



Memo

To: South Padre Island Economic Development Corporation Board of Directors
From: Beth Free, CFO
City of South Padre Island
CC: Darla Lapeyre
Date: September 12, 2011
Re: August 2011 Operating Statement

The August 2011 Operating Statement for the South Padre Island Economic Development Corporation as well as the Balance Sheet as of August 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 is calculated based on actual purchases and the difference between the beginning and ending inventory values supplied by EDC staff.

These figures are as of August 31. In September, funds in the amount of \$70,000 were transferred to the general fund to cover EDC bills that were paid. In addition \$25,050.25 of the \$100,972 cash is funds that are reserved for the USDA Loan program. \$3,768.64 is funds that are in the First National bank that is for the birding center, \$600 is petty cash and change used for the cash registers at the birding center leaving a balance of \$1,552 in EDC cash. In addition, the birding center has deposited approximately \$3,647 from sales in September.

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 July tax collections sent to the State of Texas in August and distributed to local governments in September. This September allocation payment is accrued for financial statement presentation purposes in the August operating statement.

The August 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.

"A Certified Retirement Community"



Please contact me at bfree@MYSPI.org at your earliest convenience should you have any questions.

“A Certified Retirement Community”

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

Assets	2011	2010
Cash and cash equivalents	\$100,972	\$109,217
Receivables - Sales Tax	\$102,639	\$81,221
Revolving Loan Receivable	\$108,397	\$0
Gift Shop Inventory	\$16,784	\$19,300
Due From General Fund	\$0	\$0
Due from EDC Debt Service	\$0	\$0
Prepaid Items	\$29,474	\$22,201
TOTAL ASSETS	\$358,265	\$231,939

Liabilities and Fund Balances		
Accounts Payable	\$0	\$10,543
Sales Tax Payable	\$492	\$507
Due to General Fund	\$32,901	\$0
Due to EDC Debt Service	\$0	\$0
Due to Convention Center Fund	\$0	\$0
Reserved for Encumbrances	\$0	\$0
Other liabilities	\$0	\$0
Deferred Revenue	\$0	\$0
Total Liabilities	\$33,393	\$11,050
Fund Balance	\$324,872	\$220,889
Total Liabilities and Fund Balance	\$358,265	\$231,939

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

	2011		2010
	Budget	Actual	Actual
<u>REVENUES</u>			
Sales Tax	\$493,049	\$561,665	\$526,350
USDA Grant Revenue	\$0	\$114,150	\$0
Interest Revenue	\$0	\$593	\$437
Birding Center Donations	\$51,425	\$48,175	\$5,000
Birding Center Admission Fees	\$147,518	\$152,591	\$128,292
Birding Center Gift Shop Sales	\$99,295	\$90,571	\$79,910
Birding Center Rental Fees	\$14,548	\$10,350	\$1,059
Birding Center Program Revenue	\$1,500	\$8,250	\$0
Miscellaneous Revenues	\$326	\$352	\$37
Revenues	<u>\$807,661</u>	<u>\$986,696</u>	<u>\$741,085</u>
<u>Cost of Goods Sold:</u>			
Cost of Gift Shop Sales	\$50,598	\$48,554	\$26,726
Gross Margin	<u>\$757,063</u>	<u>\$938,142</u>	<u>\$714,359</u>
<u>EXPENDITURES</u>			
General Administrative Expenses	\$498,268	\$452,121	\$474,006
Birding Center Expenses	\$285,627	\$285,434	\$205,402
Total Expenditures	<u>\$783,895</u>	<u>\$737,555</u>	<u>\$679,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$26,832)	\$200,587	\$34,951
Fund balance - beginning	\$124,285	\$124,285	\$185,938
Fund balance - ending	<u>\$97,453</u>	<u>\$324,872</u>	<u>\$220,889</u>

MEMORANDUM

DATE: September 12, 2011
 TO: EDC Board of Directors
 FROM: Beth Free
 SUBJECT: Financial Report for the Eleven Months Ended August 31, 2011

	Current Month			YEAR TO DATE			Annual Budget			BUDGET
	Actual	Budget	Variance	Actual	Budget	Variance	ORIGINAL BUDGET	AMENDED BUDGET	REMAINING BUDGET	PERCENT REMAINING
REVENUES										
SALES TAX	102,639	86,000	16,639	561,665	493,049	68,616	575,000	575,000	13,335	2.32%
USDA GRANT REVENUE	0	0	0	114,150	0	114,150	0	0	(114,150)	
INTEREST REVENUE	65	0	65	593	0	593	0	0	(593)	
TOTAL REVENUES	102,704	86,000	16,704	676,407	493,049	183,358	575,000	575,000	(101,407)	-17.64%
EST. CARRYOVER FROM PRIOR YR										
TOTAL REVENUES & CARRYOVER	102,704	86,000	16,704	676,407	493,049	183,358	575,000	575,000	(101,407)	
GENERAL ADMINISTRATIVE EXPENSES										
PERSONNEL SERVICES	7,352	6,100	(1,252)	61,737	62,418	681	68,518	68,518	6,781	9.90%
OFFICE SUPPLIES	39	270	231	1,041	1,730	689	2,000	2,000	959	47.93%
LOCAL MEETINGS	287	136	(151)	309	564	255	700	700	391	55.89%
BOOKS & PUBLICATIONS	0	78	78	184	422	238	500	500	316	63.14%
POSTAGE	0	115	115	47	485	438	600	600	553	92.17%
MINOR TOOLS & EQUIP.	0	0	0	1,515	2,900	1,385	2,500	2,900	1,385	47.75%
TELEPHONE	83	170	87	1,811	2,130	319	2,300	2,300	489	21.28%
TRAINING EXPENSE	0	109	109	229	540	311	650	650	421	64.77%
PROFESSIONAL SVCS	1,906	1,684	(222)	14,621	16,566	1,945	8,000	18,250	3,629	19.88%
ADVERTISING	150	997	847	2,668	4,003	1,335	5,000	5,000	2,332	46.64%
TRAVEL	0	220	220	0	880	880	3,000	1,100	1,100	100.00%
PROMOTIONS	0	461	461	1,045	2,539	1,494	3,000	3,000	1,955	65.17%
DUES & MEMBERSHIPS	0	350	350	3,050	3,650	600	4,000	4,000	950	23.75%
RENTAL	0	0	0	0	0	0	0	0	0	0.00%
INSURANCE	0	0	0	0	0	0	0	0	0	0.00%
BIRDING PLAN & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0.00%
LOBBYIST	0	0	0	15,646	15,646	(0)	39,000	15,646	(0)	0.00%
ECONOMIC ACTIVITY INDEX	0	0	0	0	4,400	4,400	4,400	4,400	4,400	100.00%
USDA RBEG	0	6,900	6,900	17,500	35,100	17,600	42,000	42,000	24,500	0.00%
BEACH NOURISHMENT	0	0	0	0	0	0	50,000	0	0	0.00%
TRANSFER FOR BOND PAYMENT	29,826	29,826	0	328,086	328,086	0	357,911	357,911	29,825	8.33%
MARINE SCIENCE CENTER	0	1,718	1,718	2,631	8,281	5,650	50,000	10,000	7,369	73.69%
OTHER PROJECTS	0	1,982	1,982	0	7,928	7,928	13,661	9,911	9,911	100.00%
TOTAL EXPENDITURES GENERAL ADMINISTRATIVE EXPENSES	39,643	51,116	11,473	452,121	498,268	46,147	657,740	549,386	97,265	17.70%
ADMINISTRATIVE OPERATING RESULTS	63,061	34,884	28,177	224,287	(5,219)	229,506	(82,740)	25,614	(198,673)	
BIRDING CENTER OPERATIONS										
REVENUES										
BIRDING CENTER ADMISSION FEES	10,980	14,000	(3,020)	152,591	147,518	5,073	185,000	160,000	7,409	4.63%
BIRDING CENTER GIFT SHOP SALES	5,965	10,000	(4,035)	90,571	99,295	(8,724)	200,000	110,000	19,429	17.66%
BIRDING CENTER DONATIONS	0	1,000	(1,000)	48,175	51,425	(3,250)	75,000	75,000	26,825	35.77%
EVENTS/PROGRAMS	1,500	500	1,000	8,250	1,500	6,750	0	2,000	-6,250	-312.50%
MISCELLANEOUS REVENUES	4	0	4	352	326	26	0	500	148	29.62%
BIRDING CENTER RENTAL FEES	1,527	2,000	(473)	10,350	14,548	(4,198)	15,000	16,500	6,150	37.27%
REVENUES	19,976	27,500	(7,524)	310,289	314,612	(4,323)	475,000	364,000	53,711	
COST OF GIFT SHOP SALES	3,631	5,000	1,369	48,554	50,598	2,044	100,000	55,000	6,446	11.72%
NET BNC REVENUES	16,345	22,500	(6,155)	261,735	264,014	(2,279)	375,000	309,000	47,265	15.30%
BIRDING CENTER GENERAL ADMINISTRATIVE EXPENSES										
PERSONNEL SERVICES	15,401	12,605	(2,796)	116,712	120,668	3,957	122,764	133,273	16,562	12.43%
OFFICE SUPPLIES	416	200	(216)	4,170	2,704	(1,466)	1,300	2,949	(1,221)	-41.41%
LOCAL MEETINGS	82	100	18	100	100	0	100	100	0	0.02%

MEMORANDUM

DATE: September 12, 2011
 TO: EDC Board of Directors
 FROM: Beth Free
 SUBJECT: Financial Report for the Eleven Months Ended August 31, 2011

	Current Month			YEAR TO DATE			Annual Budget			BUDGET
	Actual	Budget	Variance	Actual	Budget	Variance	ORIGINAL BUDGET	AMENDED BUDGET	REMAINING BUDGET	PERCENT REMAINING
BOOKS & PUBLICATIONS	0	0	0	0	0	0	0	0	0	
POSTAGE	0	656	656	143	780	637	800	800	657	82.16%
MINOR TOOLS & EQUIP.	558	200	(358)	3,701	3,192	(509)	3,000	3,592	(109)	-3.02%
TELEPHONE	814	860	46	8,226	8,126	(100)	9,000	9,000	774	8.60%
TRAINING EXPENSE	0	0	0	0	0	0	0	0	0	
CREDIT CARD FEES	483	420	(63)	4,764	4,612	(152)	3,000	5,032	268	5.32%
PROFESSIONAL SVCS	0	0	0	441	500	59	500	500	59	11.77%
BLDGS & STRUCTURES-BOARDWALK	50	0	(50)	1,004	0	(1,004)	0	0	0	
SERVICE CONTRACTS	3,157	4,400	1,243	40,276	44,760	4,484	43,296	49,060	8,784	17.91%
ADVERTISING	2,060	503	(1,557)	9,039	10,000	961	10,000	10,000	961	9.61%
TRAVEL	100	1,500	1,400	1,386	3,736	2,350	1,000	3,736	2,350	62.91%
DUES & MEMBERSHIPS	0	0	0	120	120	0	0	120	0	
PROMOTIONS	0	250	250	0	1,000	1,000	0	1,000	1,000	100.00%
INSURANCE	0	0	0	51,581	49,853	(1,728)	60,000	49,853	(1,728)	-3.47%
RENTAL-EVENTS/PROGRAMS EXPENSE	3,000	0	(3,000)	6,450	0	(6,450)	0	0	(6,450)	
ELECTRICITY	2,112	2,500	388	21,430	22,115	685	24,000	24,000	2,570	10.71%
WATER, SEWER AND GARBAGE	1,689	1,040	(649)	14,609	11,434	(3,175)	10,000	12,474	(2,135)	-17.12%
LAUNDRY & JANITORIAL	113	350	237	1,283	1,927	644	2,500	2,500	1,217	48.67%
MACHINERY AND EQUIPMENT PURCHASES	0	0	0	0	0	0	1,000	1,000	1,000	100.00%
TOTAL BIRDING CENTER GENERAL										
ADMINISTRATIVE EXPENSES	30,034	25,584	(4,450)	285,434	285,627	193	292,260	308,989	23,555	7.62%
BIRDING CENTER INCOME (LOSS) FROM OPERATIONS	(13,690)	(3,084)	(10,606)	(23,700)	(21,613)	(2,087)	82,740	11	23,711	
TOTAL EDC REVENUES OVER (UNDER) EXPENSES	49,371	31,800	17,571	200,587	(26,832)	227,419	0	25,625	(174,962)	

FUND BALANCE:

BEGINNING BALANCE October 1, 2010	\$124,285
ACTUAL REVENUES	938,142
AVAILABLE RESOURCES	1,062,427
EXPENDITURES	(737,555)
ENDING FUND BALANCE, August 31, 2011	\$324,872

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	285,749
Interest	0
Transfers In - Town SPI	0
General Land Office Grants	0
Transfers In - EDC	0
Expenditures-Erosion Response Plan	(20,309)
Expenditures other than Erosion Response Plan	(788,947)
Fund Balance (UNAUDITED), August 31, 2011	\$961,042

* 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)	65	0
Debt Service Fund (Fund 52)	2	0
Debt Service Reserve Fund (Fund 58)	196	0
Birding Center Construction Fund (Fund 85)	0	0
	<u>\$263</u> *	<u>\$0</u>

This report reflects transactions recorded for the Month of August 2011 with the exception of Sales Tax Revenue. Sales Tax Revenue received in September 2011 for July 2011 sales by merchants in the amount of \$102,638.94 is included in revenue for the August 2011 report.