

City of Fairhope ~ 2010 Annual Report

All financial figures for Fiscal Year 2010 audited by Hartmann, Blackmon & Kilgore, PC

	FISCAL YEAR 2010	FISCAL YEAR 2009	INCREASE (DECREASE)
CASH			
GAS	2,253,525	895,753	1,357,772
ELECTRIC	3,692,897	2,406,845	1,286,052
WATER/SEWER	3,669,037	3,119,730	549,307
GENERAL	4,833,696	2,713,107	2,120,589
GAS TAX	128,374	59,733	68,641
CAPITAL PROJECTS	375,647	544,369	(168,722)
TOTAL CASH	14,953,176	9,739,537	5,213,639

FAIRHOPE PUBLIC UTILITIES			
REVENUE			
GAS	8,638,054	8,352,127	285,927
ELECTRIC	18,508,449	18,823,031	(314,582)
WATER/WASTEWATER	8,964,509	8,222,209	742,300
TOTAL REVENUE	36,111,012	35,397,367	713,645
EXPENSES			
GAS	(7,550,314)	(7,370,911)	179,403
ELECTRIC	(17,301,799)	(17,894,886)	(593,087)
WATER/WASTEWATER	(8,000,612)	(7,795,813)	204,799
TOTAL EXPENSE	(32,852,725)	(33,061,610)	(208,885)
UTILITY NET INCOME	3,258,287	2,335,757	922,530

Dear Citizens,
2010 was an interesting year for all of us on the Gulf Coast. We were blessed to have no damaging storms, but we had the BP Oil Spill. Even though Fairhope was not touched by the oil in the Gulf, we were not immune to its impact. For much of the year, our bluffs were a staging area for cleanup, and a City Public Works representative served as liaison between the City and BP, state, and federal representatives to coordinate responses, monitoring, and communications. Despite all of this, in most ways, it was 'business as usual' for the City.

Financially, it was a good year. In 2010, the city's bond rating increased to AA. This is the third increase since 2000. Also in 2010, the City spent \$1,585,524 on capital improvements in utility upgrades. We have not borrowed money for utility upgrades since 2002. We have been able to save money and do projects as needed without any borrowed money.

An indicator that things are turning around is the fact that in 2010 we collected more than \$700,000 in fees from building permits and fees related to building. This is a 43% increase over last year. We also saw single family housing up 14% with 138 new single family homes in Fairhope.

To plan for the growth of families in Fairhope, forty acres of land was purchased on Manley Road for future expansion of our recreational facilities in high-growth areas.

The City ended fiscal year 2010 on sound footing, with a \$5.2 million increase of cash. As of February 2011, the City has approximately \$19 million in the bank.

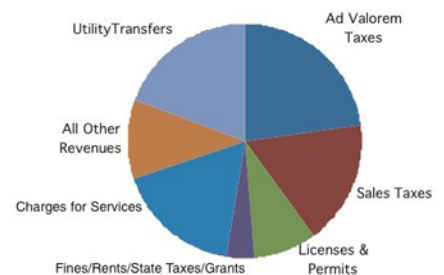
2010 was a good year and the credit goes to the hard working employees at the City of Fairhope who take pride in their jobs and are proud to serve our citizens. If you have questions or need any additional information, please contact me or stop by City Hall.

Tim Kant

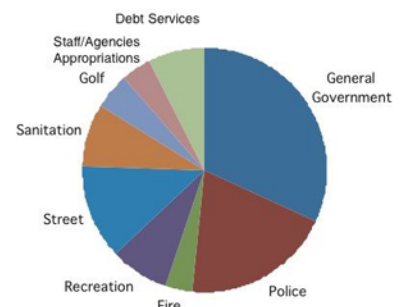
GENERAL GOVERNMENT

INCOME	Fiscal Year 2010	Fiscal Year 2009	Increase (Decrease)
INCOME FROM UTILITIES	4,897,104	5,094,136	(197,032)
AD VALOREM TAXES	5,849,027	5,934,516	(85,489)
SALES TAXES	4,443,325	1,003,864	3,439,461
LICENSES & PERMITS	2,178,982	2,058,105	120,877
FINES & FORFEITURES	261,070	224,022	37,048
STATE/FEDERAL GOV'T	459,608	749,400	(289,792)
RENT & INTERESTS	238,852	207,939	30,913
CHARGES FOR SERVICES	4,450,535	4,450,711	(176)
BP REVENUE	1,150,000	-	1,150,000
WARRANT PROCEEDS TO REFUND DEBT	-	3,368,260	(3,368,260)
ALL OTHER REVENUES	1,718,717	1,307,745	410,972
TOTAL INCOME	25,647,220	24,398,698	1,248,522
EXPENSE			
ADMINISTRATIVE FUNCTIONS	5,780,734	5,920,151	(139,417)
LAND PURCHASE	876,134	-	876,134
POLICE AND FIRE	5,359,082	4,842,724	516,358
NIX CENTER, MUSEUM, CIVIC, WELCOME CENTERS*	565,975	400,494	165,481
RECREATION (NEW CENTER OPENED 2010)	1,224,719	867,174	357,545
PUBLIC WORKS	4,754,969	4,104,179	650,790
GOLF	1,094,604	1,395,214	(300,610)
LIBRARY APPROPRIATION	565,000	530,000	35,000
AIRPORT APPROPRIATION	249,856	242,090	7,766
THE HAVEN APPROPRIATION	65,000	60,000	5,000
BP OIL SPILL EXPENSE	726,814	-	726,814
WARRANT DEBT REFUNDED	-	3,368,260	(3,368,260)
DEBT SERVICE	1,751,499	1,675,119	76,380
TOTAL EXPENSE	23,014,386	23,405,405	(391,019)
GENERAL GOVERNMENT NET INCOME	2,632,834	993,293	1,639,541
COMBINED CITY NET INCOME	5,891,121	3,329,050	2,562,071

City of Fairhope General Fund Revenue
Fiscal 2010



City of Fairhope General Fund Expense
Fiscal 2010



* Includes Museum, Civic Center, and Welcome Center costs not in this department in FY 2009: Employee costs: \$113,794; maintenance & supplies: \$46,635.