495	2,538	3,495	2,538
Electric System	-----	-----	4,985	4,721	4,985	4,721
Gas System	-----	-----	1,055	1,198	1,055	1,198
Sanitation System	-----	-----	488	484	488	484
Total Expenses	\$ 5,106	\$ 4,873	\$ 10,023	\$ 8,941	\$ 15,129	\$ 13,814
Excess (deficiency)	\$ 639	\$ < 279 >	\$ 1,214	\$ 2,287	\$ 1,853	\$ 2,008
Transfers	642	1,131	< 642 >	< 1,248 >	-----	< 117 >
Change in Net Assets	\$ 1,281	\$ 852	\$ 572	\$ 1,039	\$ 1,853	\$ 1,891
Beginning Net Assets	\$ 11,377	\$ 10,525	\$ 16,664	\$ 15,625	\$ 28,041	\$ 26,150
Ending Net Assets	\$ 12,658	\$ 11,377	\$ 17,236	\$ 16,664	\$ 29,894	\$ 28,041
	=====	=====	=====	=====	=====	=====

GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes, sales taxes, and franchise taxes to support governmental operations. Property taxes provided 29 percent, sales taxes provided 13 percent, and the franchise taxes provided 12 percent of the City's total governmental revenues. Also, note that program revenues cover only 40 percent of governmental operating expenses. This means that the government's taxpayers, the City's other general revenues, and transfers in fund 60 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, 2012

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 60 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 \$388,279 for fiscal year ended December 31, 2012. The second largest City cost for government is the general government totaling \$1,094,879 or 21 percent of governmental expenses.

- The cost of all governmental activities this year was \$5,106,184.
- The revenue amount that paid for most of these activities came from City property taxes, sales tax and business taxes (\$3,433,215).
- Some of the costs were paid by those who benefited directly from the programs (\$687,440) and subsidies from other governments and organizations through grants and/or contributions (\$1,344,657).

	Governmental Activities (Table 3) (in thousands of dollars)			
	FY 2012 Total Cost of Services	FY 2011 Total Cost of Services	FY 2012 Net Cost of Services	FY 2011 Net Cost of Services
General Government	\$ 1,095	\$ 998	\$ 299	\$ 846
Public Safety	3,023	2,926	2,462	1,951
Public Works	567	593	178	462
Culture and Recreation	119	76	< 144>	< 161>
Housing and Urban Development	270	246	247	196
Interest	32	34	32	34
Total	\$ 5,106 =====	\$ 4,873 =====	\$ 3,074 =====	\$ 3,328 =====

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The cost of all Proprietary (Business-Type) activities this year was \$10,023,090 as shown in Table 2 (Summary of Changes in Net Assets), the amounts paid by the users of the systems were \$11,235,563 and additionally the business-type activities earned \$2,188 in interest from idle cash. Within the total business-type activities of the City, these activities reported a \$1,212,473 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 \$5,177,103. Of this year-end total, \$1,772,614 is unreserved, unassigned indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show an increase of \$2,188,686 or a 42 percent increase. This increase relates primarily to the increase in revenues and bond debt proceeds.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2012

Major Governmental Funds

Total revenues were \$554,023 or 12.4 percent greater than fiscal year 2011. Property taxes increased 14 percent over the prior year and sales taxes were 1.3 percent greater not including SPLOST proceeds. The Operating and Capital Grant increased \$254,677 over 2011. Franchise taxes increased \$199,944 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 2012 was \$1,518,908. Operating revenues were 8 percent above those in fiscal year 2011 due to the increase in water sales to KIA and other manufacturers and operating expenses increased 8 percent from the prior year. The electric had an operating income of \$989,139 versus an operating income of \$1,106,510 in the prior year. Operating revenues were 2.5 percent above those in fiscal year 2011 and operating expenses were 5 percent above the prior year. The gas fund operating income for 2012 was \$346,280. Operating revenues were 19 percent below the prior year while operating expenses were 16 percent below the prior year. The sanitation fund's operating revenue for fiscal year ending December 31, 2012 was \$342,700 and the operating expenses were \$485,562 for 2012.

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 2012. We expended 100 percent of the final budget.

Comparing the FY 2012 original adopted budget for the General Fund to the final budget shows a net increase of fourteen 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, 2012 was \$16,284,053 and \$35,303,178 respectively. The major additions and deletions to capital for FY 12 were:

- A capital expense associated with infrastructure (road improvements, sidewalks, etc.) was \$7,569,426. Primary expenses in this category went for repaving, water and sewer lines, fire station, and recreation improvements.
- Equipment expenditures totaled \$ 109,988.

City of West Point, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended DECEMBER 31, 2012

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

(in thousands of dollars)	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land and Construction in progress	\$ 6,147	\$ 2,291	\$ 686	\$ 661	\$ 6,833	\$ 2,952
Depreciable assets:						
Furniture and Fixtures	\$ 305	\$ 305	\$ -----	\$ -----	\$ 305	\$ 305
Buildings and Plant	7,272	4,043	15,038	15,038	22,310	19,081
Vehicles, Machinery and Equipment	4,270	4,188	2,040	1,988	6,310	6,176
Infrastructure	4,162	4,077	25,694	25,482	29,856	29,559
Total Depreciable Assets	\$ 16,009	\$ 12,613	\$ 42,772	\$ 42,508	\$ 58,781	\$ 55,121
Less Accumulated Depreciation	5,872	5,300	9,080	8,422	14,952	13,722
Book Value- Depreciable Assets	\$ 10,137	\$ 7,313	\$ 33,692	\$ 34,086	\$ 43,829	\$ 41,399
Percentage Depreciated	37%	42%	22%	20%	25%	25%
Total Capital Assets	\$ 16,284	\$ 9,604	\$ 34,378	\$ 34,747	\$ 50,662	\$ 44,351
	=====	=====	=====	=====	=====	=====

At December 31, 2012, the depreciable capital assets for governmental activities were 37 percent depreciated. This compares to the December 31, 2011 at a decrease of 5 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 22 percent depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$13,914,222. The bonds are secured by a first lien on and payable solely from the net revenues of the system and SPLOST proceeds.

During the year, the City retired \$170,320 or 1 percent of the ending outstanding bonded debt balance.

Outstanding Borrowings as of December 31, 2012
(in thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
SPLOST Bonds	\$ 4,505	\$ -----	\$ -----	\$ -----	\$ 4,505	\$ -----
Revenue Bonds	-----	-----	13,914	14,085	13,914	14,085
Total	\$ 4,505	\$ -----	\$ 13,914	\$ 14,085	\$ 18,419	\$ 14,085
	=====	=====	=====	=====	=====	=====

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, 2012

The KIA Motors America Plant and other plants have increased the water/sewer sales for 2012. These additional revenues serve as debt repayment on the water/sewer system. The City completed construction of a new fire station. The financing for the new station is provided by a USDA loan. Also, the property tax revenue increased during 2012 due to additional tax from inventory values. This additional revenue decreased the burden on proprietary funds by decreasing the amount of transfers to general fund for operating needs.

Some of the changes for 2012 were:

Revenues from the electric utility increased slightly from 2011. The natural gas system's gross revenues decreased over 2011 due to the warm winter temperatures. Revenues for water system and wastewater systems increased over 2011.

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 Positions
For the Year Ended December 31, 2012

	Primary Government			Non-Major Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 4,788,083	\$ 5,000,243	\$ 9,788,326	\$ 335,354
Receivables (Net of Allowance)				
Taxes	154,024	-----	154,024	-----
Accounts	760,364	1,715,372	2,475,736	-----
Internal Balances	< 162,074 >	162,074	-----	-----
Due From Other Governments	140,425	-----	140,425	-----
Inventory	13,487	405,973	419,460	15,933
Pre-Paid Insurance	20,894	14,462	35,356	-----
Pre-Paid Interest	80,300	-----	80,300	-----
Total Current Assets	<u>\$ 5,795,503</u>	<u>\$ 7,298,124</u>	<u>\$13,093,627</u>	<u>\$ 351,287</u>
Non-Current Assets				
Restricted Cash and Investments	\$ -----	\$ 889,017	\$ 889,017	\$ -----
Capital Assets:				
Land and Construction in Progress	6,366,427	685,899	7,052,326	849,430
Other Capital Assets, Net of Accumulated Depreciation	9,917,626	33,728,262	43,645,888	909
Total Non-Current Assets	<u>\$16,284,053</u>	<u>\$35,303,178</u>	<u>\$51,587,231</u>	<u>\$ 850,339</u>
Total Assets	<u>\$22,079,556</u>	<u>\$42,601,302</u>	<u>\$64,680,858</u>	<u>\$ 1,201,626</u>
Liabilities				
Current Liabilities				
Accounts and Claims Payable	\$ 58,212	\$ 89,313	\$ 147,525	\$ -----
Accrued Liabilities	92,378	30,026	122,404	-----
Due to Rural Development	467,810	-----	467,810	-----
Total Current Liabilities	<u>\$ 618,400</u>	<u>\$ 119,339</u>	<u>\$ 737,739</u>	<u>\$ -----</u>
Non-Current Liabilities				
Customer Deposits	\$ -----	\$ 126,368	\$ 126,368	\$ -----
Due within One Year	163,898	665,255	829,153	-----
Due in more than One Year	8,638,492	24,473,538	33,112,030	-----
Total Non-Current Liabilities	<u>\$ 8,802,390</u>	<u>\$25,265,161</u>	<u>\$34,067,551</u>	<u>\$ -----</u>
Total Liabilities	<u>\$ 9,420,790</u>	<u>\$25,384,500</u>	<u>\$34,805,290</u>	<u>\$ -----</u>
Net Positions				
Net Investment in Capital Assets	\$ 7,481,663	\$ 9,275,368	\$16,757,031	\$ 850,339
Restricted For:				
Capital Assets/Projects	2,750,425	154,935	2,905,360	-----
Debt Service	-----	734,082	734,082	-----
Unrestricted	<u>2,426,678</u>	<u>7,052,417</u>	<u>9,479,095</u>	<u>351,287</u>
Total Net Positions	<u>\$12,658,766</u> =====	<u>\$17,216,802</u> =====	<u>\$29,875,568</u> =====	<u>\$ 1,201,626</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, 2012

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	\$ 1,094,879	\$ 130,294	\$ -----	\$ 665,674	\$< 298,911>
Public Safety	3,023,046	388,279	48,340	124,209	< 2,462,218>
Public Service	567,064	109,092	-----	280,000	< 177,972>
Culture and Recreation	119,219	36,573	-----	226,434	143,788
Housing and Urban Development	269,722	23,202	-----	-----	< 246,520>
Interest on Long-Term Debt	32,254	-----	-----	-----	< 32,254>
Total Governmental Activities	\$ 5,106,184	\$ 687,440	\$ 48,340	\$ 1,296,317	\$< 3,074,087>
Business-Type Activities					
Water and Sewer System	\$ 3,495,448	\$ 3,650,340	\$ -----	\$ -----	\$ 154,892
Electric System	4,984,774	5,973,913	-----	-----	989,139
Gas System	1,054,651	1,268,610	-----	-----	213,959
Sanitation System	488,217	342,700	-----	-----	< 145,517>
Total Business-Type Activities	\$ 10,023,090	\$ 11,235,563	\$ -----	\$ -----	\$ 1,212,473
Total Primary Government	\$ 15,129,274	\$ 11,923,003	\$ 48,340	\$ 1,296,317	\$< 1,861,614>
Non-Major Discretely Presented Component Units					
West Point Development Authority	\$ 114,490	-----	\$ 120,000	-----	\$ 5,510
Downtown West Point Development Authority	42,646	-----	-----	-----	< 42,646>
	\$ 157,136	-----	\$ 120,000	-----	\$< 37,136>
					Non-Major Discretely Presented Component Units
Changes in Net Positions			Primary Government	Total	
		Governmental Activities	Business-Type Activities		
Net (Expense) Revenue	\$< 3,074,087>	\$ 1,212,473	\$< 1,861,614>	\$< 37,136>	
General Revenues Taxes					
General Purpose Taxes	\$ 1,678,891	\$ -----	\$ 1,678,891	\$ 71,401	
Malt Beverage and Liquor	292,489	-----	292,489	-----	
Sales Tax	735,472	-----	735,472	-----	
Insurance Premium	173,174	-----	173,174	-----	
Franchise Tax	678,999	-----	678,999	-----	
Hotel/Motel Tax	8,425	-----	8,425	-----	
Motor Vehicle (Ad Valorem)	47,364	-----	47,364	-----	
Intangible	8,532	-----	8,532	-----	
Unrestricted Investment Earnings	1,307	2,188	3,495	172	
Restricted Investment Earnings	3,978	-----	3,978	-----	
Miscellaneous	84,278	-----	84,278	68,875	
Transfers - Internal Activities	642,503	< 642,503>	-----	-----	
Total General Revenues and Transfers	\$ 4,355,412	\$< 640,315>	\$ 3,715,097	\$ 140,448	
Change in Net Positions	\$ 1,281,325	\$ 572,158	\$ 1,853,483	\$ 103,312	
Net Positions - Beginning of Year	11,377,441	16,663,894	28,041,335	1,098,314	
Net Positions - End of Year	\$ 12,658,766	\$ 17,236,052	\$ 29,894,818	\$ 1,201,626	

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, 2012

	Major Governmental Funds				Non-Major Governmental Funds		Total Governmental Funds
	General	Capital Projects			Other Funds	Governmental Funds	
		SPLOST-Troup 08	SPLOST-Troup 12				
Assets							
Cash and Cash Equivalents	\$ 2,119,137	\$ 388,473	\$ 1,961,191	\$ 319,282		\$ 4,788,083	
Receivables (Net of Allowance)							
Taxes	154,024	-----	-----	-----		154,024	
Intergovernmental	-----	92,157	-----	48,268		140,425	
Other	349,307	-----	-----	411,057		760,364	
Due from Other Funds	2,193	-----	28,826	-----		31,019	
Inventory	13,487	-----	-----	-----		13,487	
Pre-Paid Insurance	20,894	-----	-----	-----		20,894	
Pre-Paid Interest	-----	-----	80,300	-----		80,300	
Total Assets	\$ 2,659,042	\$ 480,630	\$ 2,070,317	\$ 778,607		\$ 5,988,596	
	=====	=====	=====	=====		=====	
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 58,212	-----	-----	-----		\$ 58,212	
Accrued Liabilities	92,378	-----	-----	-----		92,378	
Due to Other Funds	162,074	-----	-----	31,019		193,093	
Due to Rural Development	-----	-----	-----	467,810		467,810	
Total Liabilities	\$ 312,664	-----	-----	\$ 498,829		\$ 811,493	
	=====	=====	=====	=====		=====	
Fund Balances							
Nonspendable - Inventory & Prepaid Expenditures	\$ 34,381	-----	\$ 80,300	-----		\$ 114,681	
Restricted - Capital Projects	-----	480,630	1,990,017	125,442		2,596,089	
Restricted - Economic Development	-----	-----	-----	8,248		8,248	
Restricted - Public Service	-----	-----	-----	137,999		137,999	
Restricted - Tourism	-----	-----	-----	8,089		8,089	
Assigned - River Project	34,935	-----	-----	-----		34,935	
Assigned - Fire Station	466,808	-----	-----	-----		466,808	
Assigned - Law Enforcement	37,640	-----	-----	-----		37,640	
Unassigned	1,772,614	-----	-----	-----		1,772,614	
Total Fund Balances	\$ 2,346,378	\$ 480,630	\$ 2,070,317	\$ 279,778		\$ 5,177,103	
	=====	=====	=====	=====		=====	
Total Liabilities and Fund Balances	\$ 2,659,042	\$ 480,630	\$ 2,070,317	\$ 778,607		\$ 5,988,596	
	=====	=====	=====	=====		=====	

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 Positions
For the Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
Total Fund Balance - All Governmental Funds	\$ 5,177,103	\$ 2,988,417
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	16,284,053	9,604,151
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 and Net Pension Obligation, are not Due and Payable in the Current Period and, therefore, are not Reported in the Funds	<u><8,802,390></u>	<u><1,215,127></u>
Net Positions of Governmental Activities	\$12,658,766 =====	\$11,377,441 =====

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, 2012

	Major Governmental Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects		Other Funds		
		SPLOST-Troup 08	SPLOST-Troup 12			
Revenues						
Taxes	\$ 3,614,921	\$			\$ 8,425	\$ 3,623,346
Licenses and Permits	147,796					147,796
Intergovernmental	44,829	548,925			396,250	990,004
Charges for Services	219,500				100,290	319,790
Fines, Forfeitures and Penalties	219,855					219,855
Investment Income	1,307	346			4,131	5,784
Miscellaneous & Donations	221,411					221,411
Total Revenues	\$ 4,469,619	\$ 549,271	\$		\$ 509,096	\$ 5,527,986
Expenditures						
Current:						
General Government	\$ 830,145		\$ 141,721			\$ 971,866
Public Safety	6,073,315					6,073,315
Public Service	431,437				46,924	478,361
Culture and Recreation	95,344					95,344
Housing and Urban Development	264,026					264,026
Capital Outlay						
Current Operations		920,988	2,509,983		439,950	3,870,921
Debt Service:						
Principal Retirements	68,130					68,130
Interest	32,254					32,254
Total Expenditures	\$ 7,794,651	\$ 920,988	\$ 2,651,704		\$ 486,874	\$11,854,217
Excess of Revenues Over <Under> Expenditures	\$<3,325,032>	\$< 371,717>	\$<2,651,704>		\$ 22,222	\$<6,326,231>
Other Financing Sources (Uses)						
Debt Proceeds	\$ 3,150,393		\$ 4,722,021			\$ 7,872,414
Transfers In/<Out> - Net	758,753				< 116,250>	642,503
Total Other Financing Sources (Uses)	\$ 3,909,146		\$ 4,722,021		\$< 116,250>	\$ 8,514,917
Change in Fund Balance	\$ 584,114	\$< 371,717>	\$ 2,070,317		\$< 94,028>	\$ 2,188,686
Fund Balance - Beginning of Year	\$ 1,762,264	\$ 852,347	\$		\$ 373,806	\$ 2,988,417
Fund Balance - End of Year	\$ 2,346,378	\$ 480,630	\$ 2,070,317		\$ 279,778	\$ 5,177,103

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, 2012

	2012	2011
Net Change in Fund Balances - All Governmental Funds	\$ 2,188,686	\$ 535,407
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	7,252,179	1,186,432
Depreciation	< 572,277>	< 484,234>
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	68,130	90,363
Principal from Long-Term Debt	<7,655,393>	< 494,504>
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 Net Pension Obligation	-----	-----
Change in Net Positions of Governmental Activities	\$ 1,281,325 =====	\$ 833,464 =====

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

Proprietary Funds

City of West Point, Georgia

Proprietary Funds

Statement of Net Positions

For the Year Ended December 31, 2012

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 1,774,350	\$ 2,179,434	\$ 1,046,459	\$ -----	\$ 5,000,243
Receivables					
Accounts	630,278	573,549	484,137	27,408	1,715,372
Interfund	162,074	-----	-----	-----	162,074
Inventory	54,193	208,863	142,917	-----	405,973
Pre-Paid Insurance	11,528	-----	2,934	-----	14,462
Total Current Assets	\$ 2,632,423	\$ 2,961,846	\$ 1,676,447	\$ 27,408	\$ 7,298,124
Non-Current Assets					
Restricted Assets					
Restricted Investments	\$ 122,100	-----	-----	-----	\$ 122,100
Restricted Cash	766,917	-----	-----	-----	766,917
Capital Assets - Net	30,466,116	745,096	2,862,798	340,151	34,414,161
Total Non-Current Assets	\$31,355,133	\$ 745,096	\$ 2,862,798	\$ 340,151	\$35,303,178
Total Assets	\$33,987,556	\$ 3,706,942	\$ 4,539,245	\$ 367,559	\$42,601,302
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 44,430	\$ 36,025	\$ 2,659	\$ 6,199	\$ 89,313
Accrued Liabilities	13,092	6,811	2,051	8,072	30,026
Capital Lease - Current	-----	-----	-----	23,226	23,226
Notes Payable and Revenue Bonds - Current	506,839	-----	135,190	-----	642,029
Total Current Liabilities	\$ 564,361	\$ 42,836	\$ 139,900	\$ 37,497	\$ 784,594
Long-Term Liabilities					
Customer Deposits	\$ 26,537	\$ 62,109	\$ 37,722	-----	\$ 126,368
Capital Leases Payable	-----	-----	-----	36,445	36,445
Notes Payable/Revenue Bonds	21,558,649	-----	2,878,444	-----	24,437,093
Total Long-Term Liabilities	\$21,585,186	\$ 62,109	\$ 2,916,166	\$ 36,445	\$24,599,906
Total Liabilities	\$22,149,547	\$ 104,945	\$ 3,056,066	\$ 73,942	\$25,384,500
Net Positions					
Net Investment in Capital Assets	\$ 8,400,628	\$ 745,096	\$ < 150,836>	\$ 280,480	\$ 9,275,368
Restricted for Debt Service	734,082	-----	-----	-----	734,082
Restricted for Capital Assets	154,935	-----	-----	-----	154,935
Unrestricted	2,548,364	2,856,901	1,634,015	13,137	7,052,417
Total Net Positions	\$11,838,009	\$ 3,601,997	\$ 1,483,179	\$ 293,617	\$17,216,802

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 Positions

For the Year Ended December 31, 2012

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Operating Revenues					
Water and Sewer System	\$ 3,563,708	\$ -----	\$ -----	\$ -----	\$ 3,563,708
Gas System	-----	-----	1,266,381	-----	1,266,381
Electric System	-----	5,833,857	-----	-----	5,833,857
Sanitation System	-----	-----	-----	342,700	342,700
Other (including intergovernmental)	86,632	140,056	2,229	-----	228,917
Total Operating Revenues	\$ 3,650,340	\$ 5,973,913	\$ 1,268,610	\$ 342,700	\$11,235,563
Operating Expenses					
Water and Sewer System	\$ 1,585,367	\$ -----	\$ -----	\$ -----	\$ 1,585,367
Gas System	-----	-----	303,445	-----	303,445
Electric System	-----	1,031,094	-----	-----	1,031,094
Sanitation System	-----	-----	-----	458,788	458,788
Gas Purchases	-----	-----	575,434	-----	575,434
Electric Purchases	-----	3,911,506	-----	-----	3,911,506
Depreciation	546,065	42,174	43,451	26,774	658,464
Total Operating Expenses	\$ 2,131,432	\$ 4,984,774	\$ 922,330	\$ 485,562	\$ 8,524,098
Operating Income <Loss>	\$ 1,518,908	\$ 989,139	\$ 346,280	\$ < 142,862>	\$ 2,711,465
Non-Operating Revenues (Expenses)					
Investment Income	\$ 2,188	\$ -----	\$ -----	\$ -----	\$ 2,188
Interest Expense	<1,364,016>	-----	< 132,321>	< 2,655>	<1,498,992>
Total Non-Operating Revenues (Expenses)	\$ <1,364,016>	\$ -----	\$ < 132,321>	\$ < 2,655>	\$ <1,496,804>
Net Income <Loss> before Capital Contributions and Transfers	\$ 157,080	\$ 989,139	\$ 213,959	\$ < 145,517>	\$ 1,214,661
Capital Contributions	-----	-----	-----	-----	-----
Transfers In <Out>	116,250	< 881,872>	< 25,945>	149,059	< 642,503>
Change in Net Positions	\$ 273,330	\$ 107,267	\$ 188,019	\$ 3,542	\$ 572,158
Net Positions - Beginning of Year	11,583,929	3,494,730	1,295,160	290,075	16,663,894
Net Positions - End of Year	\$11,857,259	\$ 3,601,997	\$ 1,483,179	\$ 293,617	\$17,236,052
	=====	=====	=====	=====	=====

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, 2012

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 3,743,298	\$ 5,963,629	\$ 1,282,059	\$ 341,979	\$ 11,330,965
Cash Paid to Suppliers	< 1,068,410>	< 4,434,942>	< 788,678>	< 175,247>	< 6,467,277>
Cash Paid to Employees	< 509,284>	< 490,375>	< 170,373>	< 290,725>	< 1,460,757>
Net Cash Provided By Operating Activities	\$ 2,165,604	\$ 1,038,312	\$ 323,008	\$ 123,993>	\$ 3,402,931
Cash Flow from Non-Capital Financing Activities					
Interfund Loan	\$< 22,206>	\$ -----	\$ -----	\$ -----	\$< 22,206>
Transfers In <Out>	116,250	< 881,872>	< 25,940>	149,059	< 642,503>
Increase/<Decrease> in Customer Deposits	1,981	1,772	2,894	-----	6,647
Net Cash Used in Non-Capital Financing Activities	\$ 96,025	\$< 880,100>	\$< 23,046>	\$ 149,059	\$< 658,062>
Cash Flows from Capital and Related Financing Activities					
Principal Payments on Capital Leases	\$< 17,264>	\$ -----	\$ -----	\$< 22,411>	\$< 39,675>
Principal Payments on Notes Payable and Revenue Bonds	< 475,305>	-----	< 129,671>	-----	< 604,976>
Acquisition of Capital Assets	< 289,520>	< 35,970>	-----	-----	< 325,490>
Interest Expense	< 1,364,016>	-----	< 132,321>	< 2,655>	< 1,498,992>
Loan Proceeds	-----	-----	196,494	-----	196,494
Net Cash used in Capital and Related Financing Activities	\$< 2,146,105>	\$< 35,970>	\$< 65,498>	\$< 25,066>	\$< 2,272,639>
Cash Flows from Investing Activities					
Interest Income	\$ 2,188	\$ -----	\$ -----	\$ -----	\$ 2,188
Net Cash provided by Investing Activities	\$ 2,188	\$ -----	\$ -----	\$ -----	\$ 2,188
Net Increase <Decrease> in Cash	\$ 117,712	\$ 122,242	\$ 234,464	\$ -----	\$ 474,418
Cash - Beginning of Year	2,423,555	2,057,192	811,995	-----	5,292,742
Cash - End of Year	\$ 2,541,267*	\$ 2,179,434	\$ 1,046,459	\$ -----	\$ 5,767,160

* Unrestricted \$1,774,350
Restricted \$ 766,917

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, 2012

	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	\$ 1,774,350	\$ 2,179,434	\$ 1,046,459	\$ -----	\$ 5,000,243
Restricted Cash	766,917	-----	-----	-----	766,917
Total	\$ 2,541,267	\$ 2,179,434	\$ 1,046,459	\$ -----	\$ 5,767,160
Cash Flows from Operating Activities					
Operating Income <Loss>	\$ 1,518,908	\$ 989,139	\$ 346,280	\$ < 142,862>	\$ 2,711,465
Adjustment to Reconcile Operating Income to Net Cash					
Provided by Operating Activities					
Depreciation	546,065	42,174	43,451	26,774	658,464
Changes in Operating Assets and Liabilities					
Accounts Receivable	92,958	< 10,284>	13,449	< 721>	95,402
Inventory	5,322	6,665	8,929	-----	20,916
Pre-Paid Insurance	1,359	-----	-----	-----	1,359
Accounts Payable	< 1,668>	6,045	< 87,531>	< 7,595>	< 90,749>
Accrued Liabilities	2,660	4,573	< 1,570>	411	6,074
Net Cash Provided by Operating Activities	\$ 2,165,604	\$ 1,038,312	\$ 323,008	\$ < 123,993>	\$ 3,402,931

Supplemental Schedule of Non-Cash Investing and Financing Activities

Acquisition of Capital Assets	\$ -----	\$ -----	\$ -----	\$ -----
Capital Assets Acquired through Contributions	-----	-----	-----	-----
Total	\$ -----	\$ -----	\$ -----	\$ -----

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

Component Units

City of West Point Development Authority
Statement of Net Positions
For the Year Ended December 31, 2012

	<u>2012</u>
ASSETS	
Current Assets	
Cash	\$ 299,493
Total Current Assets	<u>\$ 299,493</u>
Non-current Assets	
Capital Assets, Net	<u>\$ 789,930</u>
Total Non-Current Assets	<u>\$ 789,930</u>
TOTAL ASSETS	<u>\$ 1,089,423</u> =====
NET POSITIONS	
Invested in Capital Assets, Net of Related Debt	\$ 789,930
Unrestricted	<u>299,493</u>
TOTAL NET POSITIONS	<u>\$ 1,089,423</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 Positions
For the Year Ended December 31, 2012

	<u>2012</u>
Operating Revenue	
Intergovernmental	\$ 120,000
Other	6,375
Bond Fees	62,500
Total Operating Revenue	<u>\$ 188,875</u>
Operating Expenses	
Professional and Legal	\$ 4,582
Community Development/Project	30,256
Office Expenses	9,499
Insurance	3,689
Professional Dues	2,760
Executive Director Contract Fees	55,586
Miscellaneous	5,295
Travel	2,823
Total Operating Expenses	<u>\$ 114,490</u>
Operating Income <Loss>	<u>\$ 74,385</u>
Non-Operating Revenue	
Investment Interest	<u>\$ 172</u>
Change in Net Positions	<u>\$ 74,557</u>
Net Position - Beginning of Year	<u>\$ 1,014,866</u>
Net Position - End of Year	\$ 1,089,423 =====

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

Downtown West Point Development Authority
Statement of Net Positions
For the Period Ending December 31, 2012

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 35,861
Intergovernmental Receivable	15,933
Total Current Assets	<u>\$ 51,794</u>
Non-Current Assets	
Property and Equipment	\$ 2,117
Land	59,500
Accumulated Depreciation	< 1,208 >
Total Non-Current Assets	<u>\$ 60,409</u>
Total Assets	\$ 112,203 =====
Liabilities	\$ -----
Total Liabilities	\$ ----- =====
Net Positions	
Invested in Capital Assets	\$ 60,409
Unrestricted	<u>51,794</u>
Total Net Positions	\$ 112,203 =====

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, 2012

		Program Revenues				Primary Government		Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Total	2011		
Primary Government:									
Government Activities									
General Government	\$ 42,646	\$ -----	\$ -----	\$ -----	\$< 42,646>	\$< 42,646>	\$< 40,451>	\$<	40,451>
Total Governmental Activities	\$ 42,646	\$ -----	\$ -----	\$ -----	\$< 42,646>	\$< 42,646>	\$< 40,451>	\$<	40,451>
Total Primary Government	\$ 42,646	\$ -----	\$ -----	\$ -----	\$< 42,646>	\$< 42,646>	\$< 40,451>	\$<	40,451>
General Revenues									
General Purpose Taxes					\$ -----	\$ -----	\$ -----	\$	-----
Hotel/Motel Tax					71,401	71,401	44,711		
Property Tax									
Total General Revenues					\$ 71,401	\$ 71,401	\$ 44,711	\$	
Change in Net Positions					\$ 28,755	\$ 28,755	\$ 4,260	\$	
Net Positions - Beginning					83,448	83,448	79,188		
Net Positions - Ending					\$ 112,203	\$ 112,203	\$ 83,448	\$	=====

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, 2012

The City of West Point, Georgia (the "City"), which was incorporated in 1828 under the provisions of the State of Georgia, has a population of 3,382 living within an area of 11.7 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; therefore, the financial statements can be obtained by writing to the City of West Point, P.O. Box 487, West Point, GA 31833.

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 the substantial portion of the DDA's funding is collected by the City through an additional Downtown Tax Levy. 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 governing dependence on the City. Separate financial statements are not prepared by the DDA; therefore, the financial statements can be obtained by writing to the City of West Point, P.O. Box 487, West Point, GA 31833.

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, 2012

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, 2012

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 positions. 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 positions. The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total positions. 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 (inflows), 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, 2012

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.

Deferred Inflow/Outflow of Resources – Deferred inflow and outflow of resources are certain items that were previously classified as Assets or Liabilities, but do not meet the criteria for an asset or liability such as deferred revenue defined above and deferred gains and losses on bond debt refunding.

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).

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

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.

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 current charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are not deferred.

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, 2012

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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances 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.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Positions – Net positions represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net positions net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net positions are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net positions are reported as unrestricted.

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

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

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.

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

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

Custodial Credit Risk-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.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

The City's deposits are classified as follows at December 31, 2012:

(in thousands of dollars)	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 10,905	\$ -----	\$ -----	\$ 10,905	\$ 10,555
	=====	=====	=====	=====	=====
Component Unit:					
West Point Development Authority	\$ 304	\$ -----	\$ -----	\$ 304	\$ 299
Downtown West Point Development Authority	36	-----	-----	36	36
	\$ 340	\$ -----	\$ -----	\$ 340	\$ 335
	=====	=====	=====	=====	=====

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, 2012 is zero.

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

Cash and Cash Equivalents Reconciliation:

	Primary Government
Fund Reporting Level:	
Governmental Funds – Balance Sheet	\$ 4,788,083
Proprietary Fund Type Statement of Net Assets	5,767,260
Total Carrying Amount	\$ 10,555,343
	=====

4-B. Receivables

Receivables at December 31, 2012, 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, 2012, the levy occurred on October 2, 2012. Real and personal property taxes are due December 6, 2012. Property taxes receivable become a lien on January 8, 2013 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, 2012

4-D. Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

(in thousands of dollars)	Balance 12/31/11	Additions	Transfers	Balance 12/31/12
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 100	\$ -----	\$ -----	\$ 100
Construction in Progress	2,191	3,856	-----	6,047
Total Non Depreciable Assets	<u>\$ 2,291</u>	<u>\$ 3,856</u>	<u>\$ -----</u>	<u>\$ 6,147</u>
Depreciable Capital Assets:				
Furniture and Fixtures	\$ 305	\$ -----	\$ -----	\$ 305
Buildings and Plant	4,043	3,229	-----	7,272
Vehicles, Machinery and Equipment	4,188	82	-----	4,270
Infrastructure	4,077	85	-----	4,162
Total Depreciable Capital Assets	<u>\$ 12,613</u>	<u>\$ 3,396</u>	<u>\$ -----</u>	<u>\$ 16,009</u>
Accumulated Depreciation				
Furniture and Fixtures	\$ 143	\$ 12	\$ -----	\$ 155
Buildings and Plant	1,545	155	-----	1,700
Vehicles, Machinery and Equipment	2,114.5	267	-----	2,381.5
Infrastructure	1,497.5	138	-----	1,635.5
Total Accumulated Depreciation	<u>\$ 5,300</u>	<u>\$ 572</u>	<u>\$ -----</u>	<u>\$ 5,872</u>
Governmental Activities Depreciable Capital Assets, Net	<u>\$ 7,313</u>	<u>\$ 2,824</u>	<u>\$ -----</u>	<u>\$ 10,137</u>
Total Non and Depreciable Capital Assets	<u>\$ 9,604</u>	<u>\$ 6,680</u>	<u>\$ -----</u>	<u>\$ 16,284</u>
Governmental Activities Depreciation Expense:	=====	=====	=====	=====
General Government		\$ 193		
Police		73		
Fire		153		
Street and Right of Way		124		
Culture and Recreation		24		
Housing and Urban Development		5		
Total Governmental Activities Depreciation Expense		<u>\$ 572</u>		
		=====		
	Balance 12/31/11	Additions	Deductions	Balance 12/31/12
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 53	\$ -----	\$ -----	\$ 53
Construction In Progress	633	-----	-----	633
Total Non-Depreciated Assets	<u>\$ 686</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 686</u>
Depreciable Capital Assets:				
Buildings and Plant	\$ 40,495	\$ 237	\$ -----	\$ 40,732
Vehicles, Machinery and Equipment	1,988	52	-----	2,040
Total Depreciable Capital Assets	<u>\$ 42,483</u>	<u>\$ 289</u>	<u>\$ -----</u>	<u>\$ 42,772</u>
Accumulated Depreciation				
Buildings and Plant	\$ 7,511	\$ 594	\$ -----	\$ 8,105
Vehicles, Machinery & Equipment	911	64	-----	975
Total Accumulated Depreciation	<u>\$ 8,422</u>	<u>\$ 658</u>	<u>\$ -----</u>	<u>\$ 9,080</u>
Business-Type Activities Depreciable Capital Assets, Net	<u>\$ 34,061</u>	<u>\$ < 369 ></u>	<u>\$ -----</u>	<u>\$ 33,692</u>
Total Non and Depreciable Capital Assets	<u>\$ 34,747</u>	<u>\$ < 369 ></u>	<u>\$ -----</u>	<u>\$ 34,378</u>
Component Unit:				
West Point Development Authority	\$ 790	\$ -----	\$ -----	\$ 790
Downtown West Point Development Authority	61	-----	1	60
	<u>\$ 851</u>	<u>\$ -----</u>	<u>\$ 1</u>	<u>\$ 850</u>

*Current Depreciation

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

4-E. Interfund Balances and Transfers

Interfund balances at December 31, 2012, 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:		
	Non-Major Other Funds	General Fund	Total
General Fund	\$ 2,193	\$ -----	\$ 2,193
Water and Sewer Fund	-----	162,074	162,074
SPLOST Troup - 2012	28,826	-----	28,826
	<u>\$ 31,019</u>	<u>\$ 162,074</u>	<u>\$ 193,093</u>
	=====	=====	=====

Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfers To:	Transfers From:				
	General Fund	Electric Fund	Gas Fund	Capital Projects Fund	Total
General Fund	\$ -----	\$ 881,872	\$ 25,940	\$ -----	\$ 907,812
Sanitation Fund	149,059	-----	-----	-----	149,059
Water & Sewer Fund	-----	-----	-----	116,250	116,250
Total	<u>\$ 149,059</u>	<u>\$ 881,872</u>	<u>\$ 25,940</u>	<u>\$ 116,250</u>	<u>\$ 1,173,121</u>
	=====	=====	=====	=====	=====

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 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, 2012

The following is a summary of revenue bond transactions of the City for the year ended December 31, 2012.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*2001 Series A	4.50% to 4.500%	\$ 3,951,557	\$< 60,416>	\$ 3,891,141
**2001 Series B	4.50% to 4.500%	691,976	< 10,584>	681,392
^2008 Series	2.50% to 4.125%	9,441,009	< 99,320>	9,341,689
		\$14,084,542	\$< 170,320>	\$13,914,222
		=====	=====	=====
*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 - Purpose to Construct a Sewer Treatment Plant				

The annual principal maturities of the debt during the years following 2012 are as follows:

Year	2001 A	2001 B	2008	2001 A Interest	2001 B Interest	2008 Interest
2013	\$ 63,668	\$ 11,843	\$ 113,318	\$ 173,548	\$ 29,736	\$ 374,530
2014	66,324	11,617	117,954	170,889	29,962	369,894
2015	69,173	12,709	122,783	168,043	28,839	365,065
2016	72,591	12,765	127,812	164,625	28,815	360,036
2017	75,891	13,353	133,048	161,322	27,665	354,801
2018 - 2022	435,070	76,545	751,698	750,996	131,350	1,687,540
2023 - 2027	544,619	95,819	919,246	641,448	112,076	1,519,993
2028 - 2032	681,751	119,946	1,124,528	504,315	87,949	1,314,712
2033 - 2037	853,414	150,147	1,376,092	332,653	57,748	1,063,146
2038 - 2042	1,028,640	176,648	1,684,435	118,237	19,980	754,804
2043 - 2047	-----	-----	2,062,440	-----	-----	376,798
2048 - 2051	-----	-----	808,335	-----	-----	29,815
	\$ 3,891,141	\$ 681,392	\$ 9,341,689	\$ 3,186,076	\$ 554,120	\$ 8,571,134

Interest expense for 2012 amounted to \$1,020,068 for the above and has been expended within the accompanying financial statements.

Through the West Point Development Authority, Revenue Bonds were issued to finance certain City of West Point projects. The Debt Service will be funded by the Special Purpose Local Option Sales Tax collected from 2013-2019.

The following is a summary of the revenue bond transactions of the City for the year ending December 31, 2012.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*Series 2012	2% to 4%	\$ -----	\$ 4,505,000	\$ 4,505,000
		=====	=====	=====
*Original issue amount \$4,505,000 - Purpose to renovate the City Gym, Ball Field and other Recreational Facilities				

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

The annual principal maturities of the debt in the years following 2012 are as follows:

Year	2012 Series	Interest
2013	\$ 100,000	\$ 141,288
2014	1,140,000	119,975
2015	1,180,000	97,175
2016	970,000	61,775
2017	420,000	22,975
2018 - 2019	695,000	20,650
	<u>\$ 4,505,000</u>	<u>\$ 463,838</u>

Interest expenditure amounted to zero for the year ending December 31, 2012.

4-G. Notes Payable and Capital Leases

General Obligation Debt – The City has issued general obligation debt to provide funds for the purchase of vehicles, fire truck, and a new fire station. 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, 2012, is as follows:

Name	Interest Rate	Balance Beginning of Year	Additions	(Reductions) in Indebtedness	Balance End of Year	Original Debt Amount
Fire Station	4.39%	\$ 461,482	\$ 3,127,591	\$ -----	\$ 3,589,073	Not Finalized
Fire Truck	1.70%	732,867	-----	< 46,022>	686,845	\$ 850,000
Police Cars	4.50%	20,778	-----	< 16,554>	4,224	33,022
Total		<u>\$ 1,215,127</u>	<u>\$ 3,127,591</u>	<u>\$ < 62,576></u>	<u>\$ 4,280,142</u>	<u>\$ 883,022</u>

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

USDA Rural Development Loan for a new Fire Station is not finalized; therefore, no amortization schedule is available at present.

Year Ending December 31	Fire Truck		Police Vehicles	
	Principal	Interest	Principal	Interest
2013	\$ 48,275	\$ 29,182	\$ 4,224	\$ 250
2014	50,437	27,020	-----	-----
2015	55,057	22,399	-----	-----
2016	57,524	19,934	-----	-----
2017	57,524	19,934	-----	-----
2018-2022	328,656	58,630	-----	-----
2023-2024	89,372	2,891	-----	-----
Totals	<u>\$ 686,845</u>	<u>\$ 179,990</u>	<u>\$ 4,224</u>	<u>\$ 250</u>

Interest expense on the above amounted to \$31,883 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, 2012 for the Enterprise Funds:

Georgia Environmental Facilities Authority – Water and Sewerage Fund - \$ 8,749,094 (Original debt amount)

The loan proceeds are financing Water and Sewer lines and infrastructure for the new industrial park and KIA Motors site. The interest paid for 2012 was \$343,687.

Year Ending	Principal	Interest
2013	\$ 318,010	\$ 330,665
2014	331,395	317,280
2015	345,344	303,331
2016	359,880	288,795
2017	360,392	289,110
2018 - 2022	2,041,104	1,202,271
2023 - 2027	2,505,248	738,127
2028 - 2030	1,889,893	189,461
	<u>\$ 8,151,266</u>	<u>\$ 3,659,040</u>

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

BB&T Bank – Gas Fund - \$3,143,305 (Original debt amount)

The loan proceeds are financing gas line replacement. The loan terms are interest is 4.19% and payments are quarterly. The interest paid for 2012 was \$132,321.

Year Ending	Principal	Interest
2013	\$ 135,190	\$ 126,802
2014	140,944	121,048
2015	146,943	115,049
2016	153,197	108,795
2017	159,718	102,274
2018 - 2022	906,533	403,426
2023 - 2027	1,116,593	193,366
2028 - 2030	254,516	10,045
	<u>\$ 3,013,634</u>	<u>\$ 1,180,805</u>

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2012:

	Outstanding 1/1/2012	Additions	Reductions	Outstanding 12/31/2012	Amounts Due in One Year
Governmental Activities					
General Obligation Debt					
(Fire Station)	\$ 461,482	\$ 3,127,591	\$ -----	\$ 3,589,073	Not Finalized
(Fire Truck)	732,867	-----	< 46,022>	686,845	\$ 48,275
(Police Vehicles)	20,778	-----	< 16,554>	4,224	4,224
Total General Obligation Debt	<u>\$ 1,215,127</u>	<u>\$ 3,127,591</u>	<u>\$< 62,576></u>	<u>\$ 4,280,142</u>	<u>\$ 52,499</u>
Capital Project Revenue Debt					
SPLOST Series 2012 Bonds	\$ -----	\$ 4,505,000	\$ -----	\$ 4,505,000	\$ 100,000
Total Governmental Activities	<u>\$ 1,215,127</u>	<u>\$ 7,632,591</u>	<u>\$< 62,576></u>	<u>\$ 8,785,142</u>	<u>\$ 152,499</u>
Business-Type Activities					
Water & Sewer Revenue Bonds					
(Water line extension and plants)	\$14,084,542	\$ -----	\$< 170,320>	\$13,914,222	\$ 188,829
Water Fund - GEFA Loan	8,456,254	-----	< 304,988>	8,151,266	318,010
Gas Fund - Gas Lines	<u>2,946,811</u>	<u>196,494</u>	<u>< 129,671></u>	<u>3,013,634</u>	<u>135,190</u>
Total Business-Type Activities	<u>\$25,487,607</u>	<u>\$ 196,494</u>	<u>\$< 604,979></u>	<u>\$25,079,122</u>	<u>\$ 642,029</u>

Capital Lease Payable

Sanitation Fund – Enterprise Fund – Purchased a new sanitation truck 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: \$114,900

Year Ending December 31	Minimum Lease Payment	Interest
2013	\$ 23,226	\$ 1,837
2014	24,016	989
2015	12,429	167
	<u>\$ 59,671*</u>	<u>\$ 2,993</u>
	=====	=====

*represents present value of lease payments.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

General Fund – Governmental Fund – Purchased a new police vehicle through Georgia Municipal Association under a Capital Lease. At the end of the lease, the ownership of the asset will transfer to the City. Original cost of asset: \$22,802.

Year Ending December 31	Minimum Lease Payment	Interest
2013	\$ 11,399*	\$ 455
2014	5,849*	77
	<u>\$ 17,248</u>	<u>\$ 532</u>

*represents present value of lease payments.

	Outstanding 1/1/2012	Additions	Reductions	Outstanding 12/31/2012	Amounts Due in One Year
General Fund Police Vehicle	\$ -----	\$ 22,802	\$< 5,554>	\$ 17,248	\$ 11,399
Water & Sewer Fund JD Excavator	17,264	-----	< 17,264>	-----	-----
Sanitation Fund Vehicle	<u>82,079</u>	<u>-----</u>	<u>< 22,408></u>	<u>59,671</u>	<u>23,226</u>
Total	<u>\$ 99,343</u> =====	<u>\$ 22,802</u> =====	<u>\$< 45,226></u> =====	<u>\$ 76,919</u> =====	<u>\$ 34,625</u> =====

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

As of June 30, 2012, the date of the most recent actuarial valuation, there were 120 participants consisting of the following:

Retirees and Beneficiaries currently receiving benefits	25
Vested Terminated Employees not yet receiving benefits	9
Active Employees	<u>81</u>
Total	<u>115</u> =====

Funding Policy – City employees contribute 5% of gross salary 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 11.5% 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 June 30, 2012, 2011, and 2010 were \$312,712, \$331,610, and \$312,506, respectively. The required contributions for each year, 2012, 2011, and 2010 were \$312,712, \$331,610, and \$312,506, respectively.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

(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)
7/1/2010	\$ 4,770	\$ 6,763	\$ 1,993	70.5%	\$ 2,467	80.8%
7/1/2011	5,098	7,082	1,983	72.0%	2,665	74.4%
7/1/2012	5,385	7,207	1,822	74.8%	2,673	68.2%

Schedule of Employer Contributions

Year Ended	Actual City Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (asset)
7/1/2010	\$ 312	100%	\$ 312	100%	\$ -----
7/1/2011	332	100%	332	100%	-----
7/1/2012	313	100%	313	100%	-----

Annual Pension Cost – For December 31, 2012 the City's annual pension cost of \$312,712 for GMEBS was equal to the City's required and actual contribution of \$312,712. The required contribution was determined as part of the July 1, 2012, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases of 3.00% per year for inflation, and .50% per year for merit or seniority; and (c) 3.5% cost of living adjustment. 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, 2012 was 3 years.

The smoothing technique gradually incorporates investment performance that exceeds or falls short of the expected return 7.75%, which is the valuation's investment return assumption.

The City's actuarially determined contribution, pension cost and increase in net pension obligation (asset) for the year ended December 31, 2012 is as follows:

Annual required contribution	\$ 301,256
Interest on net pension obligation (asset)	-----
Adjustments to annual required contribution	11,456
Annual pension cost	\$ 312,712
Contributions made	312,712
Increase in net pension obligation	\$ -----
Net pension obligation (asset), beginning of year	-----
Net pension obligation (asset), end of year	\$ -----
	=====

The estimated interest adjustment has been calculated by applying a 2.0% rate of return to the beginning of the year balance of the net pension obligation (asset).

4-I. Equity

Net Positions – Net positions on the government-wide statement of net positions as of December 31, 2012 are as follows:

(Amounts Expressed in Thousands)

	Governmental Activities	Business-Type Activities
Net Investment in capital assets:		
Cost of Capital Assets	\$ 22,158	\$ 43,494
Less Accumulated Depreciation	< 5,874>	< 9,080>
Book Value	16,284	34,414
Less Capital Related Debt	< 8,802>	< 25,139>
Net Investment in capital assets	\$ 7,482	\$ 9,275
	=====	=====

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

Fund Balances – At December 31, 2012, fund balance assignments at the fund reporting level are as follows:

	General	Special Revenue	Capital Projects
Assigned for River Project Construction	\$ 34,935	\$ -----	\$ -----
Assigned for Fire Station Construction	466,808	-----	-----
Assigned for Law Enforcement Expenditures	37,640	-----	-----
	<u>\$ 539,383</u>	<u>\$ -----</u>	<u>\$ -----</u>
	=====	=====	=====

At December 31, 2012, fund balance restrictions at the fund reporting level are as follows:

	Capital Projects	Other Funds Non-Major
Restricted for SPLOST Projects	\$2,470,647	\$ 125,442
Restricted for Tourism (Deficit)	-----	8,089
Restricted for Revolving Fund	-----	8,248
Restricted for E-911 Service	-----	137,999
	<u>\$2,470,647</u>	<u>\$ 279,778</u>
	=====	=====

4-J. Compliance with Legal Provisions

Federal Laws – Grants – In the year ended December 31, 2012, the City received payments from Homeland Security as follows:

Pass Through Georgia Bureau of Justice - \$34,829 to fund a safer urban environment.

The City received federal grant funds from the Department of Transportation in the amount of \$280,000. The grant funds are for pedestrian enhancement under the Transportation Enhancement Act.

Hotel/Motel Lodging Tax – During the year ended December 31, 2012, 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 City collected \$8,089 in hotel/motel tax for the year ending December 31, 2012 and expended \$0 for the same period. The expenditures of hotel/motel tax for December 31, 2012 are 0% of the hotel/motel tax collected for the same period.

4-K. Other Required Individual Fund Disclosures

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

The Non-Major Capital Projects Fund (SPLOST – Harris County) had a deficit of \$165,074 and the Capital Projects Fund (SPLOST – Troup 2008) had a deficit of \$371,717 for the year ending December 31, 2012. The funds have \$106,000 and \$480,630, respectively, surpluses to offset future deficits.

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.

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, 2012 is not presented here since it is presented in the basic financial statements.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

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, 2012, 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, 2012.

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, 2012, \$3,423,300 has been placed into the Trust for the benefit of the City, of which \$2,179,434 is available without restriction and \$1,243,866 is subject to restrictions. Of the \$3,423,300 approximately \$2,425,815 has been recognized as revenue for the years ended December 31, 2012 and prior. Due to the restricted nature of the \$1,243,866, the amount is not reported as deferred revenue at December 31, 2012, 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 Commission (the "RDC") and is required to pay annual dues thereto.

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.

City of West Point, Georgia
Notes to the Basic Financial Statements
For the year ended December 31, 2012

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

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	67.40%	\$ 1,675,476	49.20%
01/01/00	1,848,419	3,042,354	1,193,935	60.80%	1,686,603	70.80%
01/01/01	2,100,540	3,356,558	1,256,018	62.60%	1,782,523	70.50%
01/01/02	2,393,470	2,383,395	< 10,075>	100.40%	1,835,782	-0.50%
01/01/03	2,590,545	2,363,586	< 226,959>	109.60%	1,851,572	-12.30%
01/01/04	3,187,172	3,141,136	< 46,036>	102.00%	1,868,362	-2.50%
09/01/05	3,219,117	4,347,578	1,128,461	74.00%	1,822,083	61.90%
09/01/06	3,518,422	4,577,545	1,059,123	76.97%	1,969,272	53.80%
09/01/07	3,934,820	5,235,225	1,300,405	75.00%	2,323,657	55.00%
09/01/08	4,286,570	5,639,418	1,352,848	76.00%	2,336,982	57.90%
10/01/09	4,349,928	6,236,349	1,886,421	69.80%	2,381,226	79.20%
07/01/10	4,770,862	6,763,707	1,992,845	70.60%	2,466,902	80.80%
07/01/11	5,098,297	7,081,515	1,983,218	71.99%	2,665,091	74.41%

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, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance Positive <Negative>
	Original	Final		
Revenues				
Tax Revenue	\$ 3,125,024	\$ 3,614,921	\$ 3,614,921	\$ -----
Licenses and Permits	164,000	147,796	147,796	-----
Intergovernmental	150,000	44,829	44,829	-----
Fines and Forfeitures	278,003	219,855	219,855	-----
Charges for Services	211,030	343,709	343,709	-----
Investment Income	1,000	1,307	1,307	-----
Miscellaneous & Donations	64,500	97,202	97,202	-----
Total Revenues	<u>\$ 3,993,557</u>	<u>\$ 4,469,619</u>	<u>\$ 4,469,619</u>	<u>\$ -----</u>
Expenditures				
Current				
General Government	\$ 844,960	\$ 830,145	\$ 830,145	\$ -----
Public Safety - Police	1,689,400	1,631,027	1,631,027	-----
Public Safety - Fire	2,958,500	4,442,288	4,442,288	-----
Highways and Streets	517,030	431,437	431,437	-----
Culture and Recreation	93,824	95,344	95,344	-----
Housing and Urban Development	263,000	264,026	264,026	-----
Debt Service				
Principal	214,419	68,130	68,130	-----
Interest	10,674	32,254	32,254	-----
Total Expenditures	<u>\$ 6,591,807</u>	<u>\$ 7,794,651</u>	<u>\$ 7,794,651</u>	<u>\$ -----</u>
Excess of Revenues Over <Under> Expenditures	<u>\$ <2,598,250></u>	<u>\$ <3,325,032></u>	<u>\$ <3,325,032></u>	<u>\$ -----</u>
Other Financing Sources (Uses)				
Transfers In	\$ 754,250	\$ 907,812	\$ 907,812	\$ -----
Transfers Out	-----	< 149,059>	< 149,059>	-----
Debt Proceeds	1,844,000	3,150,393	3,150,393	-----
Total Other Financing Sources (Uses)	<u>\$ 2,598,250</u>	<u>\$ 3,909,146</u>	<u>\$ 3,909,146</u>	<u>-----</u>
Net Change in Fund Balance	<u>\$ -----</u>	<u>\$ 584,114</u>	<u>\$ 584,114</u>	<u>\$ -----</u>
Fund Balance - Beginning of Year	<u>\$ -----</u>	<u>\$ 1,762,264</u>	<u>\$ 1,762,264</u>	<u>\$ -----</u>
Fund Balance - End of Year	<u>\$ -----</u>	<u>\$ 2,346,378</u>	<u>\$ 2,346,378</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, 2012

	SPLOST PROCEEDS - Troup County 2008		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 3,400,000	\$ 548,925	\$< 2,851,075>
Investment Income	-----	346	346
TOTAL REVENUES	\$ 3,400,000	\$ 549,271	\$< 2,850,729>
EXPENDITURES			
Capital Outlay	\$ 3,400,000	\$ 920,988	\$ 2,479,012
TOTAL EXPENDITURES	\$ 3,400,000	\$ 920,988	\$ 2,479,012
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$< 371,717>	\$< 371,717>
OTHER FINANCING SOURCES (Uses)			
Transfer In	\$ -----	\$ -----	\$ -----
Transfer Out	-----	-----	-----
TOTAL OTHER FINANCING SOURCES (USES)	\$ -----	\$ -----	\$ -----
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$< 371,717>	\$< 371,717>
Fund Balance - Beginning of Year	-----	852,347	852,347
Fund Balance - End of Year	\$ ----- =====	\$ 480,630 =====	\$ 480,630 =====

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, 2012

	SPLOST PROCEEDS - Troup County 2012		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 4,722,021	\$ -----	\$< 4,722,021>
Investment Income	-----	-----	-----
TOTAL REVENUES	\$ 4,722,021	\$ -----	\$< 4,722,021>
EXPENDITURES			
Current			
Bond Issuance Costs	\$ 141,721	\$ 141,721	\$ -----
Capital Outlay	4,580,300	2,509,983	2,070,017
TOTAL EXPENDITURES	\$ 4,722,021	\$ 2,651,704	\$ 2,070,017
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$< 2,651,704>	\$< 2,651,704>
OTHER FINANCING SOURCES (Uses)			
Bond Proceeds	\$ -----	\$ 4,505,000	\$ 4,505,000
Premium on Bonds	-----	217,021	217,021
TOTAL OTHER FINANCING SOURCES (USES)	\$ -----	\$ 4,722,021	\$ 4,722,021
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 2,070,317	\$ 2,070,317
Fund Balance - Beginning of Year	-----	-----	-----
Fund Balance - End of Year	\$ ----- =====	\$ 2,070,317 =====	\$ 2,070,317 =====

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, 2012

	SPLOST PROCEEDS - Harris County		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 375,000	\$ 116,250	\$< 258,750>
Investment Income	-----	114	114
TOTAL REVENUES	<u>\$ 375,000</u>	<u>\$ 116,364</u>	<u>\$< 258,636></u>
EXPENDITURES			
Capital Outlay	<u>\$ 258,750</u>	<u>\$ 165,188</u>	<u>\$ 93,562</u>
TOTAL EXPENDITURES	<u>\$ 258,750</u>	<u>\$ 165,188</u>	<u>\$ 93,562</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ 116,250</u>	<u>\$< 48,824></u>	<u>\$< 165,074></u>
OTHER FINANCING SOURCES (Uses)			
Transfer In	\$ -----	\$ -----	\$ -----
Transfer Out	<u>< 116,250></u>	<u>< 116,250></u>	<u>-----</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$< 116,250></u>	<u>\$< 116,250></u>	<u>\$ -----</u>
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	<u>\$ -----</u>	<u>\$< 165,074></u>	<u>\$< 165,074></u>
Fund Balance - Beginning of Year	<u>-----</u>	<u>271,074</u>	<u>271,074</u>
Fund Balance - End of Year	<u>\$ -----</u> =====	<u>\$ 106,000</u> =====	<u>\$ 106,000</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, 2012

	TRANSPORTATION ENHANCEMENT GRANT		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 350,000	\$ 280,000	\$< 70,000>
Investment Income	-----	-----	-----
TOTAL REVENUES	\$ 350,000	\$ 280,000	\$< 70,000>
EXPENDITURES			
Capital Outlay	\$ 350,000	\$ 260,558	\$ 89,442
TOTAL EXPENDITURES	\$ 350,000	\$ 260,558	\$ 89,442
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$ 19,442	\$ 19,442
OTHER FINANCING SOURCES (Uses)			
Transfer In	\$ -----	\$ -----	\$ -----
Transfer Out	-----	-----	-----
TOTAL OTHER FINANCING SOURCES (USES)	\$ -----	\$ -----	\$ -----
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 19,442	\$ 19,442
Fund Balance - Beginning of Year	-----	-----	-----
Fund Balance - End of Year	\$ ----- =====	\$ 19,442 =====	\$ 19,442 =====

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, 2012

	REVOLVING LOAN FUND			EMERGENCY TELEPHONE SYSTEM			ORIGINAL & FINAL BUDGET		VARIANCE POSITIVE <NEGATIVE>		HOTEL/MOTEL TAX		VARIANCE POSITIVE <NEGATIVE>	
	ORIGINAL & FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL & FINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL & FINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL & FINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES														
Hotel/Motel Tax	\$ -----	\$ -----	\$ 90,000	\$ 100,290	\$ -----	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ -----
Charges for Services	\$ -----	\$ -----			100,290									
Governmental	3,978	3,978		39	39									
Investment Income (Loss)														
TOTAL REVENUES	\$ 3,978	\$ 3,978	\$ 90,000	\$ 100,329	\$ 100,329	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ -----
EXPENDITURES														
Current														
Public Service	\$ -----	\$ -----	\$ 35,000	\$ 46,924	\$ 46,924	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Culture and Recreation														
Capital Outlay			25,000	14,204	14,204									
Debt Service			30,000											
TOTAL EXPENDITURES	\$ -----	\$ -----	\$ 90,000	\$ 61,128	\$ 61,128	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ 3,978	\$ 3,978	\$ -----	\$ 39,201	\$ 39,201	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ 8,425	\$ -----
Other Financing Sources <Uses>														
Transfer In	\$ -----	\$ -----												
Lease Proceeds														
TOTAL OTHER FINANCING SOURCES <USES>	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
und Balance - Beginning of Year	\$ 4,270	\$ 4,270	\$ -----	\$ 98,798	\$ 98,798	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
und Balance - End of Year	\$ 8,248	\$ 8,248	\$ -----	\$ 137,999	\$ 137,999	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----

Governmental Funds

City of West Point, Georgia
General Fund
Schedule of Tax Revenues Compared to Budget
For the Year Ended December 31, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
Sales	\$ 710,000	\$ 735,472	\$ 735,472	\$ -----
City	1,325,024	1,678,891	1,678,891	-----
Ad Valorem	45,000	47,364	47,364	-----
Intangible	10,000	8,532	8,532	-----
Insurance Premium	185,000	173,174	173,174	-----
Malt Beverage and Liquor	215,000	292,489	292,489	-----
Gross Receipts Tax	<u>635,000</u>	<u>678,999</u>	<u>678,999</u>	<u>-----</u>
Total Tax Revenues	\$ 3,125,024 =====	\$ 3,614,921 =====	\$ 3,614,921 =====	\$ ----- =====

City of West Point, Georgia
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended December 31, 2012

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
General Government			
Personnel Services	\$ 318,401	\$ 318,401	\$ -----
Supplies and Materials	20,235	20,235	-----
Other Services and Charges	421,569	421,569	-----
Capital Outlay	69,940	69,940	-----
Total General Government	<u>\$ 830,145</u>	<u>\$ 830,145</u>	<u>\$ -----</u>
Public Safety			
Police Department			
Personnel Services	\$ 1,219,601	\$ 1,219,601	\$ -----
Supplies and Materials	45,729	45,729	-----
Other Services and Charges	328,865	328,865	-----
Debt Service	22,960	22,960	-----
Capital Outlay	36,832	36,832	-----
Total Police Department	<u>\$ 1,653,987</u>	<u>\$ 1,653,987</u>	<u>\$ -----</u>
Fire Department			
Personnel Services	\$ 965,142	\$ 965,142	\$ -----
Supplies and Materials	24,231	24,231	-----
Other Services and Charges	213,560	213,560	-----
Debt Service	77,424	77,424	-----
Capital Outlay	3,239,355	3,239,355	-----
Total Fire Department	<u>\$ 4,519,712</u>	<u>\$ 4,519,712</u>	<u>\$ -----</u>
Total Public Safety	<u>\$ 6,173,699</u>	<u>\$ 6,173,699</u>	<u>\$ -----</u>
Public Works			
Highways and Streets			
Personnel Services	\$ 261,899	\$ 261,899	\$ -----
Supplies and Materials	17,652	17,652	-----
Other Services and Charges	116,755	116,755	-----
Debt Service	-----	-----	-----
Capital Outlay	35,131	35,131	-----
Total Public Works	<u>\$ 431,437</u>	<u>\$ 431,437</u>	<u>\$ -----</u>
Culture and Recreation Study Center/Depot			
Supplies and Materials	\$ 27,618	\$ 27,618	\$ -----
Other Services and Charges	67,726	67,726	-----
Total Culture and Recreation Study Center	<u>\$ 95,344</u>	<u>\$ 95,344</u>	<u>\$ -----</u>
Housing and Urban Development			
Planning and Zoning			
Personnel Services	\$ 201,085	\$ 201,085	\$ -----
Supplies and Materials	4,629	4,629	-----
Other Services and Charges	58,312	58,312	-----
Total Housing and Urban Development	<u>\$ 264,026</u>	<u>\$ 264,026</u>	<u>\$ -----</u>
Total General Fund	<u>\$ 7,794,651</u> =====	<u>\$ 7,794,651</u> =====	<u>\$ -----</u> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Administrative Department
For the Year Ended December 31, 2012

	2012
EXPENDITURES:	
Personnel Services	\$ 204,012
Employee Benefits	114,389
Professional Services	98,313
Repairs and Maintenance	20,103
Insurance	53,888
Training and Education	27,833
Donations - Health and Welfare	-----
Public Property Expenditure	12,302
Library Contribution	30,212
Supplies	20,235
Postage	1,649
Telephone	16,799
Utilities	24,095
Miscellaneous	6,674
Fuel and Oil	3,986
Economic Development Expenditure	121,071
Advertisement	3,584
Election Expenditure	1,060
Chattahoochee River Improvements	69,940
 Total Administrative Expenditures	 \$ 830,145 =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Police Department
For the Year Ended December 31, 2012

	<u>2012</u>
REVENUES:	
Fines and Forfeitures	\$ 202,566
Seizures	16,909
Miscellaneous	<u>7,743</u>
Total Revenues	<u>\$ 227,218</u>
EXPENDITURES:	
Personnel Services	\$ 971,967
Employee Benefits	247,634
Professional Services	21,530
Repairs and Maintenance	67,290
Insurance	36,552
Training and Education	29,725
Dog Control	3,445
Recruitment	14,216
Supplies	53,354
Fuel	45,729
Telephone	39,804
Uniforms	16,992
Utilities	22,405
Capital Outlay	36,832
Debt Service	22,960
Miscellaneous	<u>23,552</u>
Total Police Department Expenditures	<u>\$ 1,653,987</u>
EXPENDITURES OVER REVENUES	\$ <1,426,769> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Fire Department
For the Year Ended December 31, 2012

	2012
REVENUES:	
Ambulance Calls	\$ 133,300
Fire - Miscellaneous (Including Donations)	151,970
Intergovernmental	34,829
 Total Revenues	 \$ 320,099
 EXPENDITURES:	
Personnel Services	\$ 741,477
Employee Benefits	223,665
Professional Services	1,385
Repairs and Maintenance	31,093
Insurance	55,960
Training and Education	11,343
EMS Billing	8,436
Supplies	24,231
Fuel	19,643
Telephone	8,979
Utilities	42,690
Capital Outlay	3,239,355
Debt Service	77,424
Miscellaneous	12,595
Uniforms and Gear	21,436
 Total Fire Department Expenditures	 \$ 4,519,712
 EXPENDITURES OVER REVENUES	 \$ <4,199,613> =====

City of West Point, Georgia
 General Fund
Statement of Revenues and Expenditures
 Street Department
For the Year Ended December 31, 2012

	2012
REVENUES:	
Miscellaneous	\$ 8,802
EXPENDITURES:	
Personnel Services	\$ 187,123
Employee Benefits	74,776
Repairs and Maintenance	42,120
Insurance	24,583
Supplies	17,652
Fuel	26,139
Telephone	4,604
Uniforms	4,716
Utilities	4,076
Capital Outlay	35,131
Miscellaneous	10,517
Total Street Department Expenditures	\$ 431,437
EXPENDITURES OVER REVENUES	\$< 422,635>

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Study Center
For the Year Ended December 31, 2012

	<u>2012</u>
REVENUES:	\$ <u>8,395</u>
EXPENDITURES:	
Repairs and Maintenance	\$ 11,613
Insurance	2,256
Supplies	1,159
Telephone	3,349
Utilities	12,977
Youth Services	<u>19,518</u>
Total Study Center Expenditures	<u>\$ 50,872</u>
EXPENDITURES OVER REVENUES	\$< 42,477> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Depot/Visitor's Center
For the Year Ended December 31, 2012

	2012
REVENUES:	\$ 36,573
EXPENDITURES:	
Repairs and Maintenance	\$ 10,401
Supplies	26,459
Telephone	8
Utilities	7,604
Youth Services	-----
Total Study Center Expenditures	\$ 44,472
EXPENDITURES OVER REVENUES	\$< 7,899> =====

City of West Point, Georgia
General Fund
Statement of Revenues and Expenditures
Planning and Zoning
For the Year Ended December 31, 2012

	2012
REVENUES:	
Zoning and Annexations	\$ 300
Land Disturbing Permits	896
Land Development Plan Reviews	150
Building Permits	21,856
Total Revenues	\$ 23,202
EXPENDITURES:	
Personnel Services	\$ 162,505
Employee Benefits	38,580
Professional Services	19,451
Repairs and Maintenance	2,172
Insurance	17,766
Telephone	7,046
Supplies	4,629
Fuel and Oil	7,918
Miscellaneous	3,959
Total Planning and Zoning Expenditures	\$ 264,026
EXPENDITURES OVER REVENUES	\$< 240,824> =====

City of West Point, Georgia
Combining Balance Sheet
Special Revenue Funds – Non-Major
For the Year Ended December 31, 2012

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/ MOTEL TAX	2012
ASSETS				
Cash and Cash Equivalents	\$ 78,248	\$ 126,945	\$ 8,089	\$ 213,282
Receivables				
Accounts	397,810	13,247	-----	411,057
Due from Other Funds	-----	-----	-----	-----
TOTAL ASSETS	\$ 476,058	\$ 140,192	\$ -----	\$ 624,339
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ -----	\$ -----	\$ -----	\$ -----
Due to other Funds	-----	2,193	-----	2,193
Due to Rural Development	467,810	-----	-----	467,810
Total Liabilities	\$ 467,810	\$ 2,193	\$ -----	\$ 470,003
Fund Balance				
Restricted	\$ 8,248	\$ 137,999	\$ 8,089	\$ 154,336
Unassigned	-----	-----	-----	-----
Total Fund Balance	\$ 8,248	\$ 137,999	\$ 8,089	\$ 154,336
TOTAL LIABILITIES AND FUND BALANCE	\$ 476,058	\$ 140,192	\$ 8,089	\$ 624,339
	=====	=====	=====	=====

City of West Point, Georgia
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2012

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/MOTEL TAX	Total 2012
REVENUES				
Hotel/Motel Tax	\$ -----	\$ -----	\$ 8,425	\$ 8,425
Charges for Services	-----	100,290	-----	100,290
Intergovernmental	-----	-----	-----	-----
Investment Income (Loss)	3,978	39	-----	4,017
Contributions	-----	-----	-----	-----
TOTAL REVENUES	\$ 3,978	\$ 100,329	\$ 8,425	\$ 112,732
EXPENDITURES				
Current				
Public Services	\$ -----	\$ 46,924	\$ -----	\$ 46,924
Culture and Recreation	-----	-----	-----	-----
Intergovernmental	-----	-----	-----	-----
Capital Outlay	-----	14,204	-----	14,204
Debt Service	-----	-----	-----	-----
TOTAL EXPENDITURES	\$ -----	\$ 61,128	\$ -----	\$ 61,128
Excess of Revenues Over <Under> Expenditures	\$ -----	\$ 39,201	\$ -----	\$ 51,604
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	\$ 3,978	\$ 39,201	\$ 8,425	\$ 51,604
Fund Balance - Beginning of Year	4,270	98,798	< 336>	102,732
Fund Balance - End of Year	\$ 8,248	\$ 137,999	\$ 8,089	\$ 154,336
	=====	=====	=====	=====

City of West Point, Georgia
Capital Projects Fund
Balance Sheet
For the Year Ended December 31, 2012

	2008 SPLOST Proceeds <u>Troup County</u>
ASSETS	
Cash and Cash Equivalents	\$ 388,473
Receivables	
Accounts	-----
Intergovernmental	<u>92,157</u>
TOTAL ASSETS	\$ 480,630 =====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Due to other Funds	<u>-----</u>
Total Liabilities	\$ -----
Fund Balance	
Restricted - Capital Projects	\$ 480,630
Unassigned	<u>-----</u>
Total Fund Balance	\$ 480,630
TOTAL LIABILITIES AND FUND BALANCE	\$ 480,630 =====

City of West Point, Georgia
Capital Projects Fund
Balance Sheet
For the Year Ended December 31, 2012

	2012 SPLOST Proceeds <u>Troup County</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,961,191
Receivables	
Other Funds	28,826
Prepaid Bond Interest	<u>80,300</u>
	\$ 2,070,317
TOTAL ASSETS	=====
LIABILITIES AND FUND BALANCE	
Liabilities	\$ -----
Accounts Payable	<u>-----</u>
Due to other Funds	
	\$ -----
Total Liabilities	
Fund Balance	\$ 80,300
Nonspendable	<u>1,990,017</u>
Restricted - Capital Projects	
	<u>\$ 2,070,317</u>
Total Fund Balance	
	\$ 2,070,317
TOTAL LIABILITIES AND FUND BALANCE	=====

City of West Point, Georgia
Capital Projects Fund
Balance Sheet
For the Year Ended December 31, 2012

	SPLOST Proceeds <u>Harris County</u>
ASSETS	
Cash and Cash Equivalents	\$ 106,000
Receivables	
Due from Other Funds	-----
Intergovernmental	-----
	<u> </u>
TOTAL ASSETS	\$ 106,000
	=====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Due to other Funds	-----
	<u> </u>
Total Liabilities	\$ -----
	<u> </u>
Fund Balance	
Restricted - Capital Projects	\$ 106,000
Unassigned	-----
	<u> </u>
Total Fund Balance	\$ 106,000
	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 106,000
	=====

City of West Point, Georgia
Capital Projects Fund
Balance Sheet
For the Year Ended December 31, 2012

	Transportation Enhancement Grant
ASSETS	
Cash and Cash Equivalents	\$ -----
Receivables	
Intergovernmental	<u>48,268</u>
TOTAL ASSETS	\$ 48,268 =====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Due to other Funds	<u>28,826</u>
Total Liabilities	\$ 28,826
Fund Balance	
Restricted - Capital Projects	\$ 19,442
Unassigned	<u>-----</u>
Total Fund Balance	\$ 19,442
TOTAL LIABILITIES AND FUND BALANCE	\$ 48,268 =====

City of West Point, Georgia
Capital Assets Used in the
Operation of Governmental Funds
Comparative Schedules by Source
For the Year Ended December 31, 2012 and 2011

	2012	2011
General Fixed Assets		
Land and Land Improvements	\$ 167,027	\$ 167,027
Buildings	7,271,916	4,042,991
Furniture and Fixtures	304,611	304,611
Vehicles, Machinery and Equipment	4,270,683	4,188,888
Infrastructure	3,943,760	3,858,820
Construction in Progress	<u>6,199,400</u>	<u>2,342,881</u>
Total General Fixed Assets	\$22,157,397	\$14,905,218
	=====	=====
Investment in General Fixed Assets From:		
General Fund Revenues	\$14,237,927	\$10,842,267
Special Revenue Funds and Capital Projects Fund	<u>7,919,470</u>	<u>4,062,951</u>
Total Investment in General Fixed Assets	\$21,157,397	\$14,905,218
	=====	=====

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, 2012

	Balance December 31, 2011	Additions	Deletions	Balance December 31, 2012
General Government	\$ 1,989,892	\$ 69,940	\$ -----	\$ 2,059,832
Public Safety				
Police Protection	1,151,733	51,234	-----	1,202,967
Fire Protection	2,273,437	3,239,355	-----	5,512,792
Highways and Streets	4,609,098	295,689	-----	4,904,787
Culture and Recreation	3,177,993	-----	-----	3,177,993
Cemetery	175,051	-----	-----	175,051
Planning and Zoning	55,435	-----	-----	55,435
SPLOST CIP	1,472,579	3,595,961	-----	5,068,540
	\$14,905,218	\$ 7,252,179	\$ -----	\$22,157,397
	=====	=====	=====	=====

Proprietary Funds

City of West Point, Georgia
Water and Sewer Fund
Comparative Statements of Net Positions
For the Year Ended December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,774,350	\$ 1,708,710
Accounts Receivable		
Utility	630,278	723,236
Interfund	162,074	139,868
Inventory	54,193	59,515
Prepaid Insurance	11,528	12,887
Total Current Assets	<u>\$ 2,632,423</u>	<u>\$ 2,644,216</u>
Restricted Assets		
Restricted Cash	\$ 766,917	\$ 714,845
Investments	122,100	122,100
Total Restricted Assets	<u>\$ 889,017</u>	<u>\$ 836,945</u>
Capital Assets - Net	<u>\$ 30,466,116</u>	<u>\$ 30,722,661</u>
Total Assets	<u>\$ 33,987,556</u>	<u>\$ 34,203,822</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 44,430	\$ 46,098
Accrued Liabilities	13,092	10,432
Interfund	-----	-----
Total Current Liabilities	<u>\$ 57,522</u>	<u>\$ 56,530</u>
Liabilities Payable from Restricted Assets		
Capital Lease - Current	\$ -----	\$ 17,264
Revenue Bonds - Current	188,829	112,711
Notes Payable - Current	318,010	305,165
Total Liabilities Payable from Restricted Assets	<u>\$ 506,839</u>	<u>\$ 435,140</u>
Long-Term Liabilities		
Revenue Bonds - Long-Term	\$ 13,725,393	\$ 13,971,827
Notes Payable - Long-Term	7,833,256	8,151,090
Customer Deposits	26,537	24,556
Total Long-Term Liabilities	<u>\$ 21,585,186</u>	<u>\$ 22,147,473</u>
Net Positions		
Net Investment in Capital Assets	\$ 8,400,628	\$ 8,164,604
Reserved for Debt Service	734,082	733,340
Restricted for Capital Assets	154,935	103,605
Unrestricted	<u>2,548,364</u>	<u>2,563,130</u>
Total Net Positions	<u>\$ 11,838,009</u>	<u>\$ 11,564,679</u>
	=====	=====

City of West Point, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Positions
For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Water System	\$ 1,900,096	\$ 1,810,667
Sewer System	1,663,612	1,565,900
Sewer Capacity Fees	-----	1,000
Other	<u>86,632</u>	<u>2,563</u>
Total Operating Revenues	<u>\$ 3,650,340</u>	<u>\$ 3,380,130</u>
Operating Expenses		
Personnel Services and Benefits	\$ 509,284	\$ 475,904
Supplies	218,841	179,188
Repairs and Maintenance	161,461	179,959
Professional/Technical Services	112,506	50,619
Utilities	307,552	345,871
Other Operating	275,723	193,942
Depreciation	<u>546,065</u>	<u>545,036</u>
Total Operating Expenses	<u>\$ 2,131,432</u>	<u>\$ 1,970,519</u>
Operating Income	<u>\$ 1,518,908</u>	<u>\$ 1,409,611</u>
Non-Operating Revenues (Expenses)		
Investment Income	\$ 2,188	\$ 1,998
Interest Expense	<u><1,364,016></u>	<u>< 567,527></u>
Total Non-Operating Revenues (Expenses)	<u>\$<1,361,828></u>	<u>\$< 565,529></u>
Net Income <Loss> before Capital Contributions And Operating Transfers	\$ 157,080	\$ 844,082
Capital Contributions	-----	116,250
Transfers In	<u>116,250</u>	<u>-----</u>
Change in Net Positions	\$ 273,330	\$ 960,332
Net Positions - Beginning of Year	<u>11,564,679</u>	<u>10,604,347</u>
Net Positions - End of Year	<u>\$11,838,009</u> =====	<u>\$11,564,679</u> =====

City of West Point, Georgia
Electric Fund
Comparative Statements of Net Positions
For the Year Ended December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,179,434	\$ 2,057,192
Receivables		
Accounts	573,549	563,265
Inventory	<u>208,863</u>	<u>215,528</u>
Total Current Assets	<u>\$ 2,961,846</u>	<u>\$ 2,835,985</u>
Capital Assets - Net	<u>\$ 745,096</u>	<u>\$ 751,300</u>
Total Assets	<u>\$ 3,706,942</u>	<u>\$ 3,587,285</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 36,025	\$ 29,980
Accrued Liabilities	<u>6,811</u>	<u>2,238</u>
Total Current Liabilities	<u>\$ 42,836</u>	<u>\$ 32,218</u>
Long-Term Liabilities	<u>\$ 62,109</u>	<u>\$ 60,337</u>
Total Liabilities	<u>\$ 104,945</u>	<u>\$ 92,555</u>
Net Positions	=====	=====
Net Investment in Capital Assets	\$ 745,096	\$ 751,300
Unrestricted	<u>2,856,901</u>	<u>2,743,430</u>
Total Net Positions	<u>\$ 3,601,997</u>	<u>\$ 3,494,730</u>
	=====	=====

City of West Point, Georgia
Electric Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Positions
For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Electricity Sales	\$ 5,833,857	\$ 5,594,332
Other	17,814	110,531
MEAG Trust	<u>122,242</u>	<u>122,524</u>
Total Operating Revenues	<u>\$ 5,973,913</u>	<u>\$ 5,827,387</u>
Operating Expenses		
Personnel Services and Benefits	\$ 490,375	\$ 597,712
Electric System Supplies	178,764	251,724
Repairs and Maintenance	85,804	57,428
Electric Purchases	3,911,506	3,638,808
System Improvements	3,950	4,260
Depreciation	42,174	39,412
Insurance	27,546	26,348
Other Operating	<u>244,655</u>	<u>105,185</u>
Total Operating Expenses	<u>\$ 4,984,774</u>	<u>\$ 4,720,877</u>
Operating Income	<u>\$ 989,139</u>	<u>\$ 1,106,510</u>
Transfers Out	\$< 881,872>	\$<1,171,403>
Change in Net Positions	\$ 107,267	\$< 64,893>
Net Positions - Beginning of Year	<u>3,494,730</u>	<u>3,559,623</u>
Net Positions - End of Year	<u>\$ 3,601,997</u> =====	<u>\$ 3,494,730</u> =====

City of West Point, Georgia
Gas Fund
Comparative Statements of Net Positions
For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,046,459	\$ 811,995
Receivables		
Accounts	484,137	497,586
Inventory	142,917	151,846
Prepaid Items	<u>2,934</u>	<u>2,934</u>
Total Current Assets	<u>\$ 1,676,447</u>	<u>\$ 1,464,361</u>
Capital Assets - Net	<u>\$ 2,862,798</u>	<u>\$ 2,906,249</u>
Total Assets	<u>\$ 4,539,245</u>	<u>\$ 4,370,610</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 2,659	\$ 90,190
Accrued Liabilities	2,051	3,621
Note Payable - Current	<u>135,190</u>	<u>129,671</u>
Total Current Liabilities	<u>\$ 139,900</u>	<u>\$ 223,482</u>
Long-Term Liabilities		
Notes Payable	\$ 2,878,444	\$ 2,817,140
Customer Deposits	<u>37,722</u>	<u>34,828</u>
Total Long-Term Liabilities	<u>\$ 2,916,166</u>	<u>\$ 2,851,968</u>
Total Liabilities	<u>\$ 3,056,066</u>	<u>\$ 3,075,450</u>
Net Positions		
Net Investment in Capital Assets	\$< 150,836>	\$< 40,562>
Unrestricted	<u>1,634,015</u>	<u>1,335,722</u>
Total Net Positions	<u>\$ 1,483,179</u> =====	<u>\$ 1,295,160</u> =====

City of West Point, Georgia
Gas Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Positions
For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Gas Sales	\$ 1,266,381	\$ 1,556,404
Other	<u>2,229</u>	<u>12,968</u>
Total Operating Revenues	<u>\$ 1,268,610</u>	<u>\$ 1,569,372</u>
Operating Expenses		
Personnel Services and Benefits	\$ 170,373	\$ 112,246
Repairs and Maintenance	16,222	27,394
Gas Purchases	575,434	750,589
Insurance	19,716	19,482
Supplies	55,686	84,268
Other Operating	41,448	58,443
System Improvements	-----	1,118
Depreciation	<u>43,451</u>	<u>40,478</u>
Total Operating Expenses	<u>\$ 922,330</u>	<u>\$ 1,094,018</u>
Operating Income	\$ 346,280	\$ 475,354
Non-Operating Revenues (Expenses)		
Interest Expense	< 132,321>	< 104,038>
Transfers In/<Out>	<u>< 25,940></u>	<u>< 206,387></u>
Change in Net Positions	\$ 188,019	\$ 164,929
Net Positions - Beginning of Year	<u>1,295,160</u>	<u>1,130,231</u>
Net Positions - End of Year	\$ 1,483,179 =====	\$ 1,295,160 =====

City of West Point, Georgia
Sanitation Fund
Comparative Statements of Net Positions
For the Year Ended December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Receivables		
Accounts		
Other	\$ 27,408	\$ 26,675
	-----	12
Total Current Assets	\$ 27,408	\$ 26,687
Capital Assets - Net	\$ 340,151	\$ 366,925
Total Assets	\$ 367,559	\$ 393,612
	=====	=====
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 6,199	\$ 13,794
Accrued Liabilities	8,072	7,661
Current Portion of Lease Payable	23,226	22,411
Total Current Liabilities	\$ 37,497	\$ 43,866
Long-Term Liabilities		
Non-Current Portion of Lease Payable	\$ 36,445	\$ 59,671
Total Long-Term Liabilities	\$ 36,445	\$ 59,671
Net Positions		
Net Investment in Capital Assets	\$ 280,480	\$ 284,843
Unrestricted	13,137	5,232
Total Net Positions	\$ 293,617	\$ 290,075
	=====	=====

City of West Point, Georgia
Sanitation Fund
Comparative Statement of Revenues,
Expenses, and Changes in Fund Net Positions
For the Year Ended December 31, 2012 and 2011

	2012	2011
Operating Revenues		
Garbage Fees	\$ 342,700	\$ 333,136
Total Operating Revenues	\$ 342,700	\$ 333,136
Operating Expenses		
Personnel Services and Benefits	\$ 290,725	\$ 286,872
Repairs and Maintenance	39,031	28,632
Insurance	23,668	37,285
Landfill Fees	27,382	39,176
Supplies	48,927	39,569
Other Operating	2,821	8,431
Depreciation	26,774	29,915
Recycling and Grinding	26,234	10,978
Total Operating Expenses	\$ 485,562	\$ 480,858
Operating Income <Loss>	\$< 142,862>	\$< 147,722>
Non-Operating Revenues <Expenses>		
Interest Expense	< 2,655>	< 3,444>
Transfers In	149,059	129,959
Change in Net Positions	\$ 3,542	\$< 21,207>
Net Positions - Beginning of Year	290,075	311,282
Net Positions - End of Year	\$ 293,617	\$ 290,075
	=====	=====

SPLOST Reporting Schedule

City of West Point, Georgia
Schedule of Projects Constructed
with Special Sales Tax Proceeds

For the Year Ended December 31, 2012

PROJECT - Troup County	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR		
2008					
Green Space	\$ 125,000	\$ 258,509	\$ -----	\$ 258,509	100.0%
Public Safety Facilities and Equipment	1,150,000	850,537	-----	850,537	74.0%
Roads and Streets	125,000	86,700	-----	86,700	70.0%
Sewer (Waste Water Collection and Treatment)	2,000,000	858,799	920,988	1,779,787	89.0%
Total 2008	\$3,400,000	\$2,054,545	\$ 920,988	\$2,975,533	
	=====	=====	=====	=====	
2012					
Recreation Facilities and Grounds	\$4,722,021	\$ -----	\$2,651,704	\$2,651,704	56.2%
	=====	=====	=====	=====	

PROJECT -- Harris County	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR		
Recreation (2004)	\$ 276,000	\$ 4,926	\$ 165,188	\$ 170,114	61.6%
Water and Sewer (2009)					
(Water Pollution Control and Treatment)	465,000	232,750	116,250*	349,000	75.0%
Total	\$ 741,000	\$ 237,676	\$ 281,438	\$ 519,114	
	=====	=====	=====	=====	

*The amount received for the Water and Sewer Project for 2012 was \$116,250 from Harris County SPLOST and the entire amount was transferred to Water and Sewerage Fund as a Capital Contribution.



REPORT ON SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AS OF DECEMBER 31, 2012

J. Robyn Underwood
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(770) 358 - 3787 fax

City of West Point, Georgia

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American Institute of
Certified Public Accountants

Unqualified Opinion on Basic Financial Statements and Supplementary
Schedule of Expenditures of Federal Awards-Governmental Entity

Independent Auditor's Report

Honorable Mayor and Members
of City Council
West Point, Georgia

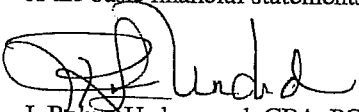
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Point, Georgia (the "City"), as of and for the year ended December 31, 2012, 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 significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the City of West Point, Georgia, as of December 31, 2012, and the results of its operations and the cash flows of its proprietary fund types of 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 15, 2013 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 grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements and schedules of expenditures of federal awards of the City of West Point, Georgia, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements taken as a whole.


J. Robyn Underwood, CPA, PC
West Point, Georgia
March 15, 2013

City of West Point, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	FEDERAL PROGRAM NUMBER	LOAN BALANCE	CURRENT YEAR EXPENDITURES
Department of Agriculture Pass Through Georgia Rural Development Urban Development Loan Water and Waste Disposal System for Rural Communities	10.760	11-14-058-104-7660	\$ 13,914,222	-----
U.S. Department of Homeland Security Pass Through Georgia Bureau of Justice The Safer Program	97.005	NFPA 1720	-----	34,829
U.S. Department of Transportation Pass Through Georgia Department of Transportation The Transportation Enhancement Act Grant		CSTEE-0009-00	-----	280,000
Total			\$ 13,914,222	314,829
			=====	=====

City of West Point, Georgia
Notes to the Schedule of
Expenditures of Federal Awards
For the Year Ended December 31, 2012

Significant Accounting Policies

The Reporting Entity

The City operates under a Council-Mayor/City Manager form of government and provides the following services; public safety, highways and streets, fire protection, culture and recreation, public improvement and general and administrative services. In addition, the City operates the public utilities (water and sewer), electric, gas, and sanitation for the incorporated and immediate surrounding areas.

The City of West Point complies with Generally Accepted Accounting Standards Board (GASB) pronouncements. The proprietary fund applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Basis of Accounting

The Schedule of Expenditures of Federal Awards for the City of West Point is prepared on the modified accrual basis of accounting for the governmental funds and the accrual basis for the proprietary funds; namely, the federal awards received from Homeland Security are maintained on the modified accrual basis of accounting and the Federal Awards received from the Rural Development Agency are maintained on the accrual basis of accounting.

Threshold Amounts

The threshold amounts of \$300,000 was used to distinguish between Type A and Type B programs. Also, the Type A programs were initial year Type A programs and therefore, required to be distinguished as such. Neither the Type A or Type B programs passed any funds to sub-recipient.

J. Robyn Underwood
Certified Public Accountant
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West Point, Georgia 30204

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Member:

American Institute of
Certified Public Accountants

**Report on Internal Control over Financial Reporting and on Compliance and
Other Matters based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards (No Material Weaknesses Identified; No Significant
Deficiencies and Reportable Instances of Noncompliance; and Other Matters Identified)**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Point, Georgia as of and for the year ended December 31, 2012, and have issued our report thereon dated March 15, 2013. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of West Point's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Point's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of West Point's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

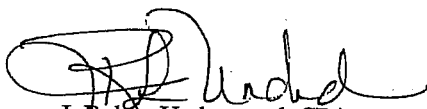
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did not identify any certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Point's statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The report is intended solely for the information and use of management, Members of the City Council, others within the entity, State and Federal Awarding Agencies, and Pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "J. Robyn Underwood". The signature is fluid and cursive, with a large initial "J" and "R".

J. Robyn Underwood, CPA
March 15, 2013

J. Robyn Underwood
Certified Public Accountant
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**Report on Compliance with Requirements that could have a Direct and Material
Effect on each Major Program and on Internal Control over Compliance in Accordance with
OMB Circular A-133 (Unqualified Opinion on Compliance; No Material Weaknesses or
Significant Deficiencies in Internal Control over Compliance Identified)**

Independent Auditor's Report

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

Compliance

We have audited City of West Point's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of West Point's major federal programs for the year ended December 31, 2012. City of West Point's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of West Point's management. Our responsibility is to express an opinion of City of West Point's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of West Point's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of West Point's compliance on those requirements.

In our opinion, City of West Point complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control over Compliance

Management of City of West Point is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of West Point's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of West Point's internal control over compliance.


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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of West Point as of and for the year ended December 31, 2012, and have issued our report thereon dated March 15, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise City of West Point's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The report is intended solely for the information and use of management, Members of the City Council, others within the entity, State and Federal Awarding Agencies, and Pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



J. Robyn Underwood, CPA
March 15, 2013

City of West Point, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

As of December 31, 2012, the schedule of findings and questioned costs pertain to the following:

Findings: (Internal Control Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.

As of December 31, 2012, the schedule of findings and questioned costs pertain to the following:

Findings: No findings or questioned costs were noted pertaining to Federal Awards.

Auditor's Results

An unqualified opinion was issued in the financial statements. The audit did not disclose any noncompliance that is material to the financial statements of the auditee. The auditee qualifies as a low risk auditee under section 530 of Circular A-133. In our opinion, the City of West Point complies, in all material respects, with the requirements of Generally Accepted Auditing Standards; the standards applicable to financial audits contained of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, that are applicable to it's major federal program, water and waste disposal system for rural communities, ended December 31, 2012.

An unqualified opinion was issued on the Report on Compliance with Requirements applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 for the City of West Point for the year ended December 31, 2012. The audit of the City of West Point for the year ending December 31, 2012, did not disclose any material noncompliance or questioned cost for federal award programs.

Threshold Amounts

The Threshold Amounts of \$300,000 was used to distinguish between Type A and Type B programs. Also, the Type A programs were initial year Type B programs and therefore, required to be distinguished as such. Neither Type A or Type B programs passed any funds to sub-recipients. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. We did not note any matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

Prior Year Findings

None.