



# Memo

To: South Padre Island Economic Development Corporation Board of Directors  
From: Rodrigo Gimenez, Senior Accountant  
City of South Padre Island  
CC: Darla Lapeyre  
Date: April 11, 2011  
Re: March 2011 Operating Statement

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The March 2011 Operating Statement for the South Padre Island Economic Development Corporation as well as the Balance Sheet as of March 31, 2011 are attached for your review. Transactions summarized in the statements are those processed through the Finance Department of the City. The financial statements reflect a charge for the gift shop cost of goods sold and the inventory value for the Birding Center. The inventory value at month end is furnished to us and the cost of goods sold cost is calculated based on actual purchases and the difference between the beginning and ending inventory values supplied by EDC staff.

The loan that was approved through the Revolving Loan Program was in the amount of \$28,000, which was transferred into the Lone Star checking account. The amount EDC wired out for loan disbursement was \$27,900 so that the Lone Star bank account could remain open, The difference of \$100 was subtracted from the attorney's fee at closing resulting in a total of \$28,000 being loaned to Isla Tours, per Reyna & Associates.

The fiscal 2011 approved budget utilized the estimated ending fund balance at the time the budget was prepared for fiscal 2011. The amount estimated in May and June when the budget was prepared was \$130,000. The current ending fund balance amount is \$124,285 at September 30, 2010.

Sales Tax amounts include the February tax collections sent to the State of Texas in March and distributed to local governments in April. This April allocation payment is accrued for financial statement presentation purposes in the March operating statement.

The March operating statement also contains a summary for the City of South Padre Island's Beach Nourishment Fund reflecting an update of transactions for the year ended September 30, 2011.

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Please contact me at [rgimenez@MYSPI.org](mailto:rgimenez@MYSPI.org) at your earliest convenience should you have any questions.

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**City of South Padre Island**  
**Economic Development Corporation**  
**Balance Sheet**  
**March 31, 2011/2010**

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$4,910	\$88,139
Receivables - Sales Tax	\$36,251	\$37,043
Revolving Loan Receivable	\$27,900	\$0
Gift Shop Inventory	\$13,475	\$10,804
Due From General Fund	\$0	\$0
Due from EDC Debt Service	\$0	\$0
Prepaid Items	\$0	\$0
<b>TOTAL ASSETS</b>	<b>\$82,536</b>	<b>\$135,985</b>

<b>Liabilities and Fund Balances</b>		
Accounts Payable	\$0	\$10,543
Sales Tax Payable	\$754	\$2,232
Due to General Fund	\$0	\$5,609
Due to EDC Debt Service	\$0	\$0
Due to Convention Center Fund	\$0	\$0
Reserved for Encumbrances	\$1,362	\$0
Other liabilities	\$0	(\$60)
Deferred Revenue	\$0	\$0
Total Liabilities	\$2,116	\$18,324
Fund Balance	\$80,420	\$117,661
Total Liabilities and Fund Balance	\$82,536	\$135,985

**City of South Padre Island**  
**Economic Development Corporation**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Six Months ended March 31, 2011 & 2010**

	2011		2010
	Budget	Actual	Actual
<b><u>REVENUES</u></b>			
Sales Tax	\$213,555	\$206,383	\$203,447
USDA Grant Revenue	\$0	\$9,000	\$254
Interest Revenue	\$0	\$114	\$0
Birding Center Donations	\$21,000	\$40,675	\$0
Birding Center Admission Fees	\$91,659	\$75,634	\$71,311
Birding Center Gift Shop Sales	\$91,938	\$47,922	\$45,219
Birding Center Rental Fees	\$4,312	\$5,948	\$966
Miscellaneous Revenues	\$0	\$115	\$19
Gross Revenues	\$422,464	\$385,791	\$321,216
Cost of Gift Shop Sales	\$44,309	\$27,117	\$10,515
Operating Revenues	\$378,155	\$358,674	\$310,701
<b><u>EXPENDITURES</u></b>			
General Administrative Expenses	\$302,366	\$257,385	\$257,984
Birding Center Expenses	\$162,382	\$145,154	\$120,994
Total Expenditures	\$464,747	\$402,539	\$378,978
Excess (Deficiency) of Revenues Over			
(Under) Expenditures	(\$86,592)	(\$43,865)	(\$68,277)
Fund balance - beginning	\$124,285	\$124,285	\$185,938
Fund balance - ending	\$37,693	\$80,420	\$117,661



## MEMORANDUM

DATE: April 11, 2011  
 TO: EDC Board of Directors  
 FROM: Rodrigo Gimenez  
 SUBJECT: Financial Report for the Six Months Ended March 31, 2011

	Current Month			YEAR TO DATE			Annual Budget			BUDGET
	Actual	Budget	Variance	Actual	Budget	Variance	ORIGINAL BUDGET	AMENDED BUDGET	REMAINING BUDGET	PERCENT REMAINING
POSTAGE	64	100	36	64	350	286	800	800	736	92.01%
MINOR TOOLS & EQUIP.	1,162	300	(862)	1,879	1,300	(579)	3,000	3,000	1,121	37.37%
TELEPHONE	679	800	121	3,980	4,165	185	9,000	9,000	5,020	55.78%
TRAINING EXPENSE	0	0	0	0	0	0	0	0	0	
CREDIT CARD FEES	460	200	(260)	2,458	1,830	(628)	3,000	3,000	542	18.06%
PROFESSIONAL SVCS	0	295	295	441	500	59	500	500	59	11.77%
SERVICE CONTRACTS	2,172	3,500	1,328	14,748	21,626	6,878	43,296	43,296	28,548	65.94%
ADVERTISING	1,688	1,500	(188)	4,497	5,574	1,077	10,000	10,000	5,503	55.03%
TRAVEL	1,236	0	(1,236)	1,236	1,000	(236)	1,000	1,000	(236)	-23.58%
DUES & MEMBERSHIPS	70	0	(70)	120	0	(120)	0	0	(120)	
PROMOTIONS	0	0	0	0	0	0	0	0	0	
INSURANCE	0	0	0	40,353	42,825	2,472	60,000	60,000	19,647	32.75%
ELECTRICITY	1,837	1,400	(437)	11,253	12,600	1,347	24,000	24,000	12,747	53.11%
WATER, SEWER AND GARBAGE	965	560	(405)	5,754	6,663	909	10,000	10,000	4,246	42.46%
LAUNDRY & JANITORIAL	(5)	230	235	577	1,141	564	2,500	2,500	1,923	76.92%
MACHINERY AND EQUIPMENT PURCHASES	0	0	0	0	500	500	1,000	1,000	1,000	100.00%
<b>TOTAL BIRDING CENTER GENERAL ADMINISTRATIVE EXPENSES</b>	<u>24,950</u>	<u>23,160</u>	<u>(1,790)</u>	<u>145,154</u>	<u>162,382</u>	<u>17,228</u>	<u>292,260</u>	<u>292,260</u>	<u>147,106</u>	<u>50.33%</u>
<b>BIRDING CENTER INCOME (LOSS) FROM OPERATIONS</b>	<u>(5,028)</u>	<u>25,715</u>	<u>(30,743)</u>	<u>(1,976)</u>	<u>2,218</u>	<u>(4,194)</u>	<u>82,740</u>	<u>82,740</u>	<u>84,716</u>	
<b>TOTAL EDC REVENUES OVER (UNDER) EXPENSES</b>	<u>(4,707)</u>	<u>38,456</u>	<u>(43,163)</u>	<u>(43,865)</u>	<u>(86,593)</u>	<u>42,728</u>	<u>0</u>	<u>0</u>	<u>43,865</u>	

## FUND BALANCE:

BEGINNING BALANCE October 1, 2010	\$124,285
ACTUAL REVENUES	358,675
AVAILABLE RESOURCES	482,960
EXPENDITURES	(402,540)
ENDING FUND BALANCE, March 31, 2011	<u>\$80,420</u>

**NOTE: Beginning Fund Balance is based on September 30, 2010 Unaudited Financial Statements**

## BEACH NOURISHMENT FUND:

Fund Balance September 30, 2010	\$1,484,548
Hotel Occupancy Tax	49,288
Interest	0
Transfers In - Town SPI	0
General Land Office Grants	0
Transfers In - EDC	0
Expenditures Sand Source Study	0
Expenditures other than Sand Source Study	(606,266)
Fund Balance (UNAUDITED), March 31, 2011	<u>\$927,570</u>

\* Interest includes Debt Service Fund and Debt Service Reserve Account Interest Earnings as well as earnings from the Birding Center Bond Proceeds. Only interest earned in the Operating Fund (Fund 80) is included in the Fund Balance Computation.

Operating Account (Fund 80)	88	0
Debt Service Fund (Fund 52)	0	0
Debt Service Reserve Fund (Fund 58)	212	0
Birding Center Construction Fund (Fund 85)	3	0
	<u>\$303 *</u>	<u>\$0</u>

This report reflects transactions recorded for the Month of March 2011 with the exception of Sales Tax Revenue. Sales Tax Revenue received in April 2011 for February 2011 sales by merchants in the amount of \$36,250.98 is included in revenue for the March 2011 report.