1956-1979 Fairhope Single Tax Corporation Annual Reports

Fairhope

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Cash on Hand Jan. 1, 1956	2,779.02
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Started but not completed in 1956 was a sewer extension to provide sanitary sewer service to lots on Johnson St. between Mershon and Brown Sts. that could not be served by the sewer service on those streets. Some studies and preliminary surveys were made on subdivision expansions and additional street improvements. However these had to be held over until funds are made available from 1957 receipts.

MEMBERSHIP

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Three, Mr. Krog and the Messrs. Schneider, are graduates of the Henry George classes conducted by R. Lucier Rockwell and Bruce Evans Jr. Mr. Evans directed two classes during the year, one in the spring and the other in the fall. Five of the first class and six of the second completed the course of ten lessons. Two who attended the first class, the Schneiders, are now members and there appears to be good prospect of two or more new members from the second class.

We are much indebted to Mr. Evans for his voluntary service in this very vital field. The Colony has no greater need than a continuing supply of new members. However it is essential that all new members be well grounded in the fundamental principles of our plan and sincerely devoted to the achievement of our Colony aims and purposes.

COMMENTS

LAND FUND — At its first meeting in January, 1956 the Executive Council took action to re-establish the land fund that played so great a part in the land growth of our Colony. With the prospect of an increase in receipts from the sale of trees to applicants for lease of Golf Course Subdivision lots the council decided that all such receipts be placed in a land fund and held in a special account. Also resumed was the earlier practice of alloting all receipts from the contributions of new members to such fund. As will be noted in the financial statement, $2,073.50 was transferred to this special account during the year.

FEE CHARGES — Recognition was given by the council to an increased cost in giving consideration to and the execution of the various transactions involved in the leasing of its lands. Heretofore the only charge made was a lease issuance fee of one dollar. This fee was paid only upon the delivery of an executed lease. The council is called upon to approve many conditional transfers. Sometimes several such conditional transfers involve the same leasehold before the transaction is completed and a new lease issued. In such cases no fee was paid though all record entries had to be made. Also while assents to lessees' mortgages were asked and granted, assents that had to be written and recorded no fee was charged.

Considering that all such transactions involved expense to the corporation it was voted to institute a schedule of fees as follows: 1. Lease issuance fee, $5.00; 2. Lease transfer fee $5.00, to include charge for issuance of transferee's lease, an additional charge of $12.00 to be paid for transfers requiring a special council meeting; 3. Assent to mortgage fees were set at $2.00 per such assent.

In addition to the foregoing fees the council established a rule requiring every prospective lessee to appear in person at the office of the corporation where he could be informed of the purpose of the Colony and the conditions under which its lands are leased. Lessees' misinformation and lack of knowledge as to the real purpose of the Colony and the conditions under which its lands are leased have long been a matter of concern to the administration. This measure should go far in protecting lessees from disappointments and the Colony from criticism resulting from misunderstandings. Where such interviews must be conducted through correspondence a fee of $10.00 is charged.

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Mr. Evans has not only made a careful personal study of Henry George's writings but has completed the correspondence course of the Henry George School of Social Science, New York City and attended the classes directed by R. Lucier Rockwell. He hopes to conduct one or two classes this year and any who may be interested in attending should watch for announcements in the Fairhope Courier.

FAIRHOPE 1894-1954 — A long felt need of the Colony was fulfill-

ed most admirably in 1956 with the publication by the Alabama University Press of a 351 page volume, "Fairhope 1894-1954, The Story of a Single Tax Colony". The authors, Paul E. and Blanche R. Alyea, conducted their study of the Colony over a period of several years. In addition to many personal interviews with local members and residents they read and studied all available records and publications, including the Fairhope Courier files from its very beginning in Des Moines, Iowa in the spring of 1894.

Dr. Alyea is a professor of finance at the University and has made exhaustive studies of public revenue policies and problems. Our Colony is greatly indebted to him and Mrs. Alyea and to the University whose interest and financial assistance made this work possible at this time.

Your secretary had the opportunity to read the manuscript before publication and has devoted considerable time to a study of the published book. He shares with some other Colony members, who have made a careful study, the opinion that its careful reading and study can refute the oft repeated statement that an appraisal of what man learns from a study of history is that he learns nothing.

Fortunately for us the authors did not stop with a recitation of the Colony history. Probably of greatest value to us who are now concerned with conducting the affairs of the Colony are the sections in which an objective analysis is made of some of the problems of policy, both past and present. Another section is devoted to the "survival value" of our Colony. We anticipate that in these sections we may find valuable suggestions for the more effective charting of our future course.

For the year 1956 the Colony was officered as follows: President M. Dyson, Vice-President, J. E. Gaston, Secretary, C. A. Gaston, Treasurer, M. O. Berglin, Supt. Lands & Highways, Marvin Nichols, Supt. Public Service, R. H. Brown, Supt. Public Health, Sam Dyson, Supt. Industries, O. M. Rockwell, and Trustees A. H. Mershon, J. O. Stimpson and Lillian Totten.

1956 Report Fairhope Single Tax Corp.

Fairhope, Alabama

FINANCIAL STATEMENT
1956
RECEIPTS

Rent	$79,812.73
Penalty	465.33
Lease Fees	797.00
Assent Fees	172.00
Oil Lease	3,710.00
Interest, Corp. Investments	240.00
Interest, Library Investments	93.00
Membership Fees	510.00
Lease Bonuses	110.00
Sales	1,698.50
Sewer Charges	540.00
Miscellaneous	273.42
	$88,421.98
Cash on Hand Jan. 1, 1956	2,779.02
	$91,201.00

DISBURSEMENTS

Taxes Paid For Lessees:	
General Property	$35,490.81
Car and Truck	3,263.24
Poll Taxes	103.72
Corporation Land and Property Tax	6,093.12
City Business License	150.00
Income Taxes	2,105.32
Social Security Taxes	159.50
Salaries	9,811.91
Office Expenses	1,540.72
Lands and Highways	19,870.79
Library Maintenance	2,690.00
Library Interest	139.50
Cemetery Maintenance	400.00
Civic Contributions	380.00
Miscellaneous Refunds	443.62
Land Purchase Fund	2,073.50
Organic School	3,000.00
Office Equipment	210.17
Miscellaneous	382.12
	$88,308.04
Cash on Hand, Dec. 31, 1956	2,892.96
	$91,201.00

SECRETARY'S REPORT
1956

Mr. President and Fellow Members: A review of the 1956 activities of your corporation presents much evidence of both the social and economic value of our plan. Although our limited area of land has, for some years, been the most intensively used in the county, the 1956 increase in the building and improvement of homes and business structures continues at a rate that presents attractive comparisons with other county communities including the non-Colony owned portion of Fairhope.

Every year that we prepare this report we become further convinced that no other plan offers man so great an opportunity to achieve his social and economic aims and desires without sacrificing his highly prized individual liberties. We hope you may find in the following reports that which will likewise strengthen your convictions.

RENTS

Rent charges in 1956 totaled $79,260.25, a two per cent gain over the $77,659.05 reported last year. They were distributed as follows: on City land, $68,176.52; on non-City urban land in the Magnolia Beach section, $2,504.88 and on country land, $8,578.85. A comparison with a like distribution in 1955 shows a City land increase of $1,719.52, largely accounted for by new leaseholds in the Golf Course Subdivision. There was a rent charge decrease of $174.15 in the Magnolia Beach section due to several forfeitures. The forfeited lands could have been leased again but are being withheld pending plans for their resubdivision. On country lands there was only a $10.27 increase as a result of some recalculations.

Only thirty-four of the 583 lessees of record had failed to pay their rent accounts in full during the year as compared with fifty last year. However the total rent and penalty indebtedness as of December 31, $5,018.37 was $257.55 more than the like figure in 1955. While this slight increase is not welcome, an examination of the individual accounts shows only seventeen repeaters.

Rent charges for 1957 will be the same as for 1956 with the ex-

ception of some leaseholds on Orange Street, Pinecrest Lane and Church St., where streets were paved during the year.

LAND TRANSACTIONS

APPLICATIONS — Happily we were able to accept and approve twenty-six land applications. This was made possible by our opening to lease lands in the Golf Course Subdivision. Six new houses were built on these new leaseholds during the year. However the supply of lots suitable for development has again been exhausted and many had to be refused.

TRANSFERS — There were one hundred five transfers approved. Sixty-one involved the sale of building improvements at stated considerations amounting to $423,568.-71. Twenty-two were to accomplish settlement of deceased lessees' estates, family or partnership adjustments. The remaining twenty-three were vacant lot leaseholds. Four of these were on the East side of Berglin St. where the rent increase resulting from the opening of that street made it too expensive to hold the land that also had frontage on Ingleside Ave., for other than building sites. Three fine new homes were built on these transferred lots and sold by one of our enterprising contractors.

ASSESSED VALUATIONS

Figures secured from the County Assessor's records show 1956 assessment values of the Colony and those who occupy its lands increased from a 1955 total of $1,664.-020 to a 1956 total of $1,795,820, an increase of 7.92 per cent as compared with the 1955 increase of 7.78 per cent. Assessment values for the entire county, excluding public utilitiy values, increased from $27,126,100 to $28,471,660 in 1956, an increase of 4.96 per cent.

In the City of Fairhope Colony assessments increased from $1,481,-360 in 1955 to $1,591,420 in 1956, an increase of 7.43 per cent. Assessed values for the entire City, excluding public utility value, show an increase from $2,479,770 in 1955 to $2,679,995 in 1956, an increase of 8.07 per cent. Other interesting comparative figures are that on Colony land occupying about one-quarter of the City area assesments in the Colony area account for 59.38 per cent of the total and in the county where the Colony has about one-two hundred sixtieth Colony assessments amount to 6.31 per cent of the total, almost one-sixteenth.

LANDS AND HIGHWAYS

The major activity in the lands and highways department was paving. Completed was the paving through Colony owned land of Orange St., and Pinecrest Lane East of Liberty St. Also completed was the extension of the paving on Church St. both to the North and the South, on the North to Oak St. and on the South to Pinecrest Lane. This project was made possible by the cooperation of the Colony and private owners. An additional paving improvement was the paving of the alley in Block 8, Division 1 running West from Church St.

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COMMENTS

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FAIRHOPE 1894-1954 — A long felt need of the Colony was fulfill-

since it was the only cemetery in the immediate vicinity it has been made available to the general public. It is expected that the colony cemetery will now be restricted to colony lessees, colony members and some from families that already have burials in our cemetery.

As pointed out by Dr and Mrs. Alyea in their book about our colony we are still in need of developing more objective methods of measuring rent. It would appear that we are not keeping up with the increase in rental values. A check of our records shows the 1958 rent charges to be nowhere over one-third higher than the 1948 rent charge in the older settled areas including the main business district. In many of the older settled residence areas the increase amounts to much less. In the past ten years selling prices for land have been multiplied while rents have been increased fractionally.

Management expenses will increase some in 1958 as a result of the modest pay increase allowed the secretary, cashier and bookkeeper and the council members. Office expenditures should go down though as this year's improvements should hold us for a while. One additional expenditure contemplated is additional fireproof storage space for vital records.

The colony got some good publicity in the printing of the illustrated pages in the Fairhope Courier. We are sure these were effective in informing many of the valuable contributions the colony has and is making to the entire community of Fairhope. Under consideration is the printing of these pages as a group for further publicity use.

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1957 Report Fairhope Single Tax Corp.

Fairhope, Alabama

FINANCIAL STATEMENT
1957

RECEIPTS

Rent	$78,679.16
Penalty	464.56
Lease Fees	635.00
Assent Fees	186.00
Oil Lease	3,710.00
Interest, Corp. Investments	269.98
Interest, Library Investments	104.61
Membership Fee	100.00
Sewer Charges	90.00
Special Meetings	30.00
Sale of trees	485.00
	$84,760.31
Cash on Hand Jan. 1, 1957	2,892.96
	$87,653.27

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$35,779.71
Car and Truck	3,997.52
Poll Taxes	77.62
Corporation Land and Property Tax	6,090.84
City Business License	150.00
Income Taxes	2,243.99
Social Security Taxes	173.32
Salaries	9,971.05
Office Expenses	3,267.44
Lands and Highways	5,193.74
Library Maintenance	1,878.32
Library Interest	50.36
Cemetery Maintenance	400.00
Civic Contributions	558.80
Miscellaneous Refunds	129.41
Organic School	3,287.64
	$73,249.76
Cash on Hand, Dec. 31, 1957	14,403.51
	$87,653.27

SECREARY'S REPORT
1957

Mr. President and fellow members, it seems to me that I recall an old saying that "It takes money to make the mare run." Well our report this year demonstrates that it takes land to make a single tax colony prosper. We did all right financially, or I presume acceptably so. Though we did fall behind somewhat in rent collections the major part of our decrease in receipts over last year was due to a considerable reduction in collections for sewer stubs and the sale of timber on newly leased lots, our supply having been practically exhausted in 1956.

RENTS

Rent charges did advance some, though only moderately. As you will recall there were no rent increases for 1957 and with practically no new lots to lease little change could be expected. However there was a very modest increase in rent charges bringing the total to $79,909.22, $648.97 over 1956 charges.

For 1958 the Executive Council ordered an approximate increase of six per cent on urban land rent charges. This was accomplished by increasing the multiplier used in calculating urban rents from 6.60 to 7.00. No change was made in street frontage rates. Country land rents were increased by adding a ten per cent increase in acreage charges. There was no increase in the frontage rate for leaseholds on paved roads.

LAND TRANSACTIONS

APPLICATIONS — Thirteen applications were approved during the year. Again many prospective applicants had to be turned away for lack of available sites. Two of the applicants leased lots previously surrendered and two, lots forfeited for non-payment of rent. Three were satisfied by the platting of three additional lots. Three of the remaining four leased lots that offered certain physical problems and the other, a colony member, leased lots previously held to be unavailable for lease.

Three new residences were built and occupied on these newly leased lots before the end of the year and another large home was well underway. Two of the lots were leased for business and are in active use, one as a supply yard and the other as a parking lot for an ad-

joining business. Several of the others were to commercial builders who have been successful in building and selling houses on lots leased from the colony. Having no investment in the land they can offer buyers more attractive prices than others who have to sell the land, as well as the building.

LESSEES' TRANSFERS — Lessees' transfers continued to be active in 1957. There were a total of one hundred five, the same number as in 1956. Twelve were to accomplish interfamily exchanges. Eighteen were unimproved or land on which there were no buildings. There are eight new houses built or building on these formerly vacant lots. Eleven of the transfers were of new residences built by building contractors for sale and all are now occupied by new home owners. The declared sales resulting from transfers, involving buildings, amounted to over one-half million dollars.

SURRENDERS AND FORFEITURES—Three leased lots were surrendered by lessees who found they were not going to be able to profitably use them and who knew that under the colony plan they could not profitably hold them. Two lots were forfeited for nonpayment of rent, under the terms of the lease contract that provides for forfeiture of a lease to an unimproved lot if the rent is due and unpaid for more than ninety days. Both the forfeited and the surrendered lots were unimproved. All, except one of the surrendered lots, were again leased before the end of the year.

ASSESSED VALUATIONS

Assessed valuations indicate our rate of growth. Particularly does this apply to the assessed value of buildings. 1957 showed an increase over 1956 amount to $37,780 in the assessed value of buildings on colony land. This amounted to an increase of only three and two-thirds per cent over 1956, the smallest gain in several years. A much better showing could have been made if the colony had had land for prospective builders. One commercial builder told the secretary he could have built and sold ten houses had he been able to get colony land. He didn't have the capital with which to buy land nor did the prospective buyers have enough capital with which to buy both houses and land. While the increase in building assessments was shared by city, country and non-city Magnolia Beach areas the largest percentage increase was in the non-city Magnolia Beach area.

All other tangible categories also showed an increase. The only decrease was in the shares of stock of corporations doing business on colony land. One such corporation was dissolved and is being conducted as an unincorporated business and others reduced their capital stock valuations. In 1958 there will be a reduction in country lessees' personal property assessments as a result of legislative action abolishing the property tax on livestock.

LANDS AND HIGHWAYS

Activities in the Lands and Highways department were greatly reduced in 1957. 1957 expenditures dropped to $5,193.74 from the $19,870.79 of like expenditures in 1956. More than half of the expenditures in 1957 were for payment of work started in 1956. The only new work contracted was for sewer extensions in two blocks in the Golf Course Subdivision. With the extension of other utilities by the City ten to twelve additional building lots will be made available for lease in 1958.

Work contemplated for 1958 includes the installation of badly needed surface drainage on Bancroft St., north of Fairhope Ave. Plans have been prepared for taking this water north on Bancroft St., to the gully. Much of it now is taken in open ditches north to Equality St., and thence east to School St., where it reaches the gully at an extremely hazardous point, endangering serious erosion. Much such damage has occurred in the past.

It is also contemplated that there may be additional street and sewer extension in the Golf Course area and in the Magnolia Beach area to bring additional undeveloped areas into use. The principal hindrance in the Magnolia Beach area is the fact that further development in that area may only aggravate the already serious drainage problem on Fig St., Expenditures to relieve somewhat the damage already done there accounted for a considerable part of the 1957 expenditures in the lands and highways department.

MEMBERSHIP

Only one new member was added in 1957. The new member came from a category from which we are always exceptionally happy to receive applicants. She is a granddaughter of pioneer singletaxers who came to Fairhope in its earliest days and who served the colony throughout their lives, the late Frank and Minnie Brown. The former served many years as president and the latter as treasurer. She is the daughter of our present councilman R. H. Brown and Mrs. Brown. We are particularly glad that Beverly Brown Jennings has enlisted to carry on the tradition of the devotion of her antecedents.

We are sorry to report the death of an older member. Mrs. Isabella Payne died in California last June 26. While Mrs. Payne had not taken active part in colony activities she always had its welfare at heart.

COMMENTS

The improvement to the appearance of our office resulting from redecorating of walls, the celotex ceiling and the tile floor, is gratifying to your office employees as well to the lessees who have made much favorable comment. The additional lighting fixtures plus the lighter walls, ceiling and floor have brightened the office considerably and relieved eyestrain.

Our cashier-bookkeeper, Bruce Evans Jr., again conducted a class in the Economics of Henry George. Five completed the course and several others were in partial attendance. Some of these may join future classes. It is anticipated that more classes will be conducted this year. Several have called at the office expressing a desire to enroll. and all who are interested should call and get their names on the list for notifications of time set for the next class.

Our lessees continued to find favor with lenders on first mortgage real estate loans. Ninety-three assents to lessees' mortgaging on their improvements and leasehold interests were approved. Lenders comprised banks, building and loan associations, life insurance companies, the Veterans Administration and individuals. The Veterans Administration participated both as a lender and an insuror of loans made by others. The Federal Housing Administration was also an insuror of loans. The largest number of the loans were made by the Baldwin County Savings & Loan Association and the Bank of Fairhope.

The drilling for oil on colony land brought some excitement and some questions that make it apparent that many do not understand the principles of land value taxation or the purpose of their application. Questions asked were: "What would you do with the money should oil become a source of considerable revenue for the colony? Could you not then reduce the rent charges on your land?" We had to tell them that it would certainly not reduce the rental charges for land. Demand for land would, in all probability, be increased and justify an increase in rental charges. If the colony failed to increase its rental charges colony land would be speculatively held and the increased value resulting from increased demand would be appropriated by lessees as individuals instead of collectively by the community. The additional revenue derived by the colony from oil production on its lands would be used to provide additional public improvements and services to all who occupy our lands and would further increase the demand for colony land. However we do not have to face that problem yet as the drilling resulted in a dry hole. The result of this failure may mean a loss to the colony of the revenue it is now receiving from the oil leases on its lands.

The colony was particularly pleased to have private enterprise engage in the supplying of a cemetery for this area. The Fairhope Memory Gardens located on Greeno Road only a short distance outside the City limits will greatly relieve the pressure on the colony's limited area. Our cemetery was established to meet the needs of colony lessees and members. However

since it was the only cemetery in the immediate vicinity it has been made available to the general public. It is expected that the colony cemetery will now be restricted to colony lessees, colony members and some from families that already have burials in our cemetery.

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1957 Report Fairhope Single Tax Corp.

Fairhope, Alabama

FINANCIAL STATEMENT
1957

RECEIPTS

Rent	$78,679.16
Penalty	464.56
Lease Fees	635.00
Assent Fees	186.00
Oil Lease	3,710.00
Interest, Corp. Investments	269.93
Interest, Library Investments	104.61
Membership Fee	100.00
Sewer Charges	90.00
Special Meetings	30.00
Sale of trees	485.00
	$84,760.31
Cash on Hand Jan. 1, 1957	2,892.96
	$87,653.27

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$35,779.71
Car and Truck	3,997.52
Poll Taxes	77.62
Corporation Land and Property Tax	6,090.84
City Business License	150.00
Income Taxes	2,243.99
Social Security Taxes	173.32
Salaries	9,971.05
Office Expenses	3,267.44
Lands and Highways	5,193.74
Library Maintenance	1,878.32
Library Interest	50.36
Cemetery Maintenance	400.00
Civic Contributions	558.80
Miscellaneous Refunds	129.41
Organic School	3,287.64
	$73,249.76
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1957

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Bonus	50.00
Refunds	8.81
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The improvement most appreciated by and most apparent to the general public was the rebuilding of the Fairhope Ave. block in the business district between Section and Church Sts. The new paving with concrete curb and gutter and underground drainage structures is costing the Colony about $16,700.00 with $15,869.80 having been paid to the contractor and engineer in 1958.

A long needed drainage structure was constructed on Bancroft St. at a cost to the Colony of $11,713.23. The structure provides underground drainage for Bancroft St., north of Fairhope Ave., with a flume at the north end carrying the water down into the bottom of the gully. This has relieved flooding on Bancroft St., between Fairhope and Magnolia Avenues, the closing of open ditches and elimination of a hazardous discharge of surface water into the gully at the north end of School Street.

Utility installations were completed on Bellangee and Young Streets at a cost to the Colony of $3,845.20. This was necessary before lots on those streets could be opened to lease. As reported elsewhere the 8 lots thus made available were all leased at once with two new residences under construction before the end of the year. Consideration will now have to be given to paving on these streets.

In 1958 the City of Fairhope initiated a paving program for 1959 that will affect some Colony land to be paid for on an assessment basis. The land affected by this improvement is already leased and some additional street work will have to be done if any new Colony land is opened for lease in 1959.

Money available for the lands and highways department in 1959 will be appreciably less than in 1958. We closed the year with a balance of only $3,203.92 instead of the $14,403.51 carried forward from 1957. Anticipated rental income in 1959 cannot be expected to vary greatly from that received in 1958 since no rate increases were made.

MEMBERSHIP

We acquired two new members in 1958. Both were from the third generation of Colony members. Joy R. Boone, granddaughter of the late Paul and Louella Nichols was accepted August 21 and J. E. Gaston Jr., grandson of the late Ernest B. and Clara M. Gaston, September 4. Mr. Nichols became a member early in 1922 after coming to Fairhope and served the Colony for several years as vice-president. More than any other person Ernest B. Gaston, the Colony's first secretary, was responsible for initiating the movement that brougt the Colony organization into existence, becoming the first resident of the community it established. Both of our new members had completed the course of study conducted by Bruce Evans Jr.

COMMENTS

Absent from the 1958 receipts will be noted, the payment of $3,710.00 annual rental for the oil, gas and minerals lease on our country lands. Notice was received early in the year from the Plymouth Oil Company stating that they were not renewing the lease. Their lease had been in force for six years at the above rental. With double payment for the first year the total received by the Colony amounted to $25,970.00. There is good probability that interest in this area will be revived and our lands again leased.

Other than the considerable increase in ordinary leasehold rental receipts the customary income items did not vary greatly from the previous year. In addition to the larger expenditure for lands and highways, both taxes paid for lessees and officers' salaries show increases. Tax increases amounted to $1,206.52 and salary increase to $1,180.83. Partially offsetting these was a $1,485.96 reduction in income tax liability.

During the year Bruce Evans Jr., conducted two classes in single tax theory and application. A total of thirteen enrolled and eleven completed the course. The second class used the course provided by the Henry George School of Social Science, of New York, with Progress and Poverty for a text book. Mr. Evans reports this course to be broader and, in his opinion, more effective. Additional classes are being considered in the present year but no dates have been decided upon.

Sixty-six mortgages were assented to on the improvements and leasehold interests of Colony lessees. Local lenders, the Baldwin County Savings and Loan Association, the Bank of Fairhope and individuals comprised the greatest number. Two Mobile Banks, two Birmingham Life Insurance companies and two out of town mortgage companies were among the lenders. Five were insured by the Federal Housing Administration.

Only thirty-nine of our over eight hundred lessees had failed to pay their accounts in full before the end of the year. As previously reported the balances owing showed a reduction from the previous year. Only about four and one-half percent of the 1958 rent remained uncollected at the end of the year. None of the accounts can be held to be uncollectable.

In 1958 your corporation was officered by the following: President, J. E. Gaston; Vice-President, M. Dyson; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols; Superintendent of Public Service, R. H. Brown; Superintendent of Public Health, Sam Dyson; Superintendent of Industries, O. M. Rockwell and Trustees, A. H. Mershon, J. O. Stimpson and Lillian B. Totten.

Sts. Also under consideration is a continuation of Pleasant St., of the Ingleside Highlands Subdivision across Fairhope Avenue and into the Colony's unsubdivided SE¼ on NE¼ of Sec. 17, Division 4 to a point where it would intersect a new East and West St. 300 feet South of Edwards St.

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In May we were saddened by the death of our long time member, Jesse O. Stimpson. Jesse was born in the Colony of Colony members and had spent his entire life in association with its fundamental principles. He had served as a Colony trustee since 1933 and only last year was re-elected to an additional three year term. Jesse was always ready for service on call and made himself useful to the Colony in many ways. He will be greatly missed. His widow, Eunice Stimpson, made application for transfer of his membership to her and has been accepted.

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Mr. Dyson became a member in 1915 and served the Colony and the community in many ways. In his capacity as a building and construction contractor his concern for the public interest and for the personal welfare of many individuals resulted in the accomplishment of many public improvments and private homes and businesses that could not otherwise have been afforded. Before his death both he and Mrs. Dyson had asked to be relieved of their positions on the cemetery committee where they had served since the establishment of that committee in 1934. There too his generous spirit and sympathetic interest in the needs of his fellow man lightened the burden for many. His loss will be keenly felt both in and out of Colony circles.

In the interest of insuring a qualified membership the council adopted rules providing for the appointment of a committee to examine prospective members, such committee to be appointed every year following the annual election of officers. Applicants should have a certificate of attendance at a series of Henry George classes and should evidence a reasonable knowledge of the Colony's method of operation and of its history. Acceptance should be based on what such membership might add to the effectiveness of the corporation, without regard to any personal circumstances.

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C. A. Gaston Secretary

1959 Report Fairhope Single Tax Corporation

Fairhope, Alabama

FINANCIAL STATEMENT, 1959

RECEIPTS

Rent	$88,899.55
Penalty	878.01
Lease Fees	752.00
Assent Fees	200.00
Interest, Corp. Investments	140.00
Interest, Library Investments	54.25
Special Meetings	36.00
Mail Interviews	20.00
Sewer Charges	92.00
Bank of Fairhope, Fairhope Ave. Paving	614.02
Transferred from Land Fund Account	2,073.50
Interest, Land Fund Account	214.85
	$93,974.18
Cash on hand, January 1	3,203 92
	$97,178.10

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$38,651.66
Car and Truck	4,636.74
Poll Taxes	65.99
Corporation Land and Property Tax	6,109.80
City Business License	150.00
Income Taxes	371.69
Social Security Taxes	221.89
Salaries	11,288.90
Office Expenses	1,917.75
Lands and Highways	25,292.18
Library Maintenance	2,427.74
Library Interest	54.25
Cemetery Maintenance	400.00
Civic Contributions	1,025.00
Organic School	3,250.31
Refunds	101 99
	$95,965.89
Cash on hand, December 31	1,212.21
	$97,178.10

SECRETARY'S REPORT

Mr. President and fellow members, our financial statement indicates that 1959 was a good year for your Colony corporation and for those who lease its lands. The $88,899.55 of rent payments exceeded the 1959 rent charges by $2,792.64. Some of the excess is accounted for by advance payment of 1960 rent. However the record shows a reduction in rent accounts receivable at the end of the year amounting to $2,435.87. Penalty charges (interest on delinquent rent accounts) collected in 1959 amounted to $878.01. This was $386.11 more than was collected in 1958 and the balance of such charges due at the end of the year was $304.99 as compared with $691.50 due at the end of the previous year. The only receipts item showing a considerable reduction was that for trees and clearing on newly leased land. In 1958 collections from this source amounted to $1,075.03. There were no such charges in 1959.

At the end of 1958 we had 39 lessees out of our some eight hundred who had delinquent rent accounts. At the end of 1959 the number had been reduced to 22 and the amount owed had been reduced from $5,788.79 to $2,661.42. Of the total rent charges for 1959, $86,106.51, only $2,197.24 remained unpaid at the close of business December 31, only a little more than 2½ per cent, and all is surely collectible.

The disbursement colmun shows the $43,354.39 of taxes paid for lessees to be $2,223.02 more than was paid in 1958. Income taxes paid show a reduction of $536.64 from the $758.53 paid in 1958. Expenditures in the Lands and Highways Department, $25,292.19 were $6,814.95 less than was expended in that department the previous year. A considerable item was for land purchase, not a deductible expenditure for income tax purposes so our income tax liability on 1959 receipts will be greater than for 1958 income. Other expenditure items show very little change from the previous year.

RENTS

Total rent charges for 1959 amounted to $86,106.51, only $574.86 more than for 1958. No rate increases over 1958 were made and

no new lands were made available for leasing. 1959 rent charges were distributed as follows: urban land inside the City's corporate limits, $73,876.99; urban land in the unincorporated Magnolia Beach section, $2,662.54; and rural or country land, $9,566.98.

Rent charges for 1960 are based on the same rates prevailing in 1959, with the exception of country lands on Belforest Road, south of Fairhope Avenue which was paved in 1959 and on portions of Church, Orange, Pier and Liberty Sts., where paving was extended in 1959. Consequently no considerable increase in rent receipts can be expected this year.

LAND TRANSACTIONS

APPLICATIONS — Only three applications for land were approved and many prospective lessees had to be turned away for lack of available land. Two of the applications that were approved were for land restricted to industrial, warehouse or storage use. The other was the application of a member for a lot previously withheld from leasing due to drainage defects. Located on the North Side of Pier St. West of Liberty such defect has been considerably reduced by the drainage structures installed by the City in connection with its 1959 paving program.

LESSEES' TRANSFERS —The 132 lease transfers approved in 1959 set a new record. The previous high, 105 was reached in 1956 and 1957. A drop to 86 in 1958 was possibly a reflection of the recession occurring in that year. Five properties were transferred twice within the year. Urban properties accounted for 119 of the tranfers and rural properties for 13. Involved were 98 residence and 11 business properties. Eleven of the transfers were to accomplish the settlement of the estates of deceased lessees. Eight of these were sold by the executors or administrators and the others were transferred to the devisees named in the wills. There were three repossessions where buyers had failed to meet the conditions of their purchase contracts. Nine of the transfers were of new homes purchased from local builders. Exchanges of title within the family accounted for twelve transfers.

The average sales price on 58 urban residences that were more than ten years old was about $7,500.00. On 48 of these the price was under $10,000.00 and averaged about $5,500.00. On nine new homes and six built within recent years, the average price was $12,500.00. These were mostly large modern ranch type houses on attractive lots and in desirable neighborhoods.

SURRENDERS — There was only one surrender and it of a lot the leasing of which has been discouraged because of a drainage defect that cannot be improved until the water from nearby streets and lands can be diverted, either by the installation of curb and gutter or other drainage structures.

ASSENTS TO MORTGAGE—101 assents to mortgages by lessees were approved though fewer than that number of leaseholds were involved. In several cases a part of the purchase money was borrowed, secured by a first mortgage and the seller took a second mortgage in part payment of the purchase price. As usual local sources provided most of the borrowed money. The Baldwin County Savings & Loan Association, the Bank of Fairhope and local individuals figured most prominently as lenders. Participating in furnishing the balance were Mobile's three National banks, life insurance and mortgage companies, the Veterans Administration and the Federal Housing Administration.

ASSESSED VALUATIONS

Assessment records for 1959 show that the Colony land and the taxable property thereon accounted for $1,887,140 of Baldwin County's $33,111,120 total after deducting the public utility and oil assessment valuations for comparison. The increase over 1958, $29,600, resulted from mainly minor increases in the assessed value of 29 existing buildings and 24 new buildings, some of which were still under construction at assessment time and assessed at less than full value. In the City the total assessed value of Colony land and the taxable property thereon amounted to $1,671,220, well over one half of the City total of $3,066,540, after deducting the assessed value of public utilities for the comparison. In the City the increase over 1958 amounted to $22,980.

These assessed valuations should produce public revenue as follows: City of Fairhope, $25,068.30; Baldwin County, $21,702.11; Schools from the 3 mill school tax, $5,661.42 and an additional $11,322.84 from the County's $21,702.11. Of the total assessed value $617,680 is on exempt homesteads not subject to the 6½ mill State levy making the State's portion $8,689.82. Of the total $60,689.82, $44,069.90 is chargeable against Colony rent receipts. The taxes of 72 lessees exceed the rent paid on the land by $3,202.00 and such excess is not a liability of the Colony. The tax on the assessed value of shares of stock of corporations amounts to $9,312.72 and is not a liability of the Colony. The remaining $4,105.20 is levied on the personal property of tenants of Colony lessees, mainly businesses occupying buildings rented from Colony lessee owners.

LANDS AND HIGHWAYS

It is a pleasure to report an addition to Colony owned land. Advantage was taken of an opportunity to purchase a tract of land on the South side of Fig St., East of Church St. and opposite the Colony holding in Block 47 of the Magnolia Beach Addition. It will make ten or more large lots on Fig St., and leave land to the South for future development.

Accomplished during the year was the extension of the Church St. paving South to Fig St., and of the paving on Orange St., East to Church St. These streets are outside the corporate boundaries of the City and could not be included in its paving project and financed by assessments against the benefitted land. Consequently the work was contracted for by the Colony, with the private owners on the North side of Orange St., and on the West side of Church St., contributing their share of the cost.

A conference of City, County and Colony officials resulted in a plan for remedying the deplorable condition of Fig St., and of Liberty St., on South to the gully. The State's district engineer, P. B. Day made a study of the condition and prepared a plan for remedying the situation. He stated that he believed the State Highway Department would undertake the project provided local interests would share in the cost to the extent of $16,033.20. The Baldwin County Commissioners agreed to contribute $5,000.00, the City of Fairhope, a like amount and the Colony council agreed to contribute the $6,033.20 balance. Although the agreement and the State's acceptance was too late to get the project included in the State's 1959 road program it is at the top of the 1960 list and is now nearing completion Provided are adequate underground drainage structures on Liberty and Church St., that carry the water all the way to the gully and Fig St., from Church St., West to Pomelo St., with valley gutters on both sides is to be paved.

The City's 1959 paving project directly benefitted Colony land only in Block 30, Magnolia Beach Addn. at the corner of Pier and Liberty Sts., and on Liberty St., between Blocks 24 and 25, Division 2, a short distance South of White Ave. However the completion of the paving of Liberty St., and of Pier, Pinecrest and Orange Sts., to the East has enhanced the value of the Colony's paving on Liberty St., between Pecan and Fig Sts., often largely covered by sand washed in from the adjoining unpaved streets. The new drainage structures installed by both the City and the County are also a considerable benefit to Colony and other lands in the area.

All that is definitely planned for this year is the paving of Bellangee St, from Mershon to Young and of Young St., from Bellangee to Johnson. Engineering plans for this work and for the extension of Bellangee St., on East to Berglin St., have been completed. Some consideration has been given to extending Orange St., East from Church St., to the street in the middle of Block 47 and to the opening of a new street along the East side of Block 47 between Pecan and Fig

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Fairhope, Alabama

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Assent Fees	200.00
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Interest, Library Investments	54.25
Special Meetings	36.00
Mail Interviews	20.00
Sewer Charges	92.00
Bank of Fairhope, Fairhope Ave. Paving	614.02
Transferred from Land Fund Account	2,073.50
Interest, Land Fund Account	214.85
	$93,974.18
Cash on hand, January 1	3,203 92
	$97,178.10

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$38,651.66
Car and Truck	4,636.74
Poll Taxes	65.99
Corporation Land and Property Tax	6,109.80
City Business License	150.00
Income Taxes	371.69
Social Security Taxes	221.89
Salaries	11,288.90
Office Expenses	1,917.75
Lands and Highways	25,292.13
Library Maintenance	2,427.74
Library Interest	54.25
Cemetery Maintenance	400.00
Civic Contributions	1,025.00
Organic School	3,250.31
Refunds	101 99
	$95,965.89
Cash on hand, December 31	1,212.21
	$97,178.10

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At the end of 1958 we had 39 lessees out of our some eight hundred who had delinquent rent accounts. At the end of 1959 the number had been reduced to 22 and the amount owed had been reduced from $5,788.79 to $2,661.42. Of the total rent charges for 1959, $86,106.51, only $2,197.24 remained unpaid at the close of business December 31, only a little more than 2½ per cent, and all is surely collectible.

The disbursement colmun shows the $43,354.39 of taxes paid for lessees to be $2,223.02 more than was paid in 1958. Income taxes paid show a reduction of $536.64 from the $758.53 paid in 1958. Expenditures in the Lands and Highways Department, $25,292.19 were $6,814.95 less than was expended in that department the previous year. A considerable item was for land purchase, not a deductible expenditure for income tax purposes so our income tax liability on 1959 receipts will be greater than for 1958 income. Other expenditure items show very little change from the previous year.

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These assessed valuations should produce public revenue as follows: City of Fairhope, $25,068.30; Baldwin County, $21,702.11; Schools from the 3 mill school tax, $5,661.42 and an additional $11,322.84 from the County's $21,702.11. Of the total assessed value $617,680 is on exempt homesteads not subject to the 6½ mill State levy making the State's portion $8,689.82. Of the total $60,689.82, $44,069.90 is chargeable against Colony rent receipts. The taxes of 72 lessees exceed the rent paid on the land by $3,202.00 and such excess is not a liability of the Colony. The tax on the assessed value of shares of stock of corporations amounts to $9,312.72 and is not a liability of the Colony. The remaining $4,105.20 is levied on the personal property of tenants of Colony lessees, mainly businesses occupying buildings rented from Colony lessee owners.

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EDUCATION

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Cash on hand, Jan. 1		1,212.21
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Income Taxes		243.02
Social Security Taxes		240.30
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Office and Business Expense		3,935.39
Lands and Highways		17,715.67
Library Maintenance		2,230.92
Library Interest		62.00
Cemetery Maintenance		490.00
Organic School		781.87
Civic Contributions		100.00
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Redeem Membership Certificate		100.00
Air Conditioner		283.00
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Corporation Land and Property Taxes	7,240.45
City Business License	150.00
Income Taxes	243.02
Social Security Taxes	240.30
Salaries	11,151.27
Office and Business Expense	3,935.39
Lands and Highways	17,715.67
Library Maintenance	2,230.92
Library Interest	62.00
Cemetery Maintenance	400.00
Organic School	781.87
Civic Contributions	100.00
Education Committee	275.00
Redeem Membership Certificate	100.00
Air Conditioner	283.00
	$90,272 90
Cash on hand, Dec. 31	2,082.55
	$92,355.45

SECRETARY'S REPORT

Madam President and fellow members, the financial statement just presented indicates a healthful status of your Colony. Rent collections again exceeded current rent charges, but by a reduced margin from the previous year. As a result accounts receivable from lessees at the end of 1960 were $241.50 more than at the end of 1959.

We closed the year with only 35 of our 827 lessees listed as having delinquent rent accounts on 37 of the 994 leasehold accounts entered on our books. The previous year shows only 22 such lessees with 26 unpaid accounts. Reviewing the list of delinquents it appears that several were due to oversight rather than to financial limitations.

RENTS

Total rent charges for 1960 amounted to $86,602.88, only $496.37 more than was charged in 1959. These charges were distributed as follows: urban land inside the City's corporate limits, $74,001.49; urban land in the unincorporated Magnolia Beach section, $2,768.10; and rural or county land, $9,833 29.

Rent charges for 1961 will be a little more than ten per cent higher than in 1960 as a result of increases in street frontage rates in several urban sections, a general increase in urban rentals effected by the increase in the multiplier used in figuring urban rents and an increase in the acreage rates on all country lands.

LAND TRANSACTIONS

APPLICATIONS — There were four applications for land. Two were made possible by the prior forfeiture of two unimproved leaseholds for non-payment of rent. One was land made available for use by rezoning. The other was to the City for the use of its water department. It had not been available for general use. No other lands were available to be leased for general use.

LESSEES' TRANSFERS—Lease transfers dropped to 91 from the 132 reported last year. Seven properties were transferred twice within the year. Urban properties accounted for 75 of the transfers and rural properties 16. Involved were 63 residence and 8 business properties. Two of the transfers were to settle the estates of deceased

lessees. There were two repossessions where buyers had failed to meet the terms of their purchase contracts. Neither required the dispossession of a resident. There were two mortgage foreclosures, both involving country properties. Exchanges of title within the family accounted for twelve transfers. Delchamps Realty of Alabama was the transferee in four of the transfers involving all of Block 8, Division 3 on the South side of Oak St. between Church and Section Sts., The buildings have all been demolished to make way for the building of a supermarket to house a branch of the Delchamps stores.

Prices on fifty residence properties ranged from $2500 for a small 32 year old frame house in a poor state of repair to $26,000 for a large 19 year old house completely renovated and modernized within the year. Also included in the purchase price were equipment and furnishings of considerable value. Twelve of the homes built within the past five years, two within the year sold for an average price of $11,600. Six from five to twenty years in age brought an average price of $8400. The remaining 21 with ages up to 55 years sold for an average price of $7930. The average price for the fifty was $8970.

SURRENDERS & FORFEITURES — No leaseholds were surrendered, but as heretofore reported two leaseholds were forfeited and again leased to others within the year.

ASSENTS TO MORTGAGE— The considerably reduced number of property sales during the year resulted in a corresponding reduction in requests for mortgage assents. These fell to 62 as compared to 101 in 1959 All but nine were divided between Baldwin County Savings & Loan Association, the Bank of Fairhope and local individuals.

ASSESSED VALUATION

In 1959 the State Department of Revenue instituted a plan to increase valuations of property throughout the state. As a result appraisers employed by the State came to Fairhope, Bay Minette, Foley and Robertsdale and placed their valuations on buildings and lands in the central business districts of these communities, except that in Fairhope they proposed an increase in the assessed value of all Colony land within the corporate limits of the City. With two exceptions, Baldwin County Savings & Loan Association and Poser Printing Company, the increases in Fairhope were on Colony land and the buildings of Colony lessees.

Some of the valuations of the State's appraisers were wholly unrealistic and considerable reductions were agreed to by the members of the County Board of Equalization The placing on the assessment books of 25 new buildings of Colony lessees, the voluntary increases in the assessed value of 27 others and the increases imposed by the Board of Equalization, brought the assessed value of Colony land and the buildings and personal propery of Colony lessees and their tenants to $2.092,720 as compared to the $1,887,140 reported for 1959, an increase of $205,580, 10.89 per cent.

For the entire county the 1960 assessed value of real and personal property belonging to individuals and corporations, other than public utilities, amounted to $35,796,120 as compared to $33,111,520 in 1959, an increase of 8.11 per cent. Within the City of Fairhope the 1960 assessed value of Colony land and of the buildings and personal property of Colony lessees and their tenants amounted to $1,876,820 as compared to the 1959 figure of $1,671,220, an increase of $205,600, 12.30 per cent. For the entire City the assessed value of real and personal property belonging to individuals and corporations, other than public utilities amounted to $3,337,290 as compared to $3.066.540 in 1959 an increase of $270,750, 8.83 per cent. It will be noted that the Colony increase of $205,600 accounted for more than three-fourths of the City's total increase.

These assessed valuations of the Colony, its lessees and lessees' tenants should produce public revenues as follows: City of Fairhope, $28.152.30; Baldwin County, $24,066 28; County Schools, from the 3 mill school tax, $6,278.16 and an additional $12.566.32 from the County's $24,066.28. Of the total assessed value $633,380 is on homesteads of Colony lessees exempt from the State levy of 6½ mills, making the State's portion $9,485.71. Out of the total tax levy of $67,894.29 the Colony treasury was obligated to the extent of $48,946.93. On 95 leaseholds the taxes on buildings and personal property exceeded rent charges by $5,149.76; taxes on the shares of stock of business corporations, not a contractural obligation of the Colony, amounted to $9,902.52; and the remaining $3,895.08 was the tax on personal property, other than shares of stock, of lessees' tenants.

LANDS AND HIGHWAYS

Accomplished during the year was the paving of Bellangee St. from Mershon St. East to Young St. and of Young St. from Bellangee St. to Johnson St. This paving is complete with curb and gutter and with underground drainage on Young St. to carry the water into the gully. Also completed was the hard surfacing of Fig St. East from Pomelo to Church St. This work was done by the State Highway Dept., the Colony, the City and Baldwin County sharing in the cost to the State, as reported in our 1959 report. The City and the Colony shared the cost of reconstructing the Pinecrest Lane and Orange St. intersections on Liberty St. to divert the surface drainage into the underground structures that the State had extended South from Fig St. to the gully.

No definite plans for work in this department have been determined for this year. Under consideration by the State Department of Revenue are some further reappraisals of property. Until assessed valuations are fixed for the year the Colony's tax liabilities will not be known. However should funds be available there are several prospective projects such as additional streets to accomplish a further subdivision of the Colony's land East of Church St, between Pecan and Fig Sts. This improvement and sewer extensions would also open for use the Macon lands on the South side of Fig St. acquired by the Colony last year. Other contemplated projects are the completion of Bellangee St. between Young and Berglin Sts., and streets into the 40 acre tract north of Fairhope Ave., between Ingleside Ave. and Greeno Rd. In the event the City undertakes a further paving project in the Magnolia Beach section it should include Pinecrest Lane West of Liberty St. and Pomelo St. between Pecan and Fig Sts. One-half the cost of Pomelo and all the cost of Pinecrest Lane would be charged to the Colony.

MEMBERSHIP

Other than the death of M. Dyson, reported in our last year's report there were two membership losses in 1960. The one affecting us most closely was that of one of our trustees, A. H. Mershon. Uncle Arthur was in his 95th year. He joined the colonists in 1895 and was issued Membership Certificate No. 20 in the Fairhope Industrial Association, predecessor to the Fairhope Single Tax Corporation in which he held Certificate No. 5. He had served the Colony in many capacities and would have completed his 5th 3 year term as trustee this year.

In October the death of Caroline Ann McConnel was reported by her son, Murray McConnel. Mrs. McConnel and her husband the late W. G. McConnel sold their Fairhope home in 1943 and moved to Connecticut where both passed on.

Happily our gains exceeded, in numbers, our losses. Joining our ranks in the order of their acceptance were Raymond H. Lambert and John J. Burke, accepted March 17; John Lawrence Monroe, accepted June 2; and Paul M. Gaston accepted Oct. 6. Mr. and Mrs. Lambert came here in 1958, from Rochester, N. Y. to make Fairhope their retirement home. They enrolled in a Henry George study class and upon completion made application for membership. Their home is at 55 Berglin St. Mr Burke also attended Henry George study classes. He and Mrs Burke built two homes on Colony land, selling the first one and then building the second. Unhappily demands of Mr. Burke's employment have made necessary a change of residence to Birmingham. John Monroe is director of the Chicago Branch of Henry George School of Social Science, a position he has held for many years. His parents were early

converts of Henry George and his aunt, the late Jennie L. Monroe became a member of our corporation in 1911. Paul M. Gaston, presently residing in Charlottesville, Va. where he is a history teacher at the University of Virginia is the only son of your secretary and Mrs. Gaston and a grandson of the Colony's first secretary, the late Ernest B. Gaston and the late Clara M. Gaston.

EDUCATION

On Feb. 4 Claude Arnold, Sam Dyson and Oliver M. Rockwell were appointed to constitute an Education Committee to devise means to secure a more general knowledge of the single tax here in Fairhope. They were authorized to offer essay prizes to qualifying high school students and otherwise to stimulate interest in attendance at such classes as it might be possible to arrange to have conducted. They were authorized to commit the corporation financially to the extent of $900.00. Due to the late start the results were quite meagre. However a beginning was made.

Qualifying students were invited to submit essays on "Causes of Increases in Land Values". A reward of $100.00 was offered the writer of the best essay, and if the winner enrolled in an approved college a like amount was promised for three additional years provided enrollment was continued. A single award of $75.00 was offered the next best essay. Our Memphis member Abe D. Waldauer secured an additional award of a one year scholarship at Memphis State University, covering the year's tuition and all fees, a very handsome prize.

Arrangement was made for classes at the Organic School and one senior girl from the Public School took the course, Bruce Evans assuming the teaching duties. Essays were submitted by Joyce Brumby, the Public School senior, and by Monita Gooden, an Organic School senior. The essays were judged independently by three non-resident Colony members, one living in Chicago, one in Memphis and the other in Pensacola. The unanimous first choice was the essay of Miss Brumby who is enrolled at Alabama College, Montevallo. If she continues her college education she will receive three additional payments of $100.00 each. Since Miss Brumby did not elect to avail herself of the Memphis State scholarship it was offered to and accepted by Miss Gooden.

There now appears good prospect of a wider participation this year by students of both schools. The one year scholarship at Memphis State is again offered and cash awards for second and third essays have been increased to single payments of $100.00 and $50.00 awards are offered for both the fourth and fifth essays.

CEMETERY

Your secretary, C. A. Gaston and Mildred Roberts were appointed to serve with Helen Call on the Cemetery Committee and it has been possible, without too much objection to adhere to the rules you imposed.

OFFICERS

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C. A. Gaston Secretary

1960 Report Fairhope Single Tax Corporation

Fairhope, Alabama

FINANCIAL STATEMENT
1 9 6 0
RECEIPTS

Rent		$88,132.30
Penalty		416 24
Lease Fees		503.00
Assent Fees		132.00
Interest, Corporation Investments		320.00
Interest, Library Investments		124.00
Special Meetings		24.00
Mail Interview		10.00
Refunds		1,091.70
Membership Fees		340.00
Clearing charges		50.00
		$91,143.24
Cash on hand, Jan. 1		1,212.21
		$92,355.45

DISBURSEMENTS

Taxes Paid for Lessees:		
General Property		$40,480.77
Car and Truck		4,769.24
Poll Taxes		114 00
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Council committees were as follows: MEMBERSHIP, Marvin Nichols and O. M. Rockwell, Sam Dyson, alternate; EDUCATION, C. W. Arnold, Sam Dyson and O. M. Rockwell; CEMETERY, Helen Call, C. A. Gaston and Mildred Roberts. Representing the Colony on the Library Association board were Marvin Nichols and Helen Dyson. Representing the Colony on the Managing Board of the Marietta Johnson School of Organic Education were R. H. Brown, C. A. Gaston and J. E. Gaston.

C. A. Gaston, Secretary

1961 Report Fairhope Single Tax Corporation

Fairhope Alabama

FINANCIAL STATEMENT 1961

RECEIPTS

Rent	$ 94,564.64
Penalty	628.61
Lease Fees	625.00
Assent Fees	152.00
Interest, Corp. Investment	480.00
Interest, Library Investment	186.00
Special Meetings	72.00
Membership Fees	160.00
Bonus Receipts	1,171.00
Sewer Charges	89.25
Landscaping Charges	840.18
Refunds	172.59
	99,141.27
Cash on hand, January 1	2,082.55
	$101,223.82

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	41,741.04
Car and Truck	4,682.60
Poll Taxes	57.00
Corporation Land and Property Taxes	7,422.36
City Business License	150.00
Income Taxes	57.74
Social Security Taxes	271.35
Salaries	11,614.10
Office and Business Expenses	1,866.80
Lands and Highways	1,095.49
Library Maintenance	1,876.42
Library Interest	186.00
Cemetery Maintenance	400.00
Organic School	5,281.87
Civic Contributions	265.00
Education Committee	636.10
Refunds	261.17
	$ 77,865.04
Cash on hand December 31	23,358.78
	$101,223.82

SECRETARY'S REPORT

Madam President and fellow members: Our financial statement again indicates that the Colony and those who lease its lands are doing quite well. Our receipts were the highest on record, only a little short of the hundred thousand dollar mark. Only 38 of our 825 lessees on 39 of their 1,010 leasehold accounts had failed to pay the year's rent charges in full.

RENTS

Total rent charges for 1961 amounted to $96,081.71, a 10.96 percent increase over the 1960 charges of $86,602.88. The increase was due to an increase in rental charges as a result of community growth and increased demand for land. The increase in area of land under lease was very minor and, except for one application approved in January, did not occur until the latter part of December. The rent charge was distributed as follows: urban lands inside the municipal boundaries, $81,919.70; urban lands in the unincorporated Magnolia Beach section, $3,474.93; and rural or country land, $10,687.08.

1962 rent charges will be based upon the same rates that were effective in 1961 and any increase will depend on such additional land as it may be possible to make available for leasing.

LAND TRANSACTIONS

APPLICATIONS — Eight applications for land were filed and six were approved. Two, for land in the Golf Course Subdivision, were tabled since the land applied for had only just been platted and no general notice of its availability published. No new lots were declared to be open for lease until December. On the first day set for receiving applications for the five lots offered all were applied for by Colony members. The first application was for a single lot. All five were then applied for by another member who deposited with his application a $50.00 bonus on each of the five lots. Later, a third member, within the seven day period allowed for bidding, entered the

contest with applications for three of the five lots. Before the end of the seven days the first applicant applied for an additional lot. As a result of the ensuing auction between the three applicants, the first applicant was outbid on both of the lots he had applied for, the third was outbid on two of the three lots he had made application for and the second bidder was awarded four of the five. Bonus payments received by the Colony amounted to a total of $1,171.00

LESSEES' TRANSFERS—Lease transfers show an increase to 114 from the 91 we reported for 1960. 98 involved urban leaseholds and 16 were in the country. Homeseekers accounted for 38 of 65 residence properties. There were 7 business properties, the largest being the sale to White Dairy Company of Fairhope, Inc., of the Fairhope Ice & Creamery Co., and Peoples Ice Co., properties. The average price noted on 45 residence transfers was $9,350. There were two repossessions by former owners.

SURRENDERS AND FORFEITURES — No leaseholds were surrendered or forfeited.

ASSENTS TO MORTGAGE — 72 assents to mortgage were issued, 10 more than in 1960. As in the past most of the loans were made by Baldwin County Savings & Loan Association and The Bank of Fairhope. Mobile banks, other lending institutions and individuals accounted for the balance. One was a direct loan by the Veterans Administration.

ASSESSED VALUATIONS

Seventeen new buildings were placed on the assessment roll. In three of these an old residence was demolished to make way for a new one of greater value. An additional six buildings were demolished to make way for the new Delchamps buildings not accounted for in 1961 valuations. However the total assessed value of buildings in 1961 was $1,282,240, an increase of $13,780. The 1961 assessed value of personal property of lessees, $397,560, reflects an increase of $4,700.

By adding to these the assessed value of the Colony's land and personal property and of the personal property of lessees' tenants it shows the Colony to be responsible for $2,130,260 of the entire county's $37,621,100 after deducting the assessed value of public utilities and oil.

In the City of Fairhope the assessor's record shows a 1961 valuation of $3,507,875, exclusive of public utilities. Our records show that the Colony, its lessees and their tenants accounted for the major portion, $1,921,820. These figures compare with 1960 figures of $3,326,260 for the City and $1,864,160 for the Colony.

These assessed values of the Colony, its lessees and lessees' tenants should produce public revenue as follows: City of Fairhope, $28,827.30; Baldwin County, $24,497.99; County Schools from the 3 mill tax $6,390.78 and out of the County's levy, an additional $12,781.56. Of the total assessed value of Colony lessees' improvements $642,580 is on homesteads and exempt from the State's levy of six and one-half mills. As a result only $1,487,680 is subject to the State tax, amounting to $9,669.92. The State's share is distributed as follows: $1,487.68 to welfare, $3,719.20 to the general fund and $4,463.04 to the State school fund.

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By adding to these the assessed value of the Colony's land and personal property and of the personal property of lessees' tenants it shows the Colony to be responsible for $2,130,260 of the entire county's $37,621,100 after deducting the assessed value of public utilities and oil.

In the City of Fairhope the assessor's record shows a 1961 valuation of $3,507,875, exclusive of public utilities. Our records show that the Colony, its lessees and their tenants accounted for the major portion, $1,921,820. These figures compare with 1960 figures of $3,326,260 for the City and $1,864,160 for the Colony.

These assessed values of the Colony, its lessees and lessees' tenants should produce public revenue as follows: City of Fairhope, $28,827.30; Baldwin County, $24,497.99; County Schools from the 3 mill tax $6,390.78 and out of the County's levy, an additional $12,781.56. Of the total assessed value of Colony lessees' improvements $642,580 is on homesteads and exempt from the State's levy of six and one-half mills. As a result only $1,487,680 is subject to the State tax, amounting to $9,669.92. The State's share is distributed as follows: $1,487.68 to welfare, $3,719.20 to the general fund and $4,463.04 to the State school fund.

LANDS AND HIGHWAYS

There were no major activities in this department in 1961. Due to the uncertainty of the property tax liability it was decided the Colony should increase its liquid asset reserves. As a result, instead of spending all possible funds on community betterments as in the past, with the aim of keeping taxable income at a minimum, it will be noted that we closed the year with a cash balance of $23,358.78 as compared to only a little more than $2,000 the previous year and even less in some other years.

Probably the most important event in this department was the extension of the municipal boundaries. Not only will the new boundaries embrace all the Colony owned land in the Magnolia Beach Addition, heretofore listed as unincorporated urban land, the eastern boundary is moved an eighth of a mile to the east to include some 36.7 acres of Colony land heretofore listed as rural or country land. Based on present values the City's levy on the newly incorporated Colony area will produce $806.10 of additional revenue.

The probability is that there will be greater activity in this department this year. Contemplated is the paving of the block on Pinecrest Lane between Liberty and Pomelo Sts. Other street improvements will most probaby be made in areas that will provide the largest number of building opportunities.

MEMBERSHIP

Unhappily our membership roll suffered two losses by death and had only one addition. On March 16 the membership application of Arthur F. Gaston was approved. Our new member was the first boy born in the family of a Colony member in Fairhope. Although entitled to secure membership by transfer of the certificate of his father, the late Ernest B. Gaston, he elected to pay the regular one hundred dollar fee. He surrendered to the Colony his father's certificate, "Number One" of the Fairhope Single Tax Corporation with the suggestion that "it be placed in some historical department or kept in your files forever." The offer was accepted and the framed Certificate is displayed on a wall of the Colony office beneath the picture of the senior Mr. Gaston.

Our two losses were Henry W. Rowe, in August and Charles A. Kinney, in September. Both were fairly recent additions to our membership. Mr. Rowe acquired membership in 1951 and Mr. Kinney in 1955. Another loss to the local membership, though happily not by death, was that of Dr. Raymond H. Lambert who was added to our membership roll only last year. He and Mrs. Lambert have moved to Gainesville, Florida, where he is agreeably associated in the activities program of the department of chemistry in the University of Florida.

EDUCATION

Bruce Evans, Jr., our cashier-bookkeeper and assistant to your secretary, conducted classes in Progress and Poverty at the Organic School and for six Public School seniors. Five of the Public School participants and two Organic School graduates entered the essay contest. All were girls.

Of the five awards offered, the first and fourth went to the Organic School entries and the remaining three to the entries from the Public School. The first award went to Karen Horne who is enrolled at Grinell College, Grinell, Iowa. She has received her first one hundred dollar cash award and will receive three more such if she continues her college education. The second and third awards each of single payments of one hundred dollars cash, went to Lynn Gooden and Milly Hanby respectively. Miss Gooden is enrolled at the University of Alabama and Miss Hanby at Alabama State College for Women. The fourth and fifth awards of single cash payments of fifty dollars each went to Gigi Hoffmna and Sandra Brown, respectively. None of the first three having elected to take the one year scholarship at Memphis State University it was awarded to Miss Hoffman. Miss Brown is enrolled at Baylor University, Waco, Texas. The two remaining entries received awards of ten dollars each in consideration of the interest shown.

LIBRARY

Instituted early in the year was a movement looking to the transfer to the City of the Colony's self assumed function of providing Fairhope with public library services. At a special membership meeting, April 18, a motion was adopted empowering and directing the Executive Council to consult with the municipal authorities and proceed with negotiations necessary to municipalize the library, but with final action to be subject to a referendum vote of the Colony membership. September 21 the president appointed R. H. Brown, Sam Dyson and O. M. Rockwell to constitute a committee to institute negotiations with the municipal authorities. The committee has not yet reported.

their placing by the judges the remaining four awardees were Sally Lege, Public, James M. Ottinger, Organic, Nancy Brown, Public and Allan C. Hoffman, Organic. The top two received cash awards of $100.00, the third $75.00, the fourth $50.00 and the fifth $25.00. The three remaining contestants were awarded $10.00 each in recognition of their effort. Dyson will be entitled to receive three additional one hundred dollar payments if he continues his education for four years in an acceptable college or university. He is presently enrolled at University of the South, Sewanee, Tennessee.

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Interest, So. Bell Tel. & Tel. Co., Inc.	31.70
Refunds	941.98
Sale, Office Furniture	25.00
Bonus Payments	895.00
Landscape & Incidental Value Payments	1,985.00
	$101,509.89
Cash on hand, January 1, 1963	9,511.27
	$111,021.16

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$ 50,326.54
Car & Truck	6,706.15
Poll Taxes	35.25
Corporation Land & Propery Taxes	12,949.28
City Business License	150.00
Income Taxes	472.63
Social Security Taxes	320.84
Salaries	11,664.20
Office and Business Expense	2,627.16
Library Maintenance	2,044.73
Library Interest	209.25
Cemetery	400.00
Organic School	3,295.46
Civic Contributions	150.00
Education Committee	750.98
Lands & Highways	908.55
Refunds	57.64
Office Furniture	380.85
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	$ 96,329.51
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SECRETARY'S REPORT

Mr. President and Fellow Members: While the financial statement for 1963 shows a slight increase in total receipts, comparison with the 1962 report shows a decrease in rent receipts from the $98,158.27 of 1962 to the $96,212.41 reported for 1963. While the number of lessees with delinquent accounts increased only from 28 to 32 the amount owing at the end of the year with accrued interest increased from $2,406.78 to $3,422.44. Our 860 lessees held 1,039 leaseholds and the rent on all but 34 was paid in full at the end of the year. 1962 rent receipts exceeded the $96,304.08 of rent charges for that year while 1963 rent receipts were a little less than the 1963 rent charges.

RENTS

Total rent charges for 1963 were $96,744.08, only $410.00 more than in 1962. Ten lots that became available for lease and leased to members accounted for $254.80 of the increase. As reported last year the only rate increases in 1963 rent charges were in the few areas where streets had been paved or opened to traffic in 1962. Rent charges were distributed as follows: City lands, $86,194.02 and country lands, $10.580.06.

We were unable to secure the detailed study of land values it had been hoped to accomplish in 1963. However such research as it was possible to make of current prices paid for land in this area indicated that our charges were considerably less than the economic rent of the land leased. The rental value of land increases as demand for land increases and increases in population create an increase in demand for land for use. With a current continuing increase in population there is a continuing increase in

the rental value of the land.

Except in particular cases where other than population increase has affected local values it has been the practice of the Colony to make a general review and revision of rental charges at intervals of several years. At such times the tendency has been to under assess actual rental values and to depend upon the arbitrary provisions of the lease contract to control a tendency of lessees to make transfers at prices that actually reflect land value, which under the terms of the lease agreement belongs to the Colony, in addition to the value of the improvements on the land, the sole property of the lessee.

As a result of such study as it was possible to make and basing the decision on a quite conservative value of the land it was decided to make a general increase of sixteen percent in the rental charges on all Colony land, subject to some minor adjustments and equalizations. So far the increase has been accepted without comment or protest by a majority of those already paying the first half of this year's rent. Several who have complained had property taxes that absorb all the rent paid to the Colony on their leaseholds.

It is hoped in the future to develop more scientific and positive means of determining actual values in the various areas in order to achieve the most equitable distribution of rent charges. Such studies must be continuous and to get the best results it will be necessary to develop varied sources and skills.

LAND TRANSACTIONS

In 1963 it became possible to make a few lots available for lease in the Golf Course Subdivision so it is possible to again include "applications" in the land transactions category.

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On June 6, Engineer Arnold reported on eleven lots in the Golf Course Subivision, as being available for development, with suggested minimum charges for trees, clearing, service, etc. The report was adopted by the Council with the provision that, initially, applications be limited to members as provided in Article XV of the Colony constitution. On June 7 the secretary reported that three members had made application for each of the four most desirable lots and by one member only for two of the remaining lots. As a result of the contest for the three lots and the resulting auction $895.00 in bonuses was paid into the Colony treasury and transferred to the land fund. On July 5 another member made uncontested application for four of the remaining lots, leaving only one that is presently unleased. Its location offers physical obstacles to the most practical means of use.

LESSEES' TRANSFERS

There were 82 transfers of leaseholds in 1963, an appreciable reduction from the 118 reported in 1962. All but 14 involved city leaseholds. Sixty-four of the transfers involved residence leaseholds; nine business and nine were classified as unimproved as having no building improvements situated thereon. Inter family conveyances accounted for four, settlement of estates for six and there were nine repossessions. Three of the transferees were purchasers of homes newly built for the market by local builders and 24 of the older residence properties were purchased for home occupancy by the new owners. Nine of the transfers were of business properties. The monetary consideration reported in sixty of the transactions amounted to $524,800.00.

ASSENTS TO MORTGAGE

Mortgages on the properties of fifty-six lessees were reported to the Council. Two-thirds were divided between the First National Bank of Fairhope and the local branch of the Baldwin County Savings & Loan Association. In eight cases the seller accepted a mortgage as part payment. Other mortgages were to out of town banks mortgage and insurance companies.

ASSESSED VALUATIONS

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Increased revenue anticipated as a result of the increase in rental charges this year should make possible some street and utility extensions. If such are accomplished it will be possible to plot some additional residence lots in the city.

RESERVES

The only increase in the Colony's reserves was the addition to the land fund resulting from the transfer to it of bonus and landscape and incidental values receipts amounting to $2,880.00 and interest credits of $148.19, bringing the total land fund up to $5,664.55. There was no change in the $8,000.00 in Baldwin County Savings & Loan Association savings certificates or in the First National Bank of Fairhope savings certificates, the current value of which is $12,979.20 inclusive of accrued interest.

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Interest, So. Bell Tel. & Tel. Co., Inc.	31.70
Refunds	941.98
Sale, Office Furniture	25.00
Bonus Payments	895.00
Landscape & Incidental Value Payments	1,985.00
	$101,509.89
Cash on hand, January 1, 1963	9,511.27
	$111,021.16

DISBURSEMENTS

Taxes Paid for Lessees:	
General Property	$ 50,326.54
Car & Truck	6,706.15
Poll Taxes	35.25
Corporation Land & Propery Taxes	12,949.28
City Business License	150.00
Income Taxes	472.63
Social Security Taxes	320.84
Salaries	11,664.20
Office and Business Expense	2,627.16
Library Maintenance	2,044.73
Library Interest	209.25
Cemetery	400.00
Organic School	3,295.46
Civic Contributions	150.00
Education Committee	750.98
Lands & Highways	908.55
Refunds	57.64
Office Furniture	380.85
Land Fund	2,880.00
	$ 96,329.51
Cash on hand, December 31, 1963	14,691.65
	$111,021.16

SECRETARY'S REPORT

Mr. President and Fellow Members: While the financial statement for 1963 shows a slight increase in total receipts, comparison with the 1962 report shows a decrease in rent receipts from the $98,158.27 of 1962 to the $96,212.41 reported for 1963. While the number of lessees with delinquent accounts increased only from 28 to 32 the amount owing at the end of the year with accrued interest increased from $2,406.78 to $3,422.44. Our 860 lessees held 1,039 leaseholds and the rent on all but 34 was paid in full at the end of the year. 1962 rent receipts exceeded the $96,304.08 of rent charges for that year while 1963 rent receipts were a little less than the 1963 rent charges.

RENTS

Total rent charges for 1963 were $96,744.08, only $410.00 more than in 1962. Ten lots that became available for lease and leased to members accounted for $254.80 of the increase. As reported last year the only rate increases in 1963 rent charges were in the few areas where streets had been paved or opened to traffic in 1962. Rent charges were distributed as follows: City lands, $86,194.02 and country lands, $10.580.06.

We were unable to secure the detailed study of land values it had been hoped to accomplish in 1963. However such research as it was possible to make of current prices paid for land in this area indicated that our charges were considerably less than the economic rent of the land leased. The rental value of land increases as demand for land increases and increases in population create an increase in demand for land for use. With a current continuing increase in population there is a continuing increase in

the rental value of the land.

Except in particular cases where other than population increase has affected local values it has been the practice of the Colony to make a general review and revision of rental charges at intervals of several years. At such times the tendency has been to under assess actual rental values and to depend upon the arbitrary provisions of the lease contract to control a tendency of lessees to make transfers at prices that actually reflect land value, which under the terms of the lease agreement belongs to the Colony, in addition to the value of the improvements on the land, the sole property of the lessee.

As a result of such study as it was possible to make and basing the decision on a quite conservative value of the land it was decided to make a general increase of sixteen percent in the rental charges on all Colony land, subject to some minor adjustments and equalizations. So far the increase has been accepted without comment or protest by a majority of those already paying the first half of this year's rent. Several who have complained had property taxes that absorb all the rent paid to the Colony on their leaseholds.

It is hoped in the future to develop more scientific and positive means of determining actual values in the various areas in order to achieve the most equitable distribution of rent charges. Such studies must be continuous and to get the best results it will be necessary to develop varied sources and skills.

LAND TRANSACTIONS

In 1963 it became possible to make a few lots available for lease in the Golf Course Subdivision so it is possible to again include "applications" in the land transactions category.

APPLICATIONS

On June 6, Engineer Arnold reported on eleven lots in the Golf Course Subivision, as being available for development, with suggested minimum charges for trees, clearing, service, etc. The report was adopted by the Council with the provision that, initially, applications be limited to members as provided in Article XV of the Colony constitution. On June 7 the secretary reported that three members had made application for each of the four most desirable lots and by one member only for two of the remaining lots. As a result of the contest for the three lots and the resulting auction $895.00 in bonuses was paid into the Colony treasury and transferred to the land fund. On July 5 another member made uncontested application for four of the remaining lots, leaving only one that is presently unleased. Its location offers physical obstacles to the most practical means of use.

LESSEES' TRANSFERS

There were 82 transfers of leaseholds in 1963, an appreciable reduction from the 118 reported in 1962. All but 14 involved city leaseholds. Sixty-four of the transfers involved residence leaseholds; nine business and nine were classified as unimproved as having no building improvements situated thereon. Inter family conveyances accounted for four, settlement of estates for six and there were nine repossessions. Three of the transferees were purchasers of homes newly built for the market by local builders and 24 of the older residence properties were purchased for home occupancy by the new owners. Nine of the transfers were of business properties. The monetary consideration reported in sixty of the transactions amounted to $524,800.00.

ASSENTS TO MORTGAGE

Mortgages on the properties of fifty-six lessees were reported to the Council. Two-thirds were divided between the First National Bank of Fairhope and the local branch of the Baldwin County Savings & Loan Association. In eight cases the seller accepted a mortgage as part payment. Other mortgages were to out of town banks mortgage and insurance companies.

ASSESSED VALUATIONS

Twenty-one new buildings on Colony land were added to the assessment roll in 1963. In addition to these there were changes in the assessed valuation of forty-four other properties with only six resulting in reduced valuation, one as a result of fire, three because of structural depreciation and two because the buildings involved were removed to make room for far more valuable structures which will appear on the 1964 assessment roll. In 1963 there was no such major building improvement as the Delchamps stores to swell the increase in assessed values of improvements but such did show a net increase of $32,320. A decrease in the assessed value of lessees' personal property amounting to $35,620 was wholly accounted for by a $39,860 reduction in the assessed value of corporation lessees' stock shares as fixed by the State Tax Commission. The assessed value of the property of lessees' tenants also showed a decrease of $10,120, also due in part to a reduction in the assessed value of corporation stock shares. These decreases were more than offset by an increase of $106,520 in the assessed value of Colony land as a result of a reappraisal instituted by the Colony. The net increase in assessed values reported by the Colony, its lessees and their tenants was $93,120 as compared with a $135,920 increase in 1962.

LANDS AND HIGHWAYS

Except for the paving of country roads by the County, as anticipated in last year's report, no progress in street improvements was accomplished. Under contract however are substantial improvements on Magnolia Ave. from Section St. to Bancroft St., on Johnson St. from Section St. to Bancroft St. and on Bancroft St. from Magnolia Ave. to Morphy Ave. These improvements consist of the installation of more adequate drainage facilities, pavement widening and concrete curbs and sidewalks. These are a part of a much larger street improvement contract let by the City last year on which work was started but had to be discontinued during the cold weather months. It is anticipated the contractor will resume work in early spring.

Increased revenue anticipated as a result of the increase in rental charges this year should make possible some street and utility extensions. If such are accomplished it will be possible to plot some additional residence lots in the city.

RESERVES

The only increase in the Colony's reserves was the addition to the land fund resulting from the transfer to it of bonus and landscape and incidental values receipts amounting to $2,880.00 and interest credits of $148.19, bringing the total land fund up to $5,664.55. There was no change in the $8,000.00 in Baldwin County Savings & Loan Association savings certificates or in the First National Bank of Fairhope savings certificates, the current value of which is $12,979.20 inclusive of accrued interest.

EDUCATION

With Bruce Evans, Jr., as instructor, classes in the economics of Henry George were again conducted for senior students in the Public and Organic High Schools. Thirty-four students enrolled, seventeen from each school. Eight essays on the subject, Employment in a Single Tax Economy, were entered in the contest. Without identification of the participants they were forwarded to the three judges, all non-residents and living in separate states.

Rated at the top was the essay of Phil Porter Dyson of the Organic School. In the order of

their placing by the judges the remaining four awardees were Sally Lege, Public, James M. Ottinger, Organic, Nancy Brown, Public and Allan C. Hoffman, Organic. The top two received cash awards of $100.00, the third $75.00, the fourth $50.00 and the fifth $25.00. The three remaining contestants were awarded $10.00 each in recognition of their effort. Dyson will be entitled to receive three additional one hundred dollar payments if he continues his education for four years in an acceptable college or university. He is presently enrolled at University of the South, Sewanee, Tennessee.

Both Sally Lege and Nancy Brown are enrolled at Huntingdon College, Montgomery, Alabama, James M. Ottinger at Blackburn College, Carlinville, Illinois and Allan Hoffman at Memphis State University, Memphis, Tennessee, where he has joined his sister Gigi Hoffman who was a 1961 awardee. Gigi is privileged to be the beneficiary of a scholarship from an educational trust of which our Memphis Colony member Abe D. Waldauer is a trustee.

Awardees of prior years who are continuing their educations are Miss Joy Brumby who took first place in the initial contest in 1960, graduating from Alabama College, Montevallo this year after receiving the full four hundred dollar award; Karen Horne who wrote the top essay in 1961, now a junior at Grinnell College, Grinnell, Iowa, has received her third one hundred dollar payment; Lynn Gooden, also a 1961 awardee, is continuing at the University of Alabama and Sandra Brown, another 1961 awardee is at Baylor University, Waco, Texas; Graham Timbes, 1962, is at the University of Alabama and Fran McKinney, also 1962, is at Auburn University. The Henry George News, published by the Henry George School of Social Science, New York City is giving publicity to our local education effort.

MEMBERSHIP

Happily we can report that there were no deaths of members in 1963. We regret, however not being able to report any additions to our local membership roll.

OFFICERS AND COMMITTEES

In 1963 your corporation was officered by the following: President J. E. Gaston, Vice-President Daphne B. Anderson, Secretary C. A. Gaston, Treasurer and Superintendent of Finance M. O. Berglin, Superintendent of Lands and Highways Marvin Nichols, Superintendent of Public Service R. H. Brown, Superintendent of Industries O. M. Rockwell, Superintendent of Public Health Sam Dyson and Trustees Robert M. Schneider, Lilliam B. Totten and Elof M. Tuveson.

Council committees were as follows: MEMBERSHIP, Marvin Nichols and O. M. Rockwell, Sam Dyson alternate; EDUCATION, C. W. Arnold, O. M. Rockwell and Robt. M. Schneider; CEMETERY, Helen Call, C. A. Gaston and Mildred Roberts. Representing the Colony on the Library Association board were Helen Dyson and Marvin Nichols and on the Organic School managing board were R. H. Brown, C. A. Gaston and J. E. Gaston.

1963 Report Fairhope Single Tax Corporation

Fairhope, Alabama

FINANCIAL STATEMENT
1963
RECEIPTS

Rent	$ 96,212.41
Penalty	299.30
Lease Fees	478.00
Assent Fees	122.00
Mail Interviews	20.00
Interest, Corporation Investment	360.00
Interest, Library Investment	139.50
Interest, So. Bell Tel. & Tel. Co., Inc.	31.70
Refunds	941.98
Sale, Office Furniture	25.00
Bonus Payments	895.00
Landscape & Incidental Value Payments	1,985.00
	$101,509.89
Cash on hand, January 1, 1963	9,511.27
	$111,021.16

DISBURSEMENTS

Taxes Paid for Lessees:	
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SECRETARY'S REPORT

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ASSENTS TO MORTGAGE

Mortgages on the properties of fifty-six lessees were reported to the Council. Two-thirds were divided between the First National Bank of Fairhope and the local branch of the Baldwin County Savings & Loan Association. In eight cases the seller accepted a mortgage as part payment. Other mortgages were to out of town banks mortgage and insurance companies.

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RESERVES

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EDUCATION

With Bruce Evans, Jr., as instructor, classes in the economics of Henry George were again conducted for senior students in the Public and Organic High Schools. Thirty-four students enrolled, seventeen from each school. Eight essays on the subject, Employment in a Single Tax Economy, were entered in the contest. Without identification of the participants they were forwarded to the three judges, all non-residents and living in separate states.

Rated at the top was the essay of Phil Porter Dyson of the Organic School. In the order of

the excess of receipts over expenditures amounted to less than $10,000.00. As has been stated in the past there is considerable evidence that we are collecting much less than the full rental value of the land from our lessees. Now it appears there is prospect of securing assistance from two professors of economics who have, for several years, together with associates from many universities and colleges, devoted much time to a study of land value taxation as a source of public revenue. The volume of rent presently collected does not provide a balance after necessary expenses and taxes have been paid, to provide many of our lessees with first class public improvements such as well drained curbed and guttered streets and sidewalks.

RESERVES: Many town's people and some members and lessees have criticized the Colony for not giving more generous support to various civic endeavors. The size of our invested reserves, currently $28,114.46 and the cash on hand at the end of the year, $33,402.06 does not appear to be excessive, if even adequate, when possible demands are considered. The law of the State of Alabama states that real and personal property, subject to taxation, shall be assessed at 60% of its fair and reasonable cash value. At the present time assessed values in Baldwin County are reckoned to be approximately 20% instead of 60%. Should such assessed values in Baldwin County be increased to 30% as was proposed a few years ago by the State Tax Commission it would take all of the cash balance we closed the year with to pay 1966 taxes. Also if the City should institute an extensive street improvement project affecting Colony land with the cost to be charged to the benefitted land it might draw heavily on our small fund of invested reserves.

OFFICERS and COMMITTEES

In 1965 your corporation was officered by the following: President, J. E. Gaston, Sr.; Vice President, Daphne B. Anderson; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols; Superintendent of Public Service, R H. Brown; Superintendent of Industries, O. M. Rockwell and Superintendent of Public Health, Sam Dyson and Trustees, Robert M. Schneider, Lillian B. Totten and Elof M. Tuveson.

Council committees were as follows: MEMBERSHIP, Marvin Nichols and O M. Rockwell, Sam Dyson, alternate; EDUCATION, C. W. Arnold, O. M. Rockwell and Robert M. Schneider; CEMETERY, Helen Call and C. A. Gaston, Representing the Colony on the Organic School Managing Board were R. H. Brown, C. A. Gaston and J. E. Gaston, Sr.

1965 Report Fairhope Single Tax Corporation

Fairhope, Alabama

FINANCIAL STATEMENT
1965
RECEIPTS

Rent		$114,010.11
Penalty		603.78
Lease Fees		436.00
Assent Fees		102.00
Special Meetings		24.00
Interest, Corporation Investment		360.00
Refunds and Memberships		50.84
		$115,586.73
Cash on Hand, January 1, 1965		23,624.59
		$139,211.32

DISBURSEMENTS

Taxes Paid for Lessees:		
General Property	$ 52,747.63	
Car and Truck	7,131.16	
Poll Taxes	46.42	
Corporation Land and Property Taxes	12,973.88	
City Business License		150.00
Income Taxes		4,112.24
Social Security Taxes		318.43
Salaries		12,683.01
Office and Business Expenses		2,538.88
Lands and Highways		8,495.66
Cemetery Maintenance		400.00
Organic School		3,295.46
Civic Contributions		150.00
To Land Fund		200.00
Legal Expense		200.00
Education Committee		327.95
Refunds		38.54
		$105,809.26
Cash on Hand, December 31, 1965		33,402.06
		$139,211.32

SECRETARY'S REPORT

Madam President and fellow members: Our total receipts for 1965 show only a slight increase over 1964. Such increase is wholly due to increased collections of delinquent rent and interest paid on such delinquent accounts.

Rent collections were $995.01 greater than in 1964 and interest collections $187.59 greater, reflecting the considerable increase in the collection of delinquent rent accounts. While the number of lessees with delinquent accounts remained at 26 as for 1964 the amount owed was reduced from $3,682.08 in 1964 to $2,189.64 at the end of 1965. Uncollected 1965 rent charges amounted to $1,845.02 and rent owed for prior years to the remaining $344.62. At the end of the year there were 877 lessees holding 1054 leaseholds and as noted only 26 had unpaid rent accounts at the end of the year and the number of leaseholds on which rent was owed decreased from 30 in 1964 to 27 in 1965.

RENTS

Total rent charges for 1965 amounted to $113,071.72. Since there were no increases in the rates on which the rent is calculated and no additional lands made available for lease 1965 rent charges amounted to little more than in 1964. Rent charges were distributed as follows: City lands $100,756.74 and Country lands $12,314.98. The hoped for establishment of a detailed basis upon which to appraise rental values was not accomplished in 1965 and the rents for 1966 are fixed on the same basis as for 1965. It

now appears there may be prospect of getting something done this year.

LAND TRANSACTIONS

There being no additional lands made available for lease and no surrenders of presently leased land, land transactions were confined to lessees' transfers and assents to mortgage.

LESSEES' TRANSFERS

There were 79 transfers approved, 10 less than for the previous year. All but 8 concerned City land. Residence leaseholds account for 63, all but 4 being in the City. In 4 cases the same leasehold was transferred twice, once as a result of a repossession by the original transferor. Transfers within the family involved 5. There were 7 business property transfers. The remaining 9 were such as were unidentifiable as they were without building improvements. These transfers resulted in the removal of 55 names from the lessees' roll and the addition of 57 new names.

ASSENTS TO MORTGAGE

There were 45 assents to mortgage. Local lending institutions accounted for 27. Of the remaining 18, 2 were to insurance companies, 8 to mortgage investment companies with 3 of them insured by the Veterans Administration and 2 by the Federal Housing Administration, 1 was to an out of town bank, 1 to an out of town savings and loan association, 1 to an employees' credit union and 5 were to individuals, 2 being second mortgages accepted by transferors in part payment for the sale of their improvements.

ASSESSED VALUATIONS

7 new buildings, all residences were placed on the assessment roll in 1965. However 2 were on sites from which the builder's old home had been removed. Other removals, increases and decreases on 67 additional lessees' building improvements resulted in a net increase of $25,040.00. The 1965 assessed value of the Colony, its lessees and their tenants, as shown on the county assessor's records amounted to $2,477,660.00, 5.25% of Baldwin County's total real and personal property assessed values, exclusive of public utility and oil lease valuations, as compared with 5.40% for 1964. In the City of Fairhope such assessed values amounted to $2,262,000.00, 49.09% of the City's total assessed value of real and personal property, exclusive of the assessed value of public utilities, as compared with 52% in 1964.

LANDS AND HIGHWAYS

We did not succeed in getting any additional streets paved in 1965. The only substantial item in the lands and highways department was the installation of a drainage sewer line running north from the north side of Fairhope Ave. at the low point 300 feet east of Brown St. to Stimpson St. and on to discharge into the gully. Some planning has been done for new streets and extensions but no decision has been reached for when construction will be started. The City has been asked to include in this year's paving program the paving of Pomelo Street between Pecan Street and Fig Street and paving Pecan Street east from Church Street. Right of way deeds were given to Baldwin County where Colony land bordered the section line between sections 22 and 27 and between sections 27 and 34 and it is anticipated that the County will include those roads in an early improvement program.

RESERVES

No additional sums were placed in the reserve account in 1965. At the end of the year our reserves consisted of $8,000.00 in Baldwin County Savings & Loan Association Savings Certificates, the land fund savings account of $6,330.26 in 1st National Bank of Fairhope and $13,784.20 in 1st National Bank of Fairhope Savings Certificates, for a total of $28,114.46.

EDUCATION

The education committee did not provide for an essay contest in 1965. The regular ten lesson course in Henry George's Progress and Poverty was conducted by committee member Claude W. Arnold for the eight Organic High School seniors. No provision was made for Public High School seniors to take the course.

An evening class was provided for adults. 15 enrolled and 8 completed the course. Announcement of the course was made by advertisements in the **Fairhope Courier.** The course was under the leadership of Committeeman Arnold who presided at the first two and the last two classes, two were presided over by Lucier Rockwell and two by Reuben Rockwell, both with much past experience in the conduct of Henry George classes and two by Sam Dyson.

Essay contest winning awardees still in colleges are 1963 winner Phil Dyson and 1964 winner Alice Smart. Upon their enrollment for the 1965-66 term, Phil at the University of the South as a junior and Alice at Auburn University as a sophomore each received an additional $100.00 payment from the Colony's education fund.

Other award winning participants in essay contests who are pursuing college educations are: 1962, Curtis "Mike" Arnold, now enrolled as a freshman at Bay Minette Junior College, having first completed a hitch in the U.S. Navy, Graham Timbes at the University of Alabama and Fran McKinney at the University of South Alabama; 1963, Sally Lege and Nancy Brown at Huntingdon College, James M. Ottinger at Blackburn College and Alian Hoffman at Memphis State University.

1960 essay contest winner, Joy Brumby, now Mrs Charles L. Glicksburg, has her B.A. degree from Alabama College, is teaching history and English at Miami Beach Junior High School and is a graduate student at the University of Miami, attending night classes and summer sessions working for an M.A. degree in history. Karen Horne, the 1961 winner and a Grinnell College graduate is now with the Peace Corps in the Central American Republic of Honduras.

MEMBERSHIP

Miss Dian Stitt, whose application for membership was reported last year completed her payments in April and was issued her membership certificate. The only application for membership received in 1965 was from Mrs. Mildred W. Roberts, widow of Capt. E. J. Roberts whose death we reported last year. Her application was reported to the executive council and referred to the membership committee on March 4, but Mrs. Roberts died unexpectedly within the month before there was time for the committee to report. Word was received from a California relative of J. Francis Lemon reporting that he had died there in July. A very much regretted loss from our local membership roll occurred when long time member, Mrs. Lillian B. Totten sold her home here and moved to Winter Park, Florida to be near her daughters, Mrs Judson Gray and Mrs. John G. Bishop, Jr.

COMMENTS

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1966 Report Fairhope Single Tax Corporation

Fairhope, Alabama

STATEMENT

For Year Ended Dec. 31, 1966

RECEIPTS:

Rent	$111,415.88
Penalty	289.36
Lease Fees	416.00
Assent Fees	82.00
Interest, Corporation Investments	360.00
Mail Interviews	10.00
Special Meetings	12.00
Refunds	9.89
Total Receipts	112,595.13
Cash on hand January 1, 1966	33,402.06
Total	$145,997.19

DISBURSEMENTS:

Taxes paid for lessees;	
General Property	$52,293.31
Car & Truck	8,769.88
Poll Taxes	21.17
Corporation Land & Property Tax	12,972.24
City Business License	150.00
Corporation Income Taxes	3,688.49
Social Security Taxes	445.92
Salaries	12,632.73
Office & Business Expense	3,430.18
Lands & Highways	16,370.70
Cemetery Maintenance	400.00
Orangic School	1,287.54
Civic Contributions	50.00
Education Committee	430.95
Total Disbursements	112,943.11
Cash on hand December 31, 1966	33,054.08
Total	$145,997.19

SECRETARY'S REPORT

Madam President and fellow members: Our rent receipts in 1966 were $2,594.23 less than they were in 1965. This was due in large part, we are sure, to our inability to maintain our customary close contact with lessees during the closing days of the year. Our time was necessarily occupied with the installation of a new accounting system we believe will result in greater efficiency and economy, and a recalculation of all rents made necessary by decisions reached in November. As a result, at year's end, delinquent accounts increased from the 27 reported for 1965 to 44 and the delinquent rent owing from $2,189.64 in 1965 to $4,636.50.

All but $277.88 of the above amount was due on unpaid 1966 rent charges. That figure, however, does not reflect cash payments due to be paid into the Colony treasury. 1966 taxes due to be paid by these delinquent lessees to the county tax collector, the receipts for which will be allowable as rent payment, amount to $2,282.64. Also it is certain some will present receipts for taxes paid on cars which will be allowable as rent payments.

RENTS

1966 rent charges amounted to $113,099.62, approximately the same as for 1965. Of this amount $108,727.34, a fraction more than 96%, had been paid in full before the end of the year. At year's end the accounts of 88 lessees showed advance payments of 1967 rent amounting to $2,610.65. 1966 rent charges of city lessees amounted to $100,545.62 and rent charges of country land lessees to $12,554.00.

In 1966 we made progress in the field of developing more effective and, we hope, positive means of determining the true rental values of our land. You will recall that, in our annual reports to lessees and members in the past several years, we have stated it to be our conviction that we were not charging and collecting the full rental value of our land for use in the common interest of our lessees as has been our declared aim and essential to a fair demonstration of the benefits that

might be expected from an application of the principles and policies proposed by Henry George's single tax.

As reported in the published minutes of the September 1 executive council meeting, a report had been received on a study of our rent appraisement problem by Arthur P. Becker, Ph.D., a real estate consultant and chairman of the Committee on Taxation, Resources and Economic Development. Dr. Becker, a professor of economics at the University of Wisconsin, in Milwaukee, and his committee, have devoted much time to considering land value taxation as a means of providing public revenues from a source that would discourage land speculation and encourage the productive use of the country's vast natural resources. From information gained in such studies and a personal visit to Fairhope last April Dr. Becker suggested guides for determining the rental value of land. One was a study of current market prices being paid for unimproved land in the vicinity of the Colony owned land.

It will be of particular interest to Fairhope residents to know that our contact with Dr. Becker was made through Dr. Paul E. Alyea who with Mrs. Alyea, authored the book "Fairhope 1894 - 1954" and who are now Colony lessees and Fairhope residents. Dr. Alyea had participated in the activities of the Committee on Taxation, Resources and Economic Development and, while professor of finance at the University of Alabama, devoted much time to public revenue problems and policies. On page 293 of their book on Fairhope, the No. 1 condition stated by the authors as essential to a justification of faith in the survival value of the Colony corporation would require "A continuous improvement of the annual rent appraisement, designed both to achieve equitable relative rents and a general level sufficient to absorb the entire economic rent."

Among the methods suggested by Dr. Becker for determining the level of economic rent, and one quite generally accepted by economists, is one that would net the owner a return, at the prevailing rate of interest, on the market price of land at its unimproved value. Applying this formula to 743 urban residence leaseholds on the basis of 1966 rent charges, produced an average gross rent of $89.80 and the presumed market price reflected thereby would be $1,317.36 for the land in each such leasehold. Included are all the highly valuable residence leaseholds overlooking the bay front park lands as well as the least valuable ones on unpaved dead end streets.

1966 rents ranged from a high of $445.54 on a large lot in the bay front park to a low of $18.98 on a small lot on an unpaved dead end street. The large lot has a 150 foot west boundary looking toward the bay and an area of a little more than seven-tenths of an acre. The rent charge reflects a presumed market price for the unimproved value of $6,536.07, $43.57 per front foot on the bay side and at a rate of only $9,250.00 per acre.

The rent of $18.98 is on a 50 foot wide lot 125 feet deep, fourteen-hundredths of an acre. It reflects a market price for the unimproved value of the land of only $278.43, $5.57 a front foot or at a rate of only $1,989.00 per acre. It is situated only four blocks from the center of the business district. Surely any inspection of current market prices for comparable residence lots in this vicinity will indicate that these prices are far below current market prices and that the 20 per cent increase in urban land rent charges for 1967 will still fall far short of the full measure of the economic rent on the Colony's urban leaseholds.

With respect to the Colony's 3,528 acres of country lands, 1966 gross rent charges averaging $3.49 per acre reflect a presumed average market price for the unimproved value of only $53.50 per acre. Comparing that with current prices charged for unimproved acreage in this vicinity will show the prices used as a basis for 1966 country land rents were even less realistic than those used as a basis for urban land rents, fully justifying the initial 30 percent increase in 1967 country land rents.

In 1966 there were 528 city land lessees whose homes were on their leaseholds. This figure does not include owners of hotels and rooming houses who lived on the premises. The following figures, we believe, should be sufficient to justify our conclusion that the land value upon which we were basing our rents were wholly unrealistic.

20% of the 528, constituting the largest segment, had an average rent charge of $52.50 which was based on an unimproved land value of only $770.00. The 20% increase will amount to a raise of $10.50 a year, less than $1.00 a month.

63% inclusive of the above paid annual rents averaging approximately $75.00 which was based on a presumed unimproved land value of only $1100.00. The 20% raise will result in a $15.00 a year increase, $1.25 per month.

7% of the 528 paid lower rents in 1966 than the foregoing and 30% paid higher rents in varying amounts. In 1965 the rent charged 26% of the lessees was too little to pay their taxes and the corpoation tax on the land.

LESSEES TRANSFERS

There were 90 lessees' transfers approved in 1966, 11 more than in 1965. City leaseholds were involved in 80 of the transfers and country leaseholds in 10. The various categories were as follows: 9 business, 74 residence, 1 farm and 6 unimproved. Four of the residences were new homes, built and sold by Home Investment Corporation. Seven were a result of revestment of title in the former owners as a result of default and/or surrender of purchase contracts. Fifteen were to accomodate interchanges of ownership within the families. Thirty-five older residences were purchased for occupancy by the buyers. Six leaseholds were involved in two each of the reported transfers and one was involved in three such transfers.

ASSENTS TO MORTGAGE

There were 39 assents to mortgage approved in 1966. In addition to the local lending agencies, First National Bank of Fairhope, Baldwin County Savings & Loan Association and Fairhope Branch of Baldwin National Bank of Robertsdale our lessees were served by Merchants National Bank of Mobile, First National Bank of Mobile, First Federal Savings & Loan Association of Mobile, Cobbs, Allen & Hall Mortgage Co., Collateral Investment Co., R. C. Humphrey Mortgage Co., First Mortgage Co. and individuals. Some mortgages were insured by Veterans Administration and some by Federal Housing Administration.

ASSESSED VALUATIONS

In 1966 the assessed value of Colony land and of the taxable property of its lessees and their tenants situate thereon amounted to $2,468,900 as compared with a 1965 total of $2,477,660. Considering the reduction of $65,120 resulting from the sale and removal of the creamery and ice company buildings and their large personal property holdings and an additional loss of $6,000 of assessed value resulting from the removal of several obsolete buildings, we feel we made a creditable recovery. Contributing to such recovery were five new residences, two new business buildings and substantial additions to some existing business properties and residences. However it is found that we still account for a little more than 5% of the county's total assessed value in real and personal property, exclusive of the amounts accounted for in public utilities and industrial exemptions. In the City of Fairhope total Colony assessed values of $2,271,940 account for 44.8% of the City's total.

LANDS AND HIGHWAYS

As reported last year we had asked the City to include in its 1966 street improvement program the paving of Pomelo St. between Pecan and Fig Sts. and Pecan St. east from Church St. Later we requested the inclusion of Horton Lane between Pecan and Fig Sts. We also approved the City's inclusion of Ingleside and Blue Island Aves. on which some Colony owned land abuts. The contractor

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the end of the year our reserves consisted of the following: $8,000.00 in Baldwin County Savings & Loan Association Savings Certificates, $14,920.20 in First National Bank of Fairhope Savings Certificates and $7,216.27 in the land fund savings account in the First National Bank of Fairhope, for a total of $30,136.47, an increase of $1,209.65.

EDUCATION

Activities in the field of education in 1967 were as follows: The usual course in Fundamental Economics was again conducted at the Organic School. There were 14 in the class conducted by Mrs. John S. Parker (nee May Moss Dyson), with the assistance of C. W. Arnold at three of the sessions. An adult class was conducted at the Colony office, two sessions of the ten being conducted by Sam Dyson, one by R. Lucier Rockwell and seven by C. W. Arnold. The last of the Essay awardees, Alice Smart, a senior at the University of Alabama received the fourth and final $100.00 payment of her scholarship award.

MEMBERSHIP

Death claimed four of our members in 1967. First to go was Don E. Andrews, January 5, next Lucille W. Brown, February 15, then Lenore M. Wolcott, March 19 and last Trustee Elof M. Tuveson, December 31. All had been valued loyal members and Mr. Tuveson as trustee since his first election to that office, February 4, 1960 to serve the two years remaining in the three year term of Trustee J. O. Stimpson, Sr. who died May 28, 1959.

Happily we can report the addition of two young members. May Moss Parker, wife of John S. Parker, was admitted to membership April 6 on payment of the $100.00 membership fee. Mrs. Parker is the daughter of Colony Councilman Sam Dyson and Helen Porter Dyson and the granddaughter of the late Marmaduke and Margaret Dyson, loyal Colony members and officers for many years. The other, Nancye D. Jennings, wife of B. H. Jennings, III, a son of Colony Trustee Brown Jennings, grandson of the B. H. Jennings, Jr. and Beverly late R. H. and Lucille W. Brown, the former having been a Colony councilman at the time of his death, and a greatgrandson of the late Frank L. and Minnie L. Brown, pioneer Colony members, both of whom served the Colony in official capacities. Mrs. Jennings was admitted to membership September 7, subject to surrender of Certificate No. 209, of the late Lucille W. Brown, Mr. Jennings' grandmother, properly endorsed for transfer to her and delivered to the Corporation for cancellation.

SPECIAL

Last but not least, is an item of greatest importance to Colony members and lessees. It is the purchase of this building by the Colony and plans to devote the entire building to Colony needs. While there is yet no physical evidence of such changes as will be needed, our capable cashier-bookkeeper and valued office assistant to the secretary, Mrs. Rockwell, has devoted earnest and intelligent consideration to planning changes to accomplish the intended purpose. It is planned to create a Colony office where Colony business can be most efficiently and conveniently conducted and one in which we can all have pride. It seems appropriate for the Colony to have its home on this site. It is the site from which the Colony's operations have been directed since January 1895 when its then secretary, Ernest B. Gaston, brought his family to its new home on this site, the first to be occupied on Colony land.

OFFICERS AND COMMITTEES

In 1967 your corporation was officered by the following: President, Daphne B. Anderson; Vice President, C. W. Arnold; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols. Superintendent of Public Service, J. E. Gaston, Jr.; Superintendent of Industries, O. M. Rockwell; Superintendent of Public Health, Sam Dyson and Trustees Robert M. Schneider, Elof M. Tuveson and B. H. Jennings, Jr. The Council committees were as follows: MEMBERSHIP, Sam Dyson, Marvin Nichols and O. M. Rockwell; EDUCATION, C. W. Arnold, O. M. Rockwell and Robt. M. Schneider; CEMETERY, Helen Call, C. A. Gaston and C. W. Arnold; ORGANIC SCHOOL MANAGING BOARD, J. E. Gaston, Jr., O. M. Rockwell and R. L. Rockwell.

1967 Report Fairhope Single Tax Corporation

Fairhope, Alabama

Statement

For Year Ended Dec. 31, 1967

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Corporation Land & Property Tax	13,175.60
City Business License	150.00
Corporation Income Taxes	2,404.29
Social Security Taxes	491.24
Salaries	14,694.99
Office & Business Expense	2,342.13
Lands & Highways	10,102.49
Cemetery Maintenance	400.00
Organic School	5,000.00
Civic Contributions	250.00
Education Committee	375.25
Land Fund	640.00
Legal	275.00
Office Equipment	804.53
Buildings	15,000.00
Building Expense	914.87
Refunds	551.06
Total Disbursements	$130,333.09
Cash on hand December 31, 1967	41.035.76
Total	$171,368.85

SECRETARY'S REPORT

Madam President and fellow members: We are pleased to report ample evidence justifying the belief that the increases in 1967 rent charges were reasonable, and that they would not work a hardship on the lessees. The result of the 20 per cent increase in urban rents and the 30 per cent increase in rural rents amounted to an overall increase of 21.67 per cent in total rent charges, while rent collections in 1967 exceeded those in 1966 by 21.9 per cent.

At year's end only 32 of our 891 lessees had unpaid rent accounts and the amount of unpaid 1967 rent was $2,796.93, only 2.03 per cent of the total rent charges for the year. At the end of 1966 there were 44 delinquent lessees owing 1966 rent in the amount of $4,372.28, which was 3.86 per cent of the total charges for that year. At least one-half of the 1967 rent owing will be paid with tax receipt credits when the lessees have paid their 1967 taxes to the county tax collector.

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Of 699 single family residence leaseholds one had a 1967 rent charge of only $14.90. There were 8 in the $20-$40 bracket, average rent, $33.45; 54 in the $40-$60 bracket, average rent, $51.32; 187 (26.75 per cent) in the $60-$80 bracket, average rent, $69.75; 143 (20.46 per cent) in the $80-$100 bracket, average rent $89.85; 96 in the $100-$120 bracket, average rent, $109.18; 70 in the $120-$140 bracket, average rent, $127.67; 40 in the $140-$160 bracket, average rent, $148.75; 37 in the $160-$180 bracket, average rent, $167.95; 18 in the $180-$200 bracket, average rent, $187.74; 30 in the $200-$300 bracket, average rent, $225.40; 15 in the $300-$600 bracket, average rent, $375.75. For the 699 leaseholds, the average rent was $109.12.

These 1967 rental charges reflect presumed unimproved capital values for the bare land in the various bracket averages as follows: $20-$40 bracket, $503; $40-$60 bracket, $772; $60-$80 bracket, $1,047; $80-$100 bracket, $1,352; $100-$120 bracket, $1,643; $120-$140 bracket, $1,931; $140-$160 bracket, $2,239; $160-$180 bracket, $2,528; $180-$200 bracket, $2,825; $200-$300 bracket, $3,392; $300-$600 bracket, $5,655. The average for the 699 is $1,642.

With respect to the two city residence leaseholds referred to in last year's report, the effect of

the rent increase produced the following: The 1967 rent on the large lot in the bay front park, with a 150 ft. West frontage looking toward the bay and an area of a little more than seven-tenths of an acre, reflects a presumed unimproved bare land capital value of $8,046, as compared with last year's $6,536 and $53.64 per front foot on the bay side as compared with $43.57 last year. The 1967 rent on the 50 ft. wide, 125 ft. deep lot, fourteen-hundredths of an acre, reflects a presumed unimproved bare land value of $343 as compared with $278 last year, $6.86 per front ft. as compared with $5.57 in 1966. Surely the foregoing values are much lower than the prices asked for comparable lots in this area.

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The 1967 rent charge on country leaseholds, $16,098.34, amounts to an average rent charge of $4.56 per acre on the Colony's 3,528 acres of country land as compared with the 1966 average of $3.49. The presumed average unimproved capital value of the bare land reflected by this year's average rent is $73 per acre as compared with last year's $53 per acre. In Section 16, the first mile East of Greeno Rd. rents diminish to Eastward in each quarter mile and the respective unimproved bare land capital values reflected by the base rates per acre are: 1st quarter, $110; 2nd quarter, $108; 3rd quarter, $94; 4th quarter, $86. The acres abutting on paved roads receive a direct benefit therefrom resulting in respective values per acre as follows: 1st quarter, $208; 2nd quarter, $200; 3rd quarter, $192 and 4th quarter, $184, with the corner acre, benefitting from 2 paved roads $306.

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The only addition to our reserves, other than interest accruals, was a transfer to the land fund savings account of $640.00. received in membership fees and sale of landscape values, mainly trees, on newly leased land. At

the end of the year our reserves consisted of the following: $8,000.00 in Baldwin County Savings & Loan Association Savings Certificates, $14,920.20 in First National Bank of Fairhope Savings Certificates and $7,216.27 in the land fund savings account in the First National Bank of Fairhope, for a total of $30,136.47, an increase of $1,209.65.

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Activities in the field of education in 1967 were as follows: The usual course in Fundamental Economics was again conducted at the Organic School. There were 14 in the class conducted by Mrs. John S. Parker (nee May Moss Dyson), with the assistance of C. W. Arnold at three of the sessions. An adult class was conducted at the Colony office, two sessions of the ten being conducted by Sam Dyson, one by R. Lucier Rockwell and seven by C. W. Arnold. The last of the Essay awardees, Alice Smart, a senior at the University of Alabama received the fourth and final $100.00 payment of her scholarship award.

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Death claimed four of our members in 1967. First to go was Don E. Andrews, January 5, next Lucille W. Brown, February 15, then Lenore M. Wolcott, March 19 and last Trustee Elof M. Tuveson, December 31. All had been valued loyal members and Mr. Tuveson as trustee since his first election to that office, February 4, 1960 to serve the two years remaining in the three year term of Trustee J. O. Stimpson, Sr. who died May 28, 1959.

Happily we can report the addition of two young members. May Moss Parker, wife of John S. Parker, was admitted to membership April 6 on payment of the $100.00 membership fee. Mrs. Parker is the daughter of Colony Councilman Sam Dyson and Helen Porter Dyson and the granddaughter of the late Marmaduke and Margaret Dyson, loyal Colony members and officers for many years. The other, Nancye D. Jennings, wife of B. H. Jennings, III, a son of Colony Trustee Brown Jennings, grandson of the B. H. Jennings, Jr. and Beverly late R. H. and Lucille W. Brown, the former having been a Colony councilman at the time of his death, and a greatgrandson of the late Frank L. and Minnie L. Brown, pioneer Colony members, both of whom served the Colony in official capacities. Mrs. Jennings was admitted to membership September 7, subject to surrender of Certificate No. 209, of the late Lucille W. Brown, Mr. Jennings' grandmother, properly endorsed for transfer to her and delivered to the Corporation for cancellation.

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1967 Report Fairhope Single Tax Corporation

Fairhope, Alabama

Statement

For Year Ended Dec. 31, 1967

RECEIPTS:

Rent	$135,810.77
Penalty	558.99
Lease Fees	453.00
Assent Fees	78.00
Interest, Corporation Investments	360.00
Special Meetings	36.00
Mail Interviews	10.00
Memberships	100.00
Land Fund	665.00
Refunds	243.01
Total Receipts	$138,314.77
Cash on hand January 1, 1967	33,054.08
Total	$171,368.85

DISBURSEMENTS:

Taxes paid for lessees:	
General Property	$55,037.24
Car & Truck	7,719.90
Poll Taxes	4.50
Corporation Land & Property Tax	13,175.60
City Business License	150.00
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Corporation Land & Property Tax	13,175.60
City Business License	150.00
Corporation Income Taxes	2,404.29
Social Security Taxes	491.24
Salaries	14,694.99
Office & Business Expense	2,342.13
Lands & Highways	10,102.49
Cemetery Maintenance	400.00
Organic School	5,000.00
Civic Contributions	250.00
Education Committee	375.25
Land Fund	640.00
Legal	275.00
Office Equipment	804.53
Buildings	15,000.00
Building Expense	914.87
Refunds	551.06
Total Disbursements	$130,333.09
Cash on hand December 31, 1967	41.035.76
Total	$171,368.85

SECRETARY'S REPORT

Madam President and fellow members: We are pleased to report ample evidence justifying the belief that the increases in 1967 rent charges were reasonable, and that they would not work a hardship on the lessees. The result of the 20 per cent increase in urban rents and the 30 per cent increase in rural rents amounted to an overall increase of 21.67 per cent in total rent charges, while rent collections in 1967 exceeded those in 1966 by 21.9 per cent.

At year's end only 32 of our 891 lessees had unpaid rent accounts and the amount of unpaid 1967 rent was $2,796.93, only 2.03 per cent of the total rent charges for the year. At the end of 1966 there were 44 delinquent lessees owing 1966 rent in the amount of $4,372.28, which was 3.86 per cent of the total charges for that year. At least one-half of the 1967 rent owing will be paid with tax receipt credits when the lessees have paid their 1967 taxes to the county tax collector.

CITY LAND RENTS

Of 699 single family residence leaseholds one had a 1967 rent charge of only $14.90. There were 8 in the $20-$40 bracket, average rent, $33.45; 54 in the $40-$60 bracket, average rent, $51.32; 187 (26.75 per cent) in the $60-$80 bracket, average rent, $69.75; 143 (20.46 per cent) in the $80-$100 bracket, average rent $89.85; 96 in the $100-$120 bracket, average rent, $109.18; 70 in the $120-$140 bracket, average rent, $127.67; 40 in the $140-$160 bracket, average rent, $148.75; 37 in the $160-$180 bracket, average rent, $167.95; 18 in the $180-$200 bracket, average rent, $187.74; 30 in the $200-$300 bracket, average rent, $225.40; 15 in the $300-$600 bracket, average rent, $375.75. For the 699 leaseholds, the average rent was $109.12.

These 1967 rental charges reflect presumed unimproved capital values for the bare land in the various bracket averages as follows: $20-$40 bracket, $503; $40-$60 bracket, $772; $60-$80 bracket, $1,047; $80-$100 bracket, $1,352; $100-$120 bracket, $1,643; $120-$140 bracket, $1,931; $140-$160 bracket, $2,239; $160-$180 bracket, $2,528; $180-$200 bracket, $2,825; $200-$300 bracket, $3,392; $300-$600 bracket, $5,655. The average for the 699 is $1,642.

With respect to the two city residence leaseholds referred to in last year's report, the effect of

the rent increase produced the following: The 1967 rent on the large lot in the bay front park, with a 150 ft. West frontage looking toward the bay and an area of a little more than seven-tenths of an acre, reflects a presumed unimproved bare land capital value of $8,046, as compared with last year's $6,536 and $53.64 per front foot on the bay side as compared with $43.57 last year. The 1967 rent on the 50 ft. wide, 125 ft. deep lot, fourteen-hundredths of an acre, reflects a presumed unimproved bare land value of $343 as compared with $278 last year, $6.86 per front ft. as compared with $5.57 in 1966. Surely the foregoing values are much lower than the prices asked for comparable lots in this area.

COUNTRY LAND RENTS

The 1967 rent charge on country leaseholds, $16,098.34, amounts to an average rent charge of $4.56 per acre on the Colony's 3,528 acres of country land as compared with the 1966 average of $3.49. The presumed average unimproved capital value of the bare land reflected by this year's average rent is $73 per acre as compared with last year's $53 per acre. In Section 16, the first mile East of Greeno Rd. rents diminish to Eastward in each quarter mile and the respective unimproved bare land capital values reflected by the base rates per acre are: 1st quarter, $110; 2nd quarter, $108; 3rd quarter, $94; 4th quarter, $86. The acres abutting on paved roads receive a direct benefit therefrom resulting in respective values per acre as follows: 1st quarter, $203; 2nd quarter, $200; 3rd quarter, $192 and 4th quarter, $184, with the corner acre, benefitting from 2 paved roads $306.

In Section 15, 2nd mile to the East, the base rent per acre reflects presumed unimproved bare land capital values per acre, as follows: general, $79; enhanced by paved road, $177; corner on paved roads, $275. In Section 14, 3rd mile East, Section 11, E/S of Belforest Rd. North of Sec. 14, on S/S Robertsdale Rd., S½ Section 2, on N/S Robertsdale Rd. opposite Sec. 11 and SW¼ of SW¼ Section 1, also on N/S of Robertsdale Rd. and E½ of SE¼ of Section 10, on W/S of Belforest Rd., North of Section 15, the base rent per acre reflects presumed unimproved bare land capital values per acre as follows: general, $71; enhanced by paved road, $169; corner on paved roads, $267. In N½ of Section 2 the base rent per acre reflects presumed values as follows: general $63; enhanced by paved road, $161. No paved road corners.

In E½ of Section 22 on W/S of Belforest Rd. ½ mile South of Fairhope Ave. and in SW¼ thereof the base rent per acre reflects unimproved bare land capital values per acre, as follows: general, $63; enhanced by paved road, $161. In NW¼ on unpaved road, reflected capital value is $71. In N½ of Section 27, on unpaved road, reflected capital value is $55; in SW¼ of SE¼ thereof the reflected capital values per acre are as follows: general, $52 and enhanced by paved road, $150. The same values per acre apply to the parcels of Colony land in Section 35 North of the Marlow Rd. and in Section 2 South of the Marlow Road and East of the Belforest Rd.

1968 rent charges are the same as in 1967, except for a few street frontage rate increases to reflect the enhancement of site value resulting from newly completed street paving improvements. Also by the application to leaseholds on Greeno Rd. South of Fairhope Ave. in W½ of W¼ of S½ of Section 16, now within the municipal boundaries of the City of Fairhope, entitled to all municipal services, and likewise subject to City taxes, the same street frontage rate that has been the basis for rent charges on leaseholds on Greeno Rd. North of Fairhope Ave in Division 4.

LAND TRANSACTIONS

Five applications for land were approved during the year. However one applicant, upon securing the purchase of an improved leasehold surrendered the newly acquired lot. Two of the five started new residences during the year. One, a builder, completed his and sold it to a purchaser who occupied it before the end of the year. The other being built by the lessees for their home was well along by the end of the year. One was to secure an addition to an existing leasehold and the other remained unused at the end of the year.

There were five surrenders including the one previously reported.

LESSEES' TRANSFERS

There were 84 transfers in 1967, five less than in 1966. 68 were in the city. 55 were residence leaseholds, 6 business properties and 7 without building improvements. 16 were in the country, 7 with residence improvements, 1 a business building and eight such improvements as clearing, cultivation, orchards, wells, fences, etc. Reflecting the decrease in the availability of Colony land to meet the needs of the building trades only the sale of the one new building previously reported is accounted for in the 1967 transfers. 12 of the transfers were inter-family transfers, 3 were to the devisees of deceased lessees as directed by them in their wills. 3 were the results of foreclosures and/or repossessions. 3 of the residence properties were traded in to a builder on the purchase of new homes. All were resold by the builder to purchasers for their homes. Also resold within the year for home use was one of the repossessed properties.

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There were 37 assents to mortgage approved in 1967. First National Bank of Fairhope and Baldwin County Savings & Loan Association, the principal sources of loans to Colony lessees, accounted for 24 of the 37. Mobile Banks and a Mobile Savings & Loan Association accounted for four of the mortgages. Two mortgage companies and an insurance company made 3 of the loans, all of which were insured by the Veterans Administration. The remaining 6 were to individuals, 4 of whom accepted mortgages in part payment for the sale of their improved leaseholds.

ASSESSED VALUATIONS

In 1967 the assessed value of Colony land and of the taxable property of its lessees and of their tenants amounted to $2,589,400, an increase of 4.85 per cent over the 1966 total. Figuring in the increase were 3 new residence and 3 new business building improvements in the city and five new residences in the country. Offsetting these added improvements were the removal of 4 buildings and a considerable reduction in the assessed value of the Casino building resulting from its condemnation as a hazard, amounting to a total reduction of $5100 in 1966 assessed values.

This valuation of $2,589,400 on taxable property located on land owned by the Colony, is responsible for a little more than 5 per cent of the county's total in real and personal property assessed values, exclusive of the assessed valuations of public utilities and industrial exemptions. In the City of Fairhope the total of Colony assessed valuations, $2,390,420, accounted for 48.3 per cent of the city's total, exclusive of public utility valuations, an increase of 3.5 per cent over last year's 44.8 per cent. Increased valuations of 12 older properties accounted for some of the increase.

LANDS AND HIGHWAYS

A visible item of consequence in the department of lands and highways in 1967 was the curb and gutter and sidewalk improvements on Oak St. between Section St. and Bancroft St. The cost $2,421.40, was somewhat in excess of customary street improvement costs in that it was patterned to meet the particular needs of the Eastern Shore Art Association, the occupant of block 1 on the North side of Oak St. All of the work started but not completed in 1966, affecting Colony land, was completed in 1967. This involved, in the Magnolia Beach section, Pomelo and Pecan Sts. and Horton Lane, from Pecan to Fig St. Lessees in the Magnolia Beach area, suffering by reason of the delayed completion were compensated by the remission of the increased rent charge for the first half of 1967. The pressing need in this department is the completion of plans for more effective use of the lands in Block 47 on both sides of Horton Lane, between Pecan and Fig Aves. and of the land on the S/S of Fig Ave., opposite Block 47. This would open for lease a considerable number of attractive residential sites. In 1967 we extended the sanitary sewer on Fig St. East from Church St. to provide the area with sanitary sewer service.

RESERVES

The only addition to our reserves, other than interest accruals, was a transfer to the land fund savings account of $640.00, received in membership fees and sale of landscape values, mainly trees, on newly leased land. At

the end of the year our reserves consisted of the following: $8,000.00 in Baldwin County Savings & Loan Association Savings Certificates, $14,920.20 in First National Bank of Fairhope Savings Certificates and $7,216.27 in the land fund savings account in the First National Bank of Fairhope, for a total of $30,136.47, an increase of $1,209.65.

EDUCATION

Activities in the field of education in 1967 were as follows: The usual course in Fundamental Economics was again conducted at the Organic School. There were 14 in the class conducted by Mrs. John S. Parker (nee May Moss Dyson), with the assistance of C. W. Arnold at three of the sessions. An adult class was conducted at the Colony office, two sessions of the ten being conducted by Sam Dyson, one by R. Lucier Rockwell and seven by C. W. Arnold. The last of the Essay awardees, Alice Smart, a senior at the University of Alabama received the fourth and final $100.00 payment of her scholarship award.

MEMBERSHIP

Death claimed four of our members in 1967. First to go was Don E. Andrews, January 5, next Lucille W. Brown, February 15, then Lenore M. Wolcott, March 19 and last Trustee Elof M. Tuveson, December 31. All had been valued loyal members and Mr. Tuveson as trustee since his first election to that office, February 4, 1960 to serve the two years remaining in the three year term of Trustee J. O. Stimpson, Sr. who died May 23, 1959.

Happily we can report the addition of two young members. May Moss Parker, wife of John S. Parker, was admitted to membership April 6 on payment of the $100.00 membership fee. Mrs. Parker is the daughter of Colony Councilman Sam Dyson and Helen Porter Dyson and the granddaughter of the late Marmaduke and Margaret Dyson, loyal Colony members and officers for many years. The other, Nancye D. Jennings, wife of B. H. Jennings, III, a son of Colony Trustee Brown Jennings, grandson of the B. H. Jennings, Jr. and Beverly late R. H. and Lucille W. Brown, the former having been a Colony councilman at the time of his death, and a greatgrandson of the late Frank L. and Minnie L. Brown, pioneer Colony members, both of whom served the Colony in official capacities. Mrs. Jennings was admitted to membership September 7, subject to surrender of Certificate No. 209, of the late Lucille W. Brown, Mr. Jennings' grandmother, properly endorsed for transfer to her and delivered to the Corporation for cancellation.

SPECIAL

Last but not least, is an item of greatest importance to Colony members and lessees. It is the purchase of this building by the Colony and plans to devote the entire building to Colony needs. While there is yet no physical evidence of such changes as will be needed, our capable cashier-bookkeeper and valued office assistant to the secretary, Mrs. Rockwell, has devoted earnest and intelligent consideration to planning changes to accomplish the intended purpose. It is planned to create a Colony office where Colony business can be most efficiently and conveniently conducted and one in which we can all have pride. It seems appropriate for the Colony to have its home on this site. It is the site from which the Colony's operations have been directed since January 1895 when its then secretary, Ernest B. Gaston, brought his family to its new home on this site, the first to be occupied on Colony land.

OFFICERS AND COMMITTEES

In 1967 your corporation was officered by the following: President, Daphne B. Anderson; Vice President, C. W. Arnold; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols. Superintendent of Public Service, J. E. Gaston, Jr.; Superintendent of Industries, O. M. Rockwell; Superintendent of Public Health, Sam Dyson and Trustees Robert M. Schneider, Elof M. Tuveson and B. H. Jennings, Jr. The Council committees were as follows: MEMBERSHIP, Sam Dyson, Marvin Nichols and O. M. Rockwell; EDUCATION, C. W. Arnold, O. M. Rockwell and Robt. M. Schneider; CEMETERY, Helen Call, C. A. Gaston and C. W. Arnold; ORGANIC SCHOOL MANAGING BOARD, J. E. Gaston, Jr., O. M. Rockwell and R. L. Rockwell.

1967 Report Fairhope Single Tax Corporation

Fairhope, Alabama

Statement

For Year Ended Dec. 31, 1967

RECEIPTS:

Rent	$135,810.77
Penalty	558.99
Lease Fees	453.00
Assent Fees	78.00
Interest, Corporation Investments	360.00
Special Meetings	36.00
Mail Interviews	10.00
Memberships	100.00
Land Fund	665.00
Refunds	243.01
Total Receipts	$138,314.77
Cash on hand January 1, 1967	33,054.08
Total	$171,368.85

DISBURSEMENTS:

Taxes paid for lessees:	
General Property	$55,037.24
Car & Truck	7,719.90
Poll Taxes	4.50
Corporation Land & Property Tax	13,175.60
City Business License	150.00
Corporation Income Taxes	2,404.29
Social Security Taxes	491.24
Salaries	14,694.99
Office & Business Expense	2,342.13
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CITY LAND RENTS

Of 699 single family residence leaseholds one had a 1967 rent charge of only $14.90. There were 8 in the $20-$40 bracket, average rent, $33.45; 54 in the $40-$60 bracket, average rent, $51.32; 187 (26.75 per cent) in the $60-$80 bracket, average rent, $69.75; 143 (20.46 per cent) in the $80-$100 bracket, average rent $89.85; 96 in the $100-$120 bracket, average rent, $109.18; 70 in the $120-$140 bracket, average rent, $127.67; 40 in the $140-$160 bracket, average rent, $148.75; 37 in the $160-$180 bracket, average rent, $167.95; 18 in the $180-$200 bracket, average rent, $187.74; 30 in the $200-$300 bracket, average rent, $225.40; 15 in the $300-$600 bracket, average rent, $375.75. For the 699 leaseholds, the average rent was $109.12.

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RESERVES

The only addition to our reserves, other than interest accruals, was a transfer to the land fund savings account of $640.00, received in membership fees and sale of landscape values, mainly trees, on newly leased land. At

SPECIAL

At the March 21 council meeting, Members R. Lucier and Ruth E. Rockwell presented to the council plans and tentative cost estimates for expanding the Colony's office space to occupy the entire lower floor of our building. The plans were designed to accomplish utilization of the available space substantially as provided in their model which was displayed at last year's membership meeting and as reported in last year's annual report.

In June, under the direction of Sam Dyson, chairman and committeemen Vice President C. W. Arnold and Councilman O. M. Rockwell, work to carry out the plans was started. By Tuesday, August 27, work in the west room section, formerly occupied by The Fairhope Courier office, was sufficiently advanced for us to start moving in. Already completed was a newly constructed fire proof vault containing some 920 cubic feet with 121 square feet of floor space. It furnishes us with adequate space for storing and safeguarding such valuable old records and materials as are still on hand and all that are in present use. Lack of such space for storage in past years has resulted in the disposal or destruction of records and materials that might better have been saved.

Happily the Alabama Supreme Court ruled in the Colony's favor in our suit to prevent the City of Fairhope from carrying out plans to erect a large recreation building on the bluff North of Fairhope Ave. on land that the Colony deeded to the City to be used by it for park purposes, only. Still pending settlement is a suit to establish the fair and reasonable value of the Casino land on the Beach, condemned by the City for public use and a part of the land used in the construction of the new pier.

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1968 Report Fairhope Single Tax Corp.

Fairhope, Alabama

Financial Statement
For Year Ended
December 31, 1968

RECEIPTS:	
Rent	$138,377.28
Penalty	658.49
Lease Fees	394.00
Assent Fees	104.00
Interest, Corporation Investments	4,659.31
Special Meetings	36.00
Mail Interviews	10.00
Memberships	200.00
Land Fund	76.00
From Reserves	12,000.00
Refunds	4.44
Total Receipts	**$156,519.52**
Cash on hand January 1, 1968	41,035.76
TOTAL	**$197,555.28**
DISBURSEMENTS:	
Taxes paid for lessees:	
General Property	$55,896.88
Auto	8,154.34
Corporation Land & Property Tax	13,096.88
Corporation Income Tax	6,313.09
Social Security Taxes	533.19
Salaries	15,079.22
Office & Business Expense	4,065.05
Lands & Highways	650.00
Cemetery Maintenance	400.00
Organic School	3,000.00
Civic Contributions	150.00
Education Committee	338.10
Land Fund	201.00
Legal	800.00
To Reserves	42,000.00
Buildings	12,867.98
Buildings Expense	189.00
Office Equipment	228.49
Refunds	219.30
Total Disbursements	$164,182.52
Cash on hand December 31, 1968	33,372.76
TOTAL	**$197,555.28**

SECRETARY'S REPORT

Madam President and fellow members: Our financial statement reveals a successful and active year in the business affairs of the corporation. At year's end there were 909 lessees and 1062 leaseholds. Only 31 of our lessees had delinquent accounts at the end of the year and rent remained unpaid in full on only 32 leaseholds. The unpaid 1968 rent amounted to $2,987.16, only 2.16% of the total; and unpaid rent from prior years was only $482.31. Of the remaining 878 lessees, 107 have credits for advance payment of 1969 rent amounting to $2,766.05. These credits were largely the result of the lessees' election to accept rent credits instead of cash refunds for taxes they had paid on taxable property held by them upon their leaseholds.

RENTS

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Assent Fees	104.00
Interest, Corporation Investments	4,659.31
Special Meetings	36.00
Mail Interviews	10.00
Memberships	200.00
Land Fund	76.00
From Reserves	12,000.00
Refunds	4.44
Total Receipts	**$156,519.52**
Cash on hand January 1, 1968	41,035.76
TOTAL	**$197,555.28**
DISBURSEMENTS:	
Taxes paid for lessees:	
General Property	$55,895.88
Auto	8,154.34
Corporation Land & Property Tax	13,096.88
Corporation Income Tax	6,313.09
Social Security Taxes	533.19
Salaries	15,079.22
Office & Business Expense	4,065.05
Lands & Highways	650.00
Cemetery Maintenance	400.00
Organic School	3,000.00
Civic Contributions	150.00
Education Committee	338.10
Land Fund	201.00
Legal	800.00
To Reserves	42,000.00
Buildings	12,867.98
Buildings Expense	189.00
Office Equipment	228.49
Refunds	219.30
Total Disbursements	$164,182.52
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In April death took from us Margaret N. Gaston, wife of your secretary. Mrs. Gaston had been active as a member since signing the constitution in 1928, as wife of a member. Two new members were acquired. The first to apply and be approved was Mrs. Ola Powell Malcolm, daughter of the late Robert F. and Laura A. Powell, early and active members both in the Colony and the community. Mrs. Malcolm is also a sister of our member of many years, Mrs. Ivy Powell Norton. Next to apply and be approved was George C. Dyson, Jr., son of members, George C., Sr. and Marguerite O. Dyson, nephew of members, Raymond C. and Sam Dyson and grandson of the late Marmaduke and Margaret Dyson who served the Colony and its interests long and faithfully, both as members and officers.

SPECIAL

At the March 21 council meeting, Members R. Lucier and Ruth E. Rockwell presented to the council plans and tentative cost estimates for expanding the Colony's office space to occupy the entire lower floor of our building. The plans were designed to accomplish utilization of the available space substantially as provided in their model which was displayed at last year's membership meeting and as reported in last year's annual report.

In June, under the direction of Sam Dyson, chairman and committeemen Vice President C. W. Arnold and Councilman O. M. Rockwell, work to carry out the plans was started. By Tuesday, August 27, work in the west room section, formerly occupied by The Fairhope Courier office, was sufficiently advanced for us to start moving in. Already completed was a newly constructed fire proof vault containing some 920 cubic feet with 121 square feet of floor space. It furnishes us with adequate space for storing and safeguarding such valuable old records and materials as are still on hand and all that are in present use. Lack of such space for storage in past years has resulted in the disposal or destruction of records and materials that might better have been saved.

Happily the Alabama Supreme Court ruled in the Colony's favor in our suit to prevent the City of Fairhope from carrying out plans to erect a large recreation building on the bluff North of Fairhope Ave. on land that the Colony deeded to the City to be used by it for park purposes, only. Still pending settlement is a suit to establish the fair and reasonable value of the Casino land on the Beach, condemned by the City for public use and a part of the land used in the construction of the new pier.

OFFICERS AND COMMITTEES

In 1968 your corporation was officered by the following: President, Daphne B. Anderson; Vice President, C. W. Arnold; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols; Superintendent of Public Service, J. E. Gaston, Jr.; Superintendent of Industries, O. M. Rockwell; Superintendent of Health, Sam Dyson and Trustees. Olive W. Gaston, Robert M. Schneider and B. H. Jennings, Jr. Council committees were as follows: MEMBERSHIP, Sam Dyson, Marvin Nichols and O. M. Rockwell; EDUCATION, C. W. Arnold, O. M. Rockwell and Robert M. Schneider; CEMETERY, Helen Call, C. A. Gaston and C. W. Arnold; ORGANIC SCHOOL MANAGING BOARD, J. E. Gaston, Jr., O. M. Rockwell and R. L. Rockwell

1968 Report Fairhope Single Tax Corp.

Fairhope, Alabama

Financial Statement
For Year Ended
December 31, 1968

RECEIPTS:	
Rent	$138,377.28
Penalty	658.49
Lease Fees	394.00
Assent Fees	104.00
Interest, Corporation Investments	4,659.31
Special Meetings	36.00
Mail Interviews	10.00
Memberships	200.00
Land Fund	76.00
From Reserves	12,000.00
Refunds	4.44
Total Receipts	**$156,519.52**
Cash on hand January 1, 1968	41,035.76
TOTAL	**$197,555.28**
DISBURSEMENTS:	
Taxes paid for lessees:	
General Property	$55,896.88
Auto	8,154.34
Corporation Land & Property Tax	13,096.88
Corporation Income Tax	6,313.09
Social Security Taxes	533.19
Salaries	15,079.22
Office & Business Expense	4,065.05
Lands & Highways	650.00
Cemetery Maintenance	400.00
Organic School	3,000.00
Civic Contributions	150.00
Education Committee	338.10
Land Fund	201.00
Legal	800.00
To Reserves	42,000.00
Buildings	12,867.98
Buildings Expense	189.00
Office Equipment	228.49
Refunds	219.30
Total Disbursements	$164,182.52
Cash on hand December 31, 1968	33,372.76
TOTAL	**$197,555.28**

SECRETARY'S REPORT

Madam President and fellow members: Our financial statement reveals a successful and active year in the business affairs of the corporation. At year's end there were 909 lessees and 1062 leaseholds. Only 31 of our lessees had delinquent accounts at the end of the year and rent remained unpaid in full on only 32 leaseholds. The unpaid 1968 rent amounted to $2,987.16, only 2.16% of the total; and unpaid rent from prior years was only $482.31. Of the remaining 878 lessees, 107 have credits for advance payment of 1969 rent amounting to $2,766.05. These credits were largely the result of the lessees' election to accept rent credits instead of cash refunds for taxes they had paid on taxable property held by them upon their leaseholds.

RENTS

Total rent charges for 1968 were $138,244.34, an increase of only $617.91 over the 1967 total of $137,626.43. Reductions resulting from surrenders and forfeitures of city land leaseholds more than offset the minor frontage rate increases reported last year. As a result, 1968 city land rent, $121,459.48 is $70.61 less than 1967's $121.530.09. The net increase was on country lands as a result of added value resulting from the completion during the first half year, of 2½ miles of paving on roads abutting on Colony land. While the increased charges were effective for only the last half of 1968, they brought the country land rent charges up from the 1967 total of $16,096.34 to a 1968 total of $16,784.86.

No action was taken by the council with respect to 1969 rents. As a result, except for the effect of a full year's increase in country land charges resulting from the newly paved roads, rents affecting existing leaseholds will be unchanged for 1969.

We did make some substantial progress toward the development of impersonal scientific guides to determining the varying rental values of leasehold sites resulting from advantages due to location. Since accessibility is a considerable factor in creating site

values, both vehicle and pedestrain traffic counts have been undertaken. Vehicle counts were made by mechanical counters and pedestrian counts by individuals employed for the purpose. There is a considerable amount of work to be done in evaluating the information so far accumulated. Also there is need to explore and evaluate other site value influences. We hope we will have developed enough acceptable information to apply it effectively in determining equitable rent charges for 1970. Plans developed by our member Lucier Rockwell, engineer and computer analyst, for using the material in a computer will be undertaken.

LAND TRANSACTIONS

Only one application for land was filed and approved in 1968. It was for a lot, the lease to which had been forfeited for nonpayment of rent, earlier in the year. The lack of applications was not in any way due to a lack of demand for Colony land. Rather it was due to the lack of desirable building sites being available. Only a very few, less than a dozen, building sites are presently open for lease. None are of highest quality. Three became available as the result of surrenders within the year and one by forfeiture of the lease for nonpayment of rent. There has been no unleased country land available since 1944.

LESSEES' TRANSFERS

Eighty leasehold transfers were approved within the year. 62 were city leaseholds. Of these 40 involved the sale of a residence building situate on the leasehold, as did 7 in the country. Sale prices ranged from $2,000.00 to $17,900.00 and the average was $9,800.00. Only two were newly built residences, both having been built for sale by local builders. Transfers from one family member to another involved 3 city and 2 country residence leaseholds. Title to two residence leaseholds and one business leasehold passed to devisees of deceased lessees as directed by them in their wills. There were 3 residence and 2 business leaseholds where title returned to original owners through repossession or reversion process. Several of the transfers involved trades. This year's transfers, forfeitures and surrenders resulted in dropping the names of 47 former lessees from our rent roll and in adding the names of 62 new lessees.

ASSENTS TO MORTGAGE

There were 53 assents to mortgage issued in 1968. First National Bank of Fairhope, Baldwin County Savings & Loan Association and Fairhope Branch of Baldwin National Bank of Robertsdale accounted for 32. In partial payment for the purchase of their improvements 13 transferor lessees accepted mortgages from the buyers. 6 were to various lending institutions, 1 to Farmers Home Administration and 1 to Small Business Administration, both agencies of the Federal Government.

ASSESSED VALUATIONS

In 1968 the assessed value of Colony land, office building and personal property and of the taxable property of its lessees and of their tenants amounted to $2,552,020.00, a decrease of 1.44% from the 1967 total. While 3 new buildings went on the assessment roll and 16 were assessed at higher values than in 1967, old buildings on 9 leaseholds were either totally or partially demolished. A net increase of $2,900.00 in the assessed value of lessees' buildings was offset by a decrease in the assessed value of their personal property. On one of the sites in the business district from which an old residence had been removed is now a large new occupied business building and on a site in the country from which an old dilapidated and abandoned residence was removed is now an attractive brick veneer farm residence.

This $2,552,020.00 of assessed value on taxable property belonging to the Colony and to those who occupy its lands accounts for 4.94% of the total assessed value of all real and personal property in Baldwin County, exclusive of properties entitled to industrial exemption and of those assessed by public utilities. In the City of Fairhope the total of Colony assessed valuations, $2,356,500.00 accounts for 47.05% of the City's total, exclusive of public utility valuations. These percentages reflect decreases from 1967 of 0.34% in the County and of 1.25% in the City. Considering the potential for expanded development upon the relatively vast areas of unused land in both county and city as compared with the Colony's meagre holding, one may suspect that the already high and increasing prices for land outside the Colony are responsible for the percentage decreases being as small as they are.

LANDS AND HIGHWAYS

The $650.00 disbursement in this department listed in the financial statement is evidence of our neglect in this very important department and accounts for our failure to expand the area of Colony land available to meet the demand for attractive and desirable home sites. True there were a number of extenuating circumstances that developed during the year that made the management cautious about committing any considerable sum to development programs. The City council was contemplating extensive and expensive street improvements that might lay upon the Colony heavy public improvement assessments.

There are some areas in which the Colony can institute public improvements that would make a number of residence sites available this year. Also there are other undeveloped areas in which action should be considered that should result in fuller and more appropriate use of the land. Only by a more effective application of the principles we espouse can we make the most creditable showing in land use development.

RESERVES

As a result of the reduced expenditures in the Lands and Highways department our reserves show an increase. At the end of the year we held a $10,000.00 Baldwin County Savings & Loan Association savings certificate, $40,000.00 in First National Bank of Fairhope savings certificates and $7,609.02 in the Land Fund savings account in the First National Bank of Fairhope. The total $57,609.02, reflects an increase of $27,472.55.

EDUCATION

Activities in the field of education were under the direction of the Education Committee composed of Vice President C. W. Arnold, chairman and members, O. M. Rockwell and Robert M. Schneider. The course in Fundamental Economics, using as a text book Henry George's Progress and Poverty, was conducted at the School of Organic Education for a class of 5 seniors and 3 juniors. Instructors were John and May Moss Parker and C. W. Arnold. Also conducted was an adult class of 6 women with instructors Sam Dyson, John Parker and Lucier Rockwell. Sponsored by the committee was the attendance of Chairman Arnold at the annual conference of the Henry George School of Social Science at Miami Beach, Florida in July. As director of the Fairhope Branch of the School, the New York office paid one-half the attendance expense and the other one-half was paid by the Colony. Mr. Arnold was on the program and his address on Fairhope was well received.

MEMBERSHIP

In April death took from us Margaret N. Gaston, wife of your secretary. Mrs. Gaston had been active as a member since signing the constitution in 1928, as wife of a member. Two new members were acquired. The first to apply and be approved was Mrs. Ola Powell Malcolm, daughter of the late Robert F. and Laura A. Powell, early and active members both in the Colony and the community. Mrs. Malcolm is also a sister of our member of many years, Mrs. Ivy Powell Norton. Next to apply and be approved was George C. Dyson, Jr., son of members, George C., Sr. and Marguerite O. Dyson, nephew of members, Raymond C. and Sam Dyson and grandson of the late Marmaduke and Margaret Dyson who served the Colony and its interests long and faithfully, both as members and officers.

Fairhope our reserve funds now total $98,851.54.

EDUCATION

The major action of the Education Committee, chaired by Vice-Pres. C. W. Arnold, was mainly directed toward giving the general public an understanding of what might be accomplished socially and economically by a broader application of land value taxation. As one means of doing this and also of showing that interest is not alone in Fairhope, a full page in the October issue of The Fairhope Courier was engaged by the committee to carry a reprint of a full page from The Grand Rapids Press, Grand Rapids, Michigan. The article is devoted to relating the experience of Southfield, Michigan, a Detroit suburb, in its institution of a measure of land value taxation as a means of collecting from land owners, a part of the value of the benefits accruing to them as a result of community activities and expenditures.

The committee was also active in its support of Mrs. Lucier Rockwell and her assistants in commemorating the 75th anniversary of the landing in Baldwin County of Fairhope's singletaxer founders. On the anniversary date, Saturday, November 15, an open house was conducted in the Colony offices. Announcement of the event with an invitation to the public was carried in the form of an eight page illustrated tabloid published in the November 13 issue of The Fairhope Courier depicting the growth of Fairhope from its very modest beginnings.

The only class conducted during the year was one taught by Chairman Arnold to the Organic School seniors. Due to the fact that adequate furnishings and facilities for using our library and class room had not yet been supplied, no adult class was held.

MEMBERSHIP

Our membership roll was considerably diminished during the year as a result of the deaths of sister members. Ivy Powell Norton, Irene Lucier Buell and Ethel O. Darrow. Also we were saddened in 1969 by the death of Chinta Andrews, widow of Don E. Andrews, a member. During their residence here both Mr. and Mrs. Andrews had taken an active interest in Colony activities and Mrs. Andrews had represented the Colony on the Fairhope Library Board of the Library Association. We did acquire a new member with the acceptance of Dr. E. C. Dillabough's application for membership. During the year the names of three spouses of members were added to the roll upon their signing of the constitution as provided by Sec. 2, Article XIII. They are Mary P. Gaston, Lester I. Boone and Bart B. Jennings, III.

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In 1969 your corporation was officered by the following: President, Daphne B. Anderson; Vice President, Claude W. Arnold; Secretary, C. A. Gaston; Treasurer and Superintendent of Finance, M. O. Berglin; Superintendent of Lands and Highways, Marvin Nichols; Superintendent of Public Service, J. E. Gaston, Jr.; Superintendent of Industries, O. M. Rockwell; Superintendent of Health, Sam Dyson and Trustees, B. H. Jennings, Jr., Olive W. Gaston and Robert M. Schneider. Council committees were as follows: MEMBERSHIP, Sam Dyson, Marvin Nichols and O. M. Rockwell; EDUCATION, C W. Arnold, O. M. Rockwell, Robert M. Schneider and John S. Parker; CEMETERY, Helen B. Call, C. A. Gaston and C. W. Arnold; ORGANIC SCHOOL MANAGING BOARD, J. E. Gaston, Jr., O. M. Rockwell and R. L. Rockwell; SPECIAL RENT APPRAISAL COMMITTEE, R. Lucier Rockwell, C. W. Arnold and Sam Dyson.

1969 Report Fairhope Single Tax Corp.

Fairhope, Alabama

Financial Statement
For Year Ended
December 31, 1969

RECEIPTS:

Rent	$138,158.73
Penalty	483.52
Lease Fees	615.00
Assent Fees	80.00
Interest, Corporation Investments	3,975.00
Special Meetings	132.00
Memberships	100.00
Land Fund	555.00
Refunds	403.18
Total Receipts	**$144,502.43**
Cash on hand January 1, 1969	33,372.76
TOTAL	**$177,875.19**

DISBURSEMENTS:

Taxes paid for lessees:	
General Property	$56,049.18
Auto	7,421.82
Corporation Land & Property Tax	13,082.12
Corporation Income Tax	9,533.94
Social Security Tax	634.74
Salaries	15,831.78
Office & Business Expense	3,810.65
City Business License	150.00
Lands & Highways	4,413.37
Cemetery Maintenance	400.00
Organic School	3,000.00
Civic Contributions	150.00
Education Committee	466.01
Land Fund	655.00
Legal	880.00
Building Expense	256.00
Buildings	436.57
Office Equipment	1,320.90
Land Purchase	2,700.00
Pension Trust	5,000.00
Pension Trust Expense	500.00
To Reserves	40,000.00
Refunds	50.00
Total Disbursements	**$166,742.08**
Cash on hand December 31, 1969	11,133.11
TOTAL	**$177,875.19**

1969 SECRETARY'S REPORT

Madam President and fellow members: Our financial statement for 1969 is somewhat disappointing in that it is too similar in all respects to the previous year. Land use was confined to the same area already occupied by our lessees. That would indicate that we have not been active enough in bringing into use our undeveloped unleased land.

At year's end we had 931 lessees, only 22 more than last year and 1,082 leaseholds in use, only 20 more than last year. 39 lessees, 8 more than last year, had delinquent accounts at the end of the year. Unpaid 1969 rent amounted to $3,492.14, $504.98 more than the unpaid 1968 rent at the end of that year. A somewhat better showing was made in the collecting of rents due from prior years. All unpaid rent from years prior to 1968 was collected and unpaid rent for that year amounted to only $267.66.

On January 1, 1970, 88 lessees had not only paid all rent charges then due but had credit balances amounting to $2,246.06. In large part these credits are due to the election of paid-up lessees to accept rent credits instead of cash refunds for receipts for taxes they had paid on cars or other taxable property as provided in paragraph (3) of the lease contract.

RENTS

Total rent charges in 1969 were $138,576.51, an increase of only $332.17 over the 1968 total. City land rent, $121,566.07 accounts for $106.59 of the increase and country land rent for $225.58 of its 1969 total of $17,010.44. The increase in city land rentals resulted mainly from the advance payments of rent made by applicants for leases on unleased Colony land. The increase in

country land rent resulted from a full year's charge on land abutting on roads that were paved last year and charged the increase for only one-half year in 1968.

The only positive action taken by the council with respect to 1970 rents was to leave them unchanged for the first half year, except for the establishment of a frontage rate on Ettel St. and frontage rates on land now within the city limits, where acreage values had been used as the basis for rent calculations. The land involved has frontage on Blue Island St. and on Fairhope, Morphy and Nichols Aves. East of Greeno Road.

For the council's consideration in establishing more equitable and realistic rent levies for the last half of 1970 it directed that calculations of leasehold rental charges be made, based on frontage rates in city and country as determined by the committee appointed May 2, 1968 composed of R. Lucier Rockwell, engineer and computer analyst and Vice-Pres. C. W. Arnold, to which Councilman Sam Dyson was added by appointment Nov. 6, 1969.

LAND TRANSACTIONS

During 1969 the Executive Council approved 127 land transactions. Seven applications for land were approved. One was to accomplish an addition to an existing leasehold to enable the lessee to make a considerable addition to his residence. On one a new residence has been built and occupied. On another a new residence is nearing completion and a construction start has been made on a third. Plans for new residences on two of the remaining three are in process and construction is anticipated this year. The lease to one unimproved lot was forfeited for non-payment of rent. Five prior lessees regained title to their leaseholds as a result of repossessions, either by forfeiture or cancellation of sales contracts.

LESSEES' TRANSFERS

The council approved 113 lessees' transfers in 1969. Twenty-seven were interfamily transfers, 20 in the city and 7 in the country. Of the remaining 86, 78 were in the city and 8 in the country. One was a transfer to heirs from the estate of a deceased lessee, which transfer figured in another of the 86 in a resale by the heirs. Two transfers were made by the executors of deceased lessees. Five transfers resulted from the resale of the five repossessed leaseholds, with the buyer of one such accounting for still another by resale of the purchased property. Another single leasehold accounted for three of the 86 transfers.

Sixty-two transfers were of city residence sales, five of which were second sales of the same property. At the end of the year the 57 final sales were for a total of $609,285.00. Thirty were sold at prices under $10,000.00 at an average price of $5,930.00. The lowest paid was $900.00 and the highest $9,500.00. The remaining 27 were sold at an average price of $15,977.00, two at an even $10,000.00 and two at the top price of $25,500.00.

Three city buinsess properties were sold for a total of $54,000.00. Three non-farm residence properties beyond the city limits were sold for $52,160.00. One of these, as was one of the city residence properties was purchased by the government of the United States from a government employee owner who had been transferred to a government job outside of Alabama. Transfers of undeveloped land furnished sites for the building of five new homes in the country and two new ones in the city. Also one such city transfer, acquired to enlarge a residence leasehold now has on it a new two-car masonry garage.

ASSENTS TO MORTGAGE

There were only 40 assents to mortgage applied for in 1969 as compared with 53 in 1968. The reduction was possibly due to tighter credit measures and/or a reduction in mortgage money available from building and loan associations and banks. First National Bank of Fairhope, Baldwin County Savings & Loan Association and Fairhope branch of Baldwin National Bank of Robertsdale accounted for 25 as compared with 32 in 1968. Ten were by individuals, one by a credit union, one by a Mobile savings and loan association and three by two mortgage companies. One was insured by the Veterans Administration and two by Federal Housing Administration.

ASSESSED VALUATIONS

In 1969 the assessed value of Colony land, office building and personal property and the taxable property of its lessees and of their tenants, amounted to $2,584,000, an increase of 1.24% over the 1968 total. Six new buildings went on the assessment roll and 17 others had increases in assessed value due to additions or improvements. However these increases were offset to a considerable extent by the demolition of several obsolete buildings and justifiable reductions in the assessed values of several others. Happily on the sites of several of the demolished buildings new business buildings of far greater value have been erected this year and will figure in 1970 assessed valuations.

This $2,584,000 of assessed value on taxable property belonging to the Colony and to those who occupy its lands, accounts for 4.79% of the total of all assessed real and personal property in Baldwin County, exclusive of properties entitled to industrial exemption and of those assessed by public utilities. In the City of Fairhope the total of Colony assessed valuations, $2,383,760 accounts for 45.44% of the City's total, exclusive of public utility valuation. And, if consideration were given to the fact that Fairhope's only taxable public utility, South Central Bell Telephone Company, has all of its switching equipment and its business office equipment on Colony land and many miles of lines on city streets that were supplied by the Colony, the percentage would be even higher.

Considering the potential for expanded development upon relatively vast areas of unused land in both county and city as compared with the Colony's meagre land holding, one may suspect that the already high and increasing prices for land outside the Colony are responsible for the percentages being as high as they are. However we must admit to some guilt for the fact they are not higher. Had it not been for our lack of needed initiative to make our unused and underused land available to meet the constant demand for land for users, the picture might have been more favorable.

LANDS AND HIGHWAYS

We had one addition to our land area in 1969. This resulted from an opportunity to purchase, at the reasonable price of $2,700.00, three lots on the East side of Ettel St. abutting on two sides land already owned by the Colony.

The only publicly visible street improvement activity in this department is the construction of concrete sidewalks on Section St. and Morphy Ave. at the northeast corner of their intersection. A much larger expenditure was required to correct deficiencies in outfall installations at the terminus of the storm sewer drain extending north from Fairhope Ave. to the East end of Stimpson St. and on to Bayou Charbon, which threatened erosion damage to Colony owned land. The Colony and the City shared in financing both of these projects.

These two accounted for more than half the expenditures in this department as shown in the financial statement. The balance was mainly for routine departmental costs such as engineering services, land surveys, etc. It is surely to be hoped and expected, that in 1970, the council will direct this department's activities toward making more of the Colony's presently unavailable land both available and attractive to those who will put them to uses that are in the best interest of the community.

RESERVES

At the end of the year we showed a considerable increase in our reserve funds. The principle increase was in raising from forty to eighty thousand dollars our investment in First National Bank of Fairhope 5% savings certificates. With our $10,000.00 Baldwin County Savings & Loan Association 5% certificate with interest accruals of $264.22 and our $8,587.32 Land Fund savings account in First National Bank of

Fairhope our reserve funds now total $98,851.54.

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1969 Report Fairhope Single Tax Corp.

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Civic Contributions	150.00
Education Committee	466.01
Land Fund	655.00
Legal	880.00
Building Expense	256.00
Buildings	436.57
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1969 Report Fairhope Single Tax Corp.

Fairhope, Alabama

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For Year Ended
December 31, 1969

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Rent	$138,158.73
Penalty	483.52
Lease Fees	615.00
Assent Fees	80.00
Interest, Corporation Investments	3,975.00
Special Meetings	132.00
Memberships	100.00
Land Fund	555.00
Refunds	403.18
Total Receipts	**$144,502.43**
Cash on hand January 1, 1969	33,372.76
TOTAL	**$177,875.19**

DISBURSEMENTS:

Taxes paid for lessees:	
General Property	$56,049.18
Auto	7,421.82
Corporation Land & Property Tax	13,082.12
Corporation Income Tax	9,533.94
Social Security Tax	634.74
Salaries	15,831.78
Office & Business Expense	3,810.65
City Business License	150.00
Lands & Highways	4,413.37
Cemetery Maintenance	400.00
Organic School	3,000.00
Civic Contributions	150.00
Education Committee	466.01
Land Fund	655.00
Legal	860.00
Building Expense	256.00
Buildings	436.57
Office Equipment	1,320.90
Land Purchase	2,700.00
Pension Trust	5,000.00
Pension Trust Expense	500.00
To Reserves	40,000.00
Refunds	50.00
Total Disbursements	**$166,742.08**
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ASSESSED VALUATIONS

In 1969 the assessed value of Colony land, office building and personal property and the taxable property of its lessees and of their tenants, amounted to $2,584,000, an increase of 1.24% over the 1968 total. Six new buildings went on the assessment roll and 17 others had increases in assessed value due to additions or improvements. However these increases were offset to a considerable extent by the demolition of several obsolete buildings and justifiable reductions in the assessed values of several others. Happily on the sites of several of the demolished buildings new business buildings of far greater value have been erected this year and will figure in 1970 assessed valuations.

This $2,584,000 of assessed value on taxable property belonging to the Colony and to those who occupy its lands, accounts for 4.79% of the total of all assessed real and personal property in Baldwin County, exclusive of properties entitled to industrial exemption and of those assessed by public utilities. In the City of Fairhope the total of Colony assessed valuations, $2,383,760 accounts for 45.44% of the City's total, exclusive of public utility valuation. And, if consideration were given to the fact that Fairhope's only taxable public utility, South Central Bell Telephone Company, has all of its switching equipment and its business office equipment on Colony land and many miles of lines on city streets that were supplied by the Colony, the percentage would be even higher.

Considering the potential for expanded development upon relatively vast areas of unused land in both county and city as compared with the Colony's meagre land holding, one may suspect that the already high and increasing prices for land outside the Colony are responsible for the percentages being as high as they are. However we must admit to some guilt for the fact they are not higher. Had it not been for our lack of needed initiative to make our unused and underused land available to meet the constant demand for land for users, the picture might have been more favorable.

LANDS AND HIGHWAYS

We had one addition to our land area in 1969. This resulted from an opportunity to purchase, at the reasonable price of $2,700.00, three lots on the East side of Ettel St. abutting on two sides land already owned by the Colony.

The only publicly visible street improvement activity in this department is the construction of concrete sidewalks on Section St. and Morphy Ave. at the northeast corner of their intersection. A much larger expenditure was required to correct deficiencies in outfall installations at the terminus of the storm sewer drain extending north from Fairhope Ave. to the East end of Stimpson St. and on to Bayou Charbon, which threatened erosion damage to Colony owned land. The Colony and the City shared in financing both of these projects.

These two accounted for more than half the expenditures in this department as shown in the financial statement. The balance was mainly for routine departmental costs such as engineering services, land surveys, etc. It is surely to be hoped and expected, that in 1970, the council will direct this department's activities toward making more of the Colony's presently unavailable land both available and attractive to those who will put them to uses that are in the best interest of the community.

RESERVES

At the end of the year we showed a considerable increase in our reserve funds. The principle increase was in raising from forty to eighty thousand dollars our investment in First National Bank of Fairhope 5% savings certificates. With our $10,000.00 Baldwin County Savings & Loan Association 5% certificate with interest accruals of $264.22 and our $8,587.32 Land Fund savings account in First National Bank of

because of the escalating cost of material and scarcity of sites reasonably priced.

RESERVES

The only changes in reserves for 1973 were the addition of $713.85 accrued interest to the Baldwin County Savings & Loan Association certificate, transfer of special funds from the General Fund to the Land Fund of $12,692.03 and accrued interest of $852.52 to that account.

LANDS & HIGHWAYS

The largest single expenditure in this department was $12,308.30 spent for completion of paving, sanitary sewer, drainage, curbs and gutters on the one block of Morphy Ave. between Church St. and Summit St. This block has heavy use by the school and nursing home as well as being a tributary from the west sector to downtown and connecting hiways.

Progress was made on the underground drainage, curbs, gutters and sidewalk being installed on the north side of Morphy Ave. from Bancroft St. to Thomas Hospital, as a joint effort of the City of Fairhope and the Colony. Seven additional feet of right of way was also provided to the width of Fairhope Ave. to make possible the installation of a sidewalk from Greeno Rd. to the Middle School.

Chestnut St., Laraway Lane and Cain's Lane were cleared, opened and installation of sanitary sewer nearly completed at the end of December. Right of way was obtained for these and some other streets contemplated in the future and the surrender of land in Block 7, Division one in the center of downtown for public parking was accomplished. This latter is expected to be made available to the City of Fairhope after their Parking Commission is functioning.

Feasibility studies were made on a number of proposed projects, including the opening of a new cemetery, further development of Big Head Hummock Subdv., improvements on north Bancroft St., Bellangee Ave. and the alley in Block 6, Division 4; also on the possibility of extending sanitary sewer to the east of the city limits to serve our lands.

MEMBERSHIPS

We were fortunate in having no losses in membership during 1973, while three new members and one signing on her spouses membership were recorded.

Mildred C. Berglin qualified as a voting member by signing the constitution as wife of treasurer, M.O. Berglin. In June the Executive Council authorized acceptance of Barbara Zwayer as a member by transfer to her of Certificate No. 219 of her father, the late Wayland Zwayer. Allan Hoffman qualified and was accepted as a member in September, as was Kenneth L. Rockwell, son of member R. Lucier and secretary Ruth E. Rockwell, grandson of Reuben L. and Helenbell Lucier Rockwell and great-grandson of early member Franklin Rockwell. This starts us into the fourth generation of members.

OFFICERS AND COMMITTEES

Officers:

President	Daphne B. Anderson
Vice President	Claude W. Arnold
Secretary	Ruth E. Rockwell
Treas. & Supt. Finance	Marvin Nichols
Supt. Public Services	J.E. Gaston, Jr.
Supt. Industries	O.M. Rockwell
Supt. Public Health	John S. Parker
Trustees	Olive W. Gaston
	B.H. Jennings, Jr.
	Blanche R. Alyea

Committees:

Membership	O.M. Rockwell
	Marvin Nichols
	Sam Dyson
Education	C.W. Arnold
	O.M. Rockwell
	John S. Parker
	Converse Harwell
Cemetery	C.A. Gaston
	Marvin Nichols
	Claude W. Arnold
Organic School	J.E. Gaston, Jr.
	O.M. Rockwell
	R.L. Rockwell
Rent Study	R. Lucier Rockwell
	C.W. Arnold
	John S. Parker
Finance	M.O. Berglin, Treas.
	Sam Dyson
	J.E. Gaston, Jr.
Pension	Marvin Nichols
	George C. Dyson, Jr.
	John S. Parker
Pension Trustees	Sam Dyson
	M.O. Berglin
	J.E. Gaston, Jr.

Respectfully submitted,
Ruth E. Rockwell, Secretary

Fairhope Single Tax Corp. Annual Report

Fairhope, Alabama

1973

FINANCIAL STATEMENT

For Year Ended December 31, 1973

RECEIPTS:	
Rent	$193,960.10
Penalty	850.27
Lease Fees	802.00
Assent Fees	166.00
Mail Interviews	70.00
Special Meetings	72.00
Interest:	
Land Fund	5,222.03
Cemetery	553.42
Memberships	200.00
Refunds	1,172.50
Total Receipts	$203,068.32
Cash on hand Jan. 1, 1973	8,353.93
Total	$211,422.25
DISBURSEMENTS:	
Taxes paid for lessees:	
General Property	$60,297.25
Automobile	9,930.69
Corp. Land & Property Tax	13,100.98
Corp. Income Tax	36,362.00
Social Security Tax	1,028.36
State Unemployment Ins.	238.59
Salaries	19,927.97
Office & Business Expense	5,920.48
Lands & Hiways	34,643.05
Rent Survey	2,552.94
Cemetery Maintenance	900.00
Land Fund	12,692.03
Civic Contributions	356.00
Education Committee	2,148.45
Building Expense	702.76
Office Equipment	363.80
Pension Trust	1,500.00
Pension Trust Expense	160.00
Refunds	691.09
Total Disbursements	$203,516.44
Cash on hand December 31, 1973	7,905.81
Total	$211,422.25

Fellow Members:

As we complete our eighth decade of operation as a Single Tax Colony, we pause to ponder, what original goals of the founders have been achieved, what have not, and if not, why not. Has our purpose been fruitful or abortive. Is the Colony or Enclave approach a desirable and effective route to follow. Do we even still believe in the Georgist approach to the land problem.

It is an indisputable fact that the land tenure system of the

world is a critical and pivotal aspect of our future as a human race inhabiting this planet. The successful handling of the part of land that is fuel for the world depends upon what kind of controls are imposed and how much special privilege is allowed. The same can be said for the waters of the world and the air we breathe, as well as physical sustenance from the earth. Special privilege begets more special privilege until monopolies tend to become irreversible.

In the midst of these problems what are we doing and what have we done to alleviate the injustices; to demonstrate what can be accomplished by the application of the principles on which this community was founded?

First of all the Colony was able to provide free access to a modest amount of land in a relatively undesirable location with minimal natural productive qualities and in the four score years intervening there has grown to be a charming and prosperous city with outstanding advantages.

The lands were platted and provisions made for public services, streets, parks, schools, cemetery and public library. Free land was provided for municipal buildings, water wells and wharves. Fairhope has a fine network of paved streets for which land and paving were provided for all the Colony lands and paid for from a modest rental on its leased lands, funds that in other communities would have gone to the landholder for his private use.

Public Bay Front parks unequalled in size or natural beauty for a community of its size have been provided by the Fairhope Single Tax Corporation according to plans laid out by its founders. Fairhope had a public library even before the city of Mobile, which has been supported over the long haul by continuous appropriations from the Colony, culminating in the gift to the City of Fairhope of the library collection and furnishings and the free use of the building granted. This was done after the service area of the library had expanded far beyond the responsibility of the Colony.

Through its chartered right of providing and maintaining schools, the Colony supported Marietta Johnson's efforts in starting the Organic School and has remained steadfast in support through providing a choice site and some of the buildings for its use, as well as some direct financial support.

Along with the assumption of the property tax burden of its lessees, thus giving many thousands of dollars each year to the public school system of Baldwin County, the Colony deeded the land on which stands the old Grammar School building at the corner of Morphy Ave. and Church St. and provided the remainder of the school playground in that block for its use. Land was also provided for the Friend's School on east Fairhope Ave. as long as it was in operation.

The policy of paying property taxes from their rents released the lessees from the penalties for individual effort and production and prevented the holding of land from use because of the penalties of taxation on improvements; but rather encouraged its best use, thus allowing for an orderly and economical development without leap-frogging and urban sprawl on its holdings. This is still true to a great extent although the special privilege of zoning and related regulations has caused considerable dispersion due to lack of available lands appropriately zoned. This has tended to discourage new, small and developing businesses where available space was not included in the zoned areas, and has prevented to some extent, the natural rent structure from being fully effective.

The Colony also provided a cemetery for the community, and being the only one in town, was open freely to lessees and for a most moderate charge for non-lessees. With space becoming limited and with the opening of other facilities it became necessary to limit burials to members, resident lessees and their spouses. The cemetery has been maintained through the years by money from the rent fund and with uncounted hours of time given freely by members with no thought of reimbursement.

In the threefold purpose set forth in the constitution of the Fairhope Single Tax Corporation: equality of opportunity, full reward of individual effort and the benefits of cooperation in matters of general concern, there has been significantly outstanding progress. These qualities can be measured by the solid growth throughout the years, with stability in times of crisis; the lack of the "wrong side of the track" philosophy and the leveling influence of honest return for honest effort.

Certainly, the former purposes could not have borne fruit without the benefit of cooperation in matters of general concern. It has been said that the measure of a civilization is the degree of cooperation exercised within the group. Of necessity, the common purpose of this group has fostered this quality to a high degree.

So now, in this extended lifetime of a man, has the enclave approach been useless; the sacrifice and dedication been for nought? To the degree that it has helped anyone to acquire access to land for his use without paying to an individual for this privilege, which is a community created value or rent, it has been worthwhile. To the degree that, by avoiding the individual collection of rent, it has insured equality of opportunity to the individual, it has been worthwhile. And to the degree of cooperation in community activities that has contributed to a higher level of civilization, it has been a tribute to the unselfish efforts of those dauntless pioneers and their tenacious followers with an ideal higher than themselves.

What then for the years to come? If this organization is to continue its beneficent effect it will call for more of the selfless dedication to principles and ideals of every member; it will require a constant self-examination, both individually and as a group; it will require a strict adherence to the ideal of preserving to the creator or producer that which, by his efforts, has been created or produced. It will require a constant vigilance in assuring equality of opportunity to the use of land by collecting the full rental value. It will require a singleness of purpose: basic, fundamental, just and all encompassing.

Are we then, as members, ready to give the ultimate, or have we, chamelion-like, taken on the color of our surroundings; absorbed the current land speculation philosophy; the get - something - for - nothing philosophy and joined in the downhill course toward economic confusion and injustice? Each must answer to his conscience, to his fellow members and to his Creator.

In April the Henry George Groups, Jack Tetley chairman, held their consultation in Fairhope with members of the Fairhope Single Tax Corporation as hosts. There were 45 registered Single Taxers in attendance from as far away as St. Petersburg, Fla., Charleston, N.H., Chicago and Tujunga, Ca. Three days were spent in discussions, lectures, films, tours and talk. Member Lucier Rockwell of the Rent Appraisal Committee presented the Rent Determination Method he and other members have developed especially for our use and a resolution of the Group asked for its publication for the benefit of others in the application of the Georgist theory.

Also in conjunction with the Consultation, Harry Pollard of the Henry George Schools of California conducted five nights of his Mini-Course in Classical Analysis for adults with 81 people registered and an average attendance of 39. Classes were also held at the Organic School and T.V., radio and newspaper coverage given.

RENTS

1973 Charges	
City	$158,589.93
Country	33,066.77
Total	191,656.70
1972 Unpaid	160.55
1973 Unpaid	2,986.28
1974 Prepaid	2,196.42

Delinquent rents at years end accounted for 1.6% of charges for 1973 as compared to 3% for 1972, while prepaid rents fell slightly below last year.

With deeded land values in the vicinity of the Colony continuing to rise sharply, in many cases double the figure reported last year making an ordinary residence lot cost from $4,000 to $7,000 and country land generally $1,000 an acre or more, our rental adjustments are falling farther behind in collecting the true rent of the land and thus allowing for the continued collection of this rent by the lessees, either by their being able to use their sites at a portion of their true value or actually collecting it in the excessive sale prices when transferring their leaseholds. Witness to this is the fact that unimproved country lands have been transferring for up to $1,200 per acre and more, and even allowing for a reasonable amount for clearing etc. shows that the rent now being charged does not have sufficient effectiveness.

Although the Executive Council was not willing to apply the full 1969 equalization schedule this year, there will be eight tenths of it effective in 1974.

During the year the Rent Study Committee made another survey of traffic and pedestrian counts with the results showing an overall growth of nearly 10%, not considering the effect of inflation and land speculation. The same general patterns as in 1969 were found except in the fast growing area on the eastern edge of town where new shopping and industrial development has taken place.

LAND TRANSACTIONS

	1973	1972
New Lots	0	12
Transfers	161	174
Leaseholds	1,140	1,118
City	944	933
Country	196	185
Homesteads	665	642
City	557	536
Country	108	106
Total Sales	$1,592,370	$1,227,917
Residences	75	81
Sales Price	$1,268,750	$1,082,322
Businesses	13	8
Sales Price	$304,060	$138,000
Country	15	8
Sales Price	$280,750	$44,225
Acres	290	61
Av. Per Acre	$968	$725
City vacant Lots	11	14
Sales Price (total)	$12,410	$7,595
Av. Per Lot	1,128	528

Of the 75 residence transfers, 18 sold for less than $10,000; 38 between $10,000 and $20,000; and 20 were over $20,000. As can be seen, transfers continued on our lands at nearly as high a rate as last year with the sales price considerably higher per unit. Sales fell off somewhat near the end of the year when mortgage money became scarce and interest rates became unfavorable.

There were 83 assents to mortgage approved during the year and appropriate certificates issued. In addition the office compiled 68 twenty-year prior lessees title searches and certificates were issued accordingly. This is a free service of the Colony. Ninety-one personal interviews of prospective lessees were conducted by your secretary and seven interviews by mail were made. Assessment information was taken from 1008 lessee property owners in 1973, an increase of 19 over last year. Appropriate tax payments were made for all lessees whose rents were paid in full before the end of the year. These are also free services performed by the office personnel.

ASSESSED VALUATION

The total assessed valuation of lands of the Fairhope Single Tax Corporation and the improvements of its lessees for 1973 was 2,210,220, an increase of approximately 9% over last year, as compared with last years 5.97%. The total increase for the City of Fairhope was approximately 9.1%. This latter includes property of tenants of our lessees located on our lands but independently assessed.

There were 16 new residences constructed during the year, eight of these being the result of the opening up of new lots for lease last year and the opening of streets this year. Six other residences were built on country lands. At least five new business buildings were completed during the year and major additions and improvements on others accomplished, as well as several others being in progress.

There has been a trend to rebuild old construction rather than demolish or start new

List of Members, Fairhope Industrial Association.

C.L.Coleman, ...City.

Clarence S.More, ...Newkuen, Ala.

Wm.Stimpson, ...City.

S.S.Mann, ... City.

T.E.Mann, ... Gladbrook, Iowa.

S.E.Mann, ... " "

L.C.Mann, ...Ford, Kas.

Gilbert Andersen. .....St.Louis, Mo. #1115 Channing Ave.

Fred C.Ford, ... FT.Gerald, Ga.

G.D.Armitage, ...City.

J.Bellangee, ... "
A.H.Mershon, ... "
N.Mershon, ... "
J.M.Mershon,.....Liscom, Iowa.
J.N.Dickson,.....Malvern Ark.
W.M.Schemencur, ...Mager, Ala.
H.J.Stemerdink,.....Mobile, Ala.
E.B.Gaston, ...City.
Chas C.Ford, ...Mukuen Ala.
A.J.Cullen, ...Everet, Mass., #66 Vernal, St.
Ida May Hull, ...Minneapolis, Minn. #101 ___ Ave
L.C.Bestedo .....Chicago, Ill
Geo.Knowles, ...City.
G.M.Bancroft, ... "
H.W.Davenport, ... Jetta, Iowa.
C.E.Atkinson, ... Minn. Minn. #215 Clifton Ave.
W.R.Pickering, ... Desmoines, Ia.
P.M.Parker, ... Volante, Ala.
F.L.Brown, ... City.
Henry Creswell, ... "
Wm.K.Brown, ... "
C.K.Brown, ... "
A. White, ... Valejo, Cal.
A.A.Chapman, ... City.
W.H.Head, ... "
J.McDermaid, ... "
Marg.Hunnell, ... "
C.H.Wilson, ... "
G.W.Wood, ... "
M.V.Watre us, ... "
Jno.Patterson, ... "
Robt.Tyson, ... Toronto, Can.Ont. #10 Harland St.
Anna B.Hail, ... City.
Wm.Call, ... "
Chas.R.Eckert, ... Ellara, Pa.
John C.Campbell, ...Rochester, N.Y. #9 Erie Ford.
Marie Howland, ... City.
August Lewis, ... Newport City, Ala. #112 E.16th St.
C.F.Nesbett, ... Washington, D.C. #_____
Jno.S.Crosbey,.....N.Y.City #7 W.108 St.
Jos.Crosbey, ... " #128 Franklin St.
Mrs.Louisa Southworth, ... Cleveland O. #844 Prospect St.
Jacob Reiter, ... Chicago, Ill. #1497 Park Ave.
Dr.Mary D.Hussey, ...East Orange, N.J.
C.F.Chambren, ...Penn,Mutual Life Ins.Co.
J.J.Hogg, ... Chicago,Ill. 531 S.Normal Parkway.
Geo.Q.Thornton, ...Mo. #1125 S.Kings Highway.
C.C.Powell, ... City.
C.L.Littlefield, ... Phila,Pa, #412 Catskill St
M.L.Ross, ...

(Mrs. A.J. Wolff)

STATE OF ALABAMA
BALDWIN COUNTY

PETITION FOR REFUND OF TAXES PAID BY MISTAKE OR ERROR
(REFERENCE 1975 CODE, TITLE 40-10-160 THRU 166 ARTICLE 6)

TO THE HONORABLE HARRY D'OLIVE, JUDGE OF PROBATE, BALDWIN COUNTY:

YOUR PETITIONER Fairhope Single Tax Corporation WITH ADDRESS OF RECORD BEING 336 Fairhope Avenue, Fairhope, Alabama 36532 (PARCEL# 05-46-05-16-0-000-028.546.0000000 AND ACCT# 12769) RESPECTFULLY REPRESENTS AND SHOWS THAT UNTO YOUR HONOR AS FOLLOWS: THAT ON THE 13 DAY OF January , 1988, PETITIONER PAID TO JAMES (PHIL) NIX, JR., TAX COLLECTOR OF BALDWIN COUNTY, THROUGH MISTAKE OR ERROR, OR BY REASON OF DOUBLE ASSESSMENT, OR IN THE ASSESSMENT OR COLLECTION OF TAXES, OR OTHER ERROR, TAXES WHICH WERE NOT DUE AND COLLECTIBLE UPON THE PROPERTY OF THE PETITIONER; THAT SAID PAYMENT WAS MADE ON ACCOUNT OF AN ASSESSMENT AGAINST IT AS SET OUT IN THE CERTIFICATE OF ASSESSMENT, TAX ASSESSOR OF BALDWIN COUNTY; THAT THE TOTAL TAXES PAID IN ERROR AMOUNT TO $19.64 BASED UPON AN ASSESSED VALUE OF $22160 , AND WERE DESCRIBED AS FOLLOWS:

AGENCY AND FUND	MILLS	AMT OF TAX	COMM. %	AMT OF COMM	TAX AFTER COMM	
STATE GENERAL	2.5	55.40	2	1.11	54.29	(100000-030020)
STATE SOLDIER	1.0	22.16	4	.89	21.27	(301602-030020)
STATE SCHOOL	3.0	66.48	4	2.66	63.82	(300824-030020)
TOTAL STATE	6.5	144.04		4.66	139.38	
COUNTY GENERAL	3.0	66.46	2	1.32	65.16	PAYEE:
COUNTY ROAD & BRIDGE	2.5	55.40	4	2.22	53.18	Fairhope Single Tax Corporatio n%
COUNTY MENTAL HEALTH	0.5	11.06	4	.44	10.64	BALDWIN COUNTY COMMISSION
TOTAL COUNTY	6.0	132.96		3.98	128.98	P.O. BOX 148
						BAY MINETTE, AL 36507
SCHOOL COUNTY-WIDE	6.0	132.96	4	5.32	127.64	
SCHOOL SPECIAL	5.0	110.80	4	4.43	106.37	
SCHOOL DISTRICT	3.0	66.48	4	2.66	63.82	
TOTAL SCHOOL	14.0	310.24		12.41	297.83	
HOSPITAL	2.0		4			
BAY MINETTE	12.5		4			
DAPHNE	15.0		4			
ELBERTA	5.0		4			
FAIRHOPE	15.0	332.40	4	13.30	319.10	
FOLEY	5.0		4			
GULF SHORES	5.0		4			
LOXLEY	6.0		4			
ORANGE BEACH	4.0		4			
ROBERTSDALE	5.0		4			
SILVERHILL	10.0		4			
SUMMERDALE	5.0		4			
TOTAL MUNICIPAL		332.40		13.30	319.10	
TIMBER TAX						
GRAND TOTAL		919.64		34.35	885.29	

DOUBLE ASSESSMENT:
HOMESTEAD EXEMPTION:
VALUATION ERROR OR ADJUSTMENT: X
CLASSIFICATION ERROR:
OTHER:

WORKSHEET

PETITIONER IS ENTITLED TO HAVE REFUNDED SAID TAXES SO PAID IN ERROR ON THE 13 DAY OF January , 1988.
WHEREFORE PETITIONER PRAYS THAT YOUR HONOR WILL MAKE SUCH CERTIFICATE AS IS REQUIRED BY LAW TO THE END THAT PETITIONER MAY HAVE AND PROCURE THE REFUND OF SUCH AMOUNT AS THE PREMISES ENTITLE IT.

PETITIONER: _____

BEFORE ME, _____, A NOTARY-PUBLIC, IN AND FOR SAID COUNTY AND STATE, APPEARED Fairhope Single Tax Corporation, WHO BEING DULY SWORN, SAYS THAT THE ALLEGATIONS OF THE ABOVE AND FOREGOING PETITION ARE TRUE.

SWORN TO AND SUBCRIBED BEFORE ME THIS THE _____ DAY OF _____, 19___.

_____ N.P.

THE PETITION OF Fairhope Single Tax Corporation HAVING BEEN DULY PRESENTED TO AND CONSIDERED BY ME, I, HARRY D'OLIVE, JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA, DO HEREBY CERTIFY THAT THE ALLEGATIONS THEREFORE ARE TRUE, AND THAT THE PETITIONER DID ON THE 13 DAY OF January , 1988, PAY UNTO THE SAID JAMES (PHIL) NIX, JR., AS TAX COLLECTOR OF BALDWIN COUNTY, ALABAMA, THE SUM OF $19.64 FOR TAXES FOR WHICH PETITIONER WAS NOT LIABLE AND THAT THE SAID PETITIONER IS ENTITLED TO A REFUND OF SAID MONEY AS SET OUT IN PETITION.

WITNESS MY SIGNATURE AND SEAL OF OFFICE THIS THE 12 DAY OF JULY , 1988.

PROBATE JUDGE OF BALDWIN COUNTY

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE ABOVE PETITION IS TRUE AND ACCURATE ON THE PROPERTY DESCRIBED FOR THE TAX YEAR 1987.

TAX ASSESSOR OF BALDWIN COUNTY

TAX COLLECTOR OF BALDWIN COUNTY

NOTE TO TAXING AGENCY: PAY AMOUNT CIRCLED IN RED. PLEASE REMIT DIRECTLY TO PETITIONER.

THE CITY OF FAIRHOPE, ALABAMA

GENERAL GOVERNMENT

AUDIT REPORT

SEPTEMBER 30, 1974

CITY OF FAIRHOPE, ALABAMA

GENERAL GOVERNMENT

AUDIT REPORT

SEPTEMBER 30, 1974

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PARKER AND WHITE
CERTIFIED PUBLIC ACCOUNTANTS
FOLEY, ALABAMA

SAMUEL F. PARKER, C.P.A.
DEWEY E. WHITE, C.P.A.
LESLIE T. FICKLING, C.P.A.

MEMBER, AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' OPINION

November 25, 1974

Honorable Mayor and

Members of the City Council

City of Fairhope, Alabama

We have examined the statement of financial position - General Fund, statement of general fixed assets, and statement of general long term debt of the City of Fairhope, Alabama as of September 30, 1974 and 1973 and the related statements of General Fund revenues and expenditures and changes in fund balance for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying financial statements do not include the assets and liabilities or operating results of the Utility Funds, Recreation Board Fund and Library Board Fund of the City of Fairhope.

In our opinion, the accompanying financial statements referred to above present fairly the financial position of the General Government of the City of Fairhope, Alabama, at September 30, 1974 and 1973 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applicable to governmental entities, on a basis consistently applied.

Parker and White
Certified Public Accountants

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 1974 AND 1973

ASSETS	September 30th 1974	1973
CASH		
On hand	150.00	150.00
In First National Bank of Fairhope (Note 2)	55,057.01	136,288.93
Certificate of deposit	12,206.38	11,611.10
	67,413.39	148,050.03
RECEIVABLES (Note 4)		
Street improvement assessments	35,333.22	50,006.98
Property improvement contract	1,500.29	1,500.29
Grant - Federal Aviation Administration	9,770.01	-0-
Due from Electric Fund	9,963.32	-0-
Due from Natural Gas Fund	55,092.12	-0-
Due from Water and Sewer Fund	9,599.58	-0-
Due from Recreation Fund	696.09	-0-
All other receivables	4,789.64	9,237.98
	126,744.27	60,745.25
TOTAL ASSETS	194,157.66	208,795.28
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Vouchers payable	22,919.46	9,503.80
Contracts payable	12,006.58	9,905.00
Payroll taxes payable	11,486.76	11,051.63
Employee retirement payable	2,706.64	12,500.00
Sundry payables	1,761.24	1,009.86
Customer deposits - sanitation service	3,421.50	2,971.00
Due to Electric Fund	-0-	16,461.17
Due to Natural Gas Fund	-0-	448.67
Due to Water and Sewer Fund	-0-	377.68
	54,302.18	64,228.81
FUND BALANCE	139,855.48	144,566.47
TOTAL LIABILITIES AND FUND BALANCE	194,157.66	208,795.28

The accompanying notes are an integral part of this statement.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF CHANGES IN FUND BALANCE

OCTOBER 1, 1973 TO SEPTEMBER 30, 1974

FUND BALANCE, OCTOBER 1, 1973 AS PREVIOUSLY REPORTED		154,628.71
Adjustment to reflect the recording of the Recreation Department's operations in a separate fund		(10,062.24)
FUND BALANCE, OCTOBER 1, 1973 AS RESTATED		144,566.47
Add: Proceeds from the issuance of a 5½% 84 month general obligation note		116,000.00
Adjustment to correct the amount of employees retirement plan contributions erroneously deducted in prior years.		11,641.36
		272,207.83
Less: Excess of expenditures over revenues:		
General Fund revenues	663,103.59	
General Fund expenditures	795,455.94	132,352.35
		139,855.48

The accompanying notes are an integral part of this statement.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF REVENUES

FOR THE YEARS ENDED SEPTEMBER 30, 1974 AND 1973

	Year Ended September 30th 1974	1973
PROPERTY TAXES		
Real estate	97,598.50	90,346.02
Motor vehicle	29,248.29	27,531.82
	126,846.79	117,877.84
LOCAL TAXES		
Beer tax	16,581.39	14,466.08
Liquor tax	3,297.15	2,977.63
Dog tax	605.75	161.75
	20,484.29	17,605.46
LICENSES AND PERMITS		
Business licenses	15,877.17	15,562.50
Beer and liquor licenses	374.00	365.00
Delivery licenses	3,175.00	3,375.00
Building permits	3,171.00	2,508.50
Rezoning application	272.00	358.50
Insurance company franchises	12,911.44	13,665.29
	35,780.61	35,834.79
FINES AND FORFEITURES	48,297.99	31,959.05
STATE OF ALABAMA		
State gasoline tax	27,719.69	27,427.74
Share of state liquor profits	11,021.43	11,250.09
Financial institution excise tax	8,474.46	7,690.32
Oil production privilege tax	67.73	49.73
Grants	-0-	20,000.00
	47,283.31	66,417.88
UNITED STATES GOVERNMENT		
Revenue sharing	42,231.00	61,420.00
Federal Aviation Administration	19,078.21	76,183.85
	61,309.21	137,603.85
INTEREST AND RENTS		
Interest - savings account and certificate of deposit	2,142.46	2,170.43
Interest - street improvement assessments	3,962.56	2,576.53
Municipal airport lease	5,680.18	4,388.35
Municipal pier lease	2,715.43	2,424.22
Fishing dock stall lease	3,603.00	3,659.00
Other rents	338.78	331.00
	18,442.41	15,549.53

(CONTINUED)

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF REVENUES

FOR THE YEARS ENDED SEPTEMBER 30, 1974 AND 1973

	Year Ended September 30th 1974	1973
CHARGES FOR SERVICES		
Sanitation collection	72,180.97	61,583.06
Dog pound fees	252.00	78.50
	72,432.97	61,661.56
OTHER REVENUE		
Sale of equipment	907.00	1,227.00
Sale of property	14,826.00	-0-
Miscellaneous income and rebates	3,216.98	3,630.02
	18,949.98	4,857.02
TRANSFERS FROM UTILITY FUNDS		
Electric Fund	136,626.03	180,000.00
Natural Gas Fund	74,250.00	120,000.00
Water and Sewer Fund	2,400.00	4,800.00
	213,276.03	304,800.00
TOTAL REVENUES	663,103.59	794,166.98

The accompanying notes are an integral part of this statement.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE YEARS ENDED SEPTEMBER 30, 1974 AND 1973

	Year Ended September 30th 1974	1973
GENERAL GOVERNMENT		
Salaries:		
Mayor and Council	9,600.00	9,600.00
City Clerk and assistants	23,495.34	23,153.82
Surveyor, building inspector, mechanics and dog catcher	30,313.27	30,548.94
City attorney fee	3,000.00	3,000.00
City recorder fee	2,400.00	2,500.00
Convention and travel expenses	1,220.52	2,050.98
Auditing and accounting services	1,950.00	2,020.00
Legal expenses	1,957.94	6,112.35
General supplies	11,371.79	6,739.10
Office supplies and postage	4,801.89	5,564.54
Telephone	2,725.73	6,622.76
Computer services	727.56	958.80
Automobile travel allowances	1,884.48	1,095.60
Public relations	1,138.35	1,370.59
Dues and memberships	3,353.50	3,233.50
Insurance	11,692.59	11,940.63
Colony rent	2,879.40	3,387.47
Payroll taxes	17,878.88	16,346.62
Employee retirement expense	10,826.56	9,462.50
Employee medical insurance	20,603.65	15,302.96
Municipal airport expenses	1,054.19	1,557.95
Sanitation contract	48,000.00	45,590.24
Landfill expenses	6,528.49	10,546.43
Baldwin County property reappraisal program	4,327.76	-0-
Miscellaneous	5,328.18	6,954.28
	229,060.07	225,660.06
POLICE DEPARTMENT		
Salaries	100,418.05	88,101.92
Automobile expenses	10,398.89	7,522.87
Maintenance of radio equipment	1,578.75	1,919.97
Supplies	2,043.66	1,617.68
Uniforms	3,016.74	3,286.94
Training	290.56	399.97
Police annuity fund	2,705.00	2,836.00
Prisoners meals	2,855.00	2,125.23
Miscellaneous	2,115.95	2,040.20
	125,422.60	109,850.78

(CONTINUED)

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE YEARS ENDED SEPTEMBER 30, 1974 AND 1973

	Year Ended September 30th 1974	1973
FIRE DEPARTMENT		
Salaries	31,773.09	35,586.19
Travel expenses	529.72	414.07
Supplies and maintenance	3,783.39	2,667.28
Training	800.00	715.89
	36,886.20	39,383.43
STREET DEPARTMENT		
Salaries	92,517.37	81,449.37
Vehicles and equipment expenses	19,453.35	13,756.37
Materials and supplies	11,608.83	7,838.39
Uniforms	1,055.32	-0-
	124,634.87	103,044.13
STAFF AGENCIES AND APPROPRIATIONS		
Staff agencies:		
Planning Board	1,813.09	584.07
Harbor Board	380.00	625.70
Industrial Board	43.03	140.00
Appropriations:		
Eastern Shore Chamber of Commerce	900.00	1,200.00
Fairhope Ambulance Service	1,120.00	920.00
Baldwin County Board of Health	1,800.00	1,800.00
Fairhope Public Library	32,407.70	19,329.37
Sundry appropriations	144.00	552.70
	38,607.82	25,151.84
DEBT SERVICE		
General obligation notes and warrants	88,427.67	67,551.81
Interest	23,913.15	22,855.16
	112,340.82	90,406.97

(CONTINUED)

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE YEARS ENDED SEPTEMBER 30, 1974 AND 1973

	Year Ended September 30th 1974	1973
CAPITAL EXPENDITURES		
Municipal airport expansion	44,819.66	
Police and fire station renovation	25,537.63	
Municipal fishing dock	4,667.86	
Caterpillar	41,975.00	
Two police cars	7,712.00	
Police radar unit	2,185.00	
All other equipment	1,606.41	
Total capital expenditures from prior year		205,852.60
	128,503.56	205,852.60
OTHER EXPENDITURES		
Transfer to Electric Fund	-0-	11,700.00
TOTAL EXPENDITURES	795,455.94	811,049.81

The accompanying notes are an integral part of this statement.

CITY OF FAIRHOPE, ALABAMA

STATEMENT OF GENERAL FIXED ASSETS

SEPTEMBER 30, 1974

ASSETS

LAND AND BUILDINGS	227,413.51
MUNICIPAL BEACH AND PIER	637,664.94
MUNICIPAL AIRPORT	482,448.79
STREET PAVING AND IMPROVEMENTS	948,553.72
RECREATIONAL FACILITIES AND SWIMMING POOLS	263,388.93
MUNICIPAL FISHING DOCK	29,571.72
EQUIPMENT	293,024.18
	2,882,065.79

INVESTMENT

INVESTMENT IN GENERAL FIXED ASSETS OCTOBER 1, 1973		2,738,354.27
Add: Acquisitions during the current period	154,269.29	
Less: Retirements during the current period	10,557.77	143,711.52
INVESTMENT IN GENERAL FIXED ASSETS SEPTEMBER 30, 1974		2,882,065.79

CITY OF FAIRHOPE, ALABAMA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 1974

	General Fixed Assets 10/1/73	Additions	Retirements	General Fixed Assets 9/30/74
LAND AND BUILDINGS				
Park property	1,000.00			1,000.00
City garage property	30,480.00		8,089.77	22,390.23
Sundry property	1,098.43			1,098.43
City administration building	80,000.00			80,000.00
Police and fire station	38,721.82	25,537.63		64,259.45
City garage and warehouse	45,974.26			45,974.26
Civic Center building	8,623.68			8,623.68
City pound	2,000.00			2,000.00
Young Street recreational building	-0-	2,067.46		2,067.46
	207,898.19	27,605.09	8,089.77	227,413.51
MUNICIPAL BEACH AND PIER	637,664.94	-0-	-0-	637,664.94
MUNICIPAL AIRPORT	437,629.13	44,819.66	-0-	482,448.79
MUNICIPAL FISHING DOCK	24,903.86	4,667.86	-0-	29,571.72
RECREATIONAL FACILITIES AND SWIMMING POOLS	239,690.66	23,698.27	-0-	263,388.93
STREET PAVING AND IMPROVEMENTS	948,553.72	-0-	-0-	948,553.72
EQUIPMENT				
Police Department	24,037.36	9,897.00	2,468.00	31,466.36
Fire Department	83,203.84	-0-	-0-	83,203.84
Street Department	117,231.97	42,190.96	-0-	159,422.93
General Government	17,540.60	1,390.45	-0-	18,931.05
	242,013.77	53,478.41	2,468.00	293,024.18
TOTALS	2,738,354.27	154,269.29	10,557.77	2,882,065.79

CITY OF FAIRHOPE, ALABAMA

STATEMENT OF GENERAL LONG TERM DEBT

SEPTEMBER 30, 1974 AND 1973

AMOUNT AVAILABLE AND TO BE PROVIDED
FOR THE PAYMENT OF GENERAL LONG TERM DEBT

	September 30th 1974	1973
Amount available in debt service funds	5,544.48	48,949.44
Amount to be provided	397,310.04	326,332.75
TOTAL AVAILABLE AND TO BE PROVIDED	402,854.52	375,282.19

GENERAL LONG TERM DEBT OUTSTANDING (NOTE 5)

General obligation warrants - street improvements (8-1-70)	200,000.00	227,000.00
General obligation warrants - city administration building (10-9-70)	56,000.00	64,000.00
General obligation note - airport (10-13-72)	37,708.68	40,456.02
General obligation note - gas lines and caterpillar (3-19-74)	109,145.84	-0-
General obligation warrants - streets (12-1-63)	-0-	14,000.00
General obligation note - Fairhope Ave. (12-15-72)	-0-	29,826.17
TOTAL GENERAL LONG TERM DEBT OUTSTANDING	402,854.52	375,282.19

DEBT SERVICE REQUIREMENTS TO MATURITY

Fiscal Year	Principal	Interest	Total Requirements
1975	53,206.56	22,721.88	75,928.44
1976	57,183.24	19,664.52	76,847.76
1977	59,170.60	16,417.16	75,587.76
1978	62,167.96	13,099.80	75,267.76
1979	65,155.32	9,672.44	74,827.76
1980	69,142.68	6,125.08	75,267.76
1981	22,690.16	2,165.50	24,855.66
1982	4,090.00	1,010.00	5,100.00
1983	4,270.00	830.00	5,100.00
1984	4,450.00	650.00	5,100.00
1985	1,328.00	125.00	1,453.00
	402,854.52	92,481.38	495,335.60

CITY OF FAIRHOPE, ALABAMA

GENERAL GOVERNMENT

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1974

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of these financial statements.

A. Basis of accounting

The accounts of the General Fund are maintained and the accompanying financial statements have been prepared on a modified accrual basis. Under the modified accrual basis, expenditures other than accrued interest on general long term debt are recorded at the time liabilities are incurred and revenues are generally recorded when received in cash, except for certain revenues which are accrued when earned.

B. Valuation of fixed assets

General fixed assets are entered into the accounts at cost with no provision being made for depreciation. Retired assets are removed at their respective cost.

NOTE 2 RESTATEMENT

The financial statements for the year ended September 30, 1973, as presented herewith, have been restated to reflect the recording of the Recreation Department's operations in a separate fund. This restatement results in a decrease of $10,062.24 in the fund balance of the General Fund at October 1, 1973.

(CONTINUED)

NOTE 3 CASH IN BANK

Cash in the First National Bank of Fairhope consisted of the following account balances applicable to the general government at September 30:

	1974	1973
Restricted accounts:		
Gasoline tax	664.23	3,538.48
Revenue sharing	.85	11,716.85
Airport	13,873.49	47,107.93
Municipal fountain savings	1,241.73	-0-
Industrial park savings	14,496.33	-0-
Non restricted accounts:		
General	18,384.37	23,458.02
Debt service accounts:		
Street improvement	32.74	35,659.57
General obligation savings	5,379.68	4,637.89
City administration building savings	132.06	8,651.98
Other accounts:		
Payroll	(635.74)	1,001.60
Sanitation deposit savings	1,487.27	516.61
	55,057.01	136,288.93

Cash in the gasoline tax and revenue sharing accounts can be expended only for purposes approved by Federal and State regulations. Expenditures from these restricted accounts for the period covered by the accompanying statements were, in our opinion, in accordance with the applicable regulations.

NOTE 4 RECEIVABLES

Street improvement receivables consisted of unpaid assessments from the following years as of September 30:

	1974	1973
1959	122.36	333.60
1962	312.48	534.04
1963	3,026.96	5,363.00
1966	7,991.09	15,006.14
1970	23,880.33	28,770.20
	35,333.22	50,006.98

(CONTINUED)

NOTE 4 RECEIVABLES (continued)

The amounts due from the Electric Fund, Natural Gas Fund and Water and Sewer Fund consists of clerical salaries and various operating expenses paid by the General Fund on behalf of the aforementioned utility funds. Also included in the amount due from the Natural Gas Fund is $43,859.93, representing a portion of the unpaid balance of a $116,000.00 general obligation note; $48,000.00 of which was transferred to the Natural Gas Fund.

NOTE 5 GENERAL OBLIGATION LONG TERM DEBT

The general obligation long term notes and warrants are general obligations of the City of Fairhope, Alabama as secured by a pledge of its full faith and credit. They are further secured by a pledge of assessments made, or to be made, against properties benefited by the improvements.

NOTE 6 COMMITMENT

The City of Fairhope has entered into an agreement with the Baldwin County Commission whereby the city, as with the other municipalities in the county, has agreed to participate in funding a portion of the cost of the mapping and property re-appraisal program of Baldwin County. The City of Fairhope's share of the cost of this program is $37,606.20. Payments made during the current year totaled $4,327.76, leaving a commitment of future funds of $33,278.44, the expense of which will be recognized when payments are made.

NOTE 7 LITIGATION

Correspondence with the City's legal counsel concerning the existence of any litigation revealed one suit pending against the City, that in the opinion of legal counsel, poses no liability to the funds of the City, because insurance coverage is sufficient to cover any liability which may arise.

THE CITY OF FAIRHOPE, ALABAMA

GENERAL GOVERNMENT

AUDIT REPORT

SEPTEMBER 30, 1973

CITY OF FAIRHOPE, ALABAMA

GENERAL GOVERNMENT

AUDIT REPORT

SEPTEMBER 30, 1973

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PARKER AND WHITE
CERTIFIED PUBLIC ACCOUNTANTS
FOLEY, ALABAMA

SAMUEL F. PARKER, C.P.A.
DEWEY E. WHITE, C.P.A.
LESLIE T. FIGLIOLA, C.P.A.

MEMBER, AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

November 19, 1973

The Honorable James P. Nix, Mayor
Members of The City Council
City of Fairhope
Fairhope, Alabama

We have examined the balance sheet of the General Fund and balanced account groups of the City of Fairhope, Alabama as of September 30, 1973 and the related statements of revenues and expenditures for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying financial statements do not include the assets and liabilities or operating results of the Utility Funds of the City of Fairhope.

In our opinion, the accompanying balance sheets and related statements of revenues and expenditures present fairly the financial position of the General Fund and balanced account groups of the City of Fairhope, Alabama, at September 30, 1973 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applicable to governmental entities, applied on a basis consistent with that of the preceding year.

Parker and White
Certified Public Accountants

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND, GENERAL FIXED ASSETS AND GENERAL LONG TERM DEBT

CONSENSED AND CONSOLIDATED COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973 AND 1972

ASSETS	September 30th 1973	1972	Increase (Decrease)
Cash On Hand and In Banks (Note 2)	148,565.05	96,787.56	51,777.49
Receivables:			
Street Improvement Assessments (Note 3)	50,006.98	74,960.00	(24,953.02)
Property Improvement Contracts	1,500.29	2,983.26	(1,482.97)
Sundry	9,237.98	5,540.78	3,697.20
Investment - Savings Certificate	11,611.10	10,908.50	702.60
General Fixed Assets	2,738,354.27	2,520,910.48	217,443.79
Other Assets	30.43	327.70	(297.27)
TOTAL ASSETS	2,959,306.10	2,712,418.28	246,887.82
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Vouchers Payable	10,657.85	10,038.66	619.19
Contracts Payable	9,905.00	61,498.34	(51,593.34)
Payroll Taxes Payable	12,081.89	9,318.03	2,763.86
Employee Retirement Payable	12,500.00	13,222.28	(722.28)
Sundry Payables	1,009.86	576.33	433.53
Customer Deposits - Sanitation Service	2,971.00	2,573.00	398.00
Due to Utility Funds	17,287.52	11,168.38	6,119.14
General Obligation Long Term Debt (Note 4)	375,282.19	353,000.00	22,282.19
Total Liabilities	441,695.31	461,395.02	(19,699.71)
FUND BALANCE	2,517,610.79	2,251,023.26	266,587.53
TOTAL LIABILITIES AND FUND BALANCE	2,959,306.10	2,712,418.28	246,887.82

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973 AND 1972

ASSETS	September 30th 1973	1972	Increase (Decrease)
CASH			
On Hand	150.00	150.00	-0-
In First National Bank of Fairhope (Note 2)	148,415.05	96,637.56	51,777.49
	148,565.05	96,787.56	51,777.49
RECEIVABLES			
Street Improvement Assessments (Note 3)	50,006.98	74,960.00	(24,953.02)
Property Improvement Contract	1,500.29	2,983.26	(1,482.97)
State of Alabama ABC Board	5,450.84	-0-	5,450.84
Sanitation Charges	-0-	3,269.36	(3,269.36)
All Other Receivables	3,787.14	2,271.42	1,515.72
	60,745.25	83,484.04	(22,738.79)
INVESTMENTS			
Certificate of Deposit	11,611.10	10,908.50	702.60
OTHER ASSETS			
Cigarette Stamp Inventory	30.43	327.70	(297.27)
TOTAL ASSETS	220,951.83	191,507.80	29,444.03
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Vouchers Payable	10,567.85	10,038.66	529.19
Contracts Payable	9,905.00	61,498.34	(51,593.34)
Payroll Taxes Payable	12,181.89	9,318.03	2,763.86
Employee Retirement Payable	12,500.00	13,222.28	(722.28)
Sundry Payables	1,009.86	576.33	433.53
Customer Deposits - Sanitation Service	2,971.00	2,573.00	398.00
Due To Electric Fund	16,461.17	7,602.82	8,858.35
Due To Natural Gas Fund	448.67	605.04	(156.37)
Due To Water and Sewer Fund	377.68	2,960.52	(2,582.84)
	66,323.12	108,395.02	(42,071.90)
FUND BALANCE	154,628.71	83,112.78	71,515.93
TOTAL LIABILITIES AND FUND BALANCE	220,951.83	191,507.80	29,444.03

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF CHANGES IN FUND BALANCE

OCTOBER 1, 1972 TO SEPTEMBER 30, 1973

FUND BALANCE, OCTOBER 1, 1972		83,112.78
Add: Loan Receipts During Current Year with the Liability being recorded in the General Long Term Debt Account		89,834.00
		172,946.78
Less: Excess of Expenditures over Revenues:		
General Fund Revenues	856,217.71	
General Fund Expenditures	874,535.78	(18,318.07)
FUND BALANCE, SEPTEMBER 30, 1973		154,628.71

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF REVENUE

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase (Decrease)
	1973	1972	
PROPERTY TAXES			
Real Estate Taxes	90,346.02	83,661.44	6,684.58
Motor Vehicle Taxes	27,531.82	27,770.14	(238.32)
	117,877.84	111,431.58	6,446.26
LOCAL TAXES			
Beer Tax	24,110.14	21,088.63	3,021.51
Liquor Tax	2,977.63	1,864.00	1,113.63
Cigarette Tax	18,175.74	16,878.70	1,297.04
Dog Tax	161.75	175.00	(13.25)
	45,425.26	40,006.33	5,418.93
LICENSES AND PERMITS			
Business Licenses	15,927.50	14,816.50	1,111.00
Insurance Company Franchises	13,665.29	11,316.85	2,348.44
Delivery Licenses	3,375.00	3,325.00	50.00
Building Permits	2,508.50	3,527.50	(1,019.00)
Rezoning Application	358.50	451.50	(93.00)
	35,834.79	33,437.35	2,397.44
FINES AND FORFEITURES	31,959.05	17,868.11	14,090.94
STATE OF ALABAMA			
State Gasoline Tax	27,427.74	25,870.28	1,557.46
State Liquor Tax	11,250.09	10,672.77	577.32
Financial Institution Excise Tax	7,690.32	3,373.51	4,316.81
Oil Production Privilege Tax	49.73	100.01	(50.28)
Grant for Airport Expansion	20,000.00	-0-	20,000.00
Other Grants	-0-	11,263.30	(11,263.30)
	66,417.88	51,279.87	15,138.01
UNITED STATES GOVERNMENT			
Revenue Sharing	61,420.00	-0-	61,420.00
Federal Aviation Administration	76,183.85	-0-	76,183.85
	137,603.85	-0-	137,603.85
INTEREST AND RENTS			
Interest on Investments	2,170.43	1,984.05	186.38
Interest on Assessments	2,576.53	2,359.29	217.24
Municipal Airport Lease	4,388.35	3,510.65	877.70
Fishing Dock Stall Rental	3,659.00	2,292.50	1,366.50
Municipal Pier Lease	2,424.22	2,683.14	(258.92)
Other Rents	331.00	201.00	130.00
	15,549.53	13,030.63	2,518.90

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF REVENUE

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase (Decrease)
	1973	1972	
CHARGES FOR CURRENT SERVICES			
Sanitation Collection	61,583.06	49,489.26	12,093.80
Clerical Services Furnished Utilities	12,900.00	13,200.00	(300.00)
Swimming Pool Admissions and Concessions	4,082.91	5,072.41	(989.50)
Dog Pound Fees	78.50	69.00	9.50
	78,644.47	67,830.67	10,813.80
OTHER REVENUE			
Sale of Equipment	1,227.00	770.00	457.00
Football Stadium Contributions	17,248.02	-0-	17,248.02
Airport Expansion Grants - Local	-0-	35,000.00	(35,000.00)
Miscellaneous Income and Rebates	3,630.02	6,222.37	(2,592.35)
	22,105.04	41,992.37	(19,887.33)
TRANSFERS FROM UTILITY FUNDS			
Electric Fund	180,000.00	152,983.33	27,016.67
Natural Gas Fund	120,000.00	121,000.00	(1,000.00)
Water and Sewer System Fund	4,800.00	5,000.00	(200.00)
	304,800.00	278,983.33	25,816.67
TOTAL REVENUE	856,217.71	655,860.24	200,357.47

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase
	1973	1972	(Decrease)
POLICE DEPARTMENT			
Salaries	88,101.92	92,518.78	(4,416.86)
Automobile Expenses	7,522.87	10,663.44	(3,140.57)
Radio Equipment - Rental and Repair	1,919.97	1,247.68	672.29
Supplies	1,617.68	1,329.86	287.82
Uniforms	3,286.94	2,529.99	756.95
Training	399.97	-0-	399.97
Police Annuity Fund	2,836.00	1,622.10	1,213.90
Prisoners Meals	2,125.23	1,159.30	965.93
Miscellaneous	2,040.20	1,325.00	715.20
	109,850.78	112,396.15	(2,545.37)
FIRE DEPARTMENT			
Salaries	35,586.19	39,620.79	(4,034.60)
Travel Expenses	414.07	315.86	98.21
Supplies and Maintenance	2,667.28	3,610.87	(943.59)
Training	715.89	925.00	(209.11)
	39,383.43	44,472.52	(5,089.09)
STREET DEPARTMENT			
Salaries	81,449.37	76,646.38	4,802.99
Truck and Equipment Expenses	13,756.37	7,034.80	6,721.57
Materials and Supplies	7,838.39	18,095.01	(10,256.62)
	103,044.13	101,776.19	1,267.94
RECREATION DEPARTMENT			
Salaries	18,861.24	15,910.00	2,951.24
Athletic Equipment	3,764.32	7,396.98	(3,632.66)
Supplies, Chemicals and Maintenance	5,096.17	3,798.57	1,297.60
Utilities	1,055.94	1,177.98	(122.04)
Adult and Tourist Recreation	2,400.00	2,400.00	-0-
Fairhope High School	500.00	-0-	500.00
Senior Citizens Day	500.00	-0-	500.00
Miscellaneous	345.15	877.58	(532.43)
	32,522.82	31,561.11	961.71

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase
	1973	1972	(Decrease)
GENERAL GOVERNMENT			
Salaries:			
Mayor and Council	9,600.00	9,600.00	-0-
City Clerk and Assistants	36,053.82	27,132.05	8,921.77
Surveyor, Building Inspector, Mechanics and Dog Catcher	30,548.94	27,306.86	3,242.08
City Attorney Fee	3,000.00	2,700.00	300.00
City Recorder Fee	2,500.00	2,200.00	300.00
Convention and Travel Expenses	2,050.98	1,520.29	530.69
Auditing and Accounting Services	2,020.00	1,150.00	870.00
Legal Expenses	6,112.35	3,348.97	2,763.38
General Supplies	6,739.10	7,633.76	(894.66)
Office Supplies and Postage	5,564.54	4,080.83	1,483.71
Telephone	6,622.76	6,400.45	222.31
Cigarette Stamps Purchased	1,158.25	802.30	355.95
Computer Services	958.80	1,263.20	(304.40)
Automobile Allowances	1,095.60	-0-	1,095.60
Public Relations and Advertising	1,370.59	1,077.80	292.79
Dues and Memberships	3,233.50	2,910.23	323.27
Insurance	11,940.63	7,828.29	4,112.34
Colony Rent	3,387.47	2,009.64	1,377.83
Payroll Taxes	17,376.88	15,456.83	1,920.05
Employee Retirement Expense	9,462.50	11,266.32	(1,803.82)
Employee Medical Insurance	15,302.96	16,993.38	(1,690.42)
Municipal Airport Expenses	1,557.95	1,113.63	444.32
Sanitation Contract	45,590.24	35,361.72	10,228.52
Landfill Expenses	10,546.43	-0-	10,546.43
Miscellaneous	6,954.28	5,139.14	1,815.14
	240,748.57	194,295.69	46,452.88
STAFF AGENCIES AND APPROPRIATIONS			
Staff Agencies:			
Planning Board	584.07	2,554.10	(1,970.03)
Harbor Board	625.70	295.00	330.70
Industrial Board	140.00	65.00	75.00
Appropriations:			
Eastern Shore Chamber of Commerce	1,200.00	2,400.00	(1,200.00)
Fairhope Ambulance Service	920.00	-0-	920.00
Baldwin County Board of Health	1,800.00	1,800.00	-0-
Fairhope Public Library	19,329.37	14,643.79	4,685.58
Sundry Appropriations	552.70	360.70	192.00
	25,151.84	22,118.59	3,033.25

CITY OF FAIRHOPE, ALABAMA

GENERAL FUND

STATEMENT OF EXPENDITURES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase
	1973	1972	(Decrease)
DEBT SERVICE			
General Obligation Notes and Warrants	67,551.81	88,000.00	(20,448.19)
Interest	22,855.16	18,828.33	4,026.83
	90,406.97	106,828.33	(16,421.36)
CAPITAL EXPENDITURES			
Municipal Airport Expansion (Note 2)	88,282.77		
Fairhope Avenue Improvements	72,962.18		
Municipal Fishing Dock	8,649.59		
Football Stadium Construction	8,031.39		
Civic Center Improvements	6,030.18		
Street Vacuum	3,995.00		
Brush Chipper	3,975.00		
Caterpillar Equipment	3,891.81		
Three Police Cars	8,985.00		
Mobile Radios and Installation	2,007.50		
Tractor and Mower	3,672.00		
Softball Field	1,865.00		
Used Truck - Recreation Dept.	495.00		
Street Improvements	2,493.26		
Five Electronic Calculators	2,157.35		
Typewriter	220.00		
Office Furniture and Equipment	2,482.08		
All Other Equipment	1,532.13		
	221,727.24	150,513.75	71,213.49
OTHER EXPENDITURES			
Transfer to Electric Fund (Note 2)	11,700.00	-0-	11,700.00
TOTAL EXPENDITURES	874,535.78	763,962.33	110,573.45

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

STATEMENT OF GENERAL FIXED ASSETS

SEPTEMBER 30, 1973

ASSETS

LAND AND BUILDINGS	207,898.19
MUNICIPAL BEACH AND PIER	637,664.94
MUNICIPAL AIRPORT	437,629.13
STREET PAVING AND IMPROVEMENTS	948,553.72
RECREATIONAL FACILITIES AND SWIMMING POOLS	239,690.66
MUNICIPAL FISHING DOCK	24,903.86
EQUIPMENT	242,013.77
	2,738,354.27

INVESTMENT

INVESTMENT IN GENERAL FIXED ASSETS OCTOBER 1, 1972		2,520,910.48
Add: Acquisitions During The Current Period	221,727.24	
Less: Retirements During The Current Period	4,283.45	217,443.79
INVESTMENT IN GENERAL FIXED ASSETS SEPTEMBER 30, 1973		2,738,354.27

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1973

	General Fixed Assets 10/1/72	Additions	Retirements	General Fixed Assets 9/30/73
LAND AND BUILDINGS				
Park Property	1,000.00			1,000.00
City Garage Property	30,480.00			30,480.00
Sundry Property	1,098.43			1,098.43
New City Hall	80,000.00			80,000.00
City Garage	45,974.26			45,974.26
Volunteer Firemens Hall	26,362.91			26,362.91
Old City Hall	5,861.10			5,861.10
City Jail Addition	4,597.81			4,597.81
Storeroom Building	1,900.00			1,900.00
Civic Center and Clinic Building	2,593.50	6,030.18		8,623.68
City Pound	2,000.00			2,000.00
	201,868.01	6,030.18	-0-	207,898.19
MUNICIPAL BEACH AND PIER	637,664.94	-0-	-0-	637,664.94
MUNICIPAL AIRPORT	349,346.36	88,282.77	-0-	437,629.13
STREET PAVING AND IMPROVEMENTS	873,098.28	75,455.44	-0-	948,553.72
RECREATIONAL FACILITIES AND SWIMMING POOLS	223,816.02	15,874.64	-0-	239,690.66
MUNICIPAL FISHING DOCK	17,300.27	8,649.59	1,046.00	24,903.86
EQUIPMENT				
Police Department	14,866.14	9,171.22		24,037.36
Fire Department	82,190.30	1,013.54		83,203.84
Street Department	108,607.61	11,861.81	3,237.45	117,231.97
General Government and Office Equipment	12,152.55	5,388.05		17,540.60
	217,816.60	27,434.62	3,237.45	242,013.77
TOTALS	2,520,910.48	221,727.24	4,283.45	2,738,354.27

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

STATEMENT OF GENERAL LONG TERM DEBT

SEPTEMBER 30, 1973

AMOUNT AVAILABLE AND TO BE PROVIDED

FOR THE PAYMENT OF GENERAL LONG TERM DEBT

Amount Available in Debt Service Funds	48,949.44
Amount To Be Provided	326,332.75
TOTAL AVAILABLE AND TO BE PROVIDED	375,282.19

GENERAL LONG TERM DEBT OUTSTANDING

General Obligation Warrants - Streets (12-1-63)	14,000.00
General Obligation Warrants - Streets (8-1-70)	227,000.00
General Obligation Warrants - City Hall (10-9-70)	64,000.00
General Obligation Warrants - Airport (10-13-72)	40,456.02
General Obligation Warrants - Fairhope Ave. (12-15-72)	29,826.17
TOTAL GENERAL LONG TERM DEBT OUTSTANDING	375,282.19

DEBT SERVICE REQUIREMENTS TO MATURITY

Fiscal Year	Principal	Interest	Total Requirements
1974	75,406.18	20,265.00	95,671.18
1975	44,950.01	17,170.00	62,120.01
1976	42,000.00	14,820.00	56,820.00
1977	43,180.00	12,380.00	55,560.00
1978	45,370.00	9,870.00	55,240.00
1979	47,550.00	7,350.00	54,900.00
1980	50,730.00	4,510.00	55,240.00
1981	11,910.00	1,590.00	13,500.00
1982	4,090.00	1,010.00	5,100.00
1983	4,270.00	830.00	5,100.00
1984	4,450.00	650.00	5,100.00
1985	1,376.00	100.00	1,476.00
	375,282.19	90,545.00	465,827.19

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1973

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts of the General Fund are maintained and the accompanying financial statements have been prepared on a modified accrual basis. Under the modified accrual basis, expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for certain revenues which are accrued when earned.

B. Valuation of Fixed Assets

General fixed assets are entered into the accounts at cost with no provision being made for depreciation. Retired assets are removed at their respective cost.

NOTE 2: CASH IN BANK

Cash in the First National Bank of Fairhope consisted of the following account balances at September 30, 1973:

Restricted Accounts:		
Gasoline Tax	3,538.48	
Revenue Sharing	11,716.85	
Football Stadium	9,216.63	24,471.96
Non Restricted Accounts:		
General	23,458.02	
Airport	47,107.93	
Recreation	2,909.49	73,475.44
Debt Service Accounts:		
Street Improvement	35,659.57	
General Obligation Savings	4,637.89	
City Administration Building Savings	8,651.98	48,949.44
Other Accounts:		
Payroll	1,001.60	
Sanitation Deposit Savings	516.61	1,518.21
TOTAL		148,415.05

NOTE 2: CASH IN BANK (continued)

The balance in the Revenue Sharing Account included $11,700.00 that was paid to the Electric Department in October, 1973 to reimburse the Electric Department for the purchase of mercury vapor lights.

The balance in the Airport Account mainly represents proceeds from Federal grants received during the current fiscal year. Approximately $58,271.00 will be needed to complete the airport expansion project with additional Federal grants to be received by the City to cover all remaining costs.

Cash in the Gasoline Tax and Revenue Sharing Accounts can be expended only for purposes approved by State and Federal regulations. Expenditures from these restricted accounts for the period covered by the accompanying statements were, in our opinion, in accordance with the applicable regulations.

NOTE 3: STREET IMPROVEMENT RECEIVABLES

Street Improvement Receivables consisted of unpaid assessments from the following years:

1959	333.60
1962	534.04
1963	5,363.00
1966	15,006.14
1970	28,770.20
	50,006.98

NOTE 4: GENERAL OBLIGATION LONG TERM DEBT

The General Obligation Long-Term Debts are general obligations of the City of Fairhope, secured by a pledge of its full faith and credit. They are further secured by a pledge of assessments made, or to be made, against properties benefited by the improvements.

NOTE 5: INSURANCE

The Insurance coverage of the City of Fairhope applicable to the General Fund is as follows:

Buildings, Structures and Contents	
Fire and Extended Coverage	300,000
Automobiles and Trucks	
Liability:	
Bodily Injury	50/100M
Property Damage	10M
Comprehensive:	
Fire, Lightning and Theft	ACV
General Liability	
Bodily Injury	500M
Property Damage	500M
Workmens Compensation	Standard
	Add'n 10M
	Medical
Fidelity Bonds	5,000

NOTE 6: LITIGATION

Correspondance with the City's attorney concerning the existence of any litigation revealed two suits pending against the City, that in the opinion of legal counsel, pose no liability to the funds of the City, because insurance coverage is sufficient to cover any liability which may arise.

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

AUDIT REPORT

SEPTEMBER 30, 1973

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

AUDIT REPORT

SEPTEMBER 30, 1973

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PARKER AND WHITE
CERTIFIED PUBLIC ACCOUNTANTS
FOLEY, ALABAMA

SAMUEL F. PARKER, C.P.A.
DEWEY E. WHITE, C.P.A.
LESLIE T. FICKLING, C.P.A.

MEMBER, AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 1973

The Honorable James P. Nix, Mayor
Members of The City Council
City of Fairhope
Fairhope, Alabama

We have examined the balance sheets of the Electric Fund, the Natural Gas Fund and the Water and Sewer Fund of the City of Fairhope, Alabama, as of September 30, 1973, and the related statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

For the year ended September 30, 1973, in conformity with generally accepted accounting principals, provision was made in the accounts for depreciation expense and the allowance for depreciation of property, plant and equipment. The financial statements for the preceding year, included in this report, have been restated to reflect depreciation expense and the allowance for depreciation.

In our opinion, the accompanying balance sheet, statements of income, retained earnings, and changes in financial position present fairly the financial position of the Electric Fund, the Natural Gas Fund and the Water and Sewer Fund of the City of Fairhope, Alabama, as of September 30, 1973, and the results of their operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change, with which we concur, discussed in the preceding paragraph.

Parker and White
Certified Public Accountants

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

CONDENSED AND CONSOLIDATED COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973

ASSETS	September 30th 1973	1972	Increase (Decrease)
CURRENT ASSETS			
Cash In First National Bank of Fairhope (Note 2)	404,136.83	108,383.28	295,753.55
Receivables:			
Utility Customers (Note 3)	104,024.72	76,594.06	27,430.66
General Fund	17,287.52	10,339.38	6,948.14
All Other Receivables	7,307.66	8,869.66	(1,562.00)
Allowance For Doubtful Accounts	(4,831.94)	(4,428.56)	(403.38)
Interest Receivable	9,000.00	-0-	9,000.00
Materials and Supplies Inventory (Note 4)	83,596.29	-0-	83,596.29
Prepayments	6,789.45	-0-	6,789.45
Total Current Assets	627,310.53	199,757.82	427,552.71
INVESTMENTS			
Certificates of Deposit (Note 5)	300,000.00	-0-	300,000.00
SINKING FUNDS			
On Deposit with Merchants National Bank of Mobile, Trustee - Bond Principal and Reserve Funds	250,251.49	193,536.20	56,715.29
PROPERTY, PLANT AND EQUIPMENT (Note 6)			
Electric	1,152,918.91	935,265.30	217,653.61
Natural Gas	1,295,876.75	1,244,363.73	51,513.02
Water and Sewer	2,875,436.45	2,082,925.05	792,511.40
	5,324,232.11	4,262,554.08	1,061,678.03
Less: Accumulated Depreciation (Note 7)	(1,435,498.36)	(1,360,177.08)	(75,321.28)
Property, Plant and Equipment - Net	3,888,733.75	2,902,377.00	986,356.75
DEFERRED CHARGES			
Deferred Charges to Operations	3,217.80	5,489.40	(2,271.60)
Unamortized Debt Issue Cost	15,002.47	-0-	15,002.47
Total Deferred Charges	18,220.27	5,489.40	12,730.87
TOTAL ASSETS	5,084,516.04	3,301,160.42	1,783,355.62

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

RETAINED EARNINGS, OCTOBER 1, 1972 AS PREVIOUSLY REPORTED		2,711,975.98
Add: Materials expensed in prior periods that should have been recorded as a capital addition		91,927.45
		2,803,903.43
Less: Cumulative effect of a retroactive application of depreciation to prior years (Note 7)	1,360,177.08	
Removal of office equipment previously sold and retired in prior years	12,871.99	1,373,049.07
RETAINED EARNINGS, OCTOBER 1, 1972 AS RESTATED		1,430,854.36
Add: Net Income for the Fiscal Year Ended September 30, 1973		182,995.94
RETAINED EARNINGS, SEPTEMBER 30, 1973		1,613,850.30

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

CONDENSED AND CONSOLIDATED STATEMENT OF INCOME

FOR THE YEARS ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase
	1973	1972	(Decrease)
OPERATING REVENUE (Note 12)			
Sale of Electric Energy	744,631.34	616,208.26	128,423.08
Sale of Natural Gas	561,448.22	474,266.06	87,182.16
Sale of Water and Sewer Services	217,224.95	129,437.81	87,787.14
Other Operating Revenue	15,274.00	11,573,83	3,700.17
Total Operating Revenue	1,538,578.51	1,231,485.96	307,092.55
OPERATING EXPENSES			
Purchased Power and Natural Gas	618,904.33	474,908.43	143,995.90
Depreciation (Note 7)	122,821.28	98,886.83	23,934.45
Labor - Operations, Maintenance and Meter Reading	80,469.44	125,146.05	(44,676.61)
Clerical and Superintendents Salary	15,600.00	16,800.00	(1,200.00)
Engineering Services	7,918.61	10,549.00	(2,630.39)
Maintenance and Operating Supplies	36,979.81	25,825.68	11,154.13
Gas Leak and Corrosion Surveys	8,521.60	5,595.60	2,926.00
Vehicle Expense	12,333.14	8,474.04	3,859.10
Insurance	17,453.16	21,798.28	(4,345.12)
Employees Retirement	7,132.55	8,065.17	(932.62)
Payroll Taxes	10,779.08	7,861.80	2,917.28
Auditing, Accounting Services and Legal	6,277.50	7,288.25	(1,010.75)
Computer Services	10,779.13	10,387.00	392.13
Uncollectible Accounts	3,564.16	4,414.70	(850.54)
Distribution of Joint Revenue (Note 10)	4,138.86	3,165.52	973.34
Postage and Office Supplies	4,928.60	4,282.83	645.77
Trustee Fees	1,899.00	1,054.00	845.00
All Other Operating Expenses	11,474.58	9,256.70	2,217.88
Total Operating Expenses	981,974.83	843,759.88	138,214.95
NET INCOME FROM OPERATIONS	556,603.68	387,726.08	168,877.60
NON OPERATING INCOME			
Interest Earned	19,668.55	9,821.20	9,847.35
NON OPERATING EXPENSES			
Transfers to General Fund	304,800.00	278,983.33	25,816.67
Donated Utilities	24,656.64	24,463.15	193.49
Interest Expense	63,819.65	40,700.46	23,119.19
Total Non Operating Expenses	393,276.29	344,146.94	49,129.35
NET INCOME	182,995.94	53,400.34	129,595.60

CITY OF FAIRHOPE, ALABAMA

ELECTRIC FUND

COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973 AND 1972

ASSETS	September 30th 1973	1972	Increase (Decrease)
CURRENT ASSETS			
Cash In First National Bank of Fairhope (Note 2)	341,026.71	53,195.58	287,831.13
Receivables:			
Utility Customers (Note 3)	104,024.72	53,229.47	50,795.25
Allowance For Doubtful Accounts	(4,160.99)	(1,646.31)	(2,514.68)
General Fund	16,461.17	7,602.82	8,858.35
Water and Sewer Fund	1,401.91	2,155.07	(753.16)
Miscellaneous	419.78	395.90	23.88
Materials and Supplies Inventory (Note 4)	57,726.84	-0-	57,726.84
Prepayments	2,274.01	-0-	2,274.01
Total Current Assets	519,174.15	114,932.53	404,241.62
PROPERTY, PLANT AND EQUIPMENT (Note 6)			
Electric Plant and Distribution System	1,083,309.62	866,051.01	217,258.61
Vehicles and Equipment	69,609.29	69,214.29	395.00
Less: Accumulated Depreciation (Note 7)	(356,205.50)	(320,149.06)	(36,056.44)
Property, Plant and Equipment - Net	796,713.41	615,116.24	181,597.17
DEFERRED CHARGES			
Unamortized Debt Issue Cost	2,730.92	-0-	2,730.92
TOTAL ASSETS	1,318,618.48	730,048.77	588,569.71

CITY OF FAIRHOPE, ALABAMA

ELECTRIC FUND

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

RETAINED EARNINGS, OCTOBER 1, 1972 AS PREVIOUSLY REPORTED		853,688.12
Add: Materials expensed in prior periods that should have been recorded as a capital addition.		91,927.45
		945,615.57
Less: Cumulative effect of a retroactive application of depreciation to prior years (Note 7)	320,149.06	
Removal of office equipment previously sold and retired in prior years	4,993.93	325,142.99
RETAINED EARNINGS, OCTOBER 1, 1972 AS RESTATED		620,472.58
Add: Net Income for the Fiscal Year Ended September 30, 1973		53,986.30
RETAINED EARNINGS, SEPTEMBER 30, 1973		674,458.88

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

ELECTRIC FUND

COMPARATIVE STATEMENT OF INCOME

FOR THE YEARS ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		
	1973	1972	Increase (Decrease)
OPERATING REVENUE (Note 12)			
Sale of Electric Energy	744,631.34	616,208.26	128,423.08
Other Operating Revenue	5,700.93	1,367.62	4,333.31
Total Operating Revenue	750,332.27	617,575.88	132,756.39
OPERATING EXPENSES			
Purchased Power	361,572.06	289,022.66	72,549.40
Depreciation (Note 7)	36,056.44	28,916.91	7,139.53
Labor - Operations, Maintenance and Meter Reading	32,887.99	45,811.16	(12,923.17)
Clerical Salaries - Paid to General Fund	4,800.00	4,800.00	-0-
Superintendent's Salary	1,200.00	1,200.00	-0-
Engineering Services	4,757.30	6,576.50	(1,819.20)
Maintenance and Operating Supplies	10,020.52	4,063.24	5,957.28
Vehicle Expense	5,038.59	2,892.98	2,145.61
Insurance - Casualty	1,736.94	4,083.13	(2,346.19)
Insurance - Employees Group	3,453.74	4,531.67	(1,077.93)
Employees Retirement	3,418.63	4,111.08	(692.45)
Payroll Taxes	5,079.86	3,843.31	1,236.55
Auditing and Accounting Services	2,020.00	1,050.00	970.00
Computer Services	3,686.26	3,284.25	402.01
Postage and Office Supplies	1,823.56	2,780.60	(957.04)
Telephone	523.77	229.36	294.41
Utility Association Dues	1,913.30	5,267.76	(3,354.46)
Uncollectible Accounts	3,564.16	1,646.31	1,917.85
All Other Operating Expenses	4,707.21	1,838.46	2,868.75
Total Operating Expenses	488,260.33	415,949.38	72,310.95
NET INCOME FROM OPERATIONS	262,071.94	201,626.50	60,445.44
NON OPERATING EXPENSES			
Transfers to General Fund	180,000.00	152,983.33	27,016.67
Donated Utilities	24,656.64	24,463.15	193.49
Interest on Long Term Debt	2,879.00	-0-	2,879.00
Other Interest	550.00	-0-	550.00
Total Non Operating Expenses	208,085.64	177,446.48	30,639.16
NET INCOME	53,986.30	24,180.02	29,806.28

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

NATURAL GAS FUND

COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973

ASSETS	September 30th 1973	1972	Increase (Decrease)
CURRENT ASSETS			
Cash In First National Bank of Fairhope (Note 2)	5,419.24	14,694.84	(9,275.60)
Receivables:			
Natural Gas Customers (Note 3)	-0-	13,967.49	(13,967.49)
Town of Daphne - Bulk Sales	846.33	1,339.50	(493.17)
Electric Fund	3,106.17	-0-	3,106.17
General Fund	448.67	605.04	(156.37)
Miscellaneous	1,579.00	1,796.95	(217.95)
Allowance for Doubtful Accounts	(179.70)	(1,596.80)	1,417.10
Materials and Supplies Inventory (Note 4)	17,266.23	-0-	17,266.23
Prepayments	3,483.33	-0-	3,483.33
Total Current Assets	31,969.27	30,807.02	1,162.25
SINKING FUNDS			
Merchants National Bank of Mobile, Trustee:			
Bond Fund - 1961 Series	39,918.85	27,677.19	12,241.66
Reserve Fund - 1961 Series	86,530.91	81,816.73	4,714.18
Replacement Fund - 1961 Series	31,117.49	29,474.62	1,642.87
Total Sinking Funds	157,567.25	138,968.54	18,598.71
PROPERTY, PLANT AND EQUIPMENT			
Natural Gas Plant and Distribution System	1,267,022.38	1,216,520.81	50,501.57
Vehicles and Equipment	28,854.37	27,842.92	1,011.45
Less: Accumulated Depreciation (Note 7)	(538,723.15)	(505,337.13)	(33,386.02)
Property, Plant and Equipment - Net	757,153.60	739,026.60	18,127.00
DEFERRED CHARGES			
Gas Leak Survey	3,217.80	5,489.40	(2,271.60)
TOTAL ASSETS	949,907.92	914,291.56	35,616.36

LIABILITIES AND CAPITALIZATION	September 30th 1973	1972	Increase (Decrease)
CURRENT LIABILITIES			
Bank Overdraft	-0-	5,386.14	(5,386.14)
Accounts Payable	14,006.24	13,509.45	496.79
Refunds Due Customers (Note 9)	10,069.09	10,059.09	-0-
Due Town of Daphne, Alabama for Sales from Jointly owned Gas Lines (Amount due Within 12 Months) (Note 10)	19,998.49	19,165.52	832.97
Payroll Taxes Payable	1,923.19	1,684.50	238.69
Employee Retirement Plan Payable	2,100.00	2,322.47	(222.47)
Current Interest on Long Term Debt	10,687.53	10,945.84	(258.31)
Interest Payable - Town of Daphne	466.66	600.00	(133.34)
Customers Deposits Refundable	30,160.00	26,765.00	3,395.00
Due to Water and Sewer Fund	162.50	191.30	(28.80)
Utility Tax Payable	-0-	920.17	(920.17)
Total Current Liabilities	89,563.70	91,549.48	(1,985.78)
LONG TERM DEBT (Note 11)			
Due Town of Daphne, Alabama for Sales from Jointly owned Gas Lines (Amount due After 12 Months) (Note 10)	40,000.00	56,000.00	(16,000.00)
First Mortgage Gas, Water and Sewer Reserve Bonds, 1961 Series (Payable from Savings Funds):			
Principal Amount Due December 1	35,000.00	20,000.00	15,000.00
Principal Amount Due After December 1 and Serially Thereafter	775,000.00	810,000.00	(35,000.00)
Total Long Term Debt	850,000.00	886,000.00	(36,000.00)
CAPITALIZATION			
Contributed Capital In Aid of Construction	14,427.45	7,155.55	7,271.90
Retained Earnings (Deficit)	(4,083.23)	(70,413.47)	66,330.24
Total Capitalization	10,344.22	(63,257.92)	73,602.14
TOTAL LIABILITIES AND CAPITALIZATION	949,907.92	914,291.56	35,616.36

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

NATURAL GAS FUND

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

RETAINED EARNINGS, OCTOBER 1, 1972 AS PREVIOUSLY REPORTED		438,483.08
Less: Cumulative effect of a retroactive application of depreciation to prior years (Note 7)	505,337.13	
Removal of office equipment previously sold and retired in prior years	3,559.42	508,896.55
RETAINED EARNINGS, OCTOBER 1, 1972 AS RESTATED (Deficit)		(70,413.47)
Add: Net Income for the Fiscal Year Ended September 30, 1973		66,330.24
RETAINED EARNINGS, SEPTEMBER 30, 1973 (Deficit)		(4,083.23)

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

WATER AND SEWER FUND

COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 1973 AND 1972

ASSETS	September 30th 1973	1972	Increase (Decrease)
CURRENT ASSETS			
Cash In First National Bank of Fairhope (Note 2)	57,690.88	45,879.00	11,811.88
Receivables:			
Water and Sewer Customers (Note 3)	-0-	8,057.60	(8,057.60)
Connection Charges and Miscellaneous	3,697.40	4,912.46	(1,215.06)
West Baldwin Water Authority	765.15	935.35	(170.20)
General Fund	377.68	2,960.52	(2,582.84)
Electric Fund	567.27	-0-	567.27
Natural Gas Fund	162.50	191.30	(28.80)
Allowance for Doubtful Accounts	(491.25)	(1,185.45)	694.20
Interest Receivable	9,000.00	-0-	9,000.00
Materials and Supplies Inventory (Note 4)	8,603.22	-0-	8,603.22
Prepayments	1,032.11	-0-	1,032.11
Total Current Assets	81,404.96	61,750.78	19,654.18
INVESTMENTS			
Certificates of Deposit (Note 5)	300,000.00	-0-	300,000.00
SINKING FUNDS			
Merchants National Bank of Mobile, Trustee:			
Water and Sewer Revenue Bonds			
1950 Series	31,829.99	34,561.02	(2,731.03)
1953 Series	20,973.26	20,006.64	966.62
1972 Series	39,880.99	-0-	39,880.99
Total Sinking Funds	92,684.24	54,567.66	38,116.58
PROPERTY, PLANT AND EQUIPMENT (Note 6)			
Water Wells, Plant and Extensions	1,086,348.60	973,030.01	113,318.59
Sewer Plant and Extensions	1,773,157.37	1,102,560.99	670,596.38
Vehicles and Equipment	15,930.48	7,334.05	8,596.43
Less: Accumulated Depreciation (Note 7)	(540,569.71)	(534,690.89)	(5,878.82)
Property, Plant and Equipment - Net	2,334,866.74	1,548,234.16	786,632.58
DEFERRED CHARGES			
Unamortized Debt Issue Cost	12,271.55	-0-	12,271.55
TOTAL ASSETS	2,821,227.49	1,664,552.60	1,156,674.89

LIABILITIES AND CAPITALIZATION	September 30th 1973	September 30th 1972	Increase (Decrease)
CURRENT LIABILITIES			
Accounts Payable	7,375.15	6,185.47	1,189.68
Contracts Payable (Note 8)	151,648.50	128,923.84	22,724.66
Payroll Taxes Payable	1,923.19	1,739.93	183.26
Employees Retirement Plan Payable	2,300.00	2,318.69	(18.69)
Current Interest on Long Term Debt	20,509.77	4,964.11	15,545.66
Customers Deposits Refundable	11,287.00	9,493.00	1,794.00
Due to Electric Fund	1,969.18	2,155.07	(185.89)
Utility Tax Payable	-0-	320.24	(320.24)
Short Term General Obligation and Revenue Anticipation Notes Payable	-0-	480,000.00	(480,000.00)
Total Current Liabilities	197,012.79	636,100.35	(439,087.56)
LONG TERM DEBT (Note 11)			
First Mortgage Water and Sewer Revenue Bonds Payable:			
Principal Amount - 1950 Series	82,000.00	93,000.00	(11,000.00)
Principal Amount - 1953 Series	35,000.00	35,000.00	-0-
Principal Amount - 1972 Series	875,000.00	-0-	875,000.00
Principal Amount - 1973 Series	320,000.00	-0-	320,000.00
Less: Unamortized Discount	(7,619.80)	-0-	(7,619.80)
Total Long Term Debt Less Unamortized Discount	1,304,380.20	128,000.00	1,176,380.20
CAPITALIZATION			
Contributed Capital In Aid of Construction:			
Customers	43,159.85	19,657.00	23,502.85
United States Government	333,200.00	-0-	333,200.00
Retained Earnings	943,474.65	880,795.25	62,679.40
Total Capitalization	1,319,834.50	900,452.25	419,382.25
TOTAL LIABILITIES AND CAPITALIZATION	2,821,227.49	1,664,552.60	1,156,674.89

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

WATER AND SEWER FUND

STATEMENT OF CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1973

RETAINED EARNINGS, OCTOBER 1, 1972 AS PREVIOUSLY REPORTED		1,419,804.78
Less: Cumulative effect of a retroactive application of depreciation to prior years (Note 7)	534,690.89	
Removal of office equipment previously sold and retired in prior years	4,318.64	539,009.53
RETAINED EARNINGS, OCTOBER 1, 1972 AS RESTATED		880,795.25
Add: Net Income for the Fiscal Year Ended September 30, 1973		[illegible]
RETAINED EARNINGS, SEPTEMBER 30, 1973		[illegible]

The accompanying notes are an integral part of these statements.

CITY OF FAIRHOPE, ALABAMA

WATER AND SEWER FUND

COMPARATIVE STATEMENT OF INCOME

FOR THE YEARS ENDED SEPTEMBER 30, 1973 AND 1972

	Fiscal Year Ended September 30th		Increase
	1973	1972	(Decrease)
OPERATING REVENUE (Note 12)			
Sale of Water and Sewer Service Charges	208,363.55	119,281.93	89,081.62
West Baldwin Water Authority - Sale of Water Wholesale and Maintenance Charges	8,861.40	10,155.88	(1,294.48)
Sewer Connection Fees and Permits	5,452.90	7,017.36	(1,564.46)
Other Operating Revenue	2,450.28	1,559.19	891.09
Total Operating Revenue	225,128.13	138,014.36	87,113.77
OPERATING EXPENSES			
Depreciation (Note 7)	53,378.82	37,616.01	15,762.81
Labor - Operations, Maintenance and Meter Reading	25,983.05	37,981.85	(11,998.80)
Clerical Salaries - Paid to General Fund	2,400.00	2,400.00	-0-
Superintendent's Salary	1,200.00	1,200.00	-0-
Maintenance and Operating Supplies	17,897.58	14,763.48	3,134.10
Electricity Purchased	22,206.82	11,663.36	10,543.46
Vehicle Expense	2,580.19	1,860.63	719.56
Insurance - Casualty	787.55	1,760.30	(972.75)
Insurance - Employees Group	4,319.24	2,792.15	1,527.09
Employees Retirement	1,939.93	1,975.18	(35.25)
Payroll Taxes	2,855.48	1,961.99	893.49
Auditing and Accounting Services	2,020.00	900.00	1,120.00
Computer Services	3,376.52	3,818.50	(441.98)
Postage and Office Supplies	1,748.94	329.21	1,419.73
Trustee Fees	1,069.00	204.00	865.00
Bond Issue Expenses	507.98	-0-	507.98
Uncollectible Accounts	-0-	1,171.59	(1,171.59)
All Other Operating Expenses	1,606.85	569.42	1,037.43
Total Operating Expenses	145,877.95	122,967.67	22,910.28
NET INCOME FROM OPERATIONS	79,250.18	15,046.69	64,203.49
NON OPERATING INCOME			
Interest Earned	13,261.51	2,761.42	10,500.09
NON OPERATING EXPENSES			
Transfers to General Fund	4,800.00	5,000.00	(200.00)
Interest on Long Term Debt	25,032.29	5,183.78	19,848.51
Total Non Operating Expenses	29,832.29	10,183.78	19,648.51
NET INCOME	62,679.40	7,624.33	55,055.07

CITY OF FAIRHOPE, ALABAMA

UTILITY FUNDS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1973

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment - Additions, improvements and renewals are capitalized at cost. Interest incurred on funds borrowed for construction of facilities is capitalized during the construction period. Maintenance and repairs are charged to expense, as incurred. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Receivables From Utility Customers - The Electric Fund purchases, at face value, the Utility Receivables of the Natural Gas Fund and the Water and Sewer Fund. Purchase is made at the time customers are billed.

Inventories - Materials and supplies inventories are valued at cost and consist largely of items to be used to construct and maintain utility plant.

Debt Expense and Discount - Issuance and discount expenses on long term debt are deferred and amortized, on the bonds outstanding method, over the terms of the related issues.

Contributions In Aid of Construction - Non refundable payments from customers and governmental agencies for the purpose of construction of utility plant, to which the City retains title, are capitalized, with no effect on revenues.

Deferred Charges - Expenditures for operation and maintenance which will benefit future periods are amortized over the periods benefited.

Retirement Plan - The City has a funded contributory retirement plan covering substantially all employees after specified periods of service and attainment of minimum age requirements. The annual contribution to the plan is accrued and expensed during the year in which the liability is incurred. The plan is administered by an insurance company as Trustee for the City.

NOTE 2 CASH IN FIRST NATIONAL BANK OF FAIRHOPE

Account balances in the First National Bank of Fairhope, Alabama at September 30, 1973 consisted of the following:

Electric Fund:		
Operations (See Below)	337,071.27	
Payroll	254.00	
Customer Deposit Savings	3,701.44	341,026.71

NOTE 2 CASH IN FIRST NATIONAL BANK OF FAIRHOPE (Continued)

Natural Gas Fund:		
Operations	1,191.35	
Gross Revenue	329.91	
Payroll	3.00	
Customer Deposit Savings	3,894.98	5,419.24
Water and Sewer Fund:		
Operations	6,469.25	
Improvement	5,666.78	
1972 - Sewer Project	43,182.43	
Customer Deposit Savings	2,372.42	57,690.88
TOTAL		404,136.83

The City issued $500,000 in General Obligation Electric Warrants on August 22, 1973 with the proceeds being deposited into the Electric Fund Operations Account. In October 1973 $350,000 was transferred from the Electric Fund Operations Account into a separate Electric Construction Savings Account.

NOTE 3 UTILITY RECEIVABLES

On December 1, 1972 a new procedure was adopted whereby the Electric Fund would purchase the Utility Receivables of the Natural Gas Fund and Water and Sewer Fund at each billing date. Customer payments for all utilities would therefore be accounted for in the Electric Fund with no customer receivables being recorded on the Natural Gas or Water and Sewer Funds.

NOTE 4 INVENTORIES

The Utility Funds' inventories of materials and supplies on hand, at September 30, 1973, were recorded in the accounts of the Funds, in accordance with generally accepted accounting principles. In prior years, materials and supplies were expensed or capitalized when purchased, and no provision was made to record inventories.

NOTE 5 INVESTMENTS

On March 28, 1973 the City purchased $300,000 of 6% 12 months certificates of deposit from the First National Bank of Fairhope, Alabama. These certificates were purchased from the proceeds of a $320,000 Special Obligation Bond Issue that was originally intended to be used during the current year for improvements to the sanitary sewer system.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

A. Electric Fund

During the current year, the City issued $500,000 in General Obligation Electric Warrants for the purpose of major additions to the electric system. This project started in early 1973 with the City's employees doing the work. The major additions with estimated cost are as follows:

110/44KV Substation	292,500.00
Distribution System Additions	132,100.00
Services to New Apartment Complex	53,500.00
Purchase of Lines inside City limit	85,400.00
Service to above lines	11,500.00
	575,000.00

As of September 30, 1973 approximately $180,000.00 had been disbursed for labor and materials for the above additions.

B. Water and Sewer Fund

During the current year the City completed the new sewage treatment plant at a total cost of $1,274,155.07. The City has also entered into contracts for the building of two new water wells and a transmission main in the amount of $332,795.08, with construction to begin in late 1973. Also, a sewer collection system has been proposed in the amount of $590,000.00, but no definite plans have been formulated for this construction.

In order to finance the above construction projects, the City issued, during the current year, $875,000.00 in Sewer and Water Revenue Bonds and $320,000.00 in Special Obligation Bonds. The City also received a $333,200.00 grant from the Environmental Protection Agency and expects to receive additional grants from the Environmental Protection Agency in the amount of $339,400.00 and from the Department of Housing and Urban Development in the amount of $334,600.00.

NOTE 7 ACCUMULATED DEPRECIATION

No provision had been made in the accounts of the Utility Funds for depreciation of property, plant and equipment for prior years. During the current year a procedure was adopted whereby depreciation would be recorded on the accounts of the Utility Funds and depreciation would be retroactively applied to prior years. The cumulative effect of a retroactive application of depreciation to prior years resulted in a charge to retained earnings of $1,360,177.08.

The rates used in recording depreciation of property, plant and equipment of the Utility Funds subject to depreciation are based on an annual straight line rate as follows:

Electric System	3.0%
Natural Gas System	2.5%
Water and Sewer System	2.5%
Vehicles and Equipment	12.5% to 16.7%

NOTE 8 CONTRACTS PAYABLE

Contracts Payable consisted of the following balances at September 30, 1973:

Martin Builders, Inc.	143,368.50
Carlos Well Supply Co.	8,280.00
	151,648.50

The payable to Martin Builders, Inc. is the final payment due on the construction contract for the new sewage treatment plant.

The payable to Carlos Well Supply Company is the final amount due for the drilling of test water wells.

NOTE 9 REFUNDS DUE CUSTOMERS

During the prior fiscal year, the City received a refund due to a rate adjustment from United Gas Pipeline Company. Included in this amount was $10,059.09 that was refundable to three major gas customers in accordance with contractual agreements. As of September 30, 1973 the $10,059.09 had not been refunded by the City to the three major gas customers.

NOTE 10 JOINTLY OWNED GAS LINES

Under a court decree, dated January 20, 1972, the City was ordered to pay the Town of Daphne, Alabama their pro rata share of net income from portions of natural gas distribution lines owned jointly by the City and the Town of Daphne. The Town of Daphne owns an undivided interest of 10% in a certain gas distribution line and 12.15% in another gas distribution line. The decree established the liability of the City to the Town of Daphne for prior years of $94,773.90 and established the method of computing the liability for future years operations. The balance of the liability for prior years at September 30, 1973 was $56,000.00, payable $4,000.00 per quarter with interest at 5% per annum on the unpaid principal balance. The liability for current years operations is $3,998.49 and is due December 31, 1973.

NOTE 11 LONG TERM DEBT

A. Electric Fund

1) General Obligation Electric Warrants — 500,000.00

The City issued $500,000.00 in General Obligation Warrants on August 22, 1973 for the purpose of making additions and improvements to the Electric system. The Warrants are to bear interest at the rate of 5.20% per annum, payable semi annually on January 1 and July 1. The Warrants are payable to the First National Bank of Fairhope and are to mature on July 1 in each of the years 1974 to 1988.

B. Natural Gas Fund

1. Liability to Town of Daphne, Alabama (See Note 10) — 40,000.00

2. Water, Gas and Sewer Revenue Bonds — 810,000.00

Issued December 1, 1961
Due Serially to December 1, 1991
Interest Rate Per Annum:
3 7/8% on 270,000.00
4% on 540,000.00
Interest Payable on June 1 and December 1
Principal Payable on December 1
Secured by a Statutory Lien on natural gas system and a pledge of revenues, after satisfaction of debt service requirement of the outstanding bond issues of the Water and Sewer Fund.

NOTE 11 LONG TERM DEBT (Continued)

C. Water and Sewer Fund

1. Water and Sewer Revenue Bonds - 1950 Series — 82,000.00
   Issued July 1, 1950
   Due Serially to July 1, 1980
   Interest Rate Per Annum:
   3½% on 82,000.00
   Interest Payable on January 1 and July 1
   Principal Payable on July 1
   Secured by a Statutory Lien on the water and sewer system and a pledge of revenues.

2. Water and Sewer Revenue Bonds - 1953 Series — 35,000.00
   Issued December 14, 1953
   Due Serially From 1982 to 1986
   Interest Rates Per Annum:
   4 3/4% on 35,000.00
   Interest Payable on January 1 and July 1
   Secured by a Statutory Lien on the system and a pledge of revenues - subordinate to 1950 Series.

3. Water and Sewer Revenue Bonds - 1972 Series — 875,000.00
   Issued December 1, 1972
   Due Serially to December 1, 1994
   Callable for redemption on December 1, 1982
   Interest Rates Per Annum:
   4½% to 5% - 435,000.00
   5% to 5 3/10% - 440,000.00
   Interest Payable on June 1 and December 1
   Principal Payable on December 1
   Secured by a Statutory Lien on the system and a pledge of revenues, subject to prior pledges of said revenues.

4. Alabama Pollution Control Finance Authority - Special Obligation Bonds - 1973 Series — 320,000.00
   Issued January 1, 1973
   Due Serially to January 1, 1989
   Callable for redemption on January 1, 1983

NOTE 11 LONG TERM DEBT (Continued)

4. Alabama Pollution Control Finance Authority - Special Obligation Bonds - 1973 Series (Cont'd)
   Interest Rates Per Annum:
   5½% on $180,000.00
   5% on 140,000.00
   Interest Payable on January 1 and July 1
   Principal Payable on January 1
   Secured by a valid special pledge of the net sewer revenues, subject to all prior pledges.

D. Summary of Long Term Debt

Electric Fund		500,000.00
Natural Gas Fund		850,000.00
Water and Sewer	1,312,000.00	
Less: Unamortized Discount	7,619.80	1,304,380.20
TOTAL LONG TERM DEBT		2,654,380.20

NOTE 12 CHANGE IN REVENUE RATES

A. Electric Fund

The City, effective January 1, 1973, increased its rates to customers for electric service by approximately 10% overall. The new rates resulted in a decrease for residential service and an increase for commercial and industrial service.

B. Water and Sewer Fund

The City, effective November 1, 1972 and amended April 1, 1973, increased its rates to customers for water and sewer service by approximately 50% for water service and 125% for sewer service.

NOTE 13 INSURANCE COVERAGE

The insurance coverage of the City applicable to the Utility Funds is as follows:

Buildings, Structures and Contents	
Fire and Extended Coverage	634,562
Automobiles and Trucks	
Liability:	
Bodily Injury	50/100M
Property Damage	10M
Comprehensive:	
Fire, Lightning and Theft	ACV
General Liability	
Bodily Injury	500M
Property Damage	500M
Workmens Compensation	Standard
	Add'n 10M
	Medical
Fidelity Bonds	5,000

NOTE 14 LITIGATION

Correspondance with the City's attorney concerning the existence of any litigation revealed two suits pending against the City, that in the opinion of legal counsel, pose no liability to the funds of the City, because insurance coverage is sufficient to cover any liability which may arise.

NOTE 15 DISCLOSURES

The financial statements in this report are those of the City of Fairhope's Utility Funds only and do not include the assets and liabilities or revenues and expenditures of the General Government of the City of Fairhope.

We have previously examined and reported on the prior year's financial statements that are included in this report for comparative purposes. The prior year's statements are subject to the notes and comments contained in the report for that year.

NOTE 16 INFORMATION REQUIRED BY BOND INDENTURES

	Natural Gas Fund	Water and Sewer Fund
A. Changes during year in Utility Plant:		
Balance, October 1, 1972	1,247,923.15	2,087,243.69
Cost of Extensions (work done by City employees):		
Capitalized Labor	29,224.32	24,881.20
Materials	21,277.25	28,908.41
Construction Period Interest Capitalized	-0-	37,484.15
New Sewage Treatment Plant and other contracted construction during year	-0-	740,141.21
Vehicles and Equipment Purchased	1,011.45	8,596.43
Less: Retirement of old Sewage Plant		(47,500.00)
Removal of office equipment	(3,559.42)	(4,318.64)
Balance September 30, 1973 Before Accumulated Depreciation	1,295,876.75	2,875,436.45
B. The following information provided by City employees:		
Number of Customers	3937	2496
Number of Metered Customers	3937	2469
Number of Unmetered Customers	-0-	27
Number of Sewer Connections		2110

C. All requirements of the bond indentures appear to have been complied with by the City.