

## **Pikeville audit reveals a "very healthy" financial report**

**BY CHUCK FERGUSON**

COPY EDITOR

An auditor has told city commissioners that Pikeville's financial performance for the fiscal year that ended in June represents "the best of all worlds."

Don Wallen, of Wallen and Cornett, certified public accountants, presented his findings and said the city "has a very healthy financial report."

He said increases were tallied in overall cash and in higher numbers of occupational licenses issued for businesses since the last audit in 2004. In addition, he said that fuel costs for city vehicles dropped from the previous fiscal year and that also contributed to the favorable financial standing.

Donovan Blackburn, city manager, agreed the audit confirmed an excellent financial standing.

"It is one of the best, if not the best, audit reports that the city has had. I'd call it outstanding. It's good news. The audit showed that we have a healthy financial situation in the city. One of the accepted standards is that auditors like to see governments have a four or five-month cash reserve. We have that as well as other good practices," Blackburn said.

Wallen said Pikeville's total assets were \$70,716,811. He said net assets, considering \$10,172,836 in liabilities, were \$60,543,975. His report showed a positive change in net assets of \$2,175,571 from 2004 to 2005.

The audit showed City of Pikeville customers paid \$1,181,285 for water, \$899,554 for sewer use, \$2,033,733 for natural gas, and \$1,047,053 for other services.

Financial statistics of ongoing federally-funded projects were included in the audit: an emergency shelter grant, a Community Oriented Policing Services Hiring grant, the Pikeville Redevelopment Project, the Pikeville Main Street Program for relocation of utility lines through sections of downtown, and the parking garage.

Some basics of the grants are:

- (1) \$40,000 from the Department of Housing and Urban development for the emergency shelter through the Kentucky Housing Corporation;
- (2) A grant from the U.S. Department of Justice to pay 75 percent of the salary and benefits of two full-time police officers;
- (3) Continued funding from the Commonwealth of Kentucky, the Department for Local Government, Community Development Block Grant, and Appalachian Region Commission funding for ongoing projects on Sycamore and High Streets and Kentucky Avenue;
- (4) Continued monies for relocation of downtown utility lines and related equipment and removal of utility poles.

Various long-term lease arrangements were also listed: Pike County Chamber of Commerce, the Tourism and Recreation Commission, and the Big Sandy Heritage Center for the train car office on Hambley Boulevard, Dilco Development for the Dils Cemetery, Pikeville Area YMCA for various properties, Model City Day Care Center, the Commonwealth of Kentucky for the state police firing range, WZLK radio for tower facilities at Poor Farm Hollow, television Channel 51, Pikeville Independent Schools for the Hambley Athletic Complex, Pikeville Community Church for a teen center, and the Big Sandy Heritage Center for an office in the train car.

Wallen's report indicated the following agencies with ties to the city were not included in the audit because they fall under other guidelines: Pikeville Independent School Board, Pikeville Housing Authority, Pikeville Public Library, Industrial Development and Economic Authority (IDEA), Main Street Program, Historic Preservation Board, Tourism Commission, Swim Team Board, Park Board, and the Pikeville/PikeCounty/Elkhorn Joint Planning Commission.

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