THE WOODLANDS TOWNSHIP

General Purpose Financial Statements
March 31, 2011

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

The Woodlands Township
Combined Balance Sheet
As of March 31, 2011

	General Fund	Debt Service Fund	Debt Service Reserve Fund	Capital Project Funds	Component Units: Economic Development Zone	Component Units: The Woodlands Fire Dept	Component Units: The Woodlands CVB	Account Groups: General Fixed Assets	Account Groups: General Long-term Debt	Total
Assets and Other Debits										
Cash and Current Investments	$ 58,639,992	$ 4,156,267	$ 3,169,896	$ 14,060,470	$ 1,799,120	$ 725,213	$ 686,453	$ -	$ -	$ 83,237,411
Tax/Assessment Receivables	396,686	-	-	-	-	-	-	-	-	396,686
Interest Receivable	-	-	9,230	-	-	-	-	-	-	9,230
Other Receivables	191,935	-	-	-	-	146,222	25,199	-	-	363,356
Due from Other Funds	2,754,305	28,294	-	17,589,443	-	61,028	-	-	-	20,433,071
Prepaids	805,550	-	-	-	-	126,888	70,133	-	-	1,002,571
Notes Receivable	6,665,722	-	-	-	(6,665,722)	-	-	-	-	-
Capital Assets, net of accum deprec	-	-	-	-	-	-	-	164,437,839	-	164,437,839
Amount to be Provided to Retire Debt	-	-	-	-	-	-	-	-	102,930,000	102,930,000
Total Assets and Other Debits	**$ 69,454,190**	**$ 4,184,561**	**$ 3,179,126**	**$ 31,649,913**	**$ (4,866,602)**	**$ 1,059,351**	**$ 781,785**	**$ 164,437,839**	**$ 102,930,000**	**$ 372,810,163**
Liabilities and Other Credits										
Accounts Payable	(5,514)	-	-	-	-	(375)	-	-	-	(5,889)
Other Accrued Liabilities	2,746,322	-	-	-	1,102,851	92,225	-	-	-	3,941,397
Refundable Deposits	200,800	-	-	-	-	-	-	-	-	200,800
Due to Other Funds	17,650,471	1,791,525	28,294	536,591		147,938	(198)	-	-	20,154,623
Deferred Revenue	29,249,713	-	-	-	-	20,833	3,000	-	-	29,273,545
Notes Payable	-	-	-	-	-	-	-	-		-
Bonds Payable	-	-	-	-	-	-	-	-	102,930,000	102,930,000
Investment in General Fixed Assets	-	-	-	-	-	-	-	164,437,839	-	164,437,839
Fund Balance										
Undesignated	12,946,676	-	-	-	-	-	-	-	-	12,946,676
Designated	6,665,722	-	-	31,113,321	(5,969,453)	798,731	778,983	-	-	33,387,304
Reserved	-	2,393,037	3,150,831	-	-	-	-	-	-	5,543,868
Total Liabilities, Fund Balance, and Other Credits	**$ 69,454,190**	**$ 4,184,561**	**$ 3,179,126**	**$ 31,649,913**	**$ (4,866,602)**	**$ 1,059,351**	**$ 781,785**	**$ 164,437,839**	**$ 102,930,000**	**$ 372,810,163**

The Woodlands Township
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Three Months Ended March 31, 2011

	General Fund	Debt Service Fund	Debt Service Reserve Fund	Capital Projects Fund	Economic Development Zone	The Woodlands Fire Dept	The Woodlands CVB	Total
REVENUES								
Property Tax	$ 9,872,027	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,872,027
Sales and Use Tax	4,660,827	-	-	-	4,563,026	-	-	9,223,853
Hotel Occupancy Tax	955,083	-	-	-	-	-	-	955,083
Event Admissions Tax	66,685	-	-	-	-	-	-	66,685
Program Revenues	494,737	-	-	-	-	-	78,781	573,518
Administrative Fees	127,713	-	-	-	-	-	-	127,713
Grants and Contributions	-	-	-	-	-	-	-	-
Interest Income	27,545	1,973	30,267	5,429	34	1	479	65,728
Other Income	597,091	-	-	-	-	165,410	-	762,501
Bond Proceeds	-	-	-	-	-	-	-	-
TOTAL REVENUES	**$ 16,801,707**	**$ 1,973**	**$ 30,267**	**$ 5,429**	**$ 4,563,060**	**$ 165,411**	**$ 79,260**	**$ 21,647,107**
EXPENDITURES								
General Government	1,516,450	-	-	-	-	-	-	1,516,450
Law Enforc/Neighborhood Svcs	2,161,231	-	-	-	-	-	-	2,161,231
Parks and Recreation	2,058,128	-	-	-	-	-	-	2,058,128
Community Services	2,573,963	-	-	-	-	-	-	2,573,963
Community Relations	190,388	-	-	-	-	-	-	190,388
Transportation	48,927	-	-	-	-	-	-	48,927
Economic Development	64,450	-	-	-	-	-	-	64,450
Transition	-	-	-	-	-	-	-	-
Regional Participation	291,301	-	-	-	-	-	-	291,301
Other Expenditures	207,807	-	-	-	-	-	-	207,807
Fire Department	-	-	-	-	-	3,089,758	-	3,089,758
Convention & Visitors Bureau	-	-	-	-	-	-	275,236	275,236
Capital Outlay	-	-	-	713,123	114,813	-	-	827,936
Debt Service	-	5,593,794	-	-	-	-	-	5,593,794
TOTAL EXPENDITURES	**$ 9,112,644**	**$ 5,593,794**	**$ -**	**$ 713,123**	**$ 114,813**	**$ 3,089,758**	**$ 275,236**	**$ 18,899,368**
REV OVER/(UNDER) EXP (before transfers)	**7,689,063**	**(5,591,821)**	**30,267**	**(707,694)**	**4,448,247**	**(2,924,347)**	**(195,976)**	**2,747,739**
NET TRANSFERS IN/(OUT)	**(10,655,043)**	**4,704,236**	**(57,746)**	**5,337,815**	**(3,748,851)**	**3,723,078**	**974,959**	**278,448**
REV OVER/(UNDER) EXP (after transfers)	**(2,965,981)**	**(887,585)**	**(27,479)**	**4,630,121**	**699,396**	**798,731**	**778,983**	**3,026,187**
BEGINNING FUND BALANCE	**22,578,379**	**3,280,621**	**3,178,310**	**26,483,200**	**(6,668,849)**	**-**	**-**	**48,851,661**
ENDING FUND BALANCE	**$ 19,612,398**	**$ 2,393,037**	**$ 3,150,831**	**$ 31,113,321**	**$ (5,969,453)**	**$ 798,731**	**$ 778,983**	**$ 51,877,848**

The Woodlands Township
General Fund Budget vs Actual
For the Three Months Ended March 31, 2011

	YTD Budget	YTD Actual	YTD Variance	
REVENUES				
Tax Revenue				
Sales and Use Tax	$ 4,630,646	$ 4,660,827	$ 30,181	
Sales Tax Transfers (EDZ)	3,974,164	4,027,299	53,136	
Subtotal	**8,604,810**	**8,688,126**	**83,317**	
Property Tax	9,912,282	9,872,027	(40,255)	
Hotel Occupancy Tax	870,393	955,083	84,690	
Events Admission Tax	5,000	66,685	61,685	
	19,392,485	**19,581,921**	**189,436**	
Other Sources				
Program Revenues	584,345	494,737	(89,608)	
Administrative Fees	66,525	127,713	61,188	
Grants and Contributions	48,600	-	(48,600)	
Interest Income	129,705	27,545	(102,160)	
Other Income	42,835	597,091	554,256	
TOTAL REVENUES	**20,264,495**	**20,829,006**	**564,511**	**A)**
OPERATING EXPENDITURES				
General Government				
Board of Directors	9,550	15,512	(5,962)	
President's Office	128,694	111,075	17,619	
Legislative Affairs	97,485	31,431	66,054	
Human Resources	144,944	118,963	25,981	
Finance	341,460	267,178	74,282	
Information Technology	261,659	173,433	88,226	
Records/Database Mgmt	132,698	126,400	6,298	
Non-Departmental	690,275	672,458	17,817	
	1,806,765	**1,516,450**	**290,315**	**B)**
Law Enforc/Neighborhood Svcs				
Law Enforcement Services	2,196,297	2,027,781	168,516	
Ambassador Program	62,270	51,271	10,999	
Neighborhood Services	105,241	82,179	23,062	
	2,363,808	**2,161,231**	**202,577**	**C)**
Parks and Recreation				
Parks Admin/Planning	374,503	348,452	26,050	
Parks Operations	1,286,110	999,776	286,334	
Aquatics	247,900	209,157	38,743	
Recreation	339,406	308,401	31,005	
Waterway Operations	264,065	192,341	71,724	
	2,511,984	**2,058,128**	**453,856**	**D)**
Community Services				
Community Services Admin	93,426	94,707	(1,281)	
Covenant Administration	449,226	444,179	5,047	
Environmental Services	107,192	80,976	26,216	
Streetlighting	288,636	219,107	69,529	
Streetscape Maintenance	612,099	487,663	124,436	
Solid Waste Services	1,334,033	1,245,059	88,974	
Other Community Services	2,825	2,271	554	
	2,887,437	**2,573,963**	**313,474**	**E)**
Community Relations				
Community Relations	175,814	96,041	79,773	
CVB Staff Services	93,747	94,346	(599)	
	269,561	**190,388**	**79,173**	**F)**
Other Expenditures				
Transportation	124,657	48,927	75,730	
Economic Development	70,150	64,450	5,700	
Governance	-	-	-	
Regional Participation	242,139	291,301	(49,162)	
Other Expenditures	161,217	207,807	(46,590)	
	598,163	**612,485**	**(14,322)**	**G)**
EXPENDITURE SUBTOTAL	**10,437,718**	**9,112,644**	**1,325,073**	
TRANSFERS				
Fire Department	3,723,078	3,723,078	-	
Convention & Visitors Bureau	599,959	974,959	(375,000)	
Capital Projects	1,943,462	5,337,815	(3,394,353)	
Debt Service	1,949,157	4,646,490	(2,697,333)	
	8,215,656	**14,682,342**	**(6,466,686)**	**H)**
TOTAL EXPENDITURES	**18,653,374**	**23,794,986**	**(5,141,613)**	
REV OVER/(UNDER) EXP	**1,611,121**	**(2,965,981)**	**(4,577,102)**	
BEGINNING FUND BALANCE	**22,578,379**	**22,578,379**	**-**	
ENDING FUND BALANCE	**$ 24,189,500**	**$ 19,612,398**	**$ (4,577,102)**	

The Woodlands Township
General Fund – Operating Budget Variances
For the Month Ended March 31, 2011

A) Revenues

- Sales Tax – Actual sales tax collections through March exceeded the collections for the same period last year and are higher than the budgeted year-to-date amount for 2011.
- Property Tax – 98.76% collection rate for Tax Year 2010 through April 7, 2011.
- Hotel Occupancy Tax – Hotels are outperforming conservative budget projections by 9.7%.
- Program Revenues – Relates to the timing of actual revenue received verses budgeted revenue for tennis, boat house, and the triathlon programs.
- Grants and Contributions – Unfavorable variance for HGAC grant funding for trolley services is offset by favorable variance in Transportation expense.
- Interest Income – Variance reflects 0.31% APY for general fund cash balances versus 1% budgeted APY.
- Other Income – YTD actual reflects income from the Convention Center lease, legal fees for delinquent assessment collections, and RDRC forfeitures. In addition, $500,000 was received from the hospital district as part of the lease/purchase agreement for the fire station that was previously purchased from the City of Conroe by the community associations.

B) General Government

- Board of Directors – Variance relates to expenditures for January Town Hall meeting and Volunteer Appreciation event.
- President's Office – Variance relates to lower than budgeted expenses for salaries and benefits.
- Legislative Affairs – Variance primarily relates to lower than budgeted consulting and legal expenses.
- Finance – Favorable variances relate to staffing vacancies and lower than budgeted contracted services.
- Information Technology – Variance relates to an open position 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, equipment expense, and contracted services.

C) Law Enforcement/Neighborhood Services

- Law Enforcement Services – Favorable variances relate to lower than budgeted expenditures for Montgomery County Sheriff's Department personnel, targeted overtime, and related fuel costs.
- Neighborhood Services – Favorable variance in program expense is due to the deferral of several community programs until later in the year.

D) Parks and Recreation

- Parks Admin/Planning – Favorable variance primarily relates to lower than budgeted salaries and benefits costs due to staff vacancies.
- Parks Operations – Expenditures for contracted services and maintenance expenses are lower than budgeted.
- Aquatics – Favorable variance relates to facility expenses being lower than budgeted.
- Recreation – Expenditures for administrative and program expenses are lower than budgeted.
- Waterway Operations – Favorable variance primarily relates to contracted services as well as program expenses being lower than budgeted.

E) Community Services

- Environmental Services – Favorable variance primarily relates to contracted services being deferred until later in the year.
- Streetlighting – Expenditures for streetlighting are lower than budgeted.
- Streetscape Maintenance – Costs for roadside maintenance have been kept lower than budgeted.
- Solid Waste Services – Favorable variance relates to lower than budgeted expenses.

F) Community Relations

- Community Relations – Favorable variance in program expense is due to the deferral of the Public Safety Heroes Banquet until later in the year.

G) Other Expenditures

- Transportation – Contract related to trolley service adjusted to reflect lower operating cost rate and offset by unfavorable variance in grants and contributions from HGAC.
- 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 primarily relates to the timing of funding request payments to YMCA Youth Program and Friendship Center in addition to expenses for the agreement with MUD 39 for 250 Harpers Landing Fire Station.

H) Transfers

- Fire Department – Actual reflects quarterly funding transfer from The Woodlands Township.
- Convention & Visitors Bureau – Budget assumed transfers of supplemental hotel tax to fund waterway cruisers would be made quarterly, whereas service agreement required an annual transfer in January.
- Capital Projects – Variance relates to timing of transfers to others funds for capital project expenditures.
- Debt Service – Variance relates to timing of transfers to others funds for debt service expenditures.

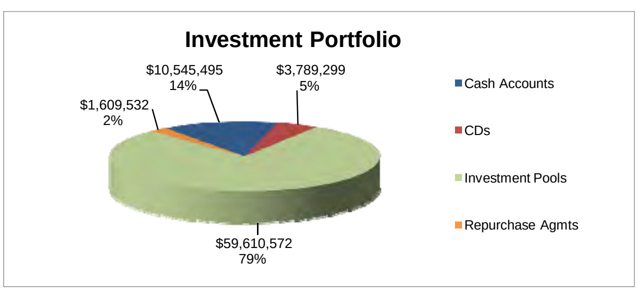
The Woodlands Township
Monthly Investment Report
March 31, 2011

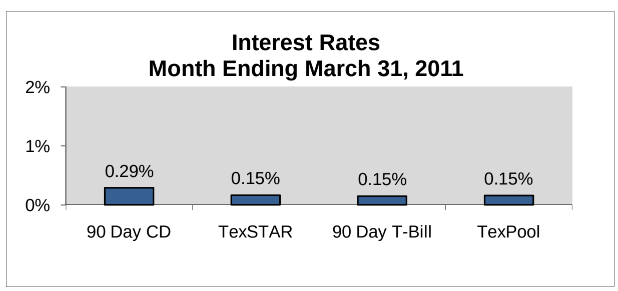
Fund	Investment Type	Description	Maturity	Beginning Balance	Monthly Activity	Earnings	Ending Balance	Beginning Market	Ending Market	Avg. % Yield
GF	Public Funds Liquidity Money Market	Woodforest National Bank Checking Account	Open	$ 99,062	$ - (7)	$ 7.64	$ 99,063	$ 99,062	$ 99,063	0.09%
GF	Choice IV with Interest-Public Funds	Wells Fargo Bank Checking Account	Open	4,264,932	(1,113,949)	$ -	3,150,982	4,264,932	3,150,982	0.00%
GF	Liquid Assets Portfolio Money Market	Invesco AIM Sweep Account	Open	389,954	7 -	$ 6.51	389,967	389,954	389,967	0.02%
GF	Texas Local Govt Investment Pool	TexPool Investment Pool	Open	44,148,714	(3,881,066) -	$ 5,500.93	40,273,150	44,148,714	40,273,150	0.15%
GF	Texas Local Govt Investment Pool	TexSTAR General Fund	Open	3,260,761	- -	$ 389.94	3,261,150	3,260,761	3,261,150	0.15%
GF	Public Funds Money Market	Encore Bank	Open	3,147,633	-	$ 935.67	3,148,569	3,147,633	3,148,569	0.35%
GF	Certificate of Deposit	Encore Bank	12/22/2010	3,057,085	- -	$ 2,721.63	3,059,807	3,057,085	3,059,807	1.05%
GF	Commercial Checking	Comerica (WCSC)	Open	46,746	(13,039) -	$ -	33,706	46,746	33,706	0.00%
GF	Texas Local Govt Investment Pool	TexSTAR Health Ins. Self-Funding	Open	1,053,625	265,900 (300,111.51)	$ 112.74	1,019,526	1,053,625	1,019,526	0.15%
CPF	Texas Local Govt Investment Pool	TexSTAR Parks & Path, Series 2010	Open	5,238,668	- -	$ 626.47	5,239,294	5,238,668	5,239,294	0.15%
CPF	Texas Local Govt Investment Pool	TexSTAR Fire, Series 2010	Open	6,411,553	- -	$ 766.73	6,412,320	6,411,553	6,412,320	0.15%
DSF	Superior Interest Liquidity Money Market	Woodforest National Bank Hotel Tax Account	Open	3,013,211	- -	$ 614.20	3,013,826	3,013,211	3,013,826	0.24%
DSF	Choice IV with Interest-Public Funds	Wells Fargo Bank Hotel Tax Account	Open	261,231	448,150.37 -	$ -	709,382	261,231	709,382	0.00%
DSF	Texas Local Govt Investment Pool	TexSTAR Refinancing, Series 2010	Open	433,008	- -	$ 51.78	433,060	433,008	433,060	0.15%
DSF	Texas Local Govt Investment Pool	TexSTAR Office Building	Open	2,408,567	- -	$ 288.03	2,408,856	2,408,567	2,408,856	0.15%
DSRF	Texas Local Govt Investment Pool	TexSTAR Office Bldg Debt Svc Res	Open	563,149	- -	$ 67.34	563,217	563,149	563,217	0.15%
DSRF	Certificate of Deposit	Encore Bank	2/1/2011	728,842	- -	$ 649.58	729,492	728,842	729,492	1.05%
DSRF	Flex Repo Money Market	HypoVereinsBank of Austria	3/1/2027	1,655,680	- (55,377)	$ 9,229.50	1,609,532	1,655,680	1,609,532	5.90%
			Total	$ 80,182,422	$ (4,649,492)	$ 21,968.69	$ 75,554,898	$ 80,182,422	$ 75,554,898	0.31%
					YTD	$ 65,213.43				

Weighted Average Maturity		
Consolidated WAM	125	days
General Fund WAM	-	days
Capital Project Funds WAM	-	days
Debt Service Fund WAM	-	days
Debt Service Reserve Fund WAM	3257	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: MARCH 31, 2011

					Variances			
					Actual 2011 vs. Actual 2010		Actual 2011 vs. Budget 2011	
	[1]Actual 2009	[1]Actual 2010	Budget 2011	Actual 2011	$ Change	% Change	$ Change	% Change
JAN	$ 2,188,499	$ 2,203,164	$ 2,131,629	$ 2,151,058	$ (52,106)	-2.4%	$ 19,429	0.9%
FEB	4,357,493	4,018,452	4,494,080	4,456,766	438,314	10.9%	(37,314)	-0.8%
MAR	2,130,682	1,915,115	1,979,101	2,080,302	165,188	8.6%	101,201	5.1%
APR	1,879,964	1,714,814	1,853,838					
MAY	2,731,780	2,741,877	2,702,434					
JUN	1,953,252	2,147,129	1,985,167					
JUL	1,989,834	2,184,308	2,110,976					
AUG	2,662,740	2,854,796	2,851,537					
SEP	2,002,548	2,118,866	2,096,927					
OCT	1,905,328	2,208,302	2,053,409					
NOV	2,509,683	2,776,625	2,583,953					
DEC	1,883,694	2,161,056	2,138,557					
TOTAL	$ 28,195,497	$ 29,044,505	$ 28,981,608					
YTD	$ 8,676,674	$ 8,136,731	$ 8,604,810	$ 8,688,126	$ 551,396	6.8%	$ 83,316	1.0%
2011 Deposits as % of Budget			30.0%					

[1]Sales tax deposits for Project No. 4 included for comparison purposes.

THE WOODLANDS TOWNSHIP
HOTEL OCCUPANCY TAX DEPOSITS
REPORT DATE: MARCH 31, 2011

					Variances			
					Actual 2011 vs. Actual 2010		Actual 2011 vs. Budget 2011	
	Actual 2009	Actual 2010	Budget 2011	[1]Actual 2011	$ Change	% Change	$ Change	% Change
JAN	$ 255,409	$ 185,041	$ 236,177	$ 215,781	$ 30,740	16.6%	$ (20,396)	-8.6%
FEB	293,695	260,358	300,014	346,528	86,170	33.1%	46,514	15.5%
MAR	294,912	279,858	334,202	392,773	112,916	40.3%	58,571	17.5%
APR	317,413	335,635	354,074					
MAY	281,691	280,824	354,536					
JUN	299,516	366,290	362,539					
JUL	310,028	312,476	341,309					
AUG	240,214	263,316	280,745					
SEP	320,048	348,762	367,161					
OCT	262,491	307,202	354,734					
NOV	302,335	351,514	401,675					
DEC	223,434	285,281	314,053					
TOTAL	$ 3,401,187	$ 3,576,557	$ 4,001,219					
YTD	$ 844,016	$ 725,258	$ 870,393	$ 955,083	$ 229,825	31.7%	$ 84,690	9.7%

2011 Deposits as % of Budget 23.9%

[1]Actual 2011 deposits includes the 1% supplemental local hotel tax, and Actual 2010 does not.

THE WOODLANDS TOWNSHIP
PROPERTY TAX DEPOSITS
TAX YEAR 2009/2010
REPORT DATE: MARCH 31, 2011

Fiscal Year	Tax Year	Collection Period	Current Collections	(+) Current Penalties & Interest	(+) Rendition Penalty Collections	(-) 2% Collection Fee	(-) 5% Collection Fee	(-) Refunds	(-) Misc Witholding	(=) Net Deposits
2011	2010	Jan 2011	$ 13,218,861	$ 2,481	$ 998	$ -	$ -	$ 41,332	$ 99,579	$ 13,081,428
2011	2010	Feb 2011	2,814,677	21,593	1,975	-	-	73,838	211,764	2,552,644
2011	2010	Mar 2011	399,735	32,302	185			47,418	12,420	372,384
Fiscal Year-to-Date			$ 16,433,273	$ 56,376	$ 3,158	$ -	$ -	$ 162,589	$ 323,763	$ 16,006,455

Comparison of Tax Years

Fiscal Year 2011 (Tax Year 2010/2011)

		Tax Year 2010	% of Levy
Adjusted Levy	**As of Feb 2011**	**$ 39,568,093**	
Current Collections - FY10		$ 22,772,991	57.55%
Current Collections - FY11		16,433,273	41.53%
Penalties & Interest - FY11		67,100	0.17%
Less: Adjustments - FY10		-	0.00%
Less: Adjustments - FY11		(195,576)	-0.49%
Net Collections		$ 39,077,789	98.76%

Fiscal Year 2010 (Tax Year 2009/2010)

		Tax Year 2009	% of Levy
Adjusted Levy	**As of July 2010**	**$ 38,136,495**	
Current Collections - FY09		$ 20,465,363	53.66%
Current Collections - FY10		17,729,605	46.49%
Penalties & Interest - FY10		144,849	0.38%
Less: Adjustments - FY09		(7,032)	-0.02%
Less: Adjustments - FY10		(153,823)	-0.40%
Net Collections		$ 38,178,962	100.11%

Note: The Fiscal Year is January - December, but the tax year is October - September. The fiscal year will include two tax years as shown above.
Data summarized by tax year is inclusive of collections received in the prior fiscal year.