

Departments

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About Us



Incorporation 10-Year Plan

October 21, 2021

www.thewoodlandstownship-tx.gov

The Woodlands Township • 2801 Technology Forest Boulevard • The Woodlands, Texas 77381

Outside entities routinely monitor The Woodlands Township's financial information including:

- Credit rating agencies
- Bond holders
- Bond disclosure counsel
- Banking and other financial institutions
- Auditors
- Government Finance Officers Association (GFOA)

The Township works diligently with these entities to maintain positive working relationships based on the provision of transparent, timely and accurate financial information prepared in compliance with generally accepted accounting principles, the governmental accounting standards board, and best practices advocated by the GFOA.



S&P Global Ratings

Summary:

Woodlands Township, Texas; General Obligation

Credit Profile

US\$6.6 mil Unltd Tax Rfdg Bnds ser 2021

Long Term Rating

AA+/Stable

New

Woodlands Township GO

Long Term Rating

AA+/Stable

Upgraded

Rating Action

S&P Global Ratings raised its rating on Woodlands Township, Texas', formerly known as Town Center Improvement District, general obligation (GO) debt one notch to 'AA+' from 'AA'. The outlook is stable.

At the same time, S&P Global Ratings assigned its 'AA+' rating and stable outlook to the township's roughly \$6.6 million series 2021 unlimited-tax GO refunding bonds.

Credit overview

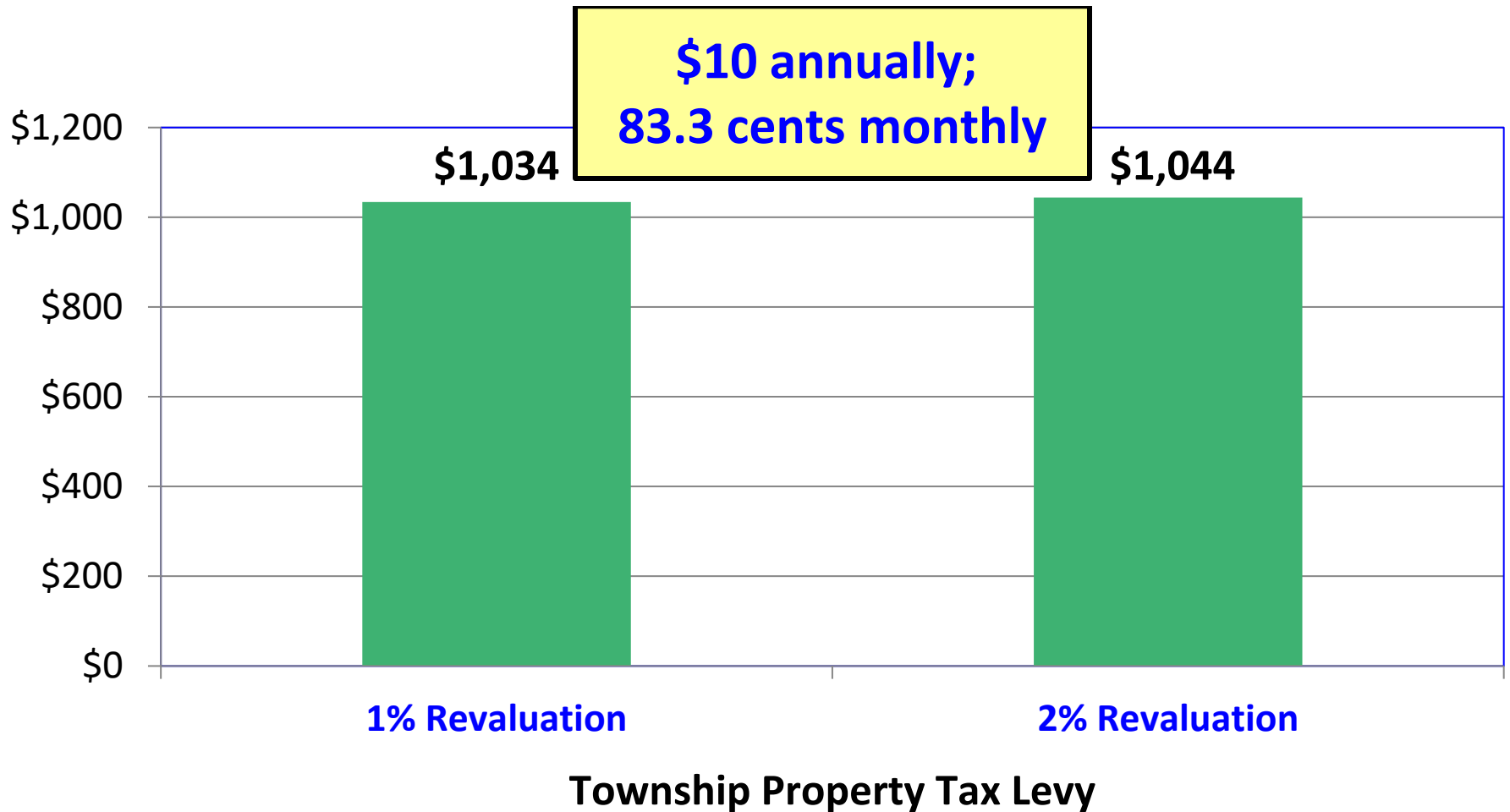
Woodlands is an unincorporated master-planned community primarily in Montgomery County, 28 miles north of downtown Houston. Specifically, the township is a special-purpose district government. While not incorporated as a city, the township has considered becoming a city for many years, which requires a vote of the residents. Currently, an incorporation study is underway, where township officials and outside consultants have been discussing the changes required if the township were to change its form of government.

Stable finances with very strong reserves

The township has maintained, what we consider, very strong reserves for more than a decade. Conservative budget assumptions, prudent debt use, and consistently growing major revenue sources have led to this trend. During the pandemic, management reduced expenditures to offset a 10% decrease in sales tax collections.

Due to a history of conservative financial management and expected major revenue-source growth, we expect finances will likely remain very strong. Several formal policies and practices guide the township's financial decision making.

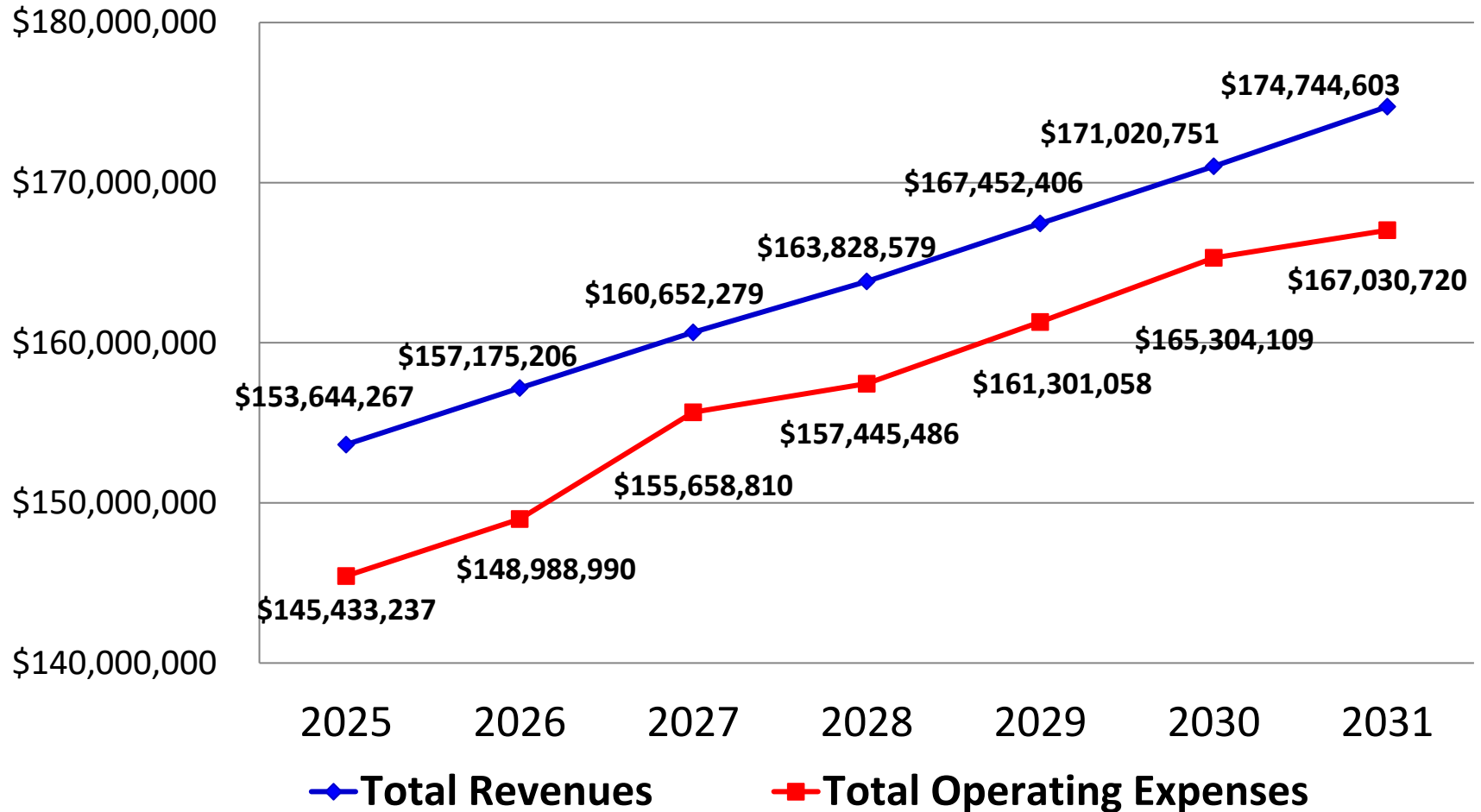
What is the difference between a 1% and 2% revaluation on an average value home of \$459,000?



Scenario Incorporation 10-Year Plan

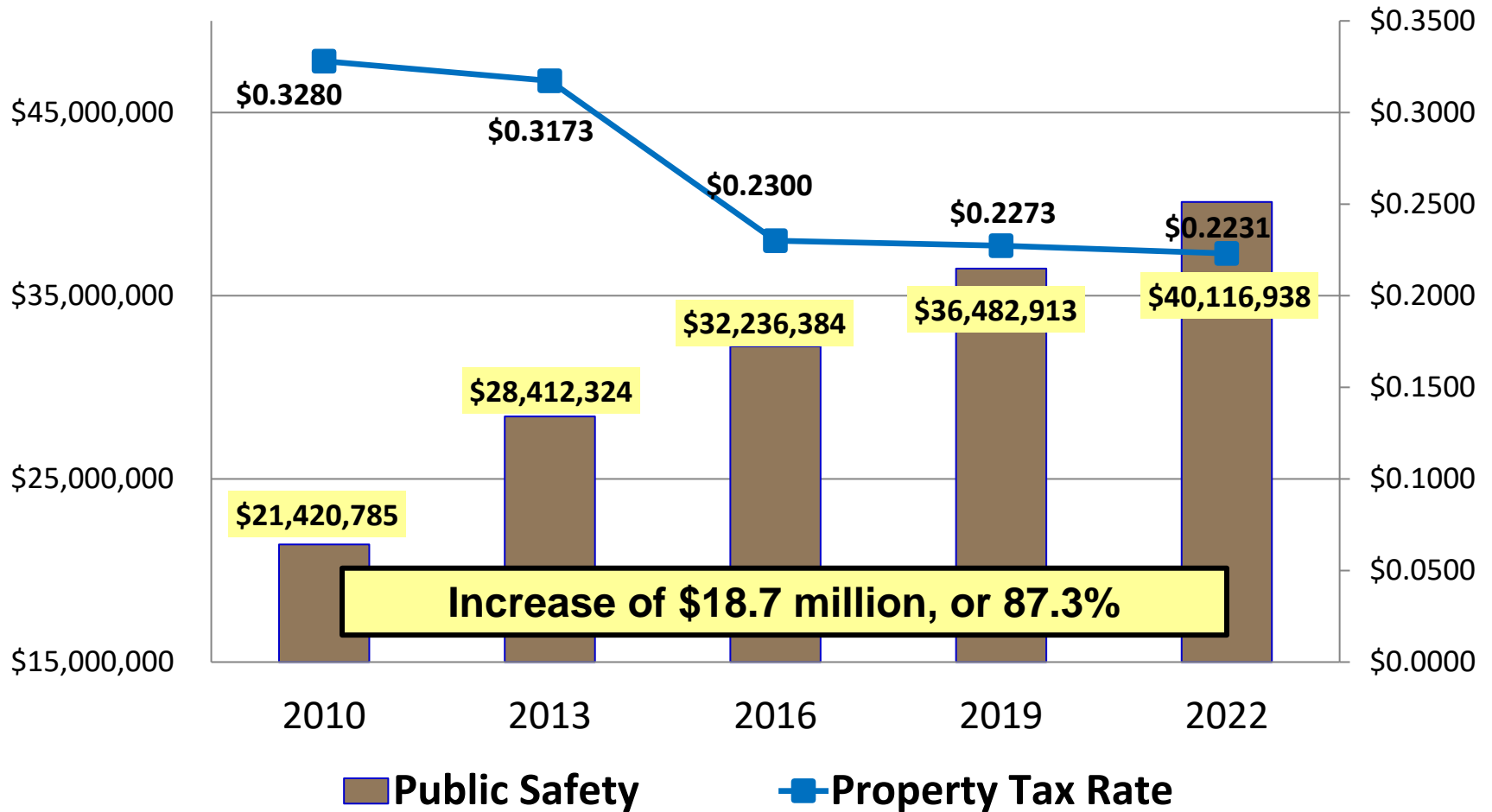
Base Budget + Incorporation Initiatives

Operating Expenses



Please note that the difference between 2025 numbers shown on this slide and the numbers shown on August 13 are due to changes to the base budget (not incorporation initiatives) during the budget workshops on August 16-17.

Increase in Public Safety Expenses while lowering the Property Tax Rate 2010-2022



Public Safety costs include Fire Department and Contracted Law Enforcement expenses

How can expenses increase without a corresponding increase in the property tax rate?

SALES TAX REVENUES

This is not a new or higher tax resulting from incorporation.

The increase in sales tax revenues is due to projected growth in regional population, commercial development, and qualifying internet transactions.

THE WOODLANDS TOWNSHIP

SALES TAX DEPOSITS

REPORT DATE: OCTOBER 31, 2021

					Variances			
					Actual 2021 vs. Actual 2020		Actual 2021 vs. Budget 2021	
	Actual 2019	Actual 2020	Budget 2021	Actual 2021	\$ Change	% Change	\$ Change	% Change
JAN	\$ 4,005,841	\$ 4,318,678	\$ 4,022,663	\$ 4,255,141	\$ (63,537)	-1.5%	\$ 232,478	5.8%
FEB	5,792,714	6,599,334	5,971,625	5,775,206	(824,128)	-12.5%	(196,419)	-3.3%
MAR	3,818,902	3,852,833	3,797,368	3,573,281	(279,552)	-7.3%	(224,087)	-5.9%
APR	3,732,695	3,638,201	3,681,307	3,456,080	(182,121)	-5.0%	(225,227)	-6.1%
MAY	4,278,052	3,961,878	4,402,043	5,076,067	1,114,189	28.1%	674,024	15.3%
JUN	4,300,331	3,068,566	4,094,903	4,473,839	1,405,273	45.8%	378,936	9.3%
JUL	4,127,286	3,148,196	4,088,918	4,503,450	1,355,254	43.0%	414,532	10.1%
AUG	4,550,116	3,954,697	4,585,990	5,562,361	1,607,664	40.7%	976,371	21.3%
SEP	4,335,047	3,333,019	4,269,911	4,553,141	1,220,123	36.6%	283,230	6.6%
OCT	3,852,134	3,703,073	3,848,488	4,351,264	648,191	17.5%	502,776	13.1%
NOV	4,336,433	4,044,739	4,321,977					
DEC	4,653,235	3,792,581	4,282,914					
TOTAL	\$ 51,782,785	\$ 47,415,795	\$ 51,368,107					
YTD	\$ 42,793,118	\$ 39,578,475	\$ 42,763,216	\$ 45,579,830	\$6,001,355	15.2%	\$ 2,816,614	6.6%
2021 Deposits as % of Budget			88.7%					

Sales and Use Tax Revenues by Business Sector

Business Sector	% of Total Sales and Use Tax Revenues	YTD Sept. 2020 vs YTD Sept. 2021
Retail Trade	53.0%	29.6%
Accommodation and Food Services	11.9%	16.3%
Information	7.8%	(12.3%) ↑
Manufacturing	6.0%	(5.4%) ↑
Wholesale Trade	5.0%	38.0%
Professional and Technical Services	4.9%	16.1%
Arts, Entertainment and Recreation	2.4%	13.8%
Administrative and Waste Management	1.6%	21.6%
Utilities	1.4%	11.2%
Oil and Gas	1.1%	5.5%
Transportation & Warehousing	1.0%	119.9%

Sales Tax from Internet Transactions

