



**General Purpose Financial Statements
August 31, 2010**

These financial statements are unaudited and intended for informational and internal discussion purposes only.

**The Woodlands Township
Combined Balance Sheet
As of August 31, 2010**

	Component Units							Account Groups		
	General Fund	Debt Service Fund	Debt Reserve Fund	Capital Project Funds	Economic Development Zone	The Woodlands Fire Dept	The Woodlands CVB	General Fixed Assets	General Long-term Debt	Total
Assets and Other Debits										
Cash and Current Investments	\$ 37,315,483	\$ 3,676,733	\$ 2,598,155	\$ 15,530,894	\$ 1,636,795	\$ 1,561,448	\$ 515,335	\$ -	\$ -	\$ 62,834,843
Tax/Assessment Receivables	105,748	-	-	-	-	-	-	-	-	105,748
Interest Receivable	19,735	-	57,447	-	7	-	-	-	-	77,189
Other Receivables	208,990	32	-	-	-	167,642	9,053	-	-	385,718
Due from Other Funds	1,352,854	27,600	-	4,612,239	-	3,084	-	-	-	5,995,777
Prepays	668,866	-	-	-	-	178,686	59,924	-	-	907,476
Notes Receivable	6,761,885	-	-	-	(6,761,885)	-	-	-	-	-
Capital Assets, net of accum deprec	-	-	-	-	-	-	-	155,142,008	-	155,142,008
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	94,030,000	94,030,000
Total Assets and Other Debits	\$ 46,433,562	\$ 3,704,365	\$ 2,655,602	\$ 20,143,133	\$ (5,125,083)	\$ 1,910,859	\$ 584,312	\$ 155,142,008	\$ 94,030,000	\$ 319,478,758
Liabilities and Other Credits										
Accounts Payable	330,606	-	-	-	-	26,900	17,616	-	-	375,122
Other Accrued Liabilities	3,103,673	-	-	-	19	16,561	9,445	-	-	3,129,698
Refundable Deposits	234,050	-	-	-	-	-	-	-	-	234,050
Due to Other Funds	4,621,083	-	21,840	1,076,036	-	265,358	11,459	-	-	5,995,777
Deferred Revenue	12,717,921	-	-	-	-	-	3,000	-	-	12,720,921
Notes Payable	-	-	-	-	-	-	-	-	-	-
Bonds Payable	-	-	-	-	-	-	-	-	94,030,000	94,030,000
Investment in General Fixed Assets	-	-	-	-	-	-	-	155,142,008	-	155,142,008
Fund Balance										
Undesignated	18,664,344	-	-	-	-	-	-	-	-	18,664,344
Designated	6,761,885	-	-	19,067,097	(5,125,103)	1,602,040	542,791	-	-	22,848,710
Reserved	-	3,704,365	2,633,762	-	-	-	-	-	-	6,338,127
Total Liabilities, Fund Balance, and Other Credits	\$ 46,433,562	\$ 3,704,365	\$ 2,655,602	\$ 20,143,133	\$ (5,125,083)	\$ 1,910,859	\$ 584,312	\$ 155,142,008	\$ 94,030,000	\$ 319,478,758

The Woodlands Township
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Eight Months Ended August 31, 2010

	General		Debt Service		Debt Service Reserve		Capital Projects		Economic Development		The Woodlands		The Woodlands		Total
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Zone	Fire Dept	Woodlands CVB	Woodlands CVB	Woodlands CVB	Woodlands CVB	
REVENUES															
Property Tax	\$ 25,414,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,414,925
Sales and Use Tax	10,586,447	-	-	-	-	-	-	-	10,415,733	-	-	-	-	-	21,002,180
Hotel Occupancy Tax	2,283,799	-	-	-	-	-	-	-	-	-	-	-	-	-	2,283,799
Program Revenues	2,271,450	-	-	-	-	-	-	-	-	-	-	-	138,764	-	2,410,214
Administrative Fees	370,880	-	-	-	-	-	-	-	-	-	-	-	-	-	370,880
Grants and Contributions	2,215,545	2,825,822	-	-	-	-	-	-	-	(2,717,416)	-	-	-	-	2,323,950
Interest Income	119,771	6,194	-	-	82,149	10,894	-	-	252	135	203	-	-	-	219,599
Other Income	225,546	-	-	-	-	-	-	-	-	357,941	-	-	-	-	583,487
Bond Proceeds	-	19,347,434	-	-	-	15,738,064	-	-	-	-	-	-	-	-	35,085,498
TOTAL REVENUES	\$ 43,488,362	\$ 22,179,449	\$ 82,149	\$ 15,748,958	\$ 10,415,985	\$ (2,359,340)	\$ 138,967	\$ 89,694,531							
EXPENDITURES															
General Government	4,312,908	-	-	-	-	-	-	-	-	-	-	-	-	-	4,312,908
Law Enforc/Neighborhood Svcs	5,718,538	-	-	-	-	-	-	-	-	-	-	-	-	-	5,718,538
Parks and Recreation	8,072,176	-	-	-	-	-	-	-	-	-	-	-	-	-	8,072,176
Community Services	7,508,252	-	-	-	-	-	-	-	-	-	-	-	-	-	7,508,252
Community Relations	629,519	-	-	-	-	-	-	-	-	-	-	-	-	-	629,519
Transportation	250,303	-	-	-	-	-	-	-	-	-	-	-	-	-	250,303
Economic Development	149,067	-	-	-	-	-	-	-	-	-	-	-	-	-	149,067
Transition	220,796	-	-	-	-	-	-	-	-	-	-	-	-	-	220,796
Regional Participation	661,651	-	-	-	-	-	-	-	-	-	-	-	-	-	661,651
Other Expenditures	430,271	-	-	-	-	-	-	-	346,360	-	-	-	-	-	776,631
Fire Department	-	-	-	-	-	-	-	-	-	9,209,605	-	-	-	-	9,209,605
Convention & Visitors Bureau	-	-	-	-	-	-	-	-	-	-	1,130,478	-	-	-	1,130,478
Capital Outlay	-	-	-	-	-	2,197,874	-	-	-	-	-	-	-	-	2,197,874
Debt Issuance Costs	-	261,523	-	-	-	212,735	-	-	-	-	-	-	-	-	474,258
Debt Service	-	25,063,228	-	-	-	-	-	-	-	-	-	-	-	-	25,063,228
TOTAL EXPENDITURES	\$ 27,953,480	\$ 25,324,751	\$ -	\$ 2,410,608	\$ 346,360	\$ 9,209,605	\$ 1,130,478	\$ 66,375,282							
REV OVER/(UNDER) EXP (before transfers)	15,534,883	(3,145,302)	82,149	13,338,350	10,069,625	(11,568,944)	(991,511)	23,319,249							
NET TRANSFERS IN/(OUT)	(12,429,464)	4,521,302	(63,690)	4,416,823	(8,432,843)	10,453,568	1,534,303	0							
REV OVER/(UNDER) EXP (after transfers)	3,105,419	1,376,000	18,459	17,755,173	1,636,782	(1,115,376)	542,791	23,319,249							
BEGINNING FUND BALANCE	22,320,810	2,328,365	2,615,303	1,311,923	(6,761,885)	2,717,416	-	24,531,933							
ENDING FUND BALANCE	\$ 25,426,229	\$ 3,704,365	\$ 2,633,762	\$ 19,067,097	\$ (5,125,103)	\$ 1,602,040	\$ 542,791	\$ 47,851,182							

The Woodlands Township
General Fund Budget vs Actual
For the Eight Months Ended August 31, 2010

	YTD Budget	YTD Actual	YTD Variance
REVENUES			
Tax Revenue			
Sales and Use Tax	\$ 10,275,286	\$ 10,586,447	\$ 311,161
Sales Tax Transfers (EDZ)	8,611,145	8,432,843	(178,302)
Subtotal	18,886,431	19,019,290	132,859
Property Tax	25,309,158	25,414,925	105,767
Hotel Occupancy Tax	2,229,582	2,283,799	54,217
	46,425,171	46,718,014	292,843
Other Sources			
Program Revenues	2,238,387	2,271,450	33,063
Administrative Fees	353,400	370,880	17,480
Grants and Contributions	2,274,622	2,215,545	(59,078)
Interest Income	643,440	119,771	(523,669)
Other Income	115,285	225,546	110,261
TOTAL REVENUES	52,050,305	51,921,205	(129,100) A)
OPERATING EXPENDITURES			
General Government			
Board of Directors	34,400	18,200	16,200
President's Office	513,619	511,031	2,588
Legislative Affairs	149,192	84,592	64,600
Human Resources	422,472	376,221	46,251
Finance	1,177,306	957,539	219,767
Information Technology	665,586	539,989	125,597
Records/Database Mgmt	379,497	371,821	7,676
Non-Departmental	1,544,246	1,453,515	90,731
	4,886,318	4,312,908	573,410 B)
Law Enforc/Neighborhood Svcs			
Law Enforcement Services	6,068,520	5,295,137	773,383
Ambassador Program	205,962	148,395	57,567
Neighborhood Services	288,088	275,006	13,082
	6,562,570	5,718,538	844,032 C)
Parks and Recreation			
Parks Admin/Planning	1,067,634	1,058,169	9,465
Parks Operations	3,467,531	3,598,261	(130,730)
Aquatics	1,373,458	1,424,270	(50,812)
Recreation	1,277,545	1,217,097	60,448
Waterway Operations	680,014	774,379	(94,365)
	7,866,182	8,072,176	(205,994) D)
Community Services			
Community Services Admin	285,151	237,964	47,187
Covenant Administration	1,409,791	1,337,127	72,664
Environmental Services	262,874	225,054	37,820
Streetlighting	685,000	798,550	(113,550)
Streetscape Maintenance	1,532,000	1,565,632	(33,632)
Solid Waste Services	3,451,900	3,337,836	114,064
Other Community Services	8,114	6,088	2,026
	7,634,830	7,508,252	126,578 E)
Community Relations			
Community Relations	452,154	361,361	90,793
CVB Staff Services	266,655	268,158	(1,503)
	718,809	629,519	89,290 F)
Other Expenditures			
Transportation	340,752	250,303	90,449
Economic Development	311,700	149,067	162,633
Transition	350,000	220,796	129,204
Regional Participation	650,896	661,651	(10,755)
Other Expenditures	575,318	430,271	145,047
	2,228,666	1,712,087	516,579 G)
EXPENDITURE SUBTOTAL	29,897,375	27,953,480	1,943,895
TRANSFERS			
Fire Department	10,453,572	10,453,568	4
Convention & Visitors Bureau	1,534,303	1,534,303	-
Capital Projects	5,754,416	4,416,823	1,337,593
Debt Service	4,913,499	4,457,612	455,887
	22,655,790	20,862,306	1,793,483 H)
TOTAL EXPENDITURES	52,553,165	48,815,786	3,737,379
REV OVER/(UNDER) EXP	(502,860)	3,105,419	3,608,279
BEGINNING FUND BALANCE	22,320,810	22,320,810	-
ENDING FUND BALANCE	\$ 21,817,951	\$ 25,426,229	\$ 3,608,279

The Woodlands Township General Fund – Operating Budget Variances For the Eight Months Ended August 31, 2010

Generally, variances not explained below are due to the payment or non-payment of actual expenses versus when those expenses were budgeted, and at this time are expected to be fully utilized by year end.

A) Revenues

- Sales Tax – Includes conservative projections for first 6 months of the year with growth projections in latter 6 months of the year, construction and corporate sales tax collections continue to lag prior year collections.
- Property Tax – 100% collection rate through August 31, 2010
- Hotel Occupancy Tax – Full service hotels continue to lag YTD projections by 5.0% while limited service hotels and new Avia hotel are outperforming conservative budget projections.
- Program Revenues – Relates to the timing of YTD revenues versus budgeted revenues for pool memberships, pool guest fees, aquatics programs, day camps, tennis, and Muddy Fest programs.
- Grants and Contributions – YTD actual reflects contributions provided by the former Community Associations of the Woodlands and The Woodlands Fire Department as of January 1, 2010 to The Woodlands Township for capital carryovers. Also includes HGAC grant funding for trolley services for first 6 months of the year.
- Interest Income – Variance reflects 0.6% APY for general fund cash balances versus 1.5% budgeted APY.
- Other Income – YTD actual reflects income from the Convention Center lease, contract payments from LWPOA and Carlton Woods reimbursement contracts, and RDRC forfeitures.

B) General Government

- Legislative Affairs – Variance primarily relates to lower than budgeted consulting and legal expenses.
- Human Resources – Variance relates to lower than budgeted benefits and legal expenses.
- Finance – Favorable variances relate to staffing vacancies and lower than budgeted contracted services.
- Information Technology – Variance relates to an open position during the first quarter and lower than budgeted expenditures for telephone, equipment expense and IT contracted services.
- Non-Departmental – Favorable variances relate to lower than budgeted expenditures for facilities, election, postage, and insurance expenses which primarily relate to the timing of vendor payments.

C) Law Enforcement/Neighborhood Services

- Salaries and Wages – Law Enforcement Services and Ambassador salaries are favorable due to open positions.
- Contracted Services – Favorable variances relate to lower than budgeted expenditures for Montgomery County Sheriff's Department personnel and related fuel costs due primarily to the ramp up of the enhanced law enforcement program.

D) Parks and Recreation

- Salaries and Wages – Unfavorable variances primarily relate to higher than budgeted overtime and insurance costs for certain employee benefit elections which are subject to change throughout the year.
- Contracted Services – Expenditures for parks and pathway maintenance, restroom cleaning, forest management and sign maintenance are lower than budgeted and are partially offset by unfavorable variances in lake maintenance, pest control, tree removal, and electrical repairs.
- Facility Expense – YTD expenditures for parks, recreation, and aquatics facility utilities along with pool chemicals are lower than projected.
- Maintenance Expense – YTD expenditures for pathway maintenance, lake maintenance and sign maintenance are lower than projected and are partially offset by unfavorable variances in park maintenance, landscaping, and turf maintenance and irrigation.
- Program Expenses – YTD expenditures for I-45 Beautification, Waterway Square song programming, seasonal lighting, aquatic and recreation programs are lower than budgeted.

E) Community Services

- Salaries and Wages – Favorable variances primarily relate to open positions in the Community Services and Covenant Administration departments.
- Contracted Services – Favorable variance in solid waste services is partially offset by unfavorable variances in streetlighting and streetscape maintenance. In addition, consulting expenses are lower than budgeted in the Environmental Services department.

- Program Expenses – Favorable YTD variances relate to lower than budgeted expenses for Community Revitalization and Environmental Services programs.

F) Community Relations

- Contracted Services – YTD expenditures for video production and other contracted services are lower than budgeted.
- Program Expenses – Expenditures for the Public Safety Heroes Banquet are expected to be approximately \$10,000 less than the original budget for this event.
- Public Education/Relations – YTD expenditures for advertising, specialty/promotional supplies and community/public relations are lower than budgeted.

G) Other Expenditures

- Transition – YTD actual expenditures largely relate to the relocation and reorganization of staff and administrative offices following the consolidation.
- Regional Participation – Variance will fluctuate throughout the year based on actual sales tax collections, amount represents 1/16th of sales and use tax collections paid to the City of Conroe and the City of Houston.
- Other Expenditures – Variance relates to timing of payments for Carlton Woods and Carlton Woods Creekside contract payments and unspent contingency and Lake Woodlands user fee funds.

H) Transfers

- Transfers – Variances relate to timing of transfers to other funds for capital project and debt service expenditures. See General Fund Operating Forecast for projected savings.

The Woodlands Township Monthly Investment Report August 31, 2010

Fund	Investment Type	Description	Maturity	Beginning Balance	Monthly Activity	Earnings	Ending Balance	Beginning Market	Ending Market	Avg. % Yield
GF	Public Funds Liquidity Money Market	Woodforest National Bank Checking Account	Open	\$ (2,101,231)	\$ 2,497,981 (318,055)	\$ 9	\$ 78,705	\$ (2,101,231)	\$ 78,705	0.19%
GF	Choice IV with Interest-Public Funds	Wells Fargo Bank Checking Account	Open	-	5,717,000	872	1,680,274	-	1,680,274	0.29%
GF	Liquid Assets Portfolio Money Market	Invesco AIM Sweep Account	Open	3,897,942	(2,497,980)	30	1,399,992	3,897,942	1,399,992	0.02%
GF	Texas Local Govt Investment Pool	TexPool Investment Pool	Open	27,122,351	(2,409,090)	4,845	24,718,106	27,122,351	24,718,106	0.23%
GF	Texas Local Govt Investment Pool	TexSTAR General Fund	Open	3,241,122	-	593	3,241,714	3,241,122	3,241,714	0.22%
GF	Certificate of Deposit	Encore Bank	9/30/2010	3,132,148	-	5,523	3,137,671	3,132,148	3,137,671	2.08%
GF	Certificate of Deposit	Encore Bank	12/22/2010	3,030,939	-	4,344	3,035,283	3,030,939	3,035,283	1.70%
GF	Commercial Checking	Comerica (WCSC)	Open	34,001	(50)	-	33,952	34,001	33,952	0.00%
CPF	Texas Local Govt Investment Pool	TexSTAR Parks & Path, Series 2010	Open	6,603,425	-	1,208	6,604,633	6,603,425	6,604,633	0.22%
CPF	Texas Local Govt Investment Pool	TexSTAR Fire, Series 2010	Open	8,924,629	-	1,632	8,926,261	8,924,629	8,926,261	0.22%
DSF	Superior Interest Liquidity Money Market	Woodforest National Bank Hotel Tax Account	Open	4,453,307	28,174 (1,473,646)	1,138	3,008,973	4,453,307	3,008,973	0.33%
DSF	Choice IV with Interest-Public Funds	Wells Fargo Bank Hotel Tax Account	Open	-	235,141.33	30	235,139	-	235,139	0.29%
DSF	Texas Local Govt Investment Pool	TexSTAR Refinancing, Series 2010	Open	432,541	-	79	432,620	432,541	432,620	0.22%
DSRF	Certificate of Deposit	Encore Bank	2/1/2011	722,002	-	1,035	723,037	722,002	723,037	1.70%
DSRF	Flex Repo Money Market	HypoVereinsBank of Austria	3/1/2027	1,923,335	-	9,230	1,932,565	1,923,335	1,932,565	5.90%
Total				\$ 61,416,512	\$ 1,779,476	\$ 30,568	\$ 59,188,928	\$ 61,416,512	\$ 59,188,928	0.59%

YTD

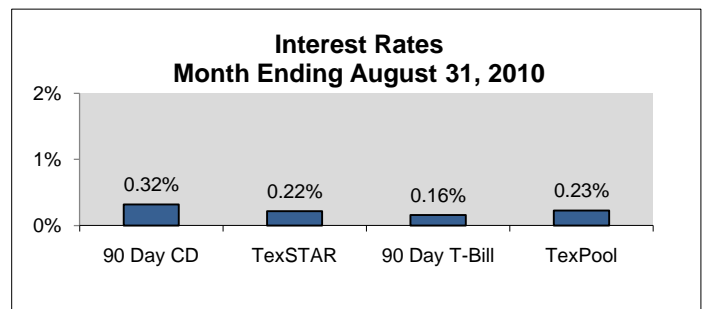
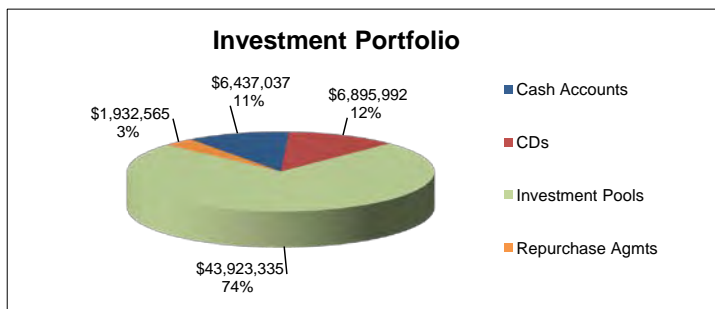
\$ 219,008

Weighted Average Maturity

Consolidated WAM	206 days
General Fund WAM	12 days
Capital Project Funds WAM	- days
Debt Service Fund WAM	- days
Debt Service Reserve Fund WAM	4427 days

Collateral Adequacy - All time and demand deposits are fully collateralized and/or FDIC insured.

Statement of Compliance - All investment transactions meet the requirements set forth in Chapter 2256, Texas Govt. Code, as amended and are in compliance with the Township's Investment Policy.



Dr. Ed Robb, Treasurer

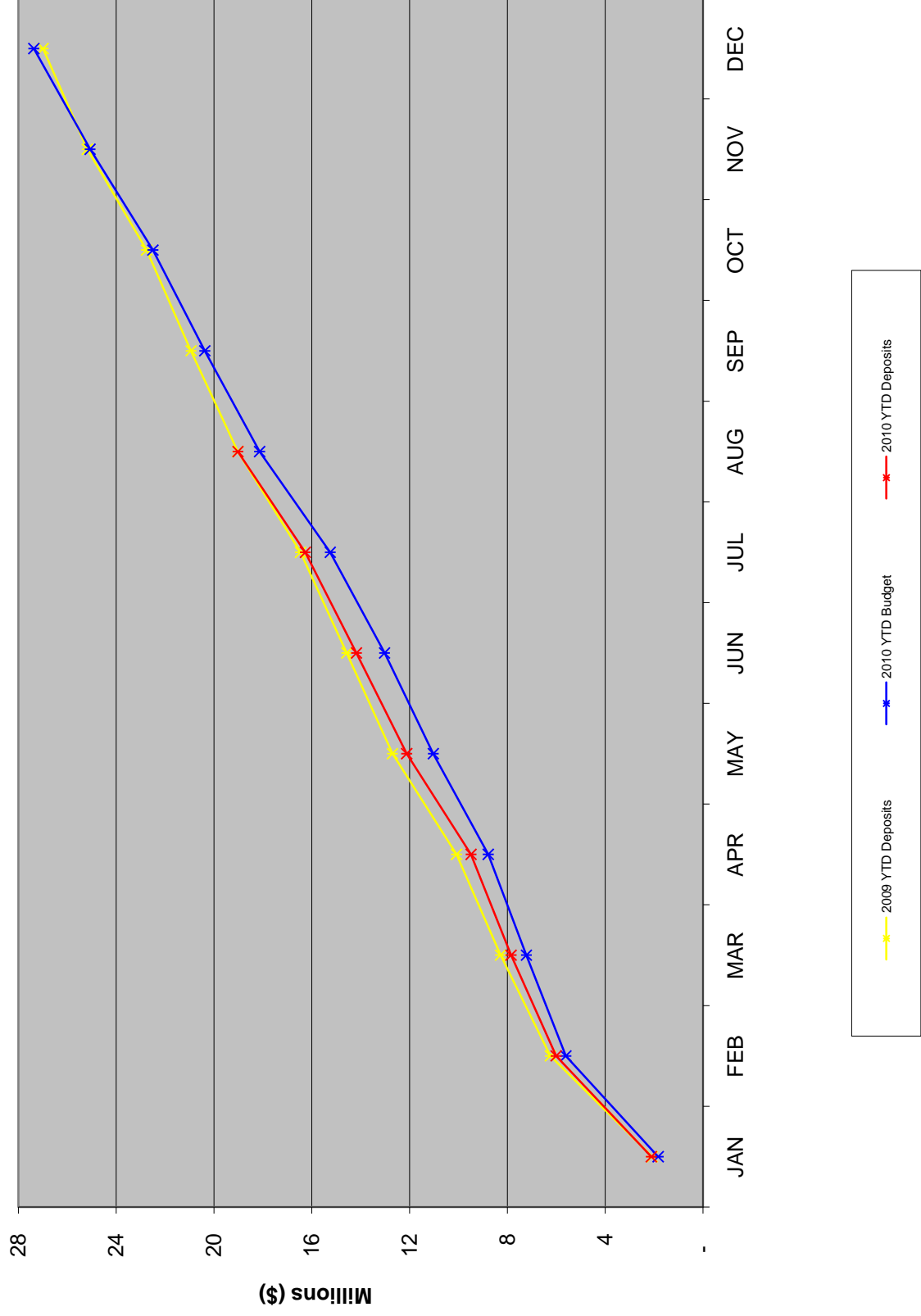
Claude Hunter, Secretary

Don Norrell, President/General Manager

**THE WOODLANDS TOWNSHIP
SALES TAX DEPOSITS
REPORT DATE: AUGUST 31, 2010**

Variances									
	Actual 2008	Actual 2009	Budget 2010	Actual 2010	2009 to 2010 \$ Change	2009 to 2010 % Change	2009 to 2010 \$ Over/(Under)	2010 Budget	% Over/(Under) 2010 Budget
JAN	\$ 1,025,658	\$ 2,080,812	\$ 1,832,014	\$ 2,108,639	\$ 27,828	1.3%	\$ 276,625		15.1%
FEB	1,733,025	4,158,408	3,775,241	3,898,271	(260,136)	-6.3%	123,030		3.3%
MAR	783,382	2,044,030	1,615,427	1,839,582	(204,448)	-10.0%	224,155		13.9%
APR	784,494	1,796,625	1,560,238	1,639,625	(157,000)	-8.7%	79,387		5.1%
MAY	1,063,832	2,622,075	2,246,709	2,633,999	11,923	0.5%	387,290		17.2%
JUN	1,750,766	1,866,910	1,992,991	2,052,697	185,787	10.0%	59,706		3.0%
JUL	2,094,914	1,891,653	2,221,827	2,090,609	198,956	10.5%	(131,219)		-5.9%
AUG	2,510,943	2,560,798	2,892,102	2,755,868	195,070	7.6%	(136,234)		-4.7%
SEP	2,208,496	1,917,948	2,240,281						
OCT	1,900,997	1,820,574	2,119,951						
NOV	2,204,928	2,423,231	2,570,878						
DEC	2,183,393	1,804,841	2,299,783						
TOTAL	\$ 20,244,828	\$ 26,987,906	\$ 27,367,442	\$ 19,019,290					
YTD	\$ 11,747,014	\$ 19,021,311	\$ 18,136,549	\$ 19,019,290	\$ (2,021)	0.0%	\$ 882,741		4.9%
% of 2010 Budget Collected				69.5%					

SALES TAX DEPOSITS



CITY SALES AND USE TAX COMPARISON SUMMARY
AUGUST 1, 2010

COUNTY/CITY	CURRENT RATE	NET PAYMENT THIS PERIOD	COMPARABLE PAYMENT PRIOR YEAR	% CHANGE	2010 PAYMENTS TO DATE	2009 PAYMENTS TO DATE	% CHANGE
Montgomery/Conroe	2.0%	2,961,446.30	2,801,739.12	5.70%	18,717,133.22	20,234,801.92	-7.50%
Cut and Shoot	1.5%	13,787.61	13,798.61	-0.08%	92,451.90	108,889.70	-15.10%
Magnolia	2.0%	201,880.19	189,463.93	6.55%	1,219,641.03	1,306,990.69	-6.68%
Montgomery	2.0%	129,815.04	115,866.14	12.04%	861,778.63	900,912.12	-4.34%
Oak Ridge North	2.0%	215,189.22	217,918.27	-1.25%	1,152,389.41	1,187,037.50	-2.92%
Panorama Village	1.25%	2,754.53	0.00	U/C	7,655.78	0.00	U/C
Patton Village	1.0%	2,824.02	2,618.80	7.84%	13,046.01	12,449.19	4.79%
Shenandoah	2.0%	377,456.47	540,018.33	-30.10%	2,721,683.24	3,862,325.81	-29.53%
Splendoria	1.0%	18,290.80	20,308.78	-9.94%	117,849.24	140,260.32	-15.98%
Stagecoach	1.0%	1,250.75	829.99	50.69%	10,439.01	7,371.45	41.61%
Willis	2.0%	179,831.67	170,933.76	5.21%	901,478.64	1,021,937.13	-11.79%
County Total		\$ 4,104,526.60	\$ 4,073,495.73	0.76%	\$ 25,815,546.11	\$ 28,782,975.83	-10.31%
OTHER CITIES							
Houston	2.0%	\$ 45,650,238.57	\$ 45,157,296.30	1.09%	\$ 319,531,847.39	\$ 340,113,027.03	-6.05%

THE WOODLANDS TOWNSHIP	CURRENT RATE	CURRENT PERIOD	PRIOR YEAR PAYMENT	% CHANGE	2010 YTD PAYMENTS	2009 YTD PAYMENTS	% CHANGE
The Woodlands Township	1.0%	1,519,259.62	1,431,532.52	6.13%	10,586,447.18	10,685,579.10	-0.93%
The Woodlands Tnshp EDZ	1.0%	1,236,608.60	1,129,265.66	9.51%	8,432,842.65	8,335,731.86	1.16%
Township Total		\$ 2,755,868.22	\$ 2,560,798.18	7.62%	\$ 19,019,289.83	\$ 19,021,310.96	-0.01%
Town Center Ec Dev Zone 1	1.0%	7,572.87	0.00	U/C	69,184.80	76,913.43	-10.05%
Town Center Ec Dev Zone 2	1.0%	89,765.87	81,674.67	9.91%	648,947.45	611,267.40	6.16%
Town Center Ec Dev Zone 3	1.0%	68,050.39	80,776.01	-15.75%	504,392.68	565,141.72	-10.75%
Town Center Ec Dev Zone 4	1.0%	98,927.45	101,941.66	-2.96%	760,365.11	872,931.94	-12.90%
EDZ No. 1 - 4 Total		\$ 264,316.58	\$ 264,392.34	-0.03%	\$ 1,982,890.04	\$ 2,126,254.49	-6.74%
OTHER SPECIAL PURPOSE DIST							
E. Montgomery Co Imp Dist	1.0%	\$ 87,816.73	\$ 323,128.23	-72.82%	\$ 1,484,447.89	\$ 2,232,558.85	-33.51%

SOURCE: STATE OF TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

= Existing financial partnership

STATEWIDE	NET PAYMENT THIS PERIOD (in millions)	THIS PERIOD % CHANGE	YTD % CHANGE
Local Governments - All	\$ 556.30	2.3%	-2.5%
Texas Cities	\$ 375.50	2.2%	-2.2%
Texas Counties	\$ 33.70	-0.2%	-5.6%
Special Purpose Districts	\$ 23.50	11.1%	0.5%

SALES TAX INDICATORS	YTD 2009	YTD 2010	YTD % CHANGE
¹ Same Store	3,902,694	4,072,674	4.4%
² Restaurants	339,587	326,905	-3.7%
³ Non-Retail	1,426,991	1,098,863	-23.0%

¹Includes 30 fixed taxpayers representing a cross section of large discount retailers, mall department stores, clothing stores, consumer electronics, jewelry stores, and grocery stores.

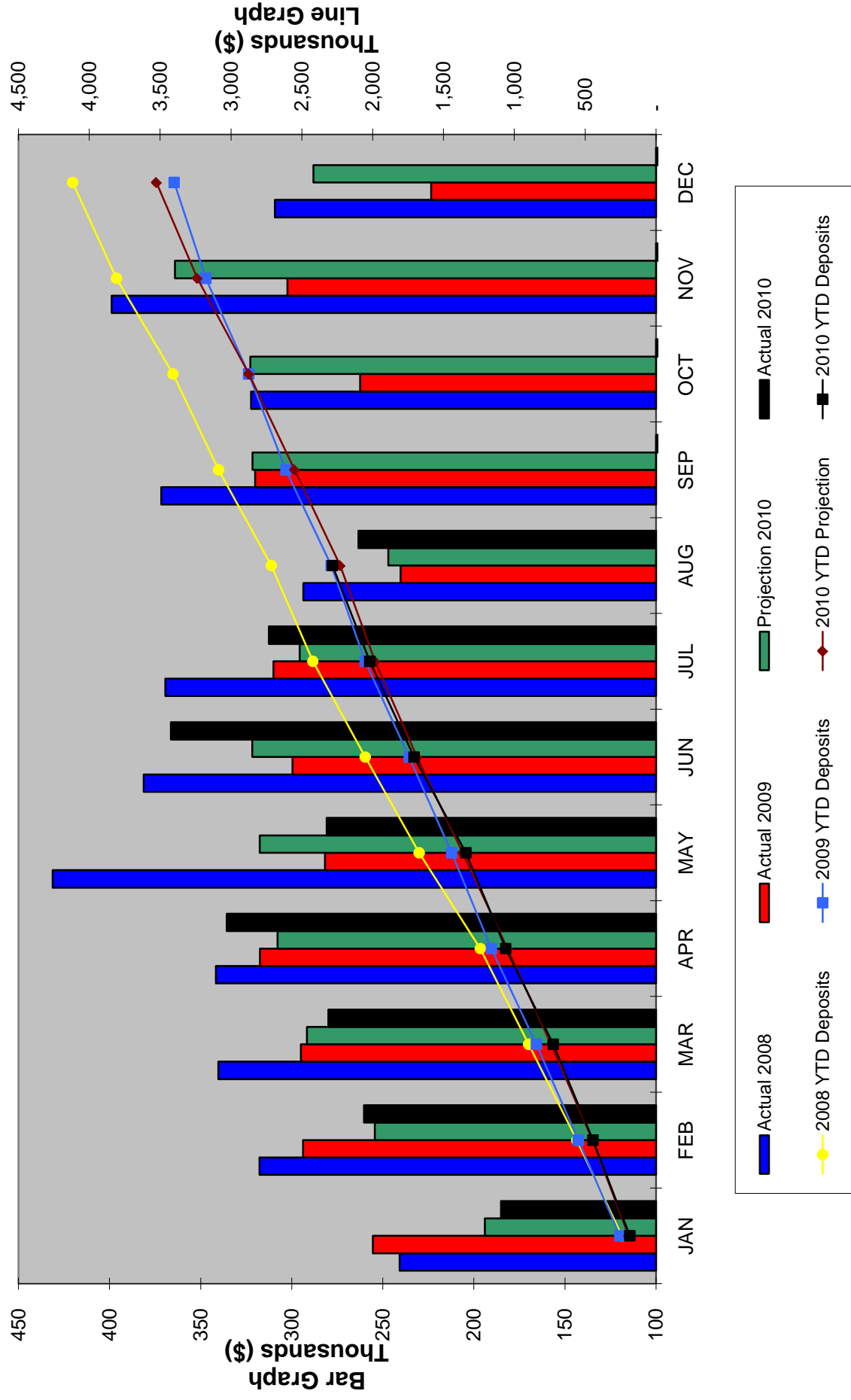
²Includes 15 fixed taxpayers representing full service and quick service restaurants.

³Includes corporate capital expenditures, construction, utilities, and hospitality services.

**THE WOODLANDS TOWNSHIP
HOTEL OCCUPANCY TAX DEPOSITS
REPORT DATE: AUGUST 31, 2010**

Variances										
	Actual 2008		Actual 2009		Budget 2010		Actual 2010	2009 to 2010	2010 Budget	2010 Budget
	\$		\$		\$		\$	% Change	\$ Over/(Under)	% Over/(Under)
JAN	240,745		255,409		193,957		185,041	-27.6%	(8,916)	-4.6%
FEB	317,704		293,695		254,352		260,358	-11.4%	6,006	2.4%
MAR	340,247		294,912		291,695		279,858	-5.1%	(11,837)	-4.1%
APR	341,551		317,413		307,752		335,635	5.7%	27,883	9.1%
MAY	431,274		281,691		317,519		280,824	-0.3%	(36,695)	-11.6%
JUN	381,214		299,516		321,714		366,290	22.3%	44,576	13.9%
JUL	369,354		310,028		295,606		312,476	0.8%	16,870	5.7%
AUG	293,587		240,214		246,987		263,346	9.6%	16,359	6.6%
SEP	371,623		320,048		321,485					
OCT	322,366		262,491		322,713					
NOV	398,833		302,335		364,092					
DEC	309,235		223,434		288,024					
TOTAL	\$	4,117,733	\$	3,401,187	\$	3,525,896	\$	2,283,829		
YTD	\$	2,715,675	\$	2,292,878	\$	2,229,582	\$	2,283,829	\$	54,247
% of 2010 Projections Collected										
64.8%										
2.4%										

HOTEL TAX DEPOSITS



**THE WOODLANDS TOWNSHIP
PROPERTY TAX DEPOSITS
REPORT DATE: AUGUST 31, 2010**

Collection Period	Current Collections	Current Penalties & Interest	(+) Rendition Penalty Collections	(-) 2% Collection Fee	(-) 5% Collection Fee	Refunds	Misc Withholding	Net Deposits
OCT 2009	\$ 910,841	\$ -	\$ 306	\$ 5,955	\$ 15	\$ 8	\$ 85,412	\$ 819,757
NOV 2009	3,093,971	-	487	-	24	3,172	306,688	2,784,574
DEC 2009	16,460,551	-	227	-	11	3,852	160,969	16,295,946
JAN 2010	14,308,809	-	1,740	-	87	24,177	120,564	14,165,721
FEB 2010	2,198,556	19,718	199	-	10	38,303	183,714	1,996,447
MAR 2010	442,532	31,928	47	-	2	36,448	27,043	411,014
APR 2010	274,882	26,700	383	-	19	23,156	8,867	269,924
MAY 2010	144,535	16,532	686	-	34	4,935	11,824	144,961
JUN 2010	177,313	22,394	23	-	1	9,935	11,057	178,736
JUL 2010	96,298	13,473	28	-	1	2,404	8,599	98,793
AUG 2010	65,586	10,338	111	-	6	8,060	1,147	66,824
SEP 2010	-	-	-	-	-	-	-	-
Cumulative	\$ 38,173,875	\$ 141,082	\$ 4,237	\$ 5,955	\$ 212	\$ 154,450	\$ 925,881	\$ 37,232,696
Adjusted Levy	\$ 38,136,495							
Current Collections	\$ 38,173,875	100.10%						
Penalties & Interest	141,082	0.37%						
(-) Adjustments	(154,450)	-0.40%						
Net Collections	\$ 38,160,507	100.06%						
Tax Balance Due	(24,011)	-0.06%						
	38,136,495	100.00%						

SERVICE AGREEMENT

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

THIS SERVICE AGREEMENT made and entered into as of the ____ day of _____, _____, by and between PANTHER CREEK VILLAGE ASSOCIATION, a village association located in The Woodlands Township (“PCVA”) and THE WOODLANDS TOWNSHIP (the “Township”), a political subdivision of the State of Texas duly created by Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, as amended (the “Act”), acting herein by and through its Board of Directors and pursuant to a resolution duly adopted by said Board of Directors and pursuant to the authority contained in the Act.

RECITALS

WHEREAS, The Township has been heretofore duly created and organized as a political subdivision and governmental agency of the State of Texas. The Township is authorized among other matters to contract with any person or entity to provide special or supplemental services for economic development and educational improvements, enhancements and services within or adjacent to the Township’s boundaries. The Board of Directors of the Township has determined that PCVA provides the community a valuable service by providing residents opportunities to recycle, sell, and donate household items; and

WHEREAS, PCVA organizes and coordinates The Woodlands Village Associations Flea Market (“Flea Market”), an event created to provide The Woodlands

residents with a way to sell unwanted household items in consideration of the Residential Standards and Covenants Restrictions, Easements, Charges and Liens of The Woodlands which prohibits garage sales on residential property within The Woodlands. PCVA is responsible for recruiting and training volunteers, selling tickets and running the bi-annual Flea Market with logistical and some financial support from The Woodlands Township. Proceeds from the Flea Market ticket sales are shared with each Village Association that provides volunteers for the event; and

WHEREAS, the Township desires to enter into a service agreement with PCVA;
NOW THEREFORE,

For and in consideration of the mutual covenants, benefits and agreements hereinafter set forth, the parties contract and agree as follows:

I.

PROVISION OF SUPPORT PROVIDED

Township agrees to provide PCVA, for the benefit of the Flea Market, the following fiscal staffing support (“Support”) to include, but not necessarily be limited to the following staffing: Special Events Coordinator, Administrative Assistant, Park Operations.

In addition to the aforesaid Support, the Township shall serve as a collection point for exhibitor booth fees and hold all collected monies for PCVA. The Township agrees to provide a telephone number, website and community magazine advertisement to promote the Flea Market. The Township agrees to make available to the PCVA

reasonable Township staff, advertising and administrative services in support of the Flea Market at no cost to PCVA.

Such Support will be provided, unless otherwise directed by the Township.

II.

EXPENSES & RESPONSIBILITIES

PCVA shall be responsible for the following expenses related to the Flea Market:

Equipment and supplies related to production of the Flea Market
Ticket Sales on Initial Sale Day
Donations to service clubs or organizations involved with the production of the Flea Market

Township will be responsible for arranging and carryout the following:

General Liability Insurance
Location/ venue and date for the Flea Market
Portalets or portable restrooms
Refreshments for Volunteers
Security
Barricades and traffic cones
Telephone
Web Site
Community Magazine
Newspaper advertisement
Ticket Sales after Initial Sale Day

Expenses related to Security, Portaltes or portable restrooms, Refreshments for Volunteers and Newspaper Advertisement will be reimbursed to the Township from the proceeds from the Flea Market.

III.

LIMITATION OF REMEDIES

The sole obligation of the respective parties to each other is to provide its services described in this Agreement. Should the either party fail, for any reason, to carry out its

obligations under this Agreement, the sole remedy of the other party shall be to terminate this Agreement.

IV.

MUTUAL INDEMNIFICATION

PCVA and its agents, contractors, employees, successors and assigns, agrees to indemnify, hold harmless, protect and defend Township and its directors, officers, agents, attorneys and employees, from all claims, reasonable attorneys' fees and court costs, out-of-pocket expenses, damages (including compensatory and punitive damages) and liabilities, arising from or relating to PCVA obligations under this Agreement or to any liability caused by any actions or omissions of PCVA and its agents, contractors, employees, successors and assigns regarding the Flea Market.

Likewise, the Township and its agents, contractors, employees, successors and assigns, agrees to indemnify, hold harmless, protect and defend PCVA and its directors, officers, agents, attorneys and employees, from all claims, reasonable attorneys' fees and court costs, out-of-pocket expenses, damages (including compensatory and punitive damages) and liabilities, arising from or relating to the Township's obligations under this Agreement or to any liability caused by any actions or omissions of the Township and its agents, contractors, employees, successors and assigns regarding the Flea Market.

These mutual indemnification provisions shall survive the expiration or termination of this Agreement.

V.

TERM, RENEWAL AND TERMINATION

This Agreement shall remain in full force and effect until December 31, 2010 unless terminated sooner pursuant to Article III of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the ____ day of _____, 2010.

THE WOODLANDS TOWNSHIP

By: _____
Bruce Tough, Chairman

PANTHER CREEK VILLAGE ASSOCIATION
EVENT COORDINATOR

By: _____
Larry Faith, PCVA Event Coordinator

PANTHER CREEK VILLAGE ASSOCIATION

By: _____
Everett Ison, President



*PROCLAMATION
NATIONAL NIGHT OUT 2010*

The Woodlands, Texas

BE IT PROCLAIMED:

WHEREAS, the National Association of Town Watch (NATW) and TARGET are sponsoring a unique, nationwide crime, drug and violence prevention program on October 5, 2010, entitled "National Night Out"; and

WHEREAS, the "27th Annual National Night Out" provides a unique opportunity for The Woodlands, Texas to join forces with thousands of other communities across the country in promoting cooperative, police-community crime prevention efforts; and

WHEREAS, The Woodlands Township plays a vital role in assisting the Montgomery County Sheriff's Office, Harris County Constable Precinct No. 4, and Conroe Independent School District Police through joint crime, drug and violence prevention efforts in The Woodlands and is supporting "National Night Out 2010" locally; and

WHEREAS, it is essential that all citizens of The Woodlands, Texas be aware of the importance of crime prevention programs and impact that their participation can have on reducing crime, drugs and violence in The Woodlands, Texas; and

WHEREAS, police-community partnerships, neighborhood safety, awareness and cooperation are important themes of the "National Night Out" program; and

Now, therefore we do hereby call upon all citizens of The Woodlands to join The Woodlands Township, the National Association of Town Watch and Target in supporting "27th Annual National Night Out" on October 5th, 2010.

FURTHER, LET IT BE RESOLVED THAT, we do hereby proclaim Tuesday, October 5th, 2010 as "**NATIONAL NIGHT OUT**" in The Woodlands.

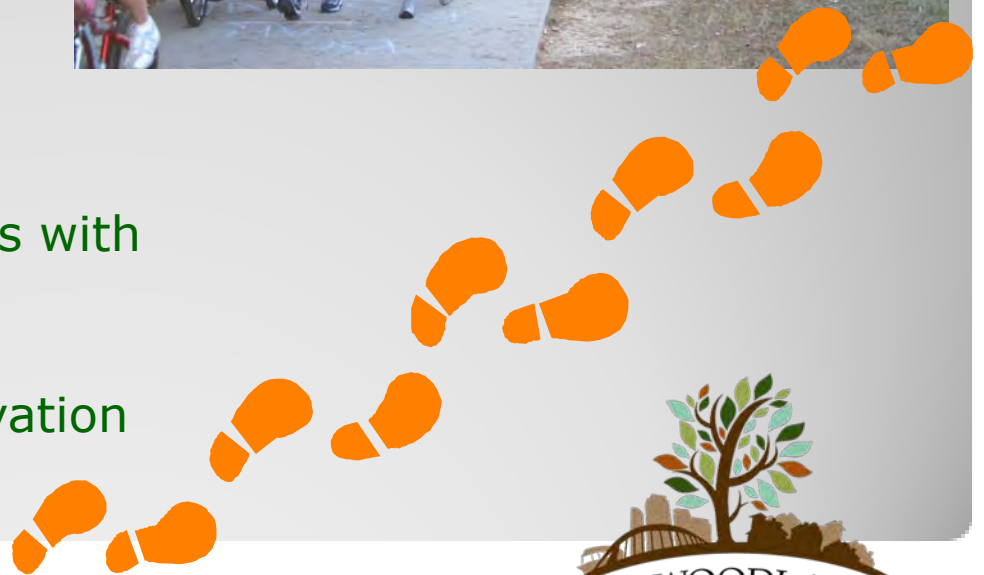
IN WITNESS WHEREOF:

I have hereunto set my hand and caused this Seal of The Woodlands Township to be affixed hereto
this 22nd day of September in the year Two Thousand and Ten.

Bruce Tough, Chairman of the Board, The Woodlands Township
The Woodlands, Texas

October is International Walk to School Month

- Focus Areas
 - 1.2.5 Special Event Opportunities
 - 1.5.2 Establish alliances with organizations
 - 7.1 Proactively address environmental & conservation issues



Walk to School



- Reduces traffic congestion, pollution and speeding around schools and neighborhoods
- Increases use of pathways and boosts physical activity
- Teaches safe walking skills to children
- Increases neighbor-to-neighbor interactions
- Features eco-values—conservation and clean air



Walk to School

Piloted in 2002 at David Elementary



Walk to School

Expanded to 5 schools in 2003

8 schools in 2005

9 schools in 2009



Walk to School 2010 Schedule

10 schools in 2010

- Tuesday, October 5
 - Galatas
- Wednesday, October 6
 - Ride
 - Glen Loch
- Thursday, October 7
 - Bush
 - Buckalew
- Friday, October 8
 - Hailey
 - Lamar



- Wednesday, October 13
 - Deretchin
- Thursday, October 14
 - Creekside Forest
- Friday, October 15
 - Powell





*PROCLAMATION
INTERNATIONAL WALK TO SCHOOL MONTH 2010*

The Woodlands, Texas

BE IT PROCLAIMED:

Whereas, hundreds of children could be saved each year if communities take steps to make pedestrian safety a priority; and

Whereas, a lack of physical activity plays a leading role in rising rates of obesity, diabetes and other health problems among children and being able to walk or bicycle to school offers an opportunity to build activity into daily routine; and

Whereas, driving students to school by private vehicle contributes to traffic congestion and air pollution; and

Whereas, an important role for parents and caregivers is to teach children about pedestrian safety and become aware of the difficulties and dangers that children face on their trip to school each day and the health and environmental risks related to physical inactivity and air pollution; and

Whereas, community leaders and parents can determine the "walkability" of their community by using a walkability checklist; and

Whereas, community members and leaders should make a plan to make immediate changes to enable children to safely walk and bicycle in our communities and develop a list of suggestions for improvements that can be done over time; and

Whereas, children, parents and community leaders around the world are joining together to walk to school and evaluate walking and bicycling conditions in their communities; and

FURTHER, LET IT BE RESOLVED THAT, we do hereby proclaim the month of October as “**INTERNATIONAL WALK TO SCHOOL MONTH**” in The Woodlands, Texas, and encourage everyone to consider the safety and health of children this month and throughout the year.

IN WITNESS WHEREOF:

I have hereunto set my hand and caused this Seal of The Woodlands Township to be affixed hereto
this 22nd day of September in the year Two Thousand and Ten.

Bruce Tough, Chairman of the Board, The Woodlands Township
The Woodlands, Texas



THE WOODLANDS TOWNSHIP

The Woodlands, TX

EXECUTIVE SUMMARY

MEETING DATE: September 22, 2010

SUBJECT MATTER: Sister City Program – Additional Information

BUDGET IMPACT: Board to determine

FACTS/HISTORY:

The following additional information on Sister City Programs is provided in response to questions that were raised at the Board Workshop on September 16.

Budget

Budgets for Sister City programs vary widely, based on design.

Examples:

The City of Houston grants money to Sister Cities of Houston to pay the membership fee on behalf of the city. No other direct funding is paid to the Sister City organizations. Each of Houston's 17 sister city programs have their own independent non-profit organizations. Staff coordinates diplomatic efforts as they relate to the City, such as official city correspondence and attendance at Sister City events. This takes approximately 50% of one staff member's time. All programs are coordinated, paid for and run by the independent non-profit sister city organizations.

The City of Fort Worth has not passed its budget for 2011 and Sister City funding is under review in this process. In 2008 and 2009, the City of Fort Worth contracted with Fort Worth Sister Cities International in the amount of \$378,420 for coordination of its seven Sister City relationships.

The City of Laredo budgeted \$7,851 for its Sister City Youth Conference in the 2008-2009 budget and \$3,500 in the 2009-2010 budget. In May, 2010, the city council approved \$17,056 for 16 high school students and chaperones from the Sister Cities Youth Committee to travel to participate in the Sister Cities International Committee. A separate trip for 17 students and chaperones to travel to New Zealand, totaling \$30,100 will be paid for through the Sister Cities Youth Committee's fundraising events.

The City of Irving budgets \$160,000 per year for the Sister Cities program, which is administered by the local Chamber of Commerce.

Purpose/Benefits

Sister Cities International states, “On the most basic level, sister city relationships allow citizens to exchange ideas, gain an international perspective, and increase their understanding of global issues. However, many sister city programs go further, lending economic growth and development to both their home and partner communities, or humanitarian support to regions in need. While sister cities build the foundation for increased tourism, reliable business contacts, and cross-cultural awareness, they also foster a desire to reach out to the world’s less developed regions and build personal bridges to world peace.”

Specific purpose and benefits of the program depend on the design of the program and vary by city program or by Sister City relationship.

Examples:

The Houston sister city associations develop intercultural understanding and promote international trade and commerce, economic development and tourism. Each association determines their own local initiatives and develops programs.

Fort Worth Sister Cities provide programs that are focused on education, arts, culture, economic development and humanitarian assistance. Their purpose is to provide the local community with leadership and communication skills to interact with the global community and to breakdown misunderstandings that lead to conflict.

Laredo Sister Cities Youth Committee promotes goodwill and understanding between the City of Laredo and its Sister Cities. The goal of the program is to make a significant contribution to global peace by allowing Laredo’s youth to partake in an experience that will influence their personal lives as they develop into adults.

Irving Sister Cities program goal is to build relationships/municipal partnerships between foreign cities with similar interests, concerns, and outlooks; provide opportunities for citizens to experience and explore other cultures through long-term community partnerships; stimulate environments to creatively learn, work and solve problems together through reciprocal cultural, educational, municipal, business, professional, and technical exchanges and projects; provide a forum to collaborate with organizations in other countries that share similar goals; enhance Irving’s international reputation as the gateway to the Dallas-Fort Worth Metroplex; serve as a protocol resource for the city of Irving; attract international businesses, students, and tourists to Irving; and to provide unparalleled educational opportunities for our children and students of all ages.

Possible options for consideration:

Option 1 – Support a Sister City effort that is initiated and supported by others. The Township would provide support for the program through funding the Sister City membership fee (estimated at \$1,000 per year) but the program would be developed and administered by others. Staff time would not be involved in this process. (similar to City of Houston)

Option 2 – Support a Sister City effort through The Woodlands Township. This would require a commitment of staff time and funding and would be dependent on the level of programming desired. (similar to the City of Laredo)

Option 3 – Contract with others to administer a Sister Cities program. The cost of the program would depend on the desired level of service. (similar to the City of Irving)

RECOMMENDED BOARD ACTION:

Board to determine action.