



*Financial Statements for the  
Fiscal Year Ended December 31, 2016*

Independent Auditor's Report

**J. Robyn Underwood, CPA**

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***City of West Point, Georgia***  
**Annual Financial Report**  
**For the Year Ended December 31, 2016**

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***Independent Auditor's Report***

# J. Robyn Underwood, CPA

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component opinion units, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise West Point, Georgia's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinions the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component opinion units, each major fund, and the aggregate remaining fund information of The City of West Point as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page three, the pension information on page forty-eight, and the budgetary comparison be presented to supplement the basic financial statements, beginning on page fifty-one. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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 Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Non Major Funds, Combining and Individual Fund Statements and Schedules – Governmental and Proprietary Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Non Major Funds, Combining and Individual Fund Statements and Schedules – Governmental and Proprietary Funds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Non Major Funds, Combining and Individual Fund Statements and Schedules – Governmental and Proprietary Funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2017 on our consideration of West Point's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Point's internal control over financial reporting and compliance.

J. Robyn Underwood, CPA  
Barnesville, Georgia  
May 20, 2017

*Management's Discussion and Analysis*

***City of West Point***  
Management's Discussion and Analysis  
For the fiscal year ended December 31, 2016

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As management of City of West Point, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of City of West Point for the fiscal year ended December 31, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

**Financial Highlights**

Key financial highlights for FYE 2016 are as follows:

The City's combined net positions totaled \$42.1 million. Of this amount, unrestricted net positions amounted to \$13.7 million.

Combined revenue totaled \$21 million.

Overall expenses totaled \$16.5 million.

Overall the net change in fund balance was a decrease of \$338,957.

The net change in the General Fund balance was a decrease of \$113,191.

As of December 31, 2016, the City's General Fund reported an unassigned fund balance of \$4.4 million.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to City of West Point, Georgia's basic financial statements. The City's basic financial statements consist of the following elements:

**Government-wide Financial Statements**

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Positions. Information on how the City's net positions changed during the fiscal year is presented in the Statement of Activities.

**Fund Financial Statements**

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

***City of West Point***  
**Management's Discussion and Analysis**  
For the fiscal year ended December 31, 2016

**Notes to the Financial Statements**

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 (shown below) summarizes the major features of the basic financial statements.

*Table 1: Major Features of the Basic Financial Statements*

	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire State government (except fiduciary funds) and the City's component units	<ul style="list-style-type: none"> <li>• Activities of the City that are not proprietary or fiduciary</li> </ul>	Activities of the City that are operated similar to private business
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Positions</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Positions</li> <li>• Statement of Revenues, Expenditures, and Changes in Net Positions</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	All revenues and expenses during the year, regardless of when cash is received or paid

**City of West Point**  
**Management's Discussion and Analysis**  
For the fiscal year ended December 31, 2016

**Government-wide Financial Analysis**

**Condensed Statement of Net Positions**

Table 2 (shown below) presents the City's condensed statement of net positions as of December 31, 2015 and 2014.

*Table 2: Condensed Statement of Net Positions*

	Governmental Activities	
	2016	2015
Assets		
Current and Other Assets	\$ 6,228,610	\$ 6,595,723
Capital Assets	<u>17,161,466</u>	<u>17,478,468</u>
Total Assets	<u>\$ 23,390,076</u>	<u>\$ 24,074,191</u>
Deferred Outflows - Pensions	\$ 649,042 =====	\$ 197,988 =====
Liabilities		
Other Liabilities	\$ 146,380	\$ 174,536
Long-term Liabilities	<u>7,280,753</u>	<u>8,049,928</u>
Total Liabilities	<u>\$ 7,427,133</u>	<u>\$ 8,224,464</u>
Deferred Inflows - Pensions	\$ 64,944 =====	\$ 86,592 =====
Net Positions		
Net Investment in Capital Assets	\$ 13,244,599	\$ 12,299,737
Restricted	1,521,226	1,746,990
Unrestricted	<u>1,781,216</u>	<u>1,914,396</u>
Total Net Positions	<u>\$ 16,547,041</u>	<u>\$ 15,961,123</u>

The largest component of the City's net positions is its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net positions are not available for future spending. Restricted net positions represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net positions is unrestricted, which can be used to finance government operations.

	Business-Type Activities	
	2016	2015
Assets		
Current and Other Assets	\$ 12,222,541	\$ 11,526,125
Capital Assets	<u>36,826,179</u>	<u>34,090,758</u>
Total Assets	<u>\$ 49,048,720</u>	<u>\$ 45,616,883</u>
Deferred Outflows - Pensions	\$ 105,264 =====	\$ 112,597 =====
Liabilities		
Other Liabilities	\$ 285,547	\$ 116,636
Long-term Liabilities	<u>23,316,699</u>	<u>24,004,145</u>
Total Liabilities	<u>\$ 23,602,246</u>	<u>\$ 24,120,781</u>
Net Positions		
Net Investment in Capital Assets	\$ 12,504,079	\$ 10,231,429
Restricted	1,137,557	1,111,718
Unrestricted	<u>11,910,102</u>	<u>10,265,552</u>
Total Net Positions	<u>\$ 25,551,738</u>	<u>\$ 21,608,699</u>

**City of West Point**  
**Management's Discussion and Analysis**  
For the fiscal year ended December 31, 2016

**Condensed Statement of Activities**

Table 3 (shown below) presents the City's condensed statement of activities for the year ended December 31, 2016 and 2015. Over time, increases and decreases in net positions measure whether the City's financial position is improving or deteriorating.

*Table 3: Condensed Statement of Activities  
(Expressed in thousands of dollars)*

	Governmental Activities	Business Activities	Total	Governmental Activities Prior Year	Business Activities Prior Year
Revenues:					
Program:					
Charges for Services	\$ 863	\$ 12,479	\$ 13,342	\$ 720	\$ 12,047
Operating Grants & Contributions	65	-----	65	40	-----
Capital Grants & Contributions	262	1,829	2,091	1,629	86
General:					
Property Taxes	3,074	-----	3,074	2,933	-----
Sales Taxes	296	-----	296	703	-----
Other Taxes	1,912	-----	1,912	1,566	-----
Interest	23	1	24	12	1
Other	204	-----	204	46	-----
<b>Total Revenues</b>	<b>\$ 6,699</b>	<b>\$ 14,309</b>	<b>\$ 21,008</b>	<b>\$ 7,649</b>	<b>\$ 12,134</b>
Program Expenses:					
General Government	\$ 943	\$ -----	\$ 943	\$ 1,012	\$ -----
Public Safety	3,489	-----	3,489	3,208	-----
Public Service	778	-----	778	709.5	-----
Culture and Recreation	173	-----	173	249	-----
Housing and Urban Development	567	-----	567	670	-----
Interest	128	-----	128	169.5	-----
Water and Sewer	-----	3,425	3,425	-----	3,137.5
Electric System	-----	5,465	5,465	-----	5,344
Gas System	-----	975	975	-----	1,186
Sanitation System	-----	536	536	-----	531
<b>Total Expenses</b>	<b>\$ 6,078</b>	<b>\$ 10,401</b>	<b>\$ 16,479</b>	<b>\$ 6,018</b>	<b>\$ 10,198.5</b>
Excess (deficiency)	\$ 621	\$ 3,908	\$ 4,529	\$ 1,631	\$ 1,935.5
Transfers	< 35 >	35	-----	466	< 466 >
Change in Net Positions	\$ 586	\$ 3,943	\$ 4,529	\$ 2,097	\$ 1,469.5
Beginning Net Positions	\$ 15,961	\$ 21,608.5	\$ 37,569.5	\$ 16,137	\$ 20,040
Restatement	-----	-----	-----	< 2,273 >	99
Ending Net Positions	\$ 16,547	\$ 25,551.5	\$ 42,098.5	\$ 15,961	\$ 21,608.5

***Governmental Activities***

During the year ending December 31, 2016, the net positions of the government activities increased \$585,918 or 3.67%. Total revenues for FYE 2016 decreased by \$1,018,891 or 13.3%. The decrease was due to a capital transfer to the water and sewerage fund upon completion of the SPLOST project. Total expenses for governmental activities for FYE 2016 increased by \$60,983 or 1%. The main reason for the increase in expenses in FYE 2016 was due to depreciation of the Public Safety Facilities and Equipment.

**City of West Point**  
**Management's Discussion and Analysis**  
For the fiscal year ended December 31, 2016

Approximately 14.6% of the City's revenues came from property taxes and approximately 9.1% came from other taxes. Approximately 63.5% of the City's revenues came from charges for services and approximately 2.5% came from grants and other revenues. Although a majority of the City's expenses are financed by property taxes and other taxes, the City continues to rely heavily on revenues from charges for services to fund its budget. The City's expenses cover a range of services with 21.17% related to public safety, 4.77% related to public works, 5.71% related to general governmental activities.

**Program Expenses and Revenues for Governmental Activities**

Table 4 (shown below) presents program expenses and revenues for governmental activities for the year ended December 31, 2016 and 2015.

*Table 4: Program Expenses and Revenues for Governmental Activities*

2016		
Programs	Program Expenses	*Net Program Expenses (Revenues)
General Government	\$ 943	\$ 2,631
Public Safety	3,489	2,160
Public Service	778	305
Culture and Recreation	173	< 852 >
Housing and Urban Development	567	516
Interest	128	128
Totals	\$ 6,108	\$ 4,888
2015		
Programs	Program Expenses	*Net Program Expenses (Revenues)
General Government	\$ 1,012	\$ 875
Public Safety	3,208	2,693
Public Works	709.5	490
Culture and Recreation	249	< 1,064 >
Housing and Urban Development	670	466
Interest	169.5	169.5
Totals	\$ 6,018	\$ 3,629.5

\* Net program expenses are mainly supported by taxes.

The cost of all proprietary (business-type) activities this year was \$10,400,235 and additionally the business-type activities earned \$788 in interest from idle cash and investments. Within the total business-type activities of the City, these activities reported a \$2,946,247 operating gain.

***City of West Point***  
Management's Discussion and Analysis  
For the fiscal year ended December 31, 2016

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**Financial Analysis of the City's Funds**

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and the balance of resources available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the year, the City's governmental funds reported a combined ending fund balance of \$6,082,230 with \$1,521,226 reported as restricted, \$158,939 reported as assigned, and \$4,400,570 as unassigned fund balance.

The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,400,570 and total fund balance was \$4,561,004. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 59.85% of total General Fund expenditures, while total fund balance represents 62.04%. The net change in the General Fund's fund balance for the year ended December 31, 2016, was a decrease of \$113,191 or 9%. The reason for the decrease in the fund balance was mainly due to decreases in transfers in and increases in transfers out.

**General Fund Budgetary Highlights**

During the year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 3) increases in appropriations that become necessary to maintain services. The year ended December 31, 2016 budget was amended.

The actual operating revenues of the General Fund did not exceed the final budgeted amounts.

The actual operating expenditures of the General Fund did not exceed the final budgeted amounts.

**Capital Asset and Long-term Debt Activity**

At December 31, 2016, the City reported \$17,161,466 in capital assets for governmental activities and \$35,688,622 for business-type activities. Major capital asset transactions during the year were a real estate purchases, recreational facilities, street paving, and fire equipment. Refer to Note 4-D to the financial statements for additional information on capital assets.

**Economic Factors and Next Year's Budget and Rates**

As with the rest of the State of Georgia, City of West Point's economic climate for FYE 2016 has been a steady recovery. Revenues such as sales tax appear to have increased and are creeping up. Even with the lower levels of taxes, the Special Local Option Sales Tax continues to assist the City in funding much needed capital outlay projects such as resurfacing, construction of recreation and plant facilities. The City's revenues continue to increase over the prior year making the opportunities possible for economic growth, downtown development, increased housing and employment. The City continues to strive to make West Point a place to Work, Live and Play.

Difficult choices have been made as the FYE 2016 budget was developed, and it represents a balance between available resources and needs. This balance was achieved using the objectives and priorities established by the Council of the City of West Point.

***City of West Point***  
Management's Discussion and Analysis  
For the fiscal year ended December 31, 2016

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**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information may be addressed to:

City of West Point  
P.O. Box 487  
730 1<sup>st</sup> Avenue  
West Point, Georgia 31833  
Telephone: (706) 645 – 3522  
Website: [www.cityofwestpointga.com](http://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, 2016**

	Primary Government			Non-Major Discretely Presented Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 5,126,848	\$ 9,810,785	\$ 14,937,633	\$ 729,020
Receivables (Net of Allowance)				
Taxes	312,866	-----	312,866	55,456
Accounts	1,045,023	1,616,330	2,661,353	-----
Internal Balances	< 355,864>	355,864	-----	99,450
Due From Other Governments	98,242	-----	98,242	-----
Inventory	1,495	439,562	441,057	-----
<b>Total Current Assets</b>	<u>\$ 6,228,610</u>	<u>\$ 12,222,541</u>	<u>\$ 18,451,151</u>	<u>\$ 883,926</u>
<b>Non-Current Assets</b>				
Restricted Cash and Investments	\$ -----	\$ 1,137,557	\$ 1,137,557	\$ -----
<b>Capital Assets:</b>				
Land and Construction in Progress	5,192,252	53,000	5,245,252	891,660
Other Capital Assets, Net of Accumulated Depreciation	11,969,214	35,635,622	47,604,836	-----
<b>Total Non-Current Assets</b>	<u>\$ 17,161,466</u>	<u>\$ 36,826,179</u>	<u>\$ 53,987,645</u>	<u>\$ 891,660</u>
<b>Total Assets</b>	<u>\$ 23,390,076</u>	<u>\$ 49,048,720</u>	<u>\$ 72,438,796</u>	<u>\$ 1,775,586</u>
Deferred Outflows - Related to Pensions	\$ 649,042	\$ 105,264	\$ 754,306	\$ -----
=====				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts and Claims Payable	\$ 100,439	\$ 250,754	\$ 351,193	\$ -----
Accrued Liabilities	45,941	34,793	80,734	-----
<b>Total Current Liabilities</b>	<u>\$ 146,380</u>	<u>\$ 285,547</u>	<u>\$ 431,927</u>	<u>\$ -----</u>
<b>Non-Current Liabilities</b>				
Customer Deposits	\$ -----	\$ 132,156	\$ 132,156	\$ -----
Due within One Year	655,502	809,852	1,465,354	-----
Due in more than One Year	3,189,024	22,374,691	25,563,715	-----
Bond Premiums	72,341	-----	72,341	-----
Net Pension Liability	3,363,886	-----	3,363,886	-----
<b>Total Non-Current Liabilities</b>	<u>\$ 7,280,753</u>	<u>\$ 23,316,699</u>	<u>\$ 30,597,452</u>	<u>\$ -----</u>
<b>Total Liabilities</b>	<u>\$ 7,424,133</u>	<u>\$ 23,602,246</u>	<u>\$ 31,029,379</u>	<u>\$ -----</u>
Deferred Inflows - Related to Pensions	\$ 64,944	\$ -----	\$ 64,944	\$ -----
=====				
<b>Net Positions</b>				
Net Investment in Capital Assets	\$ 13,244,599	\$ 12,504,079	\$ 25,748,678	\$ 891,660
<b>Restricted For:</b>				
Capital Assets/Projects	949,232	-----	949,232	-----
Economic Development	518,667	-----	518,667	-----
Tourism	6,156	-----	6,156	-----
Public Service	47,171	-----	47,171	-----
Debt Service	-----	1,137,557	1,137,557	-----
Unrestricted	1,781,216	11,910,102	13,691,318	883,926
<b>Total Net Positions</b>	<u>\$ 16,547,041</u>	<u>\$ 25,551,738</u>	<u>\$ 42,098,779</u>	<u>\$ 1,775,586</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, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental Activities					
General Government	\$ 943,398	\$ 141,513	\$ -----	\$< 1,828,999>	\$< 2,630,884>
Public Safety	3,488,805	575,332	27,825	725,947	< 2,159,701>
Public Service	778,238	108,487	-----	364,435	< 305,316>
Culture and Recreation	173,326	24,425	-----	1,000,508	851,607
Housing and Urban Development	566,804	13,577	37,582	-----	< 515,645>
Interest on Long-Term Debt	128,239	-----	-----	-----	< 128,239>
Total Governmental Activities	<u>\$ 6,078,810</u>	<u>\$ 863,334</u>	<u>\$ 65,407</u>	<u>\$ 261,891</u>	<u>\$&lt; 4,888,178&gt;</u>
Business-Type Activities					
Water and Sewer System	\$ 3,425,153	\$ 4,404,087	\$ -----	\$ 1,828,999	\$ 2,807,933
Electric System	5,464,691	6,301,671	-----	-----	836,980
Gas System	974,713	1,425,827	-----	-----	451,114
Sanitation System	535,678	347,119	-----	-----	< 188,559>
Total Business-Type Activities	<u>\$ 10,400,235</u>	<u>\$ 12,478,704</u>	<u>\$ -----</u>	<u>\$ 1,828,999</u>	<u>\$ 3,907,468</u>
Total Primary Government	<u>\$ 16,479,045</u>	<u>\$ 13,342,038</u>	<u>\$ 65,407</u>	<u>\$ 2,090,890</u>	<u>\$&lt; 980,710&gt;</u>
<b>Non-Major Discretely Presented Component Units</b>					
West Point Development Authority	\$ 306,223	\$ -----	\$ 120,000	\$ -----	\$< 186,223>
Downtown West Point Development Authority	40,572	-----	-----	-----	< 40,572>
	<u>\$ 346,795</u>	<u>\$ -----</u>	<u>\$ 120,000</u>	<u>\$ -----</u>	<u>\$&lt; 226,795&gt;</u>
<b>Primary Government</b>					
Changes in Net Positions		Governmental Activities	Business-Type Activities	Total	Non-Major Discretely Presented Component Units
Net (Expense) Revenue		\$< 4,888,178>	\$ 3,907,468	\$< 980,710>	\$< 47,230>
General Revenues					
General Purpose Taxes		\$ 3,073,960	\$ -----	\$ 3,073,960	\$ 249,227
Malt Beverage and Liquor		295,582	-----	295,582	-----
Sales Tax		772,005	-----	772,005	-----
Insurance Premium		215,953	-----	215,953	-----
Franchise Tax		691,288	-----	691,288	-----
Hotel/Motel Tax		7,143	-----	7,143	-----
Motor Vehicle (Ad Valorem)		134,041	-----	134,041	-----
Intangible		11,130	-----	11,130	-----
Energy Excise		80,386	-----	80,386	-----
Unrestricted Investment Earnings		723	788	1,511	1,156
Restricted Investment Earnings		22,847	-----	22,847	-----
Miscellaneous		203,821	-----	203,821	12
Transfers - Internal Activities		< 34,783>	34,783	-----	-----
Total General Revenues and Transfers		<u>\$ 5,474,096</u>	<u>\$ 35,571</u>	<u>\$ 5,509,667</u>	<u>\$ 250,395</u>
Change in Net Positions		\$ 585,918	\$ 3,943,039	\$ 4,528,957	\$ 23,600
Net Positions - Beginning of Year		15,961,123	21,608,699	37,569,822	1,739,824
Net Positions - End of Year		<u>\$ 16,547,041</u>	<u>\$ 25,551,738</u>	<u>\$ 42,098,779</u>	<u>\$ 1,763,424</u>

*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, 2016**

	Major Governmental Funds			Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects		Other Funds	
		SPLOST-Harris 14	SPLOST-Troup 12		
<b>Assets</b>					
Cash and Cash Equivalents	\$ 4,131,205	\$ 95,244	\$ 579,322	\$ 321,077	\$ 5,126,848
Receivables (Net of Allowance)					
Taxes	312,866	-----	-----	-----	312,866
Intergovernmental	-----	20,449	76,067	1,726	98,242
Other	574,787	-----	-----	470,236	1,045,023
Due from Other Funds	42,895	-----	-----	-----	42,895
Inventory	1,495	-----	-----	-----	1,495
	<u>1,495</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>1,495</u>
<b>Total Assets</b>	<b>\$ 5,063,248</b>	<b>\$ 115,693</b>	<b>\$ 655,389</b>	<b>\$ 793,039</b>	<b>\$ 6,627,369</b>
	=====	=====	=====	=====	=====
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 100,439	\$ -----	\$ -----	\$ -----	\$ 100,439
Accrued Liabilities	45,941	-----	-----	-----	45,941
Due to Other Funds	355,864	-----	-----	42,895	398,759
<b>Total Liabilities</b>	<b>\$ 502,244</b>	<b>\$ -----</b>	<b>\$ -----</b>	<b>\$ 42,895</b>	<b>\$ 545,139</b>
	<u>502,244</u>	<u>-----</u>	<u>-----</u>	<u>42,895</u>	<u>545,139</u>
<b>Fund Balances</b>					
Nonspendable - Inventory	\$ 1,495	\$ -----	\$ -----	\$ -----	\$ 1,495
Restricted - Capital Projects	-----	115,693	655,389	178,150	949,232
Restricted - Economic Development	-----	-----	-----	518,667	518,667
Restricted - Public Service	-----	-----	-----	47,171	47,171
Restricted - Tourism	-----	-----	-----	6,156	6,156
Assigned - Fire Station	119,036	-----	-----	-----	119,036
Assigned - Law Enforcement	39,903	-----	-----	-----	39,903
Unassigned	4,400,570	-----	-----	-----	4,400,570
<b>Total Fund Balances</b>	<b>\$ 4,561,004</b>	<b>\$ 115,693</b>	<b>\$ 655,389</b>	<b>\$ 750,144</b>	<b>\$ 6,082,230</b>
	<u>4,561,004</u>	<u>115,693</u>	<u>655,389</u>	<u>750,144</u>	<u>6,082,230</u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,063,248</b>	<b>\$ 115,693</b>	<b>\$ 655,389</b>	<b>\$ 793,039</b>	<b>\$ 6,627,369</b>
	=====	=====	=====	=====	=====

*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, 2016

	2016	2015
Total Fund Balance - All Governmental Funds	\$ 6,082,230	\$ 6,421,187
Amounts Reported For Governmental Activities in the Statements of Net Positions are Different Because:		
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds	17,161,466	17,478,468
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	<7,280,753>	<8,049,928>
The Current Pension Contribution is an expenditure in the Governmental Funds, but is considered a Deferred Outflow on the Statement of Net Positions	178,077	188,796
Deferred Outflows Related to Pension Costs	470,965	9,192
Deferred Inflows Related to Pension Costs	< 64,944>	< 86,592>
Net Positions of Governmental Activities	\$16,547,041	\$15,961,123

*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, 2016**

	Major Governmental Funds			Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects		Other Funds	
		SPLOST-Harris 14	SPLOST-Troup 12		
Revenues					
Taxes	\$ 5,274,345	\$ -----	\$ -----	\$ 7,143	\$ 5,281,488
Licenses and Permits	116,716	-----	-----	-----	116,716
Intergovernmental	1,005,235	81,795	1,000,405	18,318	2,105,753
Charges for Services	397,752	-----	-----	96,813	494,565
Fines, Forfeitures and Penalties	252,053	-----	-----	-----	252,053
Investment Income	723	-----	103	22,847	23,673
Miscellaneous & Donations	226,437	-----	-----	-----	226,437
Total Revenues	<u>\$ 7,273,261</u>	<u>\$ 81,795</u>	<u>\$ 1,000,508</u>	<u>\$ 145,121</u>	<u>\$ 8,500,685</u>
Expenditures					
Current:					
General Government	\$ 1,235,850	\$ -----	\$ -----	\$ -----	\$ 1,235,850
Public Safety	4,038,642	-----	-----	-----	4,038,642
Public Service	1,101,048	-----	-----	43,412	1,144,460
Culture and Recreation	70,659	-----	-----	7,143	77,802
Housing and Urban Development	647,096	-----	-----	-----	647,096
Capital Outlay					
Current Operations	-----	10,778	243,391	16,737	270,906
Debt Service:					
Principal Retirements	159,963	55,201	970,000	40,530	1,225,694
Interest	98,411	2,396	61,775	1,827	164,409
Total Expenditures	<u>\$ 7,351,669</u>	<u>\$ 68,375</u>	<u>\$ 1,275,166</u>	<u>\$ 109,649</u>	<u>\$ 8,804,859</u>
Excess of Revenues Over <Under> Expenditures	<u>\$ &lt; 78,408 &gt;</u>	<u>\$ 13,420</u>	<u>\$ &lt; 274,658 &gt;</u>	<u>\$ 35,472</u>	<u>\$ &lt; 304,174 &gt;</u>
Other Financing Sources (Uses)					
Debt Proceeds	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Transfers In/<Out> - Net	<u>&lt; 34,783 &gt;</u>	-----	-----	-----	<u>&lt; 34,783 &gt;</u>
Total Other Financing Sources (Uses)	<u>\$ &lt; 34,783 &gt;</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ &lt; 34,783 &gt;</u>
Change in Fund Balance	<u>\$ &lt; 113,191 &gt;</u>	<u>\$ 13,420</u>	<u>\$ &lt; 274,658 &gt;</u>	<u>\$ 35,472</u>	<u>\$ &lt; 338,957 &gt;</u>
Fund Balance - Beginning of Year	<u>\$ 4,674,195</u>	<u>\$ 102,273</u>	<u>\$ 930,047</u>	<u>\$ 714,672</u>	<u>\$ 6,421,187</u>
Fund Balance - End of Year	<u>\$ 4,561,004</u> =====	<u>\$ 115,693</u> =====	<u>\$ 655,389</u> =====	<u>\$ 750,144</u> =====	<u>\$ 6,082,230</u> =====

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

***City of West Point, Georgia***  
**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities**  
For the Year Ended December 31, 2016

	2016	2015
Net Change in Fund Balances - All Governmental Funds	\$< 338,957>	\$< 385,855>
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	2,445,147	2,278,134
Depreciation	< 933,150>	< 750,298>
Contributed Capital Transfer to Business Type Activity	< 1,828,999>	-----
Payment of the Current Pension Contribution is an expenditure in the governmental funds, but is considered a deferred outflow on The Statement of Net Positions and is not reported on the Statement of Activities		
	178,077	188,796
Payment of the Current Pension Contribution by the State Of Georgia on behalf of the GFP and POAB		
	27,825	12,140
Capital Lease Proceeds provide Current Financial Resources to Governmental Funds, but Issuing Debt Increases Long-Term Liabilities in the Statement of Net Positions. Repayment of Capital Lease Principal is an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Positions.		
Principal Retirements	1,225,694	1,375,967
Principal from Long-Term Debt	-----	< 438,408>
Amortization of Bond Premiums (a decrease in interest expense)	36,170	36,170
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.		
Pension Expense - (GMEBS)	< 198,064>	< 207,788>
Pension Expense - (GFP)	< 27,468>	< 11,778>
Pension Expense - (POAB)	< 357>	< 362>
Change in Net Positions of Governmental Activities	\$ 585,918	\$ 2,096,718

*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, 2016**

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
<b>Assets</b>					
Current Assets					
Cash and Cash Equivalents	\$ 4,009,785	\$ 4,034,117	\$ 1,766,883	\$ -----	\$ 9,810,785
Receivables					
Accounts	695,850	503,715	389,295	27,470	1,616,330
Interfund	355,864	-----	-----	-----	355,864
Inventory	44,750	251,608	143,204	-----	439,562
Total Current Assets	<u>\$ 5,106,249</u>	<u>\$ 4,789,440</u>	<u>\$ 2,299,382</u>	<u>\$ 27,470</u>	<u>\$12,222,541</u>
Non-Current Assets					
Restricted Assets					
Restricted Investments	\$ 122,100	\$ -----	\$ -----	\$ -----	\$ 122,100
Restricted Cash	1,015,457	-----	-----	-----	1,015,457
Capital Assets - Net	31,726,537	864,617	2,790,416	307,052	35,688,622
Total Non-Current Assets	<u>\$32,864,094</u>	<u>\$ 864,617</u>	<u>\$ 2,790,416</u>	<u>\$ 307,052</u>	<u>\$36,826,179</u>
<b>Total Assets</b>	<u>\$37,970,343</u>	<u>\$ 5,654,057</u>	<u>\$ 5,089,798</u>	<u>\$ 334,522</u>	<u>\$49,048,720</u>
Deferred Outflows					
Pension Contributions made in Current Year	\$ 41,330	\$ 28,098	\$ 17,946	\$ 17,890	\$ 105,264
	=====	=====	=====	=====	=====
<b>Liabilities and Net Positions</b>					
Current Liabilities					
Accounts Payable	\$ 180,815	\$ 40,854	\$ 9,382	\$ 19,703	\$ 250,754
Accrued Liabilities	16,879	12,549	2,924	2,441	34,793
Notes Payable and Revenue Bonds - Current	637,292	-----	172,560	-----	809,852
Total Current Liabilities	<u>\$ 834,986</u>	<u>\$ 53,403</u>	<u>\$ 184,866</u>	<u>\$ 22,144</u>	<u>\$ 1,095,399</u>
Long-Term Liabilities					
Customer Deposits	\$ 32,510	\$ 72,589	\$ 27,057	\$ -----	\$ 132,156
Notes Payable/Revenue Bonds	20,031,111	-----	2,343,580	-----	22,374,691
Total Long-Term Liabilities	<u>\$20,063,621</u>	<u>\$ 72,589</u>	<u>\$ 2,370,637</u>	<u>\$ -----</u>	<u>\$22,506,847</u>
<b>Total Liabilities</b>	<u>\$20,898,607</u>	<u>\$ 125,992</u>	<u>\$ 2,555,503</u>	<u>\$ 22,144</u>	<u>\$23,602,246</u>
Net Positions					
Net Investment in Capital Assets	\$11,058,134	\$ 864,617	\$ 274,276	\$ 307,052	\$12,504,079
Restricted for Debt Service	1,137,557	-----	-----	-----	1,137,557
Unrestricted	4,917,375	4,691,546	2,277,965	23,216	11,910,102
Total Net Positions	<u>\$17,113,066</u>	<u>\$ 5,556,163</u>	<u>\$ 2,552,241</u>	<u>\$ 330,268</u>	<u>\$25,551,738</u>

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

**City of West Point, Georgia**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Positions**  
**For the Year Ended December 31, 2016**

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS				TOTAL
	WATER AND SEWER FUND	ELECTRIC FUND	GAS FUND	SANITATION FUND	
Operating Revenues					
Water and Sewer System	\$ 4,404,087	\$ -----	\$ -----	\$ -----	\$ 4,404,087
Gas System	-----	-----	1,425,827	-----	1,425,827
Electric System	-----	6,210,591	-----	-----	6,210,591
Sanitation System	-----	-----	-----	347,119	347,119
Other (including intergovernmental)	-----	91,080	-----	-----	91,080
<b>Total Operating Revenues</b>	<b>\$ 4,404,087</b>	<b>\$ 6,301,671</b>	<b>\$ 1,425,827</b>	<b>\$ 347,119</b>	<b>\$12,478,704</b>
Operating Expenses					
Water and Sewer System	\$ 1,959,925	\$ -----	\$ -----	\$ -----	\$ 1,959,925
Gas System	-----	-----	359,294	-----	359,294
Electric System	-----	1,175,276	-----	-----	1,175,276
Sanitation System	-----	-----	-----	518,161	518,161
Gas Purchases	-----	-----	491,724	-----	491,724
Electric Purchases	-----	4,227,237	-----	-----	4,227,237
Depreciation	678,169	62,178	42,976	17,517	800,840
<b>Total Operating Expenses</b>	<b>\$ 2,638,094</b>	<b>\$ 5,464,691</b>	<b>\$ 893,994</b>	<b>\$ 535,678</b>	<b>\$ 9,532,457</b>
Operating Income <Loss>	\$ 1,765,993	\$ 836,980	\$ 531,833	\$< 188,559>	\$ 2,946,247
Non-Operating Revenues (Expenses)					
Investment Income	\$ 788	\$ -----	\$ -----	\$ -----	\$ 788
Interest Expense	< 787,059>	-----	< 80,719>	-----	< 867,778>
Grant Revenue	-----	-----	-----	-----	-----
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$&lt; 786,271&gt;</b>	<b>\$ -----</b>	<b>\$&lt; 80,719&gt;</b>	<b>\$ -----</b>	<b>\$&lt; 866,990&gt;</b>
Net Income <Loss> before Capital Contributions and Transfers	\$ 979,722	\$ 836,980	\$ 451,114	\$< 188,559>	\$ 2,079,257
Capital Contributions	1,828,999	-----	-----	-----	1,828,999
Transfers In <Out>	-----	< 212,287>	5,946	241,124	34,783
<b>Change in Net Positions</b>	<b>\$ 2,808,721</b>	<b>\$ 624,693</b>	<b>\$ 457,060</b>	<b>\$ 52,565</b>	<b>\$ 3,943,039</b>
Net Positions - Beginning of Year	14,304,345	4,931,470	2,095,181	277,703	21,608,699
Net Positions - End of Year	\$17,113,066	\$ 5,556,163	\$ 2,552,241	\$ 330,268	\$25,551,738

*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, 2016**

	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	\$ 4,309,453	\$ 6,280,003	\$ 1,338,540	\$ 344,946	\$ 12,272,942
Cash Paid to Suppliers	< 1,319,025>	< 4,845,193>	< 665,024>	< 300,029>	< 7,129,271>
Cash Paid to Employees	< 499,230>	< 561,344>	< 175,283>	< 203,639>	< 1,439,496>
Net Cash Provided By Operating Activities	<u>\$ 2,491,198</u>	<u>\$ 873,466</u>	<u>\$ 498,233</u>	<u>\$&lt; 158,722&gt;</u>	<u>\$ 3,704,175</u>
Cash Flow Provided Non-Capital Financing Activities					
Interfund Loan	\$< 16,424>	\$ -----	\$ -----	\$ -----	\$< 16,424>
Transfers In <Out>	-----	< 212,287>	5,946	241,124	34,783
Increase/<Decrease> in Customer Deposits	<u>1,793</u>	<u>&lt; 3,859&gt;</u>	<u>&lt; 10,594&gt;</u>	<u>-----</u>	<u>&lt; 12,660&gt;</u>
Net Cash Used in Non-Capital Financing Activities	<u>\$&lt; 14,631&gt;</u>	<u>\$&lt; 216,146&gt;</u>	<u>\$&lt; 4,648&gt;</u>	<u>\$ 241,124</u>	<u>\$ 5,699</u>
Cash Flows from Capital and Related Financing Activities					
Principal Payments on Notes Payable and Revenue Bonds	\$< 507,456>	\$ -----	\$< 167,330>	\$ -----	\$< 674,786>
Acquisition of Capital Assets	< 300,076>	< 177,310>	< 9,917>	< 82,402>	< 569,705>
Interest Expense	< 787,059>	-----	< 80,719>	-----	< 867,778>
Net Cash used in Capital and Related Financing Activities	<u>\$&lt; 1,594,591&gt;</u>	<u>\$&lt; 177,310&gt;</u>	<u>\$&lt; 257,966&gt;</u>	<u>\$&lt; 82,402&gt;</u>	<u>\$&lt; 2,112,269&gt;</u>
Cash Flows from Investing Activities					
Interest Income	<u>\$ 788</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 788</u>
Net Cash provided by Investing Activities	<u>\$ 788</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 788</u>
Net Increase <Decrease> in Cash	\$ 882,764	\$ 480,010	\$ 235,619	\$ -----	\$ 1,598,393
Cash - Beginning of Year	<u>4,142,478</u>	<u>3,554,107</u>	<u>1,531,263</u>	<u>-----</u>	<u>9,227,848</u>
Cash - End of Year	<u>\$ 5,025,242*</u>	<u>\$ 4,034,117</u>	<u>\$ 1,766,882</u>	<u>\$ -----</u>	<u>\$ 10,826,241</u>

\* Unrestricted \$4,009,785  
 Restricted \$1,015,457

*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, 2016**

	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	\$ 4,009,785	\$ 4,034,117	\$ 1,766,883	\$ -----	\$ 9,810,785
Restricted Cash	<u>1,015,457</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>1,015,457</u>
Total	<u>\$ 5,025,242</u>	<u>\$ 4,034,117</u>	<u>\$ 1,766,883</u>	<u>\$ -----</u>	<u>\$10,826,242</u>
Cash Flows from Operating Activities					
Operating Income <Loss>	\$ 1,765,993	\$ 836,980	\$ 531,833	\$< 188,559>	\$ 2,946,247
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	678,169	62,178	42,976	17,517	800,840
Changes in Operating Assets and Liabilities					
Accounts Receivable	< 94,634>	< 22,208>	< 87,286>	< 2,173>	< 206,301>
Inventory	17,281	< 32,551>	2,416	-----	< 12,854>
Accounts Payable	117,893	18,890	5,755	16,677	159,215
Accrued Liabilities	5,154	8,705	1,059	5,222	20,140
Deferred Outflows of Resources for Pensions	<u>1,342</u>	<u>1,472</u>	<u>1,481</u>	<u>3,038</u>	<u>7,333</u>
Net Cash Provided by Operating Activities	<u>\$ 2,491,198</u>	<u>\$ 873,466</u>	<u>\$ 498,234</u>	<u>\$&lt; 148,278&gt;</u>	<u>\$ 3,714,620</u>
	=====	=====	=====	=====	=====
 <u>Supplemental Schedule of Non-Cash Investing and Financing Activities</u>					
Acquisition of Capital Assets	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Capital Assets Acquired through Contributions	<u>1,828,999</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>1,828,999</u>
Total	<u>\$ 1,828,999</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 1,828,999</u>
	=====	=====	=====	=====	=====

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

## *Component Units*

**West Point Development Authority**  
**Statement of Net Positions**  
For the Year Ended December 31, 2016

	2016
ASSETS	
Current Assets	
Cash	\$ 668,986
Note Receivable	<u>99,450</u>
Total Current Assets	<u>\$ 768,436</u>
Non-current Assets	
Capital Assets, Net	<u>\$ 789,930</u>
Total Non-Current Assets	<u>\$ 789,930</u>
TOTAL ASSETS	<u>\$ 1,558,366</u> =====
NET POSITIONS	
Investment in Capital Assets	\$ 789,930
Unrestricted	<u>768,436</u>
TOTAL NET POSITIONS	<u>\$ 1,558,366</u> =====

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

***West Point Development Authority***  
**Statement of Revenues, Expenses,**  
**and Changes In Fund Net Positions**  
For the Year Ended December 31, 2016

	2016
Operating Revenue	
Intergovernmental	\$ 120,000
KIA (Payment in Lieu)	210,000
Miscellaneous	82
Total Operating Revenue	\$ 330,082
Operating Expenses	
Professional and Legal	\$ 4,875
Community Development/Project	222,867
Office Expenses	8,151
Insurance	4,614
Professional Dues	3,819
Travel	8
Contract Work	57,539
Education/Training	1,200
Marketing and Promotions	3,150
Total Operating Expenses	\$ 306,223
Operating Income <Loss>	\$ 23,859
Non-Operating Revenue	
Investment Interest	\$ 1,156
Change in Net Positions	\$ 25,015
Net Position - Beginning of Year	\$ 1,533,351
Net Position - End of Year	\$ 1,558,366

*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, 2016

	Governmental Activities
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 60,034
Intergovernmental Receivable	55,456
Total Current Assets	\$ 115,490
Non-Current Assets	
Property and Equipment	\$ 2,117
Land	101,730
Accumulated Depreciation	< 2,117 >
Total Non-Current Assets	\$ 101,730
Total Assets	\$ 217,220
Liabilities	\$ -----
Total Liabilities	\$ -----
Net Positions	
Invested in Capital Assets	\$ 101,730
Unrestricted	115,490
Total Net Positions	\$ 217,220

*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, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Total	2015
Primary Government:							
Government Activities							
General Government	\$ 40,572	\$ -----	\$ -----	\$ -----	\$< 40,572>	\$< 40,572>	\$< 37,429>
Total Governmental Activities	<u>\$ 40,572</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$&lt; 40,572&gt;</u>	<u>\$&lt; 40,572&gt;</u>	<u>\$&lt; 37,429&gt;</u>
Total Primary Government	<u>\$ 40,572</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$&lt; 40,572&gt;</u>	<u>\$&lt; 40,572&gt;</u>	<u>\$&lt; 37,429&gt;</u>
General Revenues							
General Purpose Taxes							
Property Tax					\$ 51,125	\$ 51,125	\$ 80,703
Total General Revenues					<u>\$ 51,125</u>	<u>\$ 51,125</u>	<u>\$ 80,703</u>
Change in Net Positions					\$ 10,553	\$ 10,553	\$ 43,274
Net Positions - Beginning					<u>206,667</u>	<u>206,667</u>	<u>163,393</u>
Net Positions - Ending					<u>\$ 217,220</u>	<u>\$ 217,220</u>	<u>\$ 206,667</u>

*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, 2016

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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 positions 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, 2016

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**Government-wide Financial Statements** – The government-wide financial statements include a statement of net positions 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 positions 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 Projects (SPLOST 2012 Troup Co. and SPLOST 2014 Harris Co.)** – Major Fund – These Funds account for the activities carried out by the City from intergovernmental grants and revenues for infrastructure, construction and land acquisition under terms of certain municipal agreements.

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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**Proprietary Funds** – Proprietary fund reporting focuses on the determination of operating income, changes in net positions, 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, 2016

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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 is 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.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees' Benefit System (GMEBS) and additions to/deductions from (GMEBS) fiduciary net position have been determined on the same basis as they are reported by GMEBS. The City of West Point's employer contributions are recognized when due and the City of West Point has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of GMEBS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' Pension Fund and the Georgia Peace Officer's Annuity and Benefit Fund and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Firefighters' Pension Fund and the Georgia Peace Officer's Annuity and Benefit Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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.

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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**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 positions, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

**1-E-4. Consumable Inventories**

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

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

**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 positions 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 positions and in the enterprise funds’ statement of net positions.

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, Equipment & Furniture	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.

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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**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 positions and the proprietary fund type statement of net positions, 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 are netted against the bond debt (interest) and amortized over the life of the bonds using the interest method or the straight line method, if a material misstatement is not created.

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.

**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 positions.”

**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.

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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**1-E-10. Operating Revenues and Expenses**

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

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

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

**1-E-12. Contributions of Capital**

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

**1-E-13. Interfund Activity**

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

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

**1-E-14. Estimates**

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

**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/Restatement**

The City implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (an amendment to GASB Statement No. 27) in the fiscal year ending September 30, 2015.

**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:

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

- 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:    Appropriated            Actual            Unfavorable

*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. The City’s deposits are classified as follows at December 31, 2016:

(in thousands of dollars)	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 15,965	\$ -----	\$ -----	\$ 15,962	\$ 15,962
Component Unit:					
West Point Development Authority	\$ 669	\$ -----	\$ -----	\$ 669	\$ 669
Downtown West Point Development Authority	60	-----	-----	60	60
	\$ 729	\$ -----	\$ -----	\$ 729	\$ 729
	=====	=====	=====	=====	=====

**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, 2016 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
Grand Total	\$ 122	\$ -----	\$ -----	\$ 122

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

**Cash and Cash Equivalents Reconciliation:**

	Primary Government
Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 5,126,848
Proprietary Fund Type Statement of Net Positions	10,826,242
Total Carrying Amount	\$ 15,953,090 =====

**4-B. Receivables**

Receivables at December 31, 2016, 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.

The City of West Point participates in the Revolving Loan Fund Program and currently has two Revolving Loans Outstanding; Johnny's Pizza in the original amount of \$420,000 bearing an annual interest rate of two percent. The loan date began on December 1, 2015 with a monthly payment of \$2,702.74 due to the City for 180 months. The purpose of the loan was to acquire an ongoing business including personal and real property. The balance of the loan receivable at year end is \$396,245.

The second loan receivable is with New Horizon Theatre in the original amount of \$70,000 bearing an annual interest rate of two percent. The loan date began on September 1, 2015 with a monthly payment in the amount of \$1,226.94 due to the City for 60 months. The purpose of the loan was to purchase and preserve the local theatre. The balance of the loan receivable at year end is \$52,012.

**4-C. Property Taxes and Abatements**

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, 2016, the levy occurred on October 5, 2016. Real and personal property taxes are due December 10, 2016. Property taxes receivable become a lien on January 12, 2017 and are recorded in the General Fund usually in November of each fiscal year.

The City of West Point approved the following property tax abatement agreements (on an individual basis) originally as a part of an intergovernmental agreement between Troup County, Harris County and itself. The abatements' main purpose is for economic development and revitalization of the employment industry.

Taxpayer	Purpose	Years Remaining in Abatement	Abatement		Dollar Amount	Entered into During Reporting Period?
			Percentage	Type		
Daehan Solution	Econ Dev *	0	50%	Real	\$2,257	N
Hoover Univ. Inc.	Econ Dev *	0	90%	Personal	\$1,898	N
Hoover Univ. Inc.	Econ Dev *	0	90%	Real	\$4,614	N
Glovis	Econ Dev *	3	50%	Real	\$231,342	N
Glovis	Econ Dev *	3	50%	Personal	\$36,692	N
Mobis	Econ Dev *	3	50%	Real	\$154,183	N
Mobis	Econ Dev *	3	50%	Personal	\$68,990	N
Powertech	Econ Dev *	6	50%	Real	\$224,984	N
Powertech	Econ Dev *	4	50%	Personal	\$276,730	N
Powertech	Econ Dev *	4	75%	Personal	\$110,215	N
Hyundai Dymos	Econ Dev *	7	95%	Real	\$166,843	N
Hyundai Dymos	Econ Dev *	7	87.5%	Personal	\$114,146	N
Kia Motors	Econ Dev *	6	100%	Personal	\$1,617,893	N
Total Abatement					\$3,010,787	

\*Economic Development

**City of West Point, Georgia**  
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1. Daehan Solutions made the commitment to invest a minimum of \$35,000,000 and create 300 jobs by 2016. No recapture rules apply.
2. Hoover Univ. Inc. no commitments apply.
3. Glovis made the commitment to invest a minimum \$35,000,000 and create a minimum of 400 jobs. If the commitments are achieved on or before December 31, 2012, the company shall thereafter continue to be entitled to the property tax reduction. If the company fails to meet the commitment the property tax reduction will end.
4. Mobis made the commitment to invest a minimum of \$37,000,000 and create a minimum of 420 jobs. If the commitments are achieved on or before December 31, 2012, the company shall thereafter continue to be entitled to the property tax reduction. If the company fails to meet the commitment the property tax reduction will end.
5. Powertech made the commitment to invest a minimum of \$90,000,000 and create a minimum of 213 jobs. If the company does not achieve the commitment on or before such date of August 1, 2014 the amounts paid by the taxpayer as payments in lieu of taxes in all future years shall be increased by a percentage equal to the percentage by which the company investment and jobs creation has fallen short of the commitment. Job creation and investment shall be weighted equally.
6. Hyundai Dymos made the commitment to invest \$35,000,000 and create 300 new jobs within 24 months (September 2015). If the company does not achieve the commitment on or before such date of September 30, 2015 the amounts paid by the taxpayer as payments in lieu of taxes in all future years shall be increased by a percentage equal to the percentage by which the company investment and jobs creation has fallen short of the commitment. Job creation and investment shall be weighted equally.
7. Kia Motors America, Inc. made the commitment to invest \$450,000,000 and create a minimum of 1,800 jobs. No recapture penalties exist for failing to meet the commitments.

None of the commitments above are in jeopardy of not being fulfilled.

**4-D. Capital Assets**

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

(in thousands of dollars)	Balance 12/31/15	Transfers In/ Additions	Transfers Out/ Deletions	Balance 12/31/16
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 847	\$ 281	\$ -----	\$ 1,128
Construction in Progress	7,326.5	243	3,506	4,063.5
Total Non Depreciable Assets	<u>\$ 8,173.5</u>	<u>\$ 524</u>	<u>\$ -----</u>	<u>\$ 5,191.5</u>
Depreciable Capital Assets:				
Furniture and Fixtures	\$ 314	\$ -----	\$ -----	\$ 314
Buildings and Plant	5,800.5	1,883	-----	7,683.5
Vehicles, Machinery and Equipment	5,436.5	854	-----	6,290.5
Infrastructure	5,722	861	-----	6,583
Total Depreciable Capital Assets	<u>\$ 17,273</u>	<u>\$ 3,598</u>	<u>\$ -----</u>	<u>\$ 20,871</u>
Accumulated Depreciation				
Furniture and Fixtures	\$ 173	\$ 5	\$ -----	\$ 178
Buildings and Plant	2,245	255	-----	2,500
Vehicles, Machinery and Equipment	3,453.5	420.5	-----	3,874
Infrastructure	2,096.5	252.5	-----	2,349
Total Accumulated Depreciation	<u>\$ 7,968</u>	<u>\$ 933</u>	<u>\$ -----</u>	<u>\$ 8,901</u>
Governmental Activities Depreciable Capital Assets, Net	<u>\$ 9,305</u>	<u>\$ 2,665</u>	<u>\$ -----</u>	<u>\$ 11,970</u>
Total Non and Depreciable Capital Assets	<u>\$ 17,478.5</u>	<u>\$ 3,189</u>	<u>\$ 3,506</u>	<u>\$ 17,161.5</u>

**City of West Point, Georgia**  
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For the year ended December 31, 2016

Governmental Activities Depreciation Expense:

General Government	\$ 60
Public Safety	469
Public Service	301
Culture and Recreation	96
Housing and Urban Development	<u>7</u>

Total Governmental Activities Depreciation Expense \$ 933  
=====

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16
<b>Business-Type Activities:</b>				
<b>Capital Assets not being Depreciated:</b>				
Land	\$ 53	\$ -----	\$ -----	\$ 53
Construction In Progress	-----	-----	-----	-----
Total Non-Depreciated Assets	<u>\$ 53</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 53</u>
<b>Depreciable Capital Assets:</b>				
Buildings and Plant	\$ 42,908	\$2,035.5	\$ -----	\$44,943.5
Vehicles, Machinery and Equipment	2,242	363	-----	2,605
Total Depreciable Capital Assets	<u>\$ 45,150</u>	<u>\$2,398.5</u>	<u>\$ -----</u>	<u>\$47,548.5</u>
<b>Accumulated Depreciation</b>				
Buildings and Plant	\$ 9,995	\$ 697	\$ -----	\$ 10,692
Vehicles, Machinery & Equipment	1,117	104	-----	1,221
Total Accumulated Depreciation	<u>\$ 11,112</u>	<u>\$ 801</u>	<u>\$ -----</u>	<u>\$ 11,913</u>
Business-Type Activities Depreciable Capital Assets, Net	<u>\$ 34,038</u>	<u>\$1,597.5</u>	<u>\$ -----</u>	<u>\$35,635.5</u>
Total Non and Depreciable Capital Assets	<u>\$ 34,091</u>	<u>\$1,597.5</u>	<u>\$ -----</u>	<u>\$35,688.5</u>
<b>Component Units:</b>				
West Point Development Authority				
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 790	\$ -----	\$ -----	\$ 790
Downtown West Point Development Authority				
Business-Type Activities				
Current Assets Not Being Depreciated				
Land	\$ 101.5	\$ -----	\$ -----	\$ 101.5
Depreciable Capital Assets				
Vehicles, Machinery and Furniture	2	-----	-----	2
Accumulated Depreciation				
Vehicles, Machinery and Equipment	< 2 >	-----	-----	< 2 >
Total Non and Depreciable Capital Assets	<u>\$ 101.5</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 101.5</u>

**4-E. Interfund Balances and Transfers**

Interfund balances at December 31, 2016, 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	\$ 42,895	\$ -----	\$ 42,895
Water and Sewer Fund	-----	355,864	355,864
	<u>\$ 42,895</u>	<u>\$ 355,864</u>	<u>\$ 398,759</u>
	=====	=====	=====

**City of West Point, Georgia**  
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For the year ended December 31, 2016

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Transfers From:			
Transfers To:	General Fund	Electric Fund	Total
General Fund	\$ -----	\$ 212,287	\$ 212,287
Sanitation Fund	241,124	-----	241,124
Gas Fund	5,946	-----	5,946
Total	\$ 247,070	\$ 212,287	\$ 459,357
	=====	=====	=====

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.

The following is a summary of revenue bond transactions of the City for the year ended December 31, 2016.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*2001 Series A	4.50% to 4.500%	\$ 3,690,283	\$< 72,306>	\$ 3,617,977
**2001 Series B	4.50% to 4.500%	646,403	< 12,751>	633,652
^2008 Series	2.50% to 4.125%	<u>8,989,173</u>	<u>&lt; 127,399&gt;</u>	<u>8,861,774</u>
		\$13,325,859	\$< 212,456>	\$13,113,403
		=====	=====	=====
*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				

**City of West Point, Georgia**  
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The annual principal maturities of the debt during the years following 2016 are as follows:

Year	2001 A	2001 B	2008	2001 A Interest	2001 B Interest	2008 Interest
2017	\$ 75,891	\$ 13,353	\$ 133,048	\$ 161,322	\$ 27,665	\$ 354,801
2018	79,378	13,965	135,396	157,835	27,613	338,155
2019	83,025	14,553	142,397	154,188	27,026	345,451
2020	86,839	15,131	148,272	150,372	25,060	339,576
2021	90,513	17,211	150,419	146,763	24,357	338,305
2022 - 2026	520,647	73,578	851,782	665,733	134,262	1,589,618
2027 - 2031	651,679	139,682	1,045,218	534,701	68,158	1,396,182
2032 - 2036	815,803	149,807	1,282,583	370,577	58,033	1,158,817
2037 - 2041	1,021,224	186,859	1,573,853	152,893	20,981	867,547
2042 - 2046	192,978	9,513	1,931,269	-----	-----	510,131
2047 - 2048	-----	-----	1,467,537	-----	-----	161,543
	<u>\$ 3,617,977</u>	<u>\$ 633,652</u>	<u>\$ 8,861,774</u>	<u>\$ 2,494,384</u>	<u>\$ 413,155</u>	<u>\$ 7,400,126</u>

Interest expense for 2016 amounted to \$554,668 for the above and has been expended within the accompanying financial statements.

The City of West Point refunded the GEFA note with Revenue Bonds issued by J. P. Chase during the fiscal year 2014. The details are as follows:

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
J. P. Chase Bonds	3.03%	<u>\$ 7,850,000</u>	<u>\$ &lt; 295,000 ≥</u>	<u>\$ 7,555,000</u>

\* Original Issue amount \$ 7,850,000 – Purpose to refund GEFA Note

Original purpose was to construct Water  
and Sewer plant.

The annual principal maturities of the debt during the years following 2016 are as follows:

Year	Principal	Interest
2017	\$ 415,000	\$ 222,629
2018	430,000	209,828
2019	445,000	196,571
2020	455,000	182,936
2021	500,000	139,077
2022-2026	2,500,000	613,802
2027-2031	2,810,000	236,264
	<u>\$ 7,555,000</u>	<u>\$ 1,801,107</u>
	=====	=====

Interest amount of the above debt for the current year was \$233,385 and has been expended within the accompanying financial statements.

**City of West Point, Georgia**  
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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, 2016.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*Series 2012	2% to 4%	\$ 2,085,000	\$ 970,000	\$ 1,115,000
		=====	=====	=====
*Original issue amount \$4,505,000 - Purpose to renovate the City Gym, Ball Field and other Recreational Facilities				

The annual principal maturities of the debt in the years following 2016 are as follows:

Year	2012 Series	Interest
2017	\$ 420,000	\$ 22,975
2018	425,000	14,575
2019	270,000	6,075
	\$ 1,115,000	\$ 43,625
Bond Premiums	72,341	-----
	\$ 1,187,341	\$ 43,625
	=====	=====

Interest expenditure amounted to \$61,775 for the year ending December 31, 2016.

**4-G. Notes Payable and Capital Leases**

**General Obligation Debt** – The City has issued general obligation debt to provide funds for the purchase of a fire truck, and a new fire station. The City assumed the general obligation debt of the West Point 2100 for the West Point Depot. 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, 2016, is as follows:

Name	Interest Rate	Balance Beginning of Year	Additions	(Reductions) in Indebtedness	Balance End of Year	Original Debt Amount
Fire Station	3.50%	\$ 1,825,952	\$ -----	\$< 38,564>	\$ 1,787,388	\$ 1,899,094
Fire Truck	1.70%	535,143	-----	< 55,122>	480,021	850,000
Depot	6.00%	153,740	-----	< 1,328>	152,412	156,590
Total		\$ 2,514,835	\$ -----	\$< 95,014>	\$ 2,419,821	\$ 2,905,684
		=====	=====	=====	=====	=====

**City of West Point, Georgia**  
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Annual debt service requirements and interest to maturity are as follows:

Year Ending December 31	Fire Truck		Depot/Visitor's Center		Fire Station	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 59,670	\$ 17,786	\$ 1,382	\$ 9,115	\$ 39,935	\$ 61,921
2017	60,100	17,357	1,468	9,029	41,356	60,500
2019	357,849	44,049	1,558	8,939	42,827	59,029
2020	-----	-----	1,663	8,834	44,479	57,377
2021	-----	-----	1,765	8,732	45,928	55,928
2022-2026	-----	-----	10,599	41,886	255,331	253,949
2027-2031	-----	-----	14,298	38,187	304,085	205,195
2032-2036	-----	-----	19,284	33,201	362,148	147,132
2037-2041	-----	-----	26,012	26,473	431,298	77,982
2042-2046	-----	-----	35,087	17,296	220,001	10,536
2047-2049	-----	-----	39,322	2,771	-----	-----
Totals	<u>\$ 477,619</u>	<u>\$ 79,192</u>	<u>\$ 152,438</u>	<u>\$ 204,463</u>	<u>\$1,787,388</u>	<u>\$ 989,549</u>

Interest expense on the above amounted to \$94,969 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, 2016 for the Enterprise Funds:

*JP Chase – Gas Fund - \$2,717,580 (Original debt amount)*

The loan proceeds are to refund the prior BB&T Bank loan for gas line replacement. The loan terms are interest at 3.08% and payments are quarterly. The interest paid for 2016 was 80,719 and the principal paid was \$167,324. The accrued interest added to the debt amount is \$20,636.

Year Ending	Principal	Interest
2017	\$ 172,560	\$ 75,504
2018	177,920	70,128
2019	183,480	64,583
2020	189,180	44,697
2021	195,080	52,984
2022 - 2026	1,013,610	149,167
2027 - 2029	584,310	54,957
	<u>\$ 2,516,140</u>	<u>\$ 512,020</u>

**Changes in Long-term Debt** – Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2016:

	Outstanding 1/1/2016	Additions	Reductions	Outstanding 12/31/2016	Amounts Due in One Year
<b>Governmental Activities</b>					
General Obligation Debt					
(Fire Station)	\$ 1,825,952	\$ -----	\$< 38,564>	\$ 1,787,388	\$ 39,935
(Fire Truck)	535,143	-----	< 57,524>	477,619	59,670
(Depot/Visitor's Center)	153,740	-----	< 1,302>	152,438	1,382
Total General Obligation Debt	<u>\$ 2,514,835</u>	<u>\$ -----</u>	<u>\$&lt; 97,390&gt;</u>	<u>\$ 2,417,445</u>	<u>\$ 100,987</u>
Capital Project Revenue Debt					
SPLOST Series 2012 Bonds	\$ 2,085,000	\$ -----	\$< 970,000>	\$ 1,115,000	\$ 420,000
Bond Premiums	108,511	-----	< 36,170>	72,341	-----
	<u>\$ 2,193,511</u>	<u>\$ -----</u>	<u>\$&lt;1,006,170&gt;</u>	<u>\$ 1,187,341</u>	<u>\$ 420,000</u>
Total Governmental Activities	<u>\$ 4,708,346</u>	<u>\$ -----</u>	<u>\$&lt;1,103,560&gt;</u>	<u>\$ 3,604,786</u>	<u>\$ 520,987</u>
<b>Business-Type Activities</b>					
Water & Sewer Revenue Bonds					
(Water line extension and plants)	\$21,175,859	\$ -----	\$< 212,456>	\$20,963,403	\$ 637,292
Gas Fund - Gas Lines	2,683,470	-----	< 167,324>	2,516,146	172,560
Total Business-Type Activities	<u>\$23,859,329</u>	<u>\$ -----</u>	<u>\$&lt; 379,780&gt;</u>	<u>\$23,479,549</u>	<u>\$ 394,852</u>

**City of West Point, Georgia**  
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**Capital Lease Payable**

Governmental Fund – Purchased new police vehicles, E-911 upgrades and a state of the art Fire Truck 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 E-911 upgrade: \$135,327, Police Vehicle \$45,408 and Fire Truck \$393,000.

Year Ending December 31	E-911		Fire Truck	
	Minimum Lease Payment	Interest	Minimum Lease Payment	Interest
2017	\$ 41,496	\$ 862	\$ 93,019	\$ 3,663
2018	8,736	62	94,544	2,138
2019	-----	-----	71,907	587
	<u>\$ 50,232</u>	<u>\$ 924</u>	<u>\$ 259,470</u>	<u>\$ 6,388</u>

	Outstanding 1/1/2016	Additions	Reductions	Outstanding 12/31/2016	Amounts Due in One Year
General Fund					
Police Vehicle	\$ 28,634	\$ -----	\$< 28,634>	\$ -----	\$ -----
E-911 Upgrade	90,763	-----	< 40,531>	50,202	41,496
Fire Truck	<u>350,988</u>	<u>-----</u>	<u>&lt; 91,518&gt;</u>	<u>259,475</u>	<u>93,019</u>
Total	<u>\$ 470,385</u>	<u>\$ -----</u>	<u>\$&lt; 160,683&gt;</u>	<u>\$ 309,677</u>	<u>\$ 134,515</u>

**4-H. Pensions Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Plan Description** – The City’s defined benefit pension plan, the City of West Point Retirement Plan, provides retirement, disability, and death benefits to plan members and beneficiaries. The City of West Point Retirement Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The benefit provisions and all other requirements are established by City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of West Point Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

At December 31, 2016, the City reported a liability of \$3,363,886 for its net pension liability. The net pension liability was measured as of March 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was then rolled forward to the measurement date of March 31, 2016 utilizing update procedures in incorporating the actuarial assumptions. The City’s net pension liability was based on a projection of the City’s long-term future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan, actuarially determined.

For the year ended December 31, 2016, the City recognized pension expense of \$389,287. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ 114,625	\$ -----
Changes of assumptions	477	-----
Net difference between projected and actual earnings on pension plan investments	366,092	64,944
City contributions subsequent to the measurement date	<u>273,112</u>	<u>-----</u>
Total	<u>\$ 754,306</u>	<u>\$ 64,944</u>



**City of West Point, Georgia**  
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For the year ended December 31, 2016

**Actuarial Valuation History for Notes to Schedules**

*Changes of assumptions*

- As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016. See Section 5, Exhibit III for details.
- Amounts reported for the Fiscal Year ending in 2016 and later reflect the following assumption changes approved by the Board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014.
  - The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
  - The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
  - The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65-69, and 100% at age 70.
  - The inflation assumption was decreased from 3.50% to 3.25%.
  - The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

*Benefit changes*

- *There have been no changes in benefit provisions since GASB 67/68 implementation.*

**EXHIBIT 1**

**Summary of Actuarial Valuation Results**

The valuation was made with respect to the following data supplied to us:

1.	Pensioners as of the valuation date (including 3 beneficiaries)		34
2.	Participants inactive during the year ended June 30, 2015 with vested rights		13
3.	Participants active during the year ended June 30, 2015 (including 0 elected officials)		82
	Fully vested	23	
	Not vested	59	

The actuarial factors as of the valuation date are as follows:

1.	Normal cost, including administrative expenses		\$ 126,503
2.	Present value of future benefits		10,965,836
3.	Actuarial accrued liability		8,797,094
	Pensioners and beneficiaries	\$ 4,976,908	
	Inactive participants with vested rights	212,120	
	Active participants	3,608,066	
4.	Actuarial value of assets (6,211,223 at market value)		6,647,445
5.	Unfunded/(Surplus) actuarial accrued liability		2,149,649

The determination of the recommended contribution is as follows:

1.	Total benefit normal cost		273,555
2.	Administrative expenses		23,484
3.	Expected employee contributions		-170,536
4.	Employer normal cost (1) + (2) + (3)		126,503
5.	Payment on unfunded/(surplus) actuarial accrued liability		274,968
6.	Full funding credit		0
7.	Recommended mid-year contribution at valuation date: (4) + (5) + (6)		401,471
8.	Adjustment to fiscal year*		15,267
9.	Total recommended mid-year contribution, for fiscal year		416,738
10.	Total recommended contribution as a percentage of expected payroll		12.48%

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

**Retirement Rates:**

	<u>Age</u>	<u>Annual Rate (%)</u>
Employees and Officials (Class 2)	65-69	60
	70 and over	100
Employees and Officials (Class 00 and Class 01)	55-59	10
	60	20
	61	25
	62	35
	63	40
	64	45
	65-69	50
	70 and over	100

**Retirement Age for Inactive Vested Participants:  
Form of Payment**

65  
Life Annuity

**Unknown Data for Participants:**

Same as those exhibited by Participants with similar known characteristics. If not specified, Participants are assumed to be male.

**Percent Married:**

100%

**Age of Spouse:**

Females three years younger than males

*\*Fiscal year begins January 1, 2017.*

**Benefit Election:**

All participants are assumed to elect the life annuity form of payment and the valuation includes the 30 months of guaranteed benefits. On a system-wide basis, the optional forms of payment are essentially actuarially equivalent.

**Net Investment Return:**

On-going basis:

7.75% - On-going basis, based on long-term expected rate of return on pension plan investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.7%
International equity	20%	7.45%
Fixed income	25%	5.05%
Real estate	10%	4.55%
Cash	<u>0%</u>	
Total	100%	

Plan termination basis:

3.20% (30-year Treasury Securities Rate as of August, 2014, published in September, 2014; 3.76% last year)

**Inflation:**

3.25%

**Salary Increases:**

<u>Years of Service</u>	<u>Annual Rate (%)</u>
0-1	8.75
2	5.75
3	5.50
4	5.25
5	5.00
6	4.75
7	4.50
8	4.25
9	4.00
10 or more	3.75

Note the above rates include inflation of 3.25%

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

**Social Security Wage Base Increase:** 3.25%  
**Cost of Living Adjustment:** N/A  
**Administrative Expenses:** Base fee - \$9,000  
Per active and terminated vested participant - \$66  
Per retiree and beneficiary - \$78  
Percentage of the market value of assets – 0.06%  
Per active participant for the administration of employee contributions - \$18  
Per inactive participant for the administration of employee contributions - \$9

**Actuarial Value of Assets:** Sum of the actuarial value at the beginning of year and the cash flow during year plus the assumed investment return, adjusted by 10 percent of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

**Actuarial Cost Method:** Projected Unit Credit Cost Method. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service.

**Amortization:** The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.

**Asset Data:** GMEBS has supplied all asset data used in the valuation. The market value of assets is based on current values as of three months preceding the valuation date (March 31, 2016) and is assumed to be current through the date.

**Participant Data:** The primary source of participant data for the current valuation is a census of all participants which was prepared by the employer through GMEBS. The data is typically collected four months prior to the valuation date and assumed to be current through that date.

**Changes in Methods and Assumptions:** As a result of the new administrative fee structure, the administrative expense assumption changed as follows:

	Current	Prior
Base fee	\$9,000	\$7,000
Per active and terminated vested participant	\$66	\$65
Per retiree and beneficiary	\$78	\$65
Percentage of the market value of assets	0.06%	0.05%
Per active participant for the administration of employee contributions	\$18	\$10 (employees only)
Per inactive participant for the administration of employee contributions	\$9	\$0

Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014, the following assumptions were changed in this valuation:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and The one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Actuarial Valuation and Review Report from the Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

**4-I. Equity**

**Net Positions** – Net positions on the government-wide statement of net positions as of December 31, 2016 are as follows:

	(Amounts Expressed in Thousands)	
	Governmental Activities	Business-Type Activities
Net Investment in capital assets:		
Cost of Capital Assets	\$ 26,064.5	\$ 47,602.5
Less Accumulated Depreciation	8,903	< 11,914>
Book Value	17,161.5	35,688.5
Less Capital Related Debt	< 3,917>	< 23,184.5>
Net Investment in capital assets	\$ 13,244.5	\$ 12,504
	=====	=====

**Fund Balances** – At December 31, 2016, fund balance assignments at the fund reporting level are as follows:

	General	Special Revenue	Capital Projects
Assigned for Fire Station Construction	\$ 119,036	\$ -----	\$ -----
Assigned for Law Enforcement Expenditures	39,903	-----	-----
	\$ 158,939	\$ -----	\$ -----
	=====	=====	=====

At December 31, 2016, fund balance restrictions at the fund reporting level are as follows:

	Capital Projects	Other Funds Non-Major
Restricted for SPLOST Projects	\$ 771,082	\$ 178,150
Restricted for Tourism	-----	6,156
Restricted for Revolving Fund	-----	518,667
Restricted for E-911 Service	-----	47,171
Total Restricted	\$ 771,082	\$ 750,144
Funds:	=====	=====

**4-J. Compliance with Legal Provisions**

**Federal Laws – Grants –**

The City received a Community Housing Improvement Program grant in the amount of \$37,582 for the improvements of public housing. Federal Emergency Management Agency Grant was received in the amount of \$576,000 to be met with a match of 10%. The grant funds are to be expended for fire safety equipment for firemen in Troup County.

**Hotel/Motel Lodging Tax** – During the year ended December 31, 2016, 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 \$7,143 in hotel/motel tax for the year ending December 31, 2016 and expended \$7,143 for the same period. The expenditures of hotel/motel tax for December 31, 2016 are 100% of the hotel/motel tax collected for the same period.

**Emergency 911 Funds** – The City of West Point, Georgia certifies E 911 charges collected and expended for the fiscal year ending December 31, 2015 were in accordance with Code Section 36-81-7 of the Georgia State Law.

**4-K. Other Required Individual Fund Disclosures**

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

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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The Non-Major Special Revenue Fund (E-911) had a deficit of \$5,667, the Capital Projects Fund (SPLOST – Troup 2012) had a deficit of \$274,658, and the General Fund had a deficit of \$113,191 for the year ending December 31, 2016. These funds have \$47,171, \$655,389, \$0, and \$4,561,004, 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, 2016 is not presented here since it is presented in the basic financial statements.

**4-M. Commitment and Contingencies**

**Agreements with Municipal Electric Authority of Georgia**

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

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

At December 31, 2016, the outstanding debt of the Authority was approximately \$7.66 billion. The City’s guarantee varies by individual projects undertaken by the Authority and totals approximately \$30 million at December 31, 2016.

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, 2016, \$4,333,720 has been placed into the Trust for the benefit of the City, of which \$4,034,117 is available without restriction and \$299,603 is subject to restrictions. Of the \$4,128,302 approximately \$4,158,613 has been recognized as

**City of West Point, Georgia**  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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revenue for the years ended December 31, 2016 and prior. Due to the restricted nature of the \$299,603, the amount is not reported as deferred revenue at December 31, 2016, 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.

***4-P. Change in Accounting Principles/Restatement***

The City implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (an amendment to GASB Statement No. 27) in the fiscal year ending December 31, 2015. The implementation of the statement required the City to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending December 31, 2015).

The Net Position for the business type activities before the restatement was \$20,040,212; the Net Position of the business type activities after the restatement for the net pension asset is \$20,139,267.

***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.

***City of West Point, Georgia***  
**Notes to the Basic Financial Statements**  
For the year ended December 31, 2016

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***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.

***5-D. Subsequent Events***

No significant subsequent events have been experienced by the City since the report date of the audited financial statements, May 20, 2017.

***Required Supplementary Information***

***City of West Point***  
***City of West Point Contributions***  
***Required Supplementary Information***  
***December 31, 2016 and 2015***

**A Participating Member of the Georgia Municipal Employees Benefit System  
(Local Government Employees' Retirement System)**

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 401,471	\$ 367,250
Contributions in relation to the contractually required contribution	<u>401,471</u>	<u>367,250</u>
Contribution deficiency (excess)	<u>\$ -----</u>	<u>\$ -----</u>
City's covered-employee payroll	\$ 3,285,790	\$ 3,048,579
Contributions as a percentage of covered-employee payroll	12.22%	12.31%

***City of West Point***  
***City of West Point's Proportionate Share of Net***  
***Pension Liability***  
***Required Supplementary Information***  
***December 31, 2016***

**Georgia Firefighter's Pension Fund**

	<u>2016</u>
City's proportionate share of the net pension liability %	0.00%
City's proportionate share of the net pension liability \$	\$ -----
City's covered-employee payroll	\$ 742,472
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	.127331%
Plan fiduciary net position as a percentage of the total pension liability	83.06%
State's proportionate share of the net pension liability associated with City of West Point, Georgia	\$ 199,276

***City of West Point***  
***City of West Point's Proportionate Share of Net***  
***Pension Liability***  
***Required Supplementary Information***  
***December 31, 2016***

**Georgia Peace Officer's Annuity and Benefit Fund**

	<u>2016</u>
City's proportionate share of the net pension liability %	0.00%
City's proportionate share of the net pension liability \$	\$ -----
City's covered-employee payroll	\$ 225,922
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	.030743%
Plan fiduciary net position as a percentage of the total pension liability	98.28%
State's proportionate share of the net pension liability associated with City of West Point, Georgia	\$ 3,780

**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, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance Positive <Negative>
	Original	Final		
Revenues				
Tax Revenue	\$ 4,474,000	\$ 5,274,345	\$ 5,274,345	\$ -----
Licenses and Permits	156,000	116,716	116,716	-----
Intergovernmental	50,000	958,460	958,460	-----
Fines and Forfeitures	242,000	252,053	252,053	-----
Charges for Services	390,230	397,752	397,752	-----
Investment Income	1,000	723	723	-----
Miscellaneous & Donations	104,500	273,212	273,212	-----
Total Revenues	\$ 5,417,730	\$ 7,273,261	\$ 7,273,261	\$ -----
Expenditures				
Current				
General Government	\$ 1,002,350	\$ 1,235,850	\$ 1,235,850	\$ -----
Public Safety - Police	1,676,398	1,965,931	1,965,931	-----
Public Safety - Fire	1,318,105	2,072,711	2,072,711	-----
Highways and Streets	722,630	1,101,048	1,101,048	-----
Culture and Recreation	79,600	70,659	70,659	-----
Housing and Urban Development	1,472,165	647,096	647,096	-----
Debt Service				
Principal	160,000	159,963	159,963	-----
Interest	79,781	98,411	98,411	-----
Total Expenditures	\$ 6,509,029	\$ 7,351,669	\$ 7,351,669	\$ -----
Excess of Revenues Over <Under> Expenditures	\$ <1,091,299>	\$ < 78,408>	\$ < 78,408>	\$ -----
Other Financing Sources (Uses)				
Transfers In	\$ 779,820	\$ 212,287	\$ 212,287	\$ -----
Transfers Out	-----	< 247,070>	< 247,070>	-----
Debt Proceeds	311,479	-----	-----	-----
Total Other Financing Sources (Uses)	\$ 1,091,299	\$ < 34,783>	\$ < 34,783>	-----
Net Change in Fund Balance	\$ -----	\$ < 113,191>	\$ < 113,191>	\$ -----
Fund Balance - Beginning of Year	\$ -----	\$ 4,674,195	\$ 4,674,195	\$ -----
Fund Balance - End of Year	\$ -----	\$ 4,561,004	\$ 4,561,004	\$ -----
	=====	=====	=====	=====

**City of West Point, Georgia**  
**Capital Project Fund – Major**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
For The Year Ended December 31, 2016

	SPLOST PROCEEDS - Troup County 2012		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 1,358,900	\$ 1,000,405	\$< 358,495>
Miscellaneous Income	<u>100</u>	<u>103</u>	<u>3</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 1,359,000</u></b>	<b><u>\$ 1,000,508</u></b>	<b><u>\$&lt; 358,492&gt;</u></b>
EXPENDITURES			
Capital Outlay	\$ 274,000	\$ 243,391	\$ 30,609
Debt Service			
Principal	1,020,000	970,000	50,000
Interest	<u>65,000</u>	<u>61,775</u>	<u>3,225</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 1,359,000</u></b>	<b><u>\$ 1,275,166</u></b>	<b><u>\$ 83,834</u></b>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$< 274,658>	\$< 274,658>
Fund Balance - Beginning of Year	-----	930,047	930,047
Fund Balance - End of Year	\$ -----	\$ 655,389	\$ 655,389
	=====	=====	=====

**City of West Point, Georgia**  
**Capital Project Fund – Major**  
**SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
For The Year Ended December 31, 2016

	SPLOST PROCEEDS - Harris County 2014		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 80,000	\$ 81,795	\$ 1,795
Investment Income	-----	-----	-----
 TOTAL REVENUES	 \$ 80,000	 \$ 81,795	 \$ 1,795
EXPENDITURES			
Capital Outlay	\$ 11,000	\$ 10,778	\$ 222
Debt Service			
Principal	59,000	55,201	3,799
Interest	10,000	2,396	7,604
 TOTAL EXPENDITURES	 \$ 80,000	 \$ 68,375	 \$ 11,625
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$ 13,420	\$ 13,420
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 13,420	\$ 13,420
Fund Balance - Beginning of Year	-----	102,273	102,273
Fund Balance - End of Year	\$ -----	\$ 115,693	\$ 115,693
	=====	=====	=====

*Supplementary Information*

**City of West Point, Georgia**  
**Capital Project Fund – Non-Major**  
**SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For The Year Ended December 31, 2016**

	TRANSPORTATION ENHANCEMENT SPLOST		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES			
Intergovernmental	\$ 16,000	\$ 18,318	\$ 2,318
Investment Income	-----	-----	-----
<b>TOTAL REVENUES</b>	<u>\$ 16,000</u>	<u>\$ 18,318</u>	<u>\$ 2,318</u>
EXPENDITURES			
Capital Outlay	\$ 16,000	-----	\$ 16,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 16,000</u>	<u>-----</u>	<u>\$ 16,000</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$ 18,318	\$ 18,318
OTHER FINANCING SOURCES (Uses)			
Transfer In	\$ -----	-----	\$ -----
Transfer Out	-----	-----	-----
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -----</u>	<u>-----</u>	<u>\$ -----</u>
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ -----	\$ 18,318	\$ 18,318
Fund Balance - Beginning of Year	-----	53,673	53,673
Fund Balance - End of Year	\$ -----	\$ 71,991	\$ 71,991
	=====	=====	=====

**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, 2016**

	REVOLVING LOAN FUND		EMERGENCY TELEPHONE SYSTEM			HOTEL/MOTEL TAX			
	ORIGINAL & FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
REVENUES									
Hotel/Motel Tax	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ 7,143	\$ 7,143	\$ -----
Charges for Services	-----	-----	103,019	96,813	96,813	-----	-----	-----	-----
Governmental	-----	-----	-----	-----	-----	-----	-----	-----	-----
Investment Income (Loss)	<u>22,821</u>	<u>22,821</u>	<u>75</u>	<u>26</u>	<u>26</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
TOTAL REVENUES	<u>\$ 22,821</u>	<u>\$ 22,821</u>	<u>\$ 103,094</u>	<u>\$ 96,839</u>	<u>\$ 96,839</u>	<u>\$ -----</u>	<u>\$ 7,143</u>	<u>\$ 7,143</u>	<u>\$ -----</u>
EXPENDITURES									
Current									
Public Service	\$ -----	\$ -----	\$ 44,000	\$ 43,412	\$ 43,412	\$ -----	\$ -----	\$ -----	\$ -----
Culture and Recreation	-----	-----	-----	-----	-----	-----	7,143	7,143	-----
Capital Outlay	-----	-----	16,737	16,737	16,737	-----	-----	-----	-----
Debt Service	<u>-----</u>	<u>-----</u>	<u>42,357</u>	<u>42,357</u>	<u>42,357</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
TOTAL EXPENDITURES	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 103,094</u>	<u>\$ 102,506</u>	<u>\$ 102,506</u>	<u>\$ -----</u>	<u>\$ 7,143</u>	<u>\$ 7,143</u>	<u>\$ -----</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ 22,821</u>	<u>\$ 22,821</u>	<u>\$ -----</u>	<u>\$ &lt; 5,667 &gt;</u>	<u>\$ &lt; 5,667 &gt;</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
Other Financing Sources <Uses>									
Transfer In	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Lease Proceeds	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
TOTAL OTHER FINANCING SOURCES <USES>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
Fund Balance - Beginning of Year	<u>\$ 495,846</u>	<u>\$ 495,846</u>	<u>\$ -----</u>	<u>\$ 52,838</u>	<u>\$ 52,838</u>	<u>\$ -----</u>	<u>\$ 6,156</u>	<u>\$ 6,156</u>	<u>\$ -----</u>
Fund Balance - End of Year	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

***Governmental Funds***

**City of West Point, Georgia**  
**General Fund**  
**Schedule of Tax Revenues Compared to Budget**  
**For the Year Ended December 31, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
Sales	\$ 700,000	\$ 772,005	\$ 772,005	\$ -----
City	2,344,000	3,073,960	3,073,960	-----
Ad Valorem	130,000	134,041	134,041	-----
Intangible	10,000	11,130	11,130	-----
Insurance Premium	185,000	215,953	215,953	-----
Malt Beverage and Liquor	320,000	295,582	295,582	-----
Gross Receipts Tax	727,000	691,288	691,288	-----
Energy Excise Tax	<u>58,000</u>	<u>80,386</u>	<u>80,386</u>	<u>-----</u>
Total Tax Revenues	<u>\$ 4,474,000</u>	<u>\$ 5,274,345</u>	<u>\$ 5,274,345</u>	<u>\$ -----</u>

**City of West Point, Georgia**  
**General Fund**  
**Schedule of Expenditures Compared to Budget**  
**For the Year Ended December 31, 2016**

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE <NEGATIVE>
General Government			
Personnel Services	\$ 326,058	\$ 326,058	\$ -----
Supplies and Materials	59,643	59,643	-----
Other Services and Charges	495,200	495,200	-----
Capital Outlay	354,949	354,949	-----
Total General Government	<u>\$ 1,235,850</u>	<u>\$ 1,235,850</u>	<u>\$ -----</u>
Public Safety			
Police Department			
Personnel Services	\$ 1,243,556	\$ 1,243,556	\$ -----
Supplies and Materials	112,067	112,067	-----
Other Services and Charges	222,390	222,390	-----
Debt Service	29,310	29,310	-----
Capital Outlay	387,918	387,918	-----
Total Police Department	<u>\$ 1,995,241</u>	<u>\$ 1,995,241</u>	<u>\$ -----</u>
Fire Department			
Personnel Services	\$ 986,625	\$ 986,625	\$ -----
Supplies and Materials	62,267	62,267	-----
Other Services and Charges	354,519	354,519	-----
Debt Service	218,393	218,393	-----
Capital Outlay	669,300	669,300	-----
Total Fire Department	<u>\$ 2,291,104</u>	<u>\$ 2,291,104</u>	<u>\$ -----</u>
Total Public Safety	<u>\$ 4,286,345</u>	<u>\$ 4,286,345</u>	<u>\$ -----</u>
Public Works			
Highways and Streets			
Personnel Services	\$ 266,146	\$ 266,146	\$ -----
Supplies and Materials	51,460	51,460	-----
Other Services and Charges	105,980	105,980	-----
Capital Outlay	677,462	677,462	-----
Total Public Works	<u>\$ 1,101,048</u>	<u>\$ 1,101,048</u>	<u>\$ -----</u>
Culture and Recreation - Study Center/Depot			
Personnel Services	\$ -----	\$ -----	\$ -----
Supplies and Materials	562	562	-----
Other Services and Charges	70,097	70,097	-----
Debt Service	10,671	10,671	-----
Capital Outlay	-----	-----	-----
Total Culture and Recreation Study Center	<u>\$ 81,330</u>	<u>\$ 81,330</u>	<u>\$ -----</u>
Housing and Urban Development			
Planning and Zoning			
Personnel Services	\$ 169,714	\$ 169,714	\$ -----
Supplies and Materials	5,129	5,129	-----
Other Services and Charges	53,350	53,350	-----
Capital Outlay	63,013	63,013	-----
Total Planning and Zoning Development	<u>\$ 291,206</u>	<u>\$ 291,206</u>	<u>\$ -----</u>
Economic Development and Community Action			
Personnel Services	\$ 47,908	\$ 47,908	\$ -----
Supplies	16,353	16,353	-----
Other Services and Charges	270,030	270,030	-----
Capital Outlay	21,599	21,599	-----
Total Economic Development and Community Action	<u>\$ 355,890</u>	<u>\$ 355,890</u>	<u>\$ -----</u>
Total Housing and Urban Development	<u>\$ 647,096</u>	<u>\$ 647,096</u>	<u>\$ -----</u>
Total General Fund	<u>\$ 7,351,669</u>	<u>\$ 7,351,669</u>	<u>\$ -----</u>

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Administrative Department**  
**For the Year Ended December 31, 2016**

	2016
EXPENDITURES:	
Personnel Services	\$ 230,287
Employee Benefits	95,771
Professional Services	113,151
Repairs and Maintenance	66,495
Insurance	36,873
Training and Education	22,444
Donations - Health and Welfare	58,491
Public Property Expenditure	1,612
Library Contribution	42,427
Supplies	47,310
Postage	1,438
Telephone	15,192
Utilities	17,739
Miscellaneous	61,158
Fuel and Oil	10,895
Recreation	54,776
Advertisement	4,663
Election Expenditure	179
Chattahoochee River Improvements*	109,115
Capital Improvements - Virginia Cook Building*	245,834
Total Administrative Expenditures	\$ 1,235,850

*\*Considered Capital Outlay*

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Police Department**  
For the Year Ended December 31, 2016

	2016
REVENUES:	
Fines and Forfeitures	\$ 238,952
Miscellaneous	13,101
Total Revenues	\$ 252,053
EXPENDITURES:	
Personnel Services	\$ 986,822
Employee Benefits	256,734
Professional Services	14,974
Repairs and Maintenance	43,195
Insurance	41,645
Training and Education	23,863
Inmate Housing	17,230
Inmate Detail	15,031
Recruitment	11,108
Supplies	45,133
Fuel	42,086
Telephone	23,179
Uniforms	24,848
Utilities	27,760
Capital Outlay	387,918
Debt Service	29,310
Miscellaneous	4,405
Total Police Department Expenditures	\$ 1,995,241
EXPENDITURES OVER REVENUES	\$ <1,743,188>

**City of West Point, Georgia**  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Fire Department**  
For the Year Ended December 31, 2016

	2016
<b>REVENUES:</b>	
Ambulance Calls	\$ 128,746
Fire - Miscellaneous (Including Donations)	76,651
EMT Course Fees	142,882
Intergovernmental	619,152
Total Revenues	\$ 967,431
<b>EXPENDITURES:</b>	
Personnel Services	\$ 742,472
Employee Benefits	244,153
Professional Services	1,043
Repairs and Maintenance	33,519
Insurance	40,229
Training and Education	196,318
EMS Billing	11,792
Supplies	25,909
Fuel	14,622
Telephone	8,576
Utilities	10,417
Capital Outlay - Equipment	669,300
Debt Service	218,393
Miscellaneous	52,625
Uniforms and Gear	21,736
Total Fire Department Expenditures	\$ 2,291,104
EXPENDITURES OVER REVENUES	\$ <1,323,673>

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Street Department**  
**For the Year Ended December 31, 2016**

	2016
<b>REVENUES:</b>	
Intergovernmental	\$ 346,117
Miscellaneous	11,674
Total Revenues	\$ 357,791
<b>EXPENDITURES:</b>	
Personnel Services	\$ 199,788
Employee Benefits	66,358
Professional Services	13,098
Repairs and Maintenance	45,971
Insurance	23,828
State Contract - Inmate Detail	15,031
Supplies	25,959
Fuel	17,205
Telephone	5,404
Uniforms	8,296
Utilities	-----
Capital Outlay	677,462
Miscellaneous	2,648
Total Street Department Expenditures	\$ 1,101,048
EXPENDITURES OVER REVENUES	\$< 743,257>

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Study Center**  
For the Year Ended December 31, 2016

	2016
REVENUES:	\$ -----
EXPENDITURES:	
Repairs and Maintenance	\$ 6,483
Insurance	12,480
Supplies	562
Telephone	4,108
Utilities	16,458
Total Study Center Expenditures	\$ 40,091
EXPENDITURES OVER REVENUES	\$< 40,091>

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Economic Development**  
**For the Year Ended December 31, 2016**

	2016
EXPENDITURES:	
Personnel Services	\$ 3,217
Employee Benefits	12,500
Professional Services	5,585
Repairs and Maintenance	38
Training and Education	6,946
Supplies	2,065
Capital Outlay - Vehicle	21,599
Economic Development Contributions	240,000
Total Economic Development Expenditures	\$ 291,950
EXPENDITURES OVER REVENUES	\$< 291,950>

***City of West Point, Georgia***  
 General Fund  
**Statement of Revenues and Expenditures**  
 Community Action Program  
For the Year Ended December 31, 2016

	2016
REVENUES:	\$ -----
EXPENDITURES:	
Personnel Services	\$ 29,904
Employee Benefits	2,287
Repairs and Maintenance	6,045
Supplies	14,288
Telephone	645
Utilities	8,058
Miscellaneous	<u>2,713</u>
Total Community Action Program Expenditures	<u>\$ 63,940</u>
EXPENDITURES OVER REVENUES	<u>\$&lt; 63,940&gt;</u>

***City of West Point, Georgia***  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Depot/Visitor's Center**  
**For the Year Ended December 31, 2016**

	2016
REVENUES:	
Rental Fees	\$ 24,425
EXPENDITURES:	
Tourism - Better Hometown Program	\$ 7,060
Professional Fees and Dues	200
Repairs and Maintenance	10,529
Telephone	3,127
Utilities	9,652
Debt Service	10,671
Total Depot/Visitor's Center Expenditures	\$ 41,239
EXPENDITURES OVER REVENUES	\$< 16,814>

**City of West Point, Georgia**  
**General Fund**  
**Statement of Revenues and Expenditures**  
**Planning and Zoning**  
For the Year Ended December 31, 2016

	2016
<b>REVENUES:</b>	
Zoning and Annexations	\$ 725
Land Disturbing Permits	1,612
Land Development Plan Reviews	3,622
Building Permits	7,618
Intergovernmental - CHIP Grant	37,582
Total Revenues	\$ 51,159
 <b>EXPENDITURES:</b>	
Personnel Services	\$ 127,240
Employee Benefits	42,474
Professional Services	24,849
Repairs and Maintenance	3,409
Insurance	14,091
Telephone	6,391
Supplies	3,236
Fuel and Oil	1,893
Miscellaneous	4,610
Capital Outlay - Vehicle	25,431
Grant Expenditures - W. P. Housing Authority	37,582
Total Planning and Zoning Expenditures	\$ 291,206
EXPENDITURES OVER REVENUES	\$< 240,047>

**City of West Point, Georgia**  
**Combining Balance Sheet**  
Special Revenue Funds – Non-Major  
For the Year Ended December 31, 2016

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/ MOTEL TAX	TOTAL 2016
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 58,768	\$ 67,553	\$ 18,332	\$ 144,653
Receivables				
Accounts	<u>459,899</u>	<u>10,337</u>	<u>-----</u>	<u>470,236</u>
TOTAL ASSETS	<u>\$ 518,667</u>	<u>\$ 77,890</u>	<u>\$ 18,332</u>	<u>\$ 614,889</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts Payable	\$ -----	\$ -----	\$ -----	\$ -----
Due to other Funds	<u>-----</u>	<u>30,719</u>	<u>12,176</u>	<u>42,895</u>
Total Liabilities	<u>\$ -----</u>	<u>\$ 30,719</u>	<u>\$ 12,176</u>	<u>\$ 42,895</u>
<b>Fund Balance</b>				
Restricted	\$ 518,667	\$ 47,171	\$ 6,156	\$ 571,994
Unassigned	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Fund Balance	<u>\$ 518,667</u>	<u>\$ 47,171</u>	<u>\$ 6,156</u>	<u>\$ 571,994</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 518,667</u>	<u>\$ 77,890</u>	<u>\$ 18,332</u>	<u>\$ 614,889</u>

**City of West Point, Georgia**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Special Revenue Funds**  
For the Year Ended December 31, 2016

	REVOLVING LOAN FUND	EMERGENCY TELEPHONE SYSTEM	HOTEL/MOTEL TAX	Total 2016
<b>REVENUES</b>				
Hotel/Motel Tax	\$ -----	\$ -----	\$ 7,143	\$ 7,143
Charges for Services	-----	96,813	-----	96,813
Investment Income (Loss)	22,821	26	-----	22,847
	<u>22,821</u>	<u>26</u>	<u>-----</u>	<u>22,847</u>
<b>TOTAL REVENUES</b>	<b>\$ 22,821</b>	<b>\$ 96,839</b>	<b>\$ 7,143</b>	<b>\$ 126,803</b>
<b>EXPENDITURES</b>				
Current				
Public Services	\$ -----	\$ 43,411	\$ -----	\$ 43,411
Culture and Recreation	-----	-----	7,143	7,143
Intergovernmental	-----	-----	-----	-----
Capital Outlay	-----	16,737	-----	16,737
Debt Service	-----	42,358	-----	42,358
	<u>-----</u>	<u>42,358</u>	<u>-----</u>	<u>42,358</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ -----</b>	<b>\$ 102,506</b>	<b>\$ 7,143</b>	<b>\$ 109,649</b>
Excess of Revenues Over <Under> Expenditures	<u>\$ 22,821</u>	<u>\$&lt; 5,667&gt;</u>	<u>\$ -----</u>	<u>\$ 17,154</u>
Excess of Revenues and Other Sources Over <Under> Expenditures and Other Financing Uses	\$ 22,821	\$< 5,667>	\$ -----	\$ 17,154
Fund Balance - Beginning of Year	<u>495,846</u>	<u>52,838</u>	<u>6,156</u>	<u>554,840</u>
Fund Balance - End of Year	\$ 518,667	\$ 47,171	\$ 6,156	\$ 571,994
	=====	=====	=====	=====

**City of West Point, Georgia**  
**Capital Projects Fund - Major**  
**Balance Sheet**  
For the Year Ended December 31, 2016

	2012 SPLOST Proceeds <u>Troup County</u>
ASSETS	
Cash and Cash Equivalents	\$ 579,322
Receivables	
Intergovernmental	<u>76,067</u>
TOTAL ASSETS	\$ 655,389 =====
LIABILITIES AND FUND BALANCE	
Liabilities	\$ -----
Accounts Payable	<u>-----</u>
Due to other Funds	\$ -----
Total Liabilities	<u>-----</u>
Fund Balance	\$ 655,389
Restricted - Capital Projects	<u>655,389</u>
Total Fund Balance	\$ 655,389
TOTAL LIABILITIES AND FUND BALANCE	\$ 655,389 =====

**City of West Point, Georgia**  
**Capital Projects Fund – Major**  
**Balance Sheet**  
For the Year Ended December 31, 2016

	SPLOST Proceeds Harris County 2014
ASSETS	
Cash and Cash Equivalents	\$ 95,244
Receivables	
Intergovernmental	20,449
TOTAL ASSETS	\$ 115,693
	=====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Total Liabilities	\$ -----
Fund Balance	
Restricted – Capital Projects	\$ 115,693
Unassigned	-----
Total Fund Balance	\$ 115,693
TOTAL LIABILITIES AND FUND BALANCE	\$ 115,693
	=====

***City of West Point, Georgia***  
**Capital Projects Fund – Non-Major**  
**Balance Sheet**  
For the Year Ended December 31, 2016

	SPLOST Proceeds Harris County 2004 <hr style="border: 0.5px solid black;"/>
ASSETS	
Cash and Cash Equivalents	\$ 106,159
Receivables	
Intergovernmental	----- <hr style="border: 0.5px solid black;"/>
TOTAL ASSETS	\$ 106,159 =====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ ----- <hr style="border: 0.5px solid black;"/>
Total Liabilities	\$ ----- <hr style="border: 0.5px solid black;"/>
Fund Balance	
Restricted – Capital Projects	\$ 106,159
Unassigned	----- <hr style="border: 0.5px solid black;"/>
Total Fund Balance	\$ 106,159 <hr style="border: 0.5px solid black;"/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 106,159 =====

***City of West Point, Georgia***  
**Capital Projects Fund – Non-Major**  
**Balance Sheet**  
For the Year Ended December 31, 2016

	Transportation Enhancement SPLOST <u>Harris County</u>
ASSETS	
Cash and Cash Equivalents	\$ 70,265
Receivables	
Intergovernmental	<u>1,726</u>
TOTAL ASSETS	\$ 71,991 =====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ -----
Total Liabilities	\$ -----
Fund Balance	
Restricted - Capital Projects	<u>\$ 71,991</u>
Total Fund Balance	<u>\$ 71,991</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 71,991 =====

***City of West Point, Georgia***  
**Capital Assets Used in the**  
**Operation of Governmental Funds**  
Comparative Schedules by Source  
For the Year Ended December 31, 2016 and 2015

	2016	2015
General Fixed Assets		
Land and Land Improvements	\$ 1,388,338	\$ 997,931
Buildings	7,892,581	6,018,381
Furniture and Fixtures	314,087	314,087
Vehicles, Machinery and Equipment	6,571,200	5,747,279
Infrastructure	5,862,196	5,109,635
Construction in Progress	3,971,803	7,260,353
Total General Fixed Assets	\$26,000,205	\$25,447,666
	=====	=====
Investment in General Fixed Assets From:		
General Fund Revenues	\$16,155,522	\$14,002,126
Special Revenue Funds and Capital Projects Fund	9,844,683	11,445,540
Total Investment in General Fixed Assets	\$26,000,205	\$25,447,666
	=====	=====

**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, 2016

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
General Government	\$ 2,173,887	\$ 504,343	\$ -----	\$ 2,678,230
Public Safety				
E-911	262,277	16,737	-----	279,014
Police Protection	1,521,052	1,719,624	-----	3,240,676
Fire Protection	4,494,082	680,078	-----	5,174,160
Highways and Streets	5,377,491	764,162	-----	6,141,653
Culture and Recreation	4,397,696	109,115	-----	4,506,811
Cemetery	175,051	-----	-----	175,051
Planning and Zoning	66,765	25,431	-----	92,196
SPLOST CIP	6,128,843	217,364	<3,505,914>	2,840,293
SPLOST Land	450,081	-----	-----	450,081
Economic Development	400,441	21,599	-----	422,040
	<u>\$25,447,666</u>	<u>\$ 4,058,453</u>	<u>\$&lt;3,505,914&gt;</u>	<u>\$ 26,000,205</u>
	=====	=====	=====	=====

*Proprietary Funds*

***City of West Point, Georgia***  
**Water and Sewer Fund**  
**Comparative Statements of Net Positions**  
**For the Year Ended December 31, 2016 and 2015**

	2016	2015
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,009,785	\$ 3,152,860
Accounts Receivable		
Utility	695,850	601,216
Interfund	355,864	339,440
Inventory	44,750	62,031
Total Current Assets	\$ 5,106,249	\$ 4,155,547
Restricted Assets		
Restricted Cash	\$ 1,015,457	\$ 989,618
Investments	122,100	122,100
Total Restricted Assets	\$ 1,137,557	\$ 1,111,718
Capital Assets - Net	\$ 31,726,537	\$ 30,275,631
Total Assets	\$ 37,970,343	\$ 35,542,896
Deferred Outflows Pension Contributions made after measurement date	\$ 41,330	\$ 42,672
Liabilities and Net Positions		
Current Liabilities		
Accounts Payable	\$ 149,987	\$ 62,922
Accrued Liabilities	16,879	11,725
Total Current Liabilities	\$ 166,866	\$ 74,647
Liabilities Payable from Restricted Assets		
Revenue Bonds - Current	\$ 637,292	\$ 508,168
Total Liabilities Payable from Restricted Assets	\$ 637,292	\$ 508,168
Long-Term Liabilities		
Revenue Bonds - Long-Term	\$ 20,031,111	\$ 20,667,691
Customer Deposits	32,510	30,717
Total Long-Term Liabilities	\$ 20,063,621	\$ 20,698,408
Net Positions		
Net Investment in Capital Assets	\$ 11,058,134	\$ 9,099,772
Restricted for Debt Service	1,137,557	1,111,718
Unrestricted	4,917,375	4,092,855
Total Net Positions	\$ 17,113,066	\$ 14,304,345

***City of West Point, Georgia***  
**Water Fund**  
**Comparative Statement of Revenues,**  
**Expenses, and Changes in Fund Net Positions**  
For the Year Ended December 31, 2016 and 2015

	2016	2015
Operating Revenues		
Water System	\$ 2,594,983	\$ 2,368,509
Other	878	3,208
Total Operating Revenues	\$ 2,595,861	\$ 2,371,717
Operating Expenses		
Personnel Services and Benefits	\$ 315,110	\$ 331,170
Supplies	194,770	184,946
Repairs and Maintenance	96,907	107,949
Professional/Technical Services	20,200	35,330
Utilities	117,031	129,186
Other Operating	111,225	43,861
Depreciation	316,222	308,494
Total Operating Expenses	\$ 1,171,465	\$ 1,140,936
Operating Income	\$ 1,424,396	\$ 1,230,781
Non-Operating Revenues (Expenses)		
Investment Income	\$ 396	\$ 451
Interest Expense	< 309,485>	< 316,151>
Grant Revenue	-----	56,080
Total Non-Operating Revenues (Expenses)	\$< 309,089>	\$< 259,620>
Net Income <Loss> before Capital Contributions And Transfers	\$ 1,115,307	\$ 971,161
Change in Net Positions	\$ 1,115,307	\$ 971,161
Net Positions - Beginning of Year	8,103,609	7,132,448
Net Positions - End of Year	\$ 9,218,916	\$ 8,103,609

**City of West Point, Georgia**  
**Sewer Fund**  
**Comparative Statement of Revenues,**  
**Expenses, and Changes in Fund Net Positions**  
For the Year Ended December 31, 2016 and 2015

	2016	2015
Operating Revenues		
Sewer System	\$ 1,808,226	\$ 1,599,244
Total Operating Revenues	\$ 1,808,226	\$ 1,599,244
Operating Expenses		
Personnel Services and Benefits	\$ 190,616	\$ 185,449
Supplies	112,494	108,825
Repairs and Maintenance	186,681	95,120
Professional/Technical Services	40,981	19,751
Utilities	444,756	365,543
Other Operating	129,154	105,878
Depreciation	361,947	308,494
Total Operating Expenses	\$ 1,466,629	\$ 1,189,060
Operating Income	\$ 341,597	\$ 410,184
Non-Operating Revenues (Expenses)		
Investment Income	\$ 392	\$ 328
Interest Expense	< 477,574>	< 484,811>
Grant Revenue	-----	30,000
Total Non-Operating Revenues (Expenses)	\$< 477,182>	\$< 454,483>
Net Income <Loss> Before Transfers and Capital Contributions	\$< 135,585>	\$< 44,299>
Contributed Capital Transferred In	\$ 1,828,999	\$ -----
Change in Net Positions	\$ 1,693,414	\$< 44,299>
Net Positions - Beginning of Year	6,200,736	6,245,035
Net Positions - End of Year	\$ 7,894,150	\$ 6,200,736

***City of West Point, Georgia***  
**Electric Fund**  
**Comparative Statements of Net Positions**  
**For the Year Ended December 31, 2016 and 2015**

	2016	2015
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,034,117	\$ 3,554,107
Receivables		
Accounts	503,715	481,507
Inventory	<u>251,608</u>	<u>219,057</u>
Total Current Assets	<u>\$ 4,789,440</u>	<u>\$ 4,254,671</u>
Capital Assets - Net	<u>\$ 864,617</u>	<u>\$ 749,485</u>
Total Assets	<u>\$ 5,654,057</u>	<u>\$ 5,004,156</u>
Deferred Outflows - Pension Contributions made after measurement date	\$ 28,098 =====	\$ 29,570 =====
Liabilities and Net Positions		
Current Liabilities		
Accounts Payable	\$ 40,854	\$ 21,964
Accrued Liabilities	<u>12,549</u>	<u>3,844</u>
Total Current Liabilities	<u>\$ 53,403</u>	<u>\$ 25,808</u>
Long-Term Liabilities	<u>\$ 72,589</u>	<u>\$ 76,448</u>
Total Liabilities	<u>\$ 125,992</u>	<u>\$ 102,256</u>
Net Positions		
Net Investment in Capital Assets	\$ 864,617	\$ 749,485
Unrestricted	<u>4,691,546</u>	<u>4,181,985</u>
Total Net Positions	<u>\$ 5,556,163</u> =====	<u>\$ 4,931,470</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, 2016 and 2015

	2016	2015
Operating Revenues		
Electricity Sales	\$ 5,730,224	\$ 5,818,228
Other	91,080	95,114
MEAG Trust	480,367	510,155
Total Operating Revenues	\$ 6,301,671	\$ 6,423,497
Operating Expenses		
Personnel Services and Benefits	\$ 570,981	\$ 534,046
Electric System Supplies	181,654	179,931
Repairs and Maintenance	136,983	94,802
Electric Purchases	4,227,237	4,265,660
System Improvements	4,770	-----
Depreciation	62,178	38,626
Insurance	23,828	29,027
Other Operating	257,060	202,383
Total Operating Expenses	\$ 5,464,691	\$ 5,344,475
Operating Income	\$ 836,980	\$ 1,079,022
Transfers Out	\$< 212,287>	\$< 660,365>
Change in Net Positions	\$ 624,693	\$ 418,657
Net Positions - Beginning of Year	4,931,470	4,512,813
Net Positions - End of Year	\$ 5,556,163	\$ 4,931,470

**City of West Point, Georgia**  
**Gas Fund**  
**Comparative Statements of Net Positions**  
For the Year Ended December 31, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,766,883	\$ 1,531,263
Receivables		
Accounts	389,295	302,009
Inventory	<u>143,204</u>	<u>145,620</u>
Total Current Assets	<u>\$ 2,299,382</u>	<u>\$ 1,978,892</u>
Capital Assets - Net	<u>\$ 2,790,416</u>	<u>\$ 2,823,475</u>
Total Assets	<u>\$ 5,089,798</u>	<u>\$ 4,802,367</u>
Deferred Outflows of Resources Pension		
Contributions in Current Fiscal Year	\$ 17,946	\$ 19,427
	=====	=====
Liabilities and Net Positions		
Current Liabilities		
Accounts Payable	\$ 9,382	\$ 3,627
Accrued Liabilities	2,924	1,865
Note Payable - Current	<u>172,560</u>	<u>167,330</u>
Total Current Liabilities	<u>\$ 184,866</u>	<u>\$ 172,822</u>
Long-Term Liabilities		
Notes Payable	\$ 2,343,580	\$ 2,516,140
Customer Deposits	<u>27,057</u>	<u>37,651</u>
Total Long-Term Liabilities	<u>\$ 2,370,637</u>	<u>\$ 2,553,791</u>
Total Liabilities	<u>\$ 2,555,503</u>	<u>\$ 2,726,613</u>
Net Positions		
Net Investment in Capital Assets	\$ 274,276	\$ 140,005
Unrestricted	<u>2,277,965</u>	<u>1,955,176</u>
Total Net Positions	<u>\$ 2,552,241</u>	<u>\$ 2,095,181</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, 2016 and 2015

	2016	2015
Operating Revenues		
Gas Sales	\$ 1,425,827	\$ 1,310,587
Other	-----	953
Total Operating Revenues	\$ 1,425,827	\$ 1,311,540
Operating Expenses		
Personnel Services and Benefits	\$ 177,823	\$ 187,020
Repairs and Maintenance	43,780	23,335
Gas Purchases	491,724	604,021
Insurance	18,961	24,057
Supplies	62,240	97,320
Other Operating	56,490	82,070
System Improvements	-----	30,944
Depreciation	42,976	48,653
Total Operating Expenses	\$ 893,994	\$ 1,097,420
Operating Income	\$ 531,833	\$ 214,120
Non-Operating Revenues (Expenses)		
Interest Expense	< 80,719>	< 88,376>
Transfers In/<Out>	5,946	8,370
Change in Net Positions	\$ 457,060	\$ 134,114
Net Positions - Beginning of Year	2,095,181	1,961,067
Net Positions - End of Year	\$ 2,552,241	\$ 2,095,181

***City of West Point, Georgia***  
**Sanitation Fund**  
**Comparative Statements of Net Positions**  
For the Year Ended December 31, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Receivables		
Accounts	\$ 27,470	\$ 25,297
Total Current Assets	\$ 27,470	\$ 25,297
Capital Assets - Net	\$ 307,052	\$ 242,167
Total Assets	\$ 334,522	\$ 267,464
	=====	=====
Deferred Outflows of Resources Pension		
Contributions in Current Fiscal Year	\$ 17,890	\$ 20,928
	=====	=====
Liabilities and Net Positions		
Current Liabilities		
Accounts Payable	\$ 19,703	\$ 3,026
Accrued Liabilities	2,441	7,663
Total Current Liabilities	\$ 22,144	\$ 10,689
Net Positions		
Net Investment in Capital Assets	\$ 307,052	\$ 242,167
Unrestricted	23,216	35,536
Total Net Positions	\$ 330,268	\$ 277,703
	=====	=====

**City of West Point, Georgia**  
**Sanitation Fund**  
**Comparative Statement of Revenues,**  
**Expenses, and Changes in Fund Net Positions**  
For the Year Ended December 31, 2016 and 2015

	2016	2015
Operating Revenues		
Garbage Fees	\$ 347,119	\$ 341,232
Total Operating Revenues	\$ 347,119	\$ 341,232
Operating Expenses		
Personnel Services and Benefits	\$ 206,677	\$ 255,278
Contracted Services	222,565	146,897
Repairs and Maintenance	18,628	21,786
Insurance	23,116	27,296
Landfill Fees	12,232	17,315
Supplies	26,485	26,478
Other Operating	8,458	3,650
Depreciation	17,517	5,745
Recycling and Grinding	-----	26,673
Total Operating Expenses	\$ 535,678	\$ 531,118
Operating Income <Loss>	\$< 188,559>	\$< 189,886>
Transfers In	\$ 241,124	\$ 186,286
Change in Net Positions	52,565	< 3,600>
Net Positions - Beginning of Year	277,703	281,303
Net Positions - End of Year	\$ 330,268	\$ 277,703

***SPLOST Information***

# J. Robyn Underwood, CPA

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## ***Independent Auditor's Report on Special County 1 Percent Sales and Use Tax Approved in special Election***

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

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of West Point, Georgia for the year ended December 31, 2016. This schedule is the responsibility of the City of West Point's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

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

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121, on the modified accrual basis of accounting and is not intended to be a complete presentation of the City of West Point's revenues and expenditures.

In our opinion, the Schedule of Special Purpose of Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated costs, and the current and prior year expenditures for each project in the City of West Point's resolution or ordinance called for the tax for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

J. Robyn Underwood, CPA  
May 20, 2017

**City of West Point, Georgia**  
**Schedule of Projects Constructed**  
**with Special Sales Tax Proceeds**  
**For the Year Ended December 31, 2016**

PROJECT - Troup County	ORIGINAL ESTIMATED COSTS	EXPENDITURES			ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR	TOTAL	
<b>2008</b>					
Green Space	\$ 125,000	\$ 258,509	\$ -----	\$ 258,509*	100.0%
Public Safety Facilities and Equipment	1,150,000	1,331,706	251,384	1,331,706*	115.80%
Roads and Streets	125,000	86,700	-----	86,700*	70.0%
Sewer (Waste Water Collection and Treatment)	<u>2,000,000</u>	<u>1,828,999</u>	<u>-----</u>	<u>1,828,999*</u>	89.0%
Total 2008	<u>\$3,400,000</u>	<u>\$3,505,914</u>	<u>\$ 251,384</u>	<u>\$3,505,914</u>	
*Projects completed and transferred to the respective Fund, Splost 2008 Troup County is closed.					
<b>2013</b>					
Recreation Facilities and Grounds	\$4,722,021	\$4,297,118	\$ 243,391	\$4,540,509	96.00%
Reconciling Items:					
Principle	----	2,420,000	970,000	3,390,000	
Interest	<u>----</u>	<u>358,438</u>	<u>61,775</u>	<u>420,213</u>	
Total 2013	<u>\$4,722,021</u>	<u>\$7,075,556</u>	<u>\$1,275,166</u>	<u>\$8,350,722</u>	
PROJECT - Harris County	ORIGINAL ESTIMATED COSTS	EXPENDITURES			ESTIMATED PERCENTAGE OF COMPLETION
Recreation (2004)	\$ 276,000	\$ 170,114	\$ -----	\$ 170,114	61.6%
Public Safety (2014)					
Fire Truck	\$ 347,628	\$ 350,988	\$ -----	\$ 350,988	101.01%
Fire Equipment	<u>-----</u>	<u>-----</u>	<u>10,778</u>	<u>10,778</u>	
Reconciling Items					
Principle	\$ -----	\$ -----	\$ 55,201	\$ 55,201	
Interest	<u>-----</u>	<u>-----</u>	<u>2,396</u>	<u>2,396</u>	
Total	<u>\$ 347,628</u>	<u>\$ 350,988</u>	<u>\$ 68,375</u>	<u>\$ 578,699</u>	

***Required Supplementary Information***

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## **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 Identified; and No Reportable Instances of Noncompliance and Other Matters Identified)***

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of the City of West Point (the “City”) as of and for the year ended December 31, 2016, and related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated May 20, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’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 City’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of West Point's financial 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 direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective in our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

J. Robyn Underwood, CPA  
Barnesville, Georgia  
May 20, 2017

***City of West Point, Georgia***  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2016**

As of December 31, 2016, 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.

(Compliance Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.

**Prior Year Findings**

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

None.

(Compliance Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.