

Revenue

Expenditures

Sales Tax

Hotel Tax

# The Woodlands Township September Financials

## Fiscal Year 2022

October 26,  
2022

The Woodlands Township  
2801 Technology Forest Blvd  
The Woodlands Texas 77381



**REVENUE**  
**General Fund Budget vs Actual**  
**For the Nine Months Ended September 2022**

<b>REVENUES</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
<b>Tax Revenue</b>			
Sales and Use Tax	21,819,240	25,278,143	3,458,903
Sales Tax Transfers (EDZ)	18,818,972	23,116,359	4,297,387
Property Tax (M&O)	45,434,976	45,621,431	186,455
Events Admission Tax	1,120,310	1,725,057	604,747
Hotel Tax Transfers	699,925	229,073	(470,852)
	<b>87,893,423</b>	<b>95,970,063</b>	<b>8,076,640</b>
 <b>Other Sources of Revenue</b>	 <b>13,536,903</b>	 <b>15,325,423</b>	 <b>1,788,520</b>
 <b>TOTAL REVENUE</b>	 <b>101,430,326</b>	 <b>111,295,486</b>	 <b>9,865,160</b>

# Revenue Variances

## Variance - \$9.86 million:

- \$7.7 million in Sales Tax is the main component of favorable variance.
- \$605,000 favorable variance in Event Admission Tax, offset by an unfavorable variance of (\$471,000) in Hotel Tax Transfers.
- Combined \$1.8 million favorable variance in Other Sources of Revenue.
  - The main component of this variance is a \$1.3 million favorable variance in Program Revenues due to the timing of expenditures for the Recreation Centers and Township Events.
  - Other Income- \$368,000 due to the timing of contracted agreements for services for dispatch and fire services.

**Expenditures**  
**General Fund Budget vs. Actual**  
**For the Nine Months Ending September 30, 2022**

<b><u>Expenditures</u></b>	<b><u>YTD</u></b> <b><u>Budget</u></b>	<b><u>YTD</u></b> <b><u>Actual</u></b>	<b><u>YTD</u></b> <b><u>Variance</u></b>
General Government	\$ 7,549,329	\$ 6,932,673	\$ 616,656
Law Enforcement/Neighborhood Services	\$ 11,033,774	\$ 10,690,191	\$ 343,583
Parks and Recreation	\$ 18,504,717	\$ 17,804,925	\$ 699,792
Community Services	\$ 14,711,759	\$ 13,957,415	\$ 754,344
Community Relations	\$ 1,243,807	\$ 1,054,922	\$ 188,885
Fire Department	\$ 18,985,069	\$ 18,522,176	\$ 462,893
Other Expenditures	\$ 3,408,769	\$ 3,921,573	\$ (512,804)
<b>Total</b>	<b><u>\$ 75,437,224</u></b>	<b><u>\$ 72,883,875</u></b>	<b><u>\$ 2,553,349</u></b>

# Expenditure Variances

All the department categories, except for Other Expenditures, are showing a favorable variance in September due to a combination of the following:

- *A savings in salaries and benefits.*
  - *due to vacancies earlier in the year or to reorganization of staff.*
- *Timing of Expenditures.*
- *Savings in Contracted Services.*

Other Expenditures has an unfavorable variance due to:

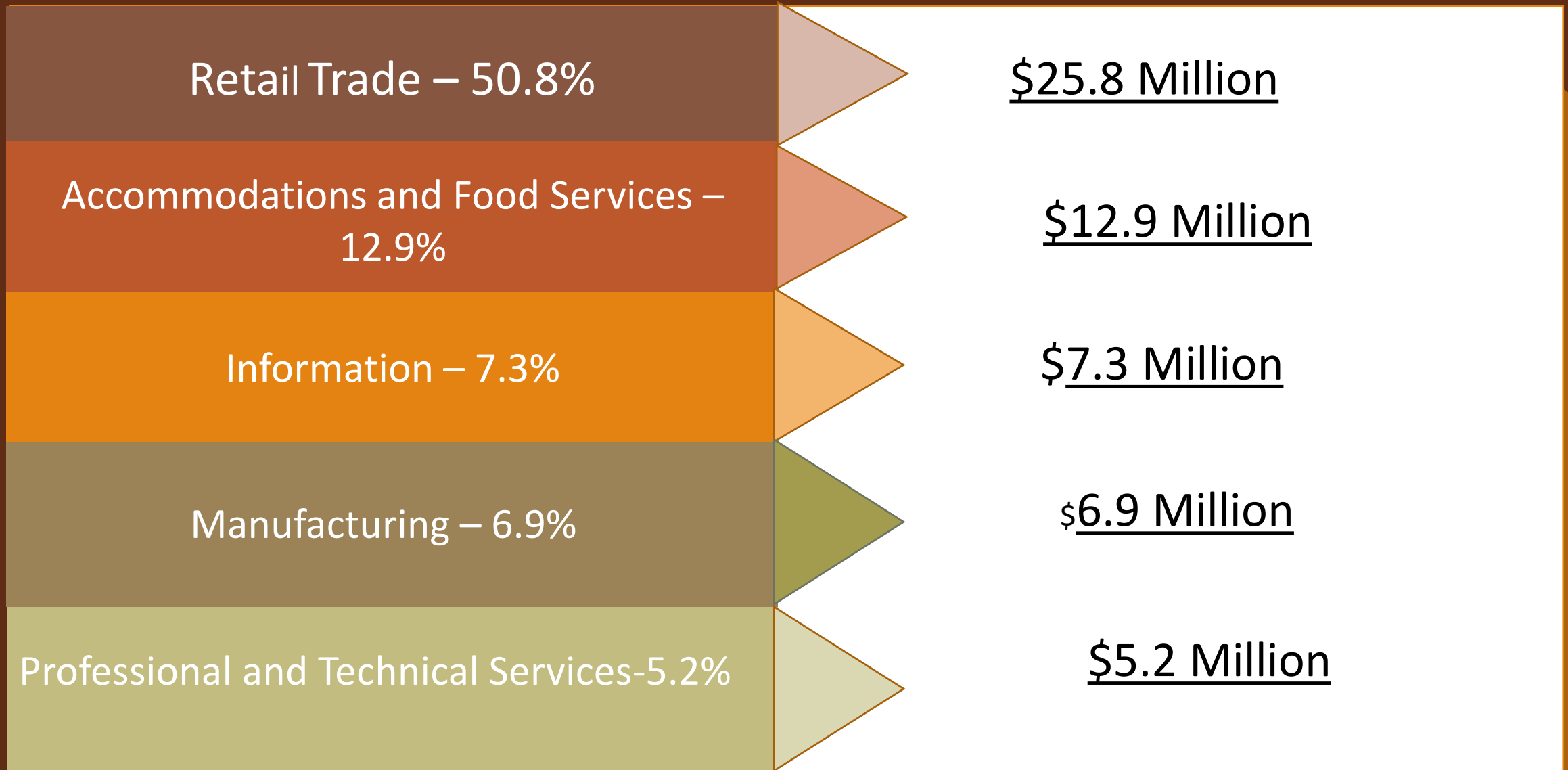
- *Event Admission Tax payments – Cynthia Woods Mitchell Pavilion*
- *Regional Participation payments– Sales Tax*



**SALES TAX DEPOSITS**  
**REPORT DATE: OCTOBER 31, 2022**

				Actual 2022 vs. Budget 2022		Actual 2022 vs. Actual 2021	
	Actual 2021	Budget 2022	Actual 2022	\$ Change	% Change	\$ Change	% Change
JAN	\$ 4,535,938	\$ 4,553,835	\$ 5,435,991	\$ 882,156	19.4%	\$ 900,053	19.8%
FEB	6,060,561	6,086,172	7,623,887	1,537,715	25.3%	1,563,326	25.8%
MAR	3,739,067	3,752,684	4,983,559	1,230,875	32.8%	1,244,492	33.3%
APR	3,602,204	3,618,566	4,469,976	851,410	23.5%	867,772	24.1%
MAY	5,293,718	5,310,253	5,983,780	673,527	12.7%	690,062	13.0%
JUN	4,616,586	4,628,184	4,951,600	323,416	7.0%	335,014	7.3%
JUL	4,712,380	4,732,303	5,512,655	780,352	16.5%	800,275	17.0%
AUG	5,731,587	5,747,724	6,152,862	405,138	7.0%	421,275	7.4%
SEP	4,707,290	4,716,614	5,272,809	556,195	11.8%	565,519	12.0%
OCT	4,521,525	4,530,774	5,340,542	809,768	17.9%	819,016	18.1%
NOV	5,566,012	5,572,163					
DEC	4,669,593	4,673,888					
TOTAL	<u>\$ 57,756,461</u>	<u>\$ 57,923,160</u>					
<b>YTD</b>	<b>\$ 47,520,856</b>	<b>\$ 47,677,109</b>	<b>\$ 55,727,660</b>	<b>\$ 8,050,551</b>	<b>16.9%</b>	<b>\$ 8,206,804</b>	<b>17.2%</b>

# Year-to-date 2022 Collections – Top 5 Classification Categories



Naics full list



# How is the rest of Texas doing?



<u>Recipient Category</u>	<u>Oct. 2022 Allocations</u>	<u>Change from Oct. 2021</u>	<u>Year-to-Date Change</u>
<b>Cities</b>	\$675.6M	↑15.7%	↑15.1%
<b>Transit Systems</b>	\$226.4M	↑17.2%	↑16.4%
<b>Counties</b>	\$65.8M	↑22.4%	↑17.7%
<b>Special Purpose Districts</b>	\$96.8M	↑28.1%	↑26.5%
<b>Total</b>	\$1.06B	↑17.4%	↑16.4%



## HOTEL TAX DEPOSITS

Report Date: September 30, 2022

	Actual 2021	Budget 2022	Actual 2022	Actual 2022 vs. Budget 2022		Actual 2022 vs. Actual 2021	
				\$ Change	% Change	\$ Change	% Change
JAN	\$ 242,717	\$ 507,771	\$ 536,360	\$ 28,589	5.6%	\$ 293,642	121.0%
FEB	225,805	497,935	456,772	(41,163)	-8.3%	230,967	102.3%
MAR	338,286	478,987	594,014	115,027	24.0%	255,728	75.6%
APR	527,633	642,627	781,476	138,849	21.6%	253,843	48.1%
MAY	497,469	584,004	869,804	285,800	48.9%	372,335	74.8%
JUN	569,445	652,373	887,820	235,447	36.1%	318,375	55.9%
JUL	609,472	628,582	801,430	172,848	27.5%	191,958	31.5%
AUG	747,436	761,116	719,332	(41,784)	-5.5%	(28,104)	-3.8%
SEP	576,081	579,684	615,238	35,554	6.1%	39,158	6.8%
OCT	554,044	603,076					
NOV	692,026	712,297					
DEC	592,980	632,380					
	<u>\$ 6,173,393</u>	<u>\$ 7,280,832</u>					
YTD	\$ 4,334,343	\$ 5,333,079	\$ 6,262,246	\$ 929,167	17.4%	\$ 1,927,903	44.5%

# Fund Balance

## Undesignated

General Fund Unassigned	46,935,963
CVB Unassigned	1,294,729
Transportation Unassigned	3,646,548
<b>Total Undesignated</b>	<b>\$ 51,877,240</b>

## Designated

General Fund Notes Rec.	4,940,710
General Fund Prepays	568,287
Healthcare Obligation	850,051
Cultural Events & Education	172,506
Debt Service Reserve	-

<b>Capital Projects</b>	<b>70,306,306</b>
EDZ Payable	(4,970,898)
CVB Prepaid	10,800
<b>Total Designated</b>	<b>\$ 71,877,761</b>

## Reserved

Operating Reserve	29,361,271
Debt Service	7,554,587
Debt Service Reserve	112,171
<b>Total Reserved</b>	<b>\$ 37,028,028</b>

**Total Fund Balance \$ 160,783,029**

## Capital Projects Reserve components/projects

<b>Capital Projects</b>	<b>5,611,495</b>
Cultural Events and Education	909,169
Capital Replacement Reserve	54,507,977
CCSA Capital Reserve	2,000,000
Capital Contingency - Undesignated	4,242,378
Capital Contingency - Falconwing Park	2,579,260
Lake Woodlands Dam	340,902
GE Betz Building Reserve*	0
Incorporation Reserve*	0
Flood/Drainage Reserve	115,124
<b>Capital Projects Fund</b>	<b>\$70,306,305</b>

\* The Incorporation Reserve and GE Betz Building Reserve amounts were transferred to the Capital Replacement Reserve as a result of Board action during the 2023 budget process.

# Fund Balance

## Capital Projects Reserve Reconciliation

### Before 2023 budget process

Capital Projects	5,611,495
Cultural Events and Education	909,169
Capital Replacement Reserve	33,952,552
CCSA Capital Reserve	2,000,000
Capital Contingency - Undesignated	4,242,378
Capital Contingency - Falconwing Park	2,579,260
Lake Woodlands Dam	340,902
GE Betz Building Reserve*	5,195,468
Incorporation Reserve*	15,359,957
Flood/Drainage Reserve	115,124
<b>Capital Projects Fund</b>	<b>\$70,306,305</b>

### After 2023 budget process

Capital Projects	5,611,495
Cultural Events and Education	909,169
Capital Replacement Reserve	54,507,977
CCSA Capital Reserve	2,000,000
Capital Contingency - Undesignated	4,242,378
Capital Contingency - Falconwing Park	2,579,260
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End of Report





# Expenditure Variances

## OPERATING EXPENDITURES

<b>General Government</b>	<b>\$ 616,656</b>
Finance	221,854
Information Technology	203,199
Legal Services	174,771
Human Resources	153,069
Township Secretary	98,546
Board of Directors	20,782
President's Office	3,484
Records/Database Mgmt	2,965
Intergovernmental Relations	(33,723)
Non-Departmental	(228,289)
<b>Law Enforc/Neighborhood Svcs</b>	<b>\$ 343,583</b>
Law Enforcement Services	378,104
Neighborhood Services	(34,521)
<b>Parks and Recreation</b>	<b>\$ 699,792</b>
Parks Operations	984,357
Parks Admin/Planning	159,019
Aquatics	81,668
Township Events	(3,422)
Town Center Facilities & Operations	(126,453)
Recreation	(395,378)

<b>Community Services</b>	<b>\$ 754,344</b>
Community Services Admin	303,850
Streetlighting	198,317
Environmental Services	111,422
Covenant Administration	87,627
Streetscape Maintenance	74,485
Solid Waste Services	(21,357)

<b>Community Relations</b>	<b>\$ 188,885</b>
Community Relations	126,173
CVB Staff Services	62,713

<b>Fire Department</b>	<b>\$ 462,893</b>
Fire & EMS Management	257,314
Fire Protection	103,306
Fire Dispatch	102,273

<b>Other Expenditures</b>	<b>\$ (512,804)</b>
Event Tax Cynthia Woods Pavilion	(544,273)
Regional Participation	(198,862)
Economic Development	14,250
Other Expenditures	94,727
Transportation	121,354

**EXPENDITURE YTD VARIANCE** **\$ 2,553,349**



# NAICS – North American Industry Classification System

## Industry Classifications

Retail Trade	50.8%	Other Services (except Public Admin)	1.1%
Accommodation and Food Services	12.9%	Transportation and Warehousing	1.0%
Information	7.3%	Other Industries (less than 2% of the total)	0.9%
Manufacturing	6.9%	Real Estate and Rental and Leasing	0.9%
Professional and Technical Services	5.2%	Mining and Oil and Gas Extraction	0.7%
Wholesale Trade	4.8%	No Code	0.1%
Arts, Entertainment, and Recreation	2.4%		<hr/>
Construction	2.1%		100.0%
Administrative and Waste Management	1.5%		
Utilities	1.4%		

- Includes internet sales
- Categories represent approximately 90% of the sales tax collected







# Wayfair Act 2018

- South Dakota v. Wayfair was a 2018 U.S. Supreme Court decision **eliminating the requirement that a seller have physical presence in the taxing state to be able to collect and remit sales taxes to that state.** It expanded states' abilities to collect sales taxes from e-commerce and other remote transactions.
- Effective October 1, 2018, remote sellers and marketplace facilitators that have \$100,000 of gross retail sales or 200 retail transactions in the state during the current or prior calendar year are required to collect and remit sales tax on all taxable retail sales

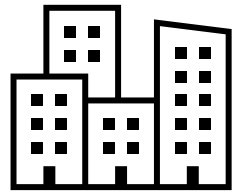




**Other Sources of Revenue  
General Fund Budget vs Actual  
For the Nine Months Ended September 2022**

**Other Sources**

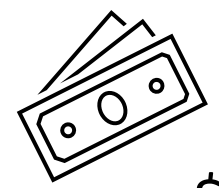
Program Revenues	5,086,306	6,410,688	1,324,382
Administrative Fees	221,375	225,679	4,304
Grants and Contributions	176,250	71,821	(104,429)
Interest Income	720,847	928,817	207,970
Other Income	2,885,801	3,253,563	367,762
Other Transfers In	4,446,324	4,434,855	(11,469)
<b><u>Other Sources of Revenue</u></b>	<b>13,536,903</b>	<b>15,325,423</b>	<b>1,788,520</b>



# Operating Transfers



**Less  
Additional  
HOT \$  
Needed for  
Operations**



**\$470,852**

