



## INDEPENDENT AUDITOR'S REPORT

### To the Mayor and Council City of Fort Wright, Kentucky

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Fort Wright, Kentucky, as of, and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Fort Wright, Kentucky's, management. Our responsibility is to express an opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Fort Wright, Kentucky, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the City of Fort Wright, Kentucky's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 23 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical



context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**RANKIN, RANKIN, & COMPANY**

A handwritten signature in cursive script that reads "Rankin, Rankin &amp; Company".

**Ft. Wright, Kentucky  
December 19, 2012**

**CITY OF FORT WRIGHT, KENTUCKY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Year Ended June 30, 2012

	Required Supplementary Information			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Budgetary fund balance, July 1	\$ 2,121,130	\$ 2,233,118	\$ 2,656,067	\$ 422,949
Resources (inflows):				
Taxes	1,306,000	1,302,180	1,459,322	157,142
Licenses and permits	1,830,000	1,805,000	1,956,029	151,029
Intergovernmental	86,650	88,730	105,656	16,926
Charges for services	330,031	334,400	351,325	16,925
Fines and forfeitures	24,500	21,800	23,675	1,875
Uses of property	12,100	10,300	8,476	(1,824)
Miscellaneous	22,600	62,555	66,177	3,622
Transfers in	60,000	60,000	60,000	-
Amounts available for appropriation	<u>5,793,011</u>	<u>5,918,083</u>	<u>6,686,727</u>	<u>768,644</u>
Charges to appropriations (outflows)				
General government	499,459	368,018	367,949	69
Police	1,501,550	1,392,693	1,216,470	176,223
Fire/EMS	889,700	824,298	797,829	26,469
Public works	683,110	667,291	671,333	(4,042)
Plant/community projects	107,900	101,800	101,975	(175)
Debt Service	231,000	381,318	377,403	3,915
Transfers out	47,500	47,500	47,500	-
Total charges to appropriations	<u>3,960,219</u>	<u>3,782,918</u>	<u>3,580,459</u>	<u>202,459</u>
Budgetary fund balance, June 30	<u>\$ 1,832,792</u>	<u>\$ 2,135,165</u>	<u>\$ 3,106,268</u>	<u>\$ 971,103</u>

The basis of budgeting is the same as GAAP.

**CITY OF FORT WRIGHT, KENTUCKY**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND-MUNICIPAL AID**  
**For the Year Ended June 30, 2012**

	Required Supplementary Information			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Budgetary fund balances, July 1	\$ 617,599	\$ 529,902	\$ 631,760	\$ 101,858
Resources (inflows):				
Intergovernmental	95,000	84,674	129,854	45,180
Interest	4,000	3,000	2,376	(624)
Miscellaneous	-	-	1,995	1,995
Transfers from other funds	-	-	-	-
Amounts available for appropriation	<u>716,599</u>	<u>617,576</u>	<u>765,985</u>	<u>148,409</u>
Charges to appropriations (outflows):				
Current				
Administration	175	175	174	1
Public works	285,000	285,000	10,956	274,044
Capital outlay	-	-	189,335	(189,335)
Total	<u>285,175</u>	<u>285,175</u>	<u>200,465</u>	<u>84,710</u>
Budgetary fund balances, June 30	\$ <u>431,424</u>	\$ <u>332,401</u>	\$ <u>565,520</u>	\$ <u>233,119</u>

The basis of budgeting is the same as GAAP.

**CITY OF FORT WRIGHT, KENTUCKY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2012**

	<u>Parks &amp; Recreation</u>	<u>Madison Pike TIF</u>	<u>Fire and EMS</u>	<u>Asset Forfeiture</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 49,592	\$ 331,943	\$ 113,228	\$ 6,311	\$ 501,074
Accounts receivable	-	-	19,486	-	19,486
<b>Total assets</b>	<u>\$ 49,592</u>	<u>\$ 331,943</u>	<u>\$ 132,714</u>	<u>\$ 6,311</u>	<u>\$ 520,560</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 238	\$ -	\$ 6,716	\$ -	\$ 6,954
<b>Total liabilities</b>	<u>238</u>	<u>-</u>	<u>6,716</u>	<u>-</u>	<u>6,954</u>
<b>Fund balances:</b>					
Committed	\$ -	\$ 331,943	\$ -	\$ -	\$ 331,943
Assigned	49,354	-	125,998	6,311	181,663
<b>Total fund balances</b>	<u>49,354</u>	<u>331,943</u>	<u>125,998</u>	<u>6,311</u>	<u>513,606</u>
<b>Total liabilities and fund balances</b>	<u>\$ 49,592</u>	<u>\$ 331,943</u>	<u>\$ 132,714</u>	<u>\$ 6,311</u>	<u>\$ 520,560</u>