

## FINANCIAL SUMMARY

The Associations remained in excellent financial condition during 2008. As a result of the residents' vote to expand the boundaries of The Woodlands Township, a portion of sales taxes collected within the Township was available to fund certain fire department activities, thus enabling the Associations to reduce the assessment rates accordingly.

The Woodlands Community Association generated annual assessment revenues sufficient to fund its operations and new capital requirements while lowering the assessment rate to return funds previously held in reserve for contingencies and capital renovations. The Association's assessment rate was lowered by 28.0 cents to \$0.14 per \$100 assessed valuation in 2008.

The Woodlands Association also generated sufficient annual assessment revenues to fund its operations, and borrowed monies only for a portion of its contribution towards new park and pathway development. The Association lowered its assessment rate by 7.0 cents in 2008 to \$0.385 per \$100 assessed valuation.

The Woodlands Commercial Owners Association's assessment revenues funded all operating and capital requirements. The Association lowered its assessment rate by 6.0 cents in 2008 to \$0.33 per \$100 assessed valuation.

The annual independent auditor's report, prepared by Blazek & Vetterling, LLP, states that the financial statements present fairly, in all material respects, the financial position and the changes in net assets and cash flows for the year ended December 31, 2007,



in conformity with generally accepted accounting principles. An independent audit of the Associations' financial transactions in 2008 will be completed during the first half of 2009.

## REVENUES

The Woodlands Community Association generated \$8.7 million in revenue in 2008. Of this amount, \$5.4 million was collected through property assessments and \$2.4 million was realized on the sale of its office building. The Woodlands Community Association's assessed property values totaled \$3.8 billion for 2008.

The Woodlands Association generated \$17.6 million in revenue in 2008. Of this amount, \$16.7 million was collected through property assessments. The Woodlands Association's assessed property values totaled \$4.6 billion for 2008.

The Woodlands Commercial Owners Association generated \$2.6 million in revenue in 2008. Of this amount, 98

percent was collected through property assessments. The Woodlands Commercial Owners Association's assessed property values totaled \$1.2 billion for 2008.

## USE OF FUNDS

The expenditures depicted in the Uses of Funds graphs include capital asset acquisitions, costs incurred directly by the Association, and allocated expenses of The Woodlands Fire Department, The Woodlands Recreation Center and The Woodlands Community Service Corporation.

The Woodlands Community Association expended \$1.3 million for capital projects in 2008. This total includes \$1.1 million for park improvements and \$190,000 for pathway projects.

The Woodlands Association expended \$1.1 million for capital projects in 2008. This total includes \$720,000 for new park development and improvements to existing facilities, and \$380,000 for pathway projects.

The Woodlands Commercial Owners Association did not fund any capital projects in 2008.

## DEBT

The Woodlands Community Association maintained a debt balance of \$0 throughout 2008.

The Woodlands Association's debt balance was \$0 at December 31, 2008, having repaid borrowings on its line of credit by year-end.

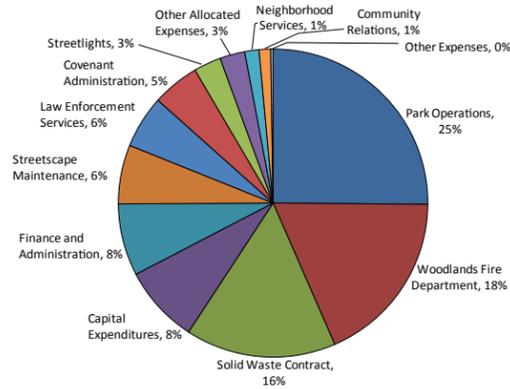
The Woodlands Commercial Owners Association did not incur debt during 2008.



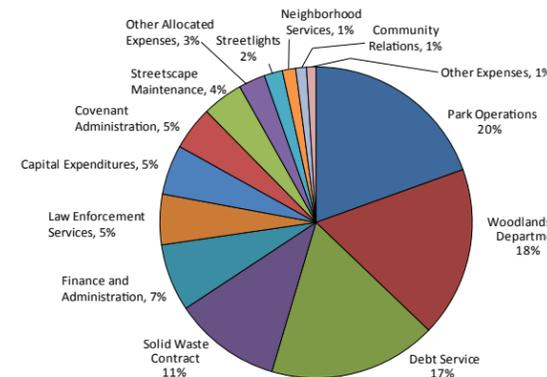
Call the Community Associations of The Woodlands, Texas, at 281.210.3800, or visit [www.thewoodlandsassociations.org](http://www.thewoodlandsassociations.org).

John K. Powers and Chief Alan B. Benson  
Co-Interim General Managers

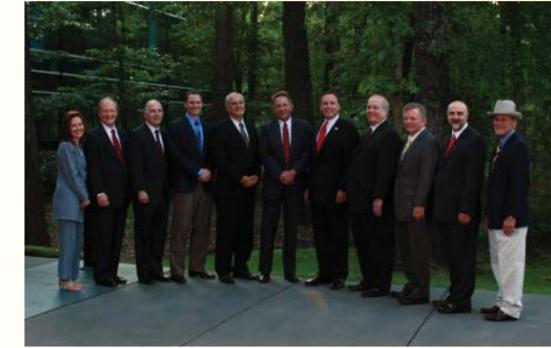
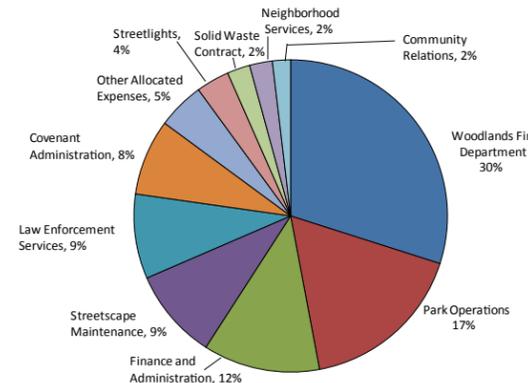
### The Woodlands Community Association, Inc. 2008 Uses of Funds \$15,873,024 (unaudited)



### The Woodlands Association, Inc. 2008 Uses of Funds \$21,049,950 (unaudited)



### The Woodlands Commercial Owners Association, Inc. 2008 Uses of Funds \$2,227,629 (unaudited)



The Woodlands Community Association  
2008 Board of Directors

L to R: Deborah Sargeant, Tom Campbell, Richard Derr, Skeeter Hubert, Jeff Long, Rich Jakovac, Bruce Tough, George Van Horn, Walter Cooke, Stuart Schroeder, Royce Christian.  
Not pictured: Peggy Hausman and John Leftwich.



The Woodlands Association  
2008 Board of Directors

L to R, standing: Buck Driggers, Randy Davis, Arthur Bredehoft, Debra Staley, Robert Bruce, Anthony Fasone, Ted Stanley.  
Seated: Lloyd Matthews, Joel Deretchin, Claude Hunter.



The Woodlands Commercial Owners Association  
2008 Board of Directors

L to R: Greg Jordan, Dan Leverett, Joel Deretchin, Steve Sanders, Boyd Burdett.



COMMUNITY ASSOCIATIONS  
OF THE WOODLANDS, TEXAS

# Annual Report 2008



Keeping the Hometown Vision Alive

## INTRODUCTION

As an unincorporated community, many, but not all, municipal-type services are provided through the three community associations: **The Woodlands Community Association, The Woodlands Association or The Woodlands Commercial Owners Association.** These three associations set the standard for the way of life in The Woodlands.

Funded by annual assessments, the Associations provide, or contract for others to provide, essential services, including covenant enforcement, emergency medical services, fire protection, garbage, yardwaste and recycling collection, parks and recreation programs and activities, swimming pools, neighborhood watch and many other services and programs.

## QUALITY SERVICES AND FACILITIES

Together, the Associations, in partnership with The Woodlands Township, opened The Woodlands Fire

Department Station 6 and The Woodlands Emergency Training Center.

The training center is a state-of-the-art facility that will meet the preparedness and development needs of regional entities in the area of emergency management and response.

The Woodlands Community Association implemented the first phase of an accelerated capital improvement plan that included drinking fountain improvements at 12 parks, lights at the Bear Branch Dog Park, deck improvements to Bear Branch and Falconwing Pools and several pathway bridge improvements. In addition, The Woodlands Community Association opened a rest room and concession stand at Bear Branch Sportfields, resurfaced Ridgewood Park tennis courts, and replaced neighborhood entrance signs at Creekside, North Turnstone, Pebble Hollow and Turnstone.

The Woodlands Association, in partnership with The Woodlands Development

Company, opened the Rob Fleming Family Aquatic Center in 2008. The aquatic center includes a meandering 500-foot lazy river, a two-story flume slide for tubing, an interactive



play structure with sprays, nozzles, knobs, ropes, staircases, a slide, and a 150-gallon dump bucket, three-lane swimming pool, and plenty of chaise lounges, beach chairs, and huge umbrellas for shade.

These parks and pathways are the latest additions to the community's park and pathway network of 112 parks and 180 miles of pathway.

The Woodlands Commercial Owners Association continued planning for its second park, Riva Row Park, to include a boat house in 2009.

The Woodlands Fire Department continues to serve the community with a full-service fire department that answered more than 5,700 calls in 2008.

The Woodlands Recreation Center continued to implement its business model to reduce its subsidy from the Associations. In addition, the aquatic staff and lifeguards earned numerous awards in 2008.

## HEALTHY, VIBRANT NEIGHBORHOODS

### Safe and Healthy Neighborhoods

The Associations helped residents with more than 4,000 applications for home improvements and resolution of more than 6,000 incidents of noncompliance with the Covenants. More than 3,700 walk-in customers were assisted. Thirty-two percent of noncompliance issues occurred in the areas of home and yard maintenance and inappropriate storage of trash and debris. The Associations held a Community Involvement Day in Red Cedar Circle. Departments distributed

beneficial information to improve property maintenance.

The Associations' Park Rangers reached more than 5,000 users in the parks, counted more than 88,000 visits, reported almost 2,000 repair requests and attended almost 100 community events. Park Rangers assist park visitors by providing information, direction and support to enrich the experiences in parks and on pathways.

### Foster a Sense of Community

Once again, the Associations' Woodlands Watch program was honored for its outstanding participation in National Night Out, placing in the top five percent in the nation in the 30,000 to 99,999 population category. Nearly 200 new coordinators were recruited in 2008 along with more than 1,850 new Watch members. WoodlandsAlert, an electronic notification system, also began in 2008.

The Associations provide information to the Village Associations through the Village Liaison Program and promote campus safety through the Campus Watch program. The Associations also promote events and programs for seniors. In all, the Associations participated in more than 250 meetings or presentations on Neighborhood Services, crime prevention and community education outreach programs to promote public safety.

### Preserve the Natural Environment and Master Plan

The Associations partnered with numerous community entities and volunteers to provide environmentally-conscious programs, including the *Walk in the Woods* Nature Lecture Series, and the annual



gardening event, Woodlands Landscaping Solutions, along with six composting classes. The Associations continued to promote water conservation education with the Municipal Utility Districts.

The Associations continued to support the annual Walk-to-School program at eight area schools. This was the seventh year for the program, which promotes walking and biking to school to enhance health and improve air quality and the environment. Fourteen corporate sponsors helped the Associations sponsor the annual Earth Day festival, held at The Woodlands High School.

### Professional Workforce

The Woodlands Community Service Corporation and The Woodlands Fire Department hired 54 new employees and promoted 50 employees. The turnover rate decreased by three percent over the preceding year and was 11.75 percent for 2008 with 35 employees leaving the organization. Including professional firefighters and lifeguards, the Service Corporation employs a total of 574 employees, 281 of whom are seasonal employees.

## Innovative Leadership, Strategic Planning & Strategic Alliances

In September 2008, Hurricane Ike brought devastation to the Houston region, but spared The Woodlands from major damage. Due to pre-arranged partnerships among different public agencies, volunteer organizations and private companies, The Woodlands area residents benefited from a South County Emergency Operations Center (EOC). Led by The Woodlands Fire Department and the City of Shenandoah, along with the Community Associations, the Township, the County, the Joint Powers Agency, Interfaith and state legislators, the Emergency Operations Center met three times daily throughout the storm and its aftermath and illustrated the spirit of community and cooperation that exists in Montgomery County. The EOC coordinated the clearing of trees, emergency calls, a telephone call center for residents, assessed and responded to damage and provided daily updates to the media.



## COMMUNITY RELATIONS AND COMMUNICATIONS

### Commitment to fair, honest, caring representation with open communication

The Associations are committed to two-way communication with residents. There are numerous opportunities to communicate with the Associations. The Resident Survey, which was conducted in Fall 2008, provides the Associations with information on resident perceptions of the services as well as a measurement tool for strategic planning and budgeting purposes. Residents consistently rate the Associations' services very highly.

Public meetings are another way for residents and the Associations to communicate with each other. All Association board meetings, committee meetings and many others are open to the public, with agendas posted on the Web site. More than 700 agendas and minutes were posted on the Web site in 2008.

The Associations' Web site provides numerous

phone numbers and e-mail addresses to further facilitate communication. Residents sign up on the Web site to receive quarterly newsletters. In 2008, the newsletter had nearly 1,600 subscribers. The Associations also offer an online citizen request management program allowing citizens to make service requests 24 hours a day through the Web site by clicking *Service Request*. More than 5,200 requests were received online in 2008.

Last, but not least, is the Associations' official monthly publication, *The Woodlands Community Magazine*. This magazine, direct-mailed to all homes and apartments in The Woodlands, is supported by advertising and is rated highly by residents.

## FINANCIAL STABILITY

### Provide Attentive Service with the Best Value

The Associations strive to provide the highest-quality services with the best value for residents. Please see the back panel for financial highlights. More detail is also available at [www.thewoodlandsassociations.org](http://www.thewoodlandsassociations.org), under *Assessment Information*.

## VISION

We will keep the hometown vision alive and lead the community in perpetuating the values that make The Woodlands the most desirable community in which to live and work.

## MISSION

We provide our members superior services, representation, programs and amenities to preserve the vision and enhance the quality of life that attracted all of us to The Woodlands.

## VALUES

- Preserve the natural environment and master plan.
- Promote safe and healthy neighborhoods.
- Provide attentive service with the best value.
- Foster a sense of community.

## TRANSITION TO THE WOODLANDS TOWNSHIP



The Community Associations of The Woodlands and The Woodlands Township signed an historic agreement on February 28, 2008, that will lead to the consolidation of many of the governmental functions of The Woodlands into one entity. The signing of the Transition Agreement marked a milestone in the history of The Woodlands.

According to the agreement, services will transition smoothly from the Community Associations of The Woodlands to The Woodlands Township in a planned manner between now and January 1, 2010.

For more information, call the Community Associations of The Woodlands, Texas, at 281.210.3800, or visit [www.thewoodlandsassociations.org](http://www.thewoodlandsassociations.org).



**COMMUNITY ASSOCIATIONS OF THE WOODLANDS, TEXAS**