

Revenue

Expenditures

Sales Tax

Hotel Tax

The  
Woodlands  
Township  
November  
Financials

Fiscal Year  
2022

PRESENTED:  
January 25, 2023



**REVENUE**  
**Budget vs Actual**

	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
<b>REVENUES</b>			
<b>Tax Revenue</b>			
Sales and Use Tax	26,884,610	30,821,498	3,936,888
Sales Tax Transfers (EDZ)	23,306,554	28,431,540	5,124,986
Property Tax (M&O)	45,434,976	45,621,431	186,455
Events Admission Tax	1,229,426	1,834,793	605,367
Hotel Tax Transfers	768,608	151,904	(616,704)
	<b>97,624,174</b>	<b>106,861,166</b>	<b>9,236,992</b>
<b>Other Sources of Revenue</b>	<b>15,293,104</b>	<b>16,988,359</b>	<b>1,695,255</b>
<b>TOTAL REVENUE</b>	<b>112,917,278</b>	<b>123,849,526</b>	<b>10,932,248</b>

# Revenue Variances

## Variance - \$10.9 million:

- \$9.0 million in Sales Tax is the main component of favorable variance.
- \$605,000 favorable variance in Event Admission Tax, \$186,000 favorable variance in Property Tax, offset by an unfavorable variance of (\$617,000) in Hotel Tax Transfers.
- Combined \$1.7 million favorable variance in Other Sources of Revenue.
  - Program Revenues - \$1.0 million
  - Other Income - \$830,000
    - timing of contracted agreements for services for dispatch and fire services and a favorable variance in interest.

**Expenditures**  
**General Fund Budget vs. Actual**

<u>Expenditures</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
General Government	8,971,157	8,024,708	946,449
Law Enforcement/Neighborhood Services	13,757,874	12,793,779	964,095
Parks and Recreation	22,428,830	21,406,507	1,022,323
Community Services	17,989,631	17,422,765	566,866
Community Relations	1,506,714	1,284,392	222,322
Fire Department	23,497,001	23,204,038	292,963
Other Expenditures	4,183,663	4,765,574	(581,911)
<b>Total</b>	<b>92,334,870</b>	<b>88,901,761</b>	<b>3,433,109</b>

# Expenditure Variances

All the department categories, except for Other Expenditures, are showing a favorable variance in November.

- General Govt - salary and benefits, postponement of compensation study, large unemployment tax credit.
- Law Enforcement – less than projected payroll expense in MCSO contracted services.
- Parks & Rec. – parks/pathway maintenance savings in contracts, savings in township events.
- Community Services – A&O contract less than budgeted, savings in contracted streetlighting.
- Fire Department – Savings in equipment.

Other Expenditures has an unfavorable variance due to:

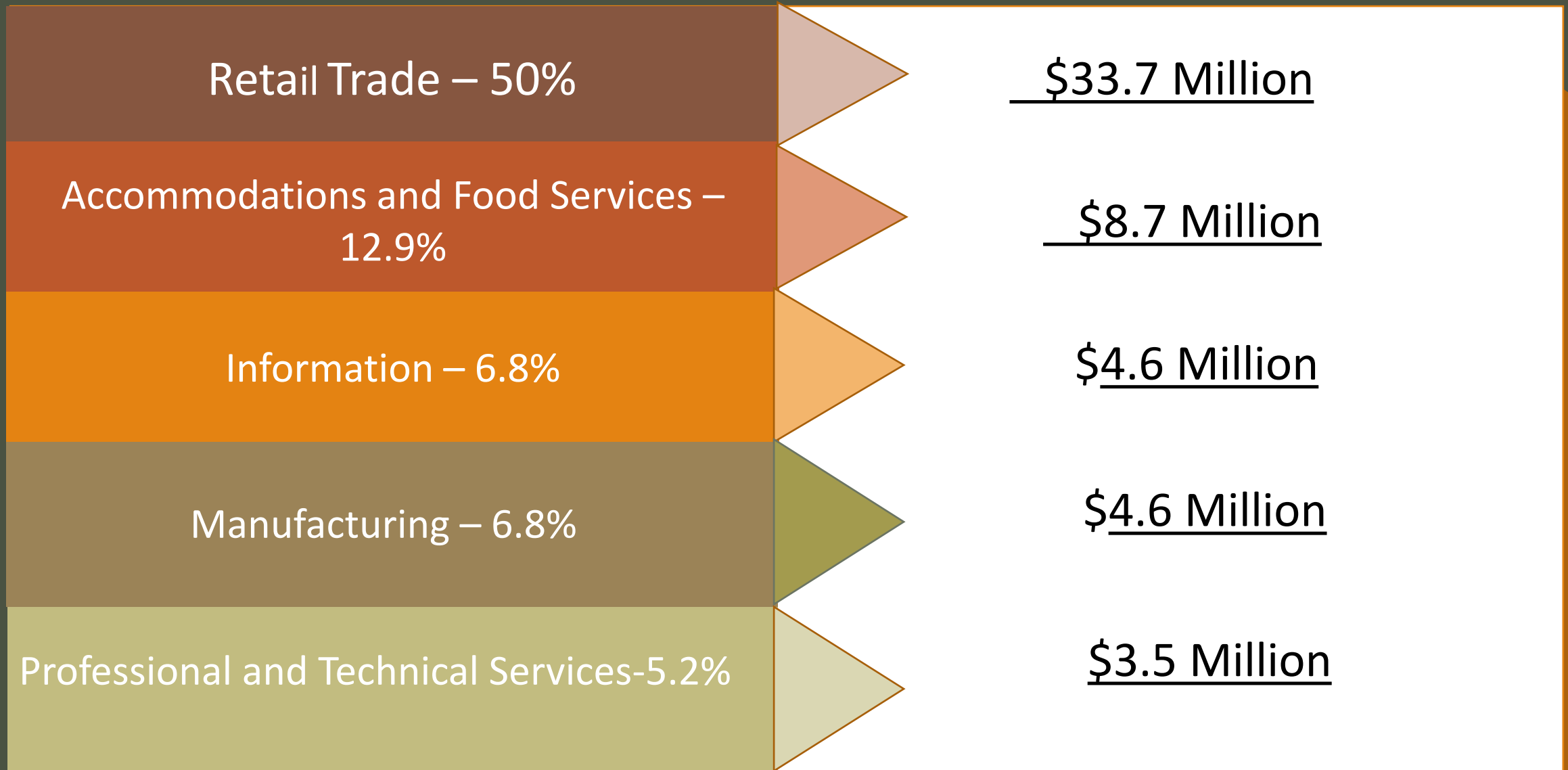
- Event Admission Tax payments (90%)– Cynthia Woods Mitchell Pavilion
- Regional Participation payments– Sales Tax

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

**Variances**

	Actual 2021	Budget 2022	Actual 2022	Actual 2022 vs. \$ Change	Budget 2022 % Change	Actual 2022 vs. \$ Change	Actual 2021 % 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	5,925,260	353,097	6.3%	359,248	6.5%
DEC	4,669,593	4,673,888	5,489,248	815,360	17.4%	819,655	17.6%
<b>TOTAL</b>	<b>\$ 57,756,461</b>	<b>\$ 57,923,160</b>					
<b>YTD</b>	<b>\$ 57,756,461</b>	<b>\$ 57,923,160</b>	<b>\$ 67,142,167</b>	<b>\$ 9,219,007</b>	<b>15.9%</b>	<b>\$ 9,385,706</b>	<b>16.3%</b>

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



Naics full list



# How is the rest of Texas doing?



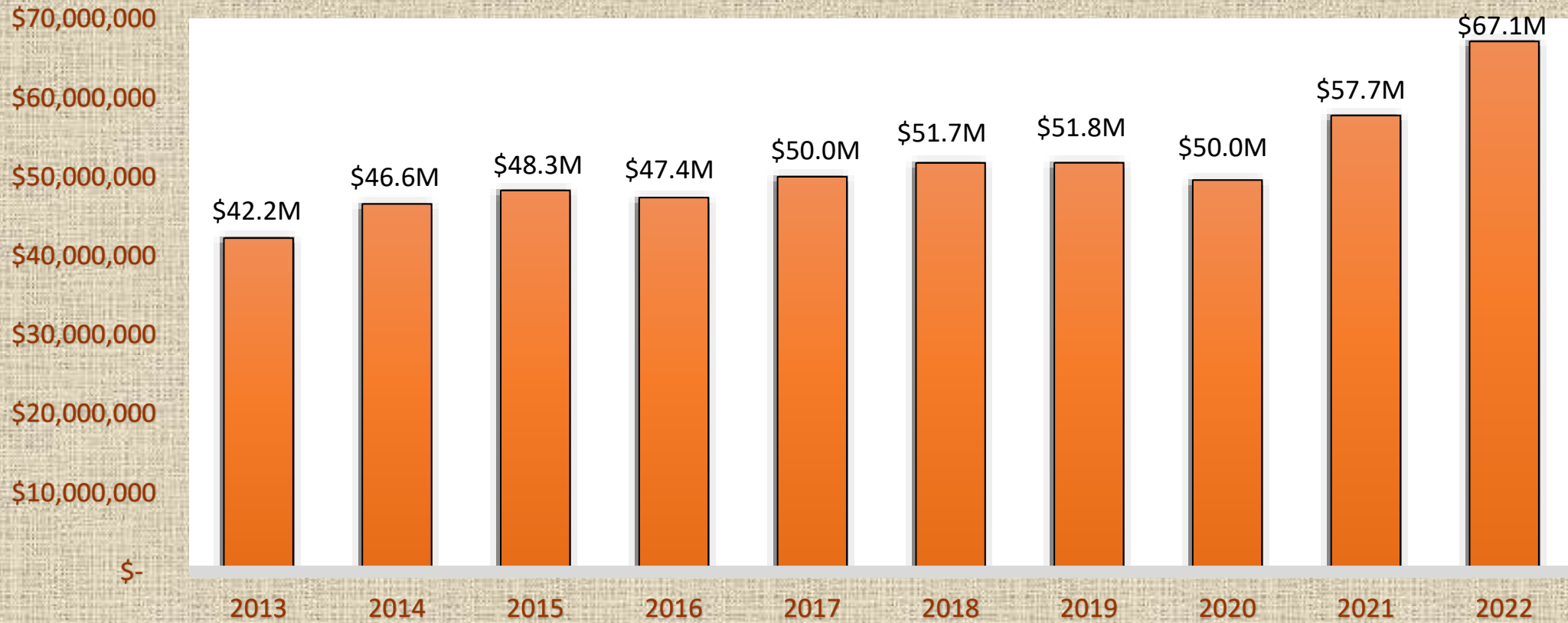
December allocations\*

<u>Recipient Category</u>	<u>Dec. 2022 Allocations</u>	<u>Change from Dec. 2021</u>	<u>Year-to-Date Change</u>
<b>Cities</b>	\$665.4M	↑11.5%	↑13.9%
<b>Transit Systems</b>	\$226.5M	↑11.0%	↑14.9%
<b>Counties</b>	\$63.9M	↑16.4%	↑16.7%
<b>Special Purpose Districts</b>	\$96.2M	↑19.8%	↑25.1%
<b>Total</b>	\$1.10B	↑12.4%	↑15.2%

\*Sales made in October and remitted to the agency in November.



## YTD Sales Tax Collections 2013-2022

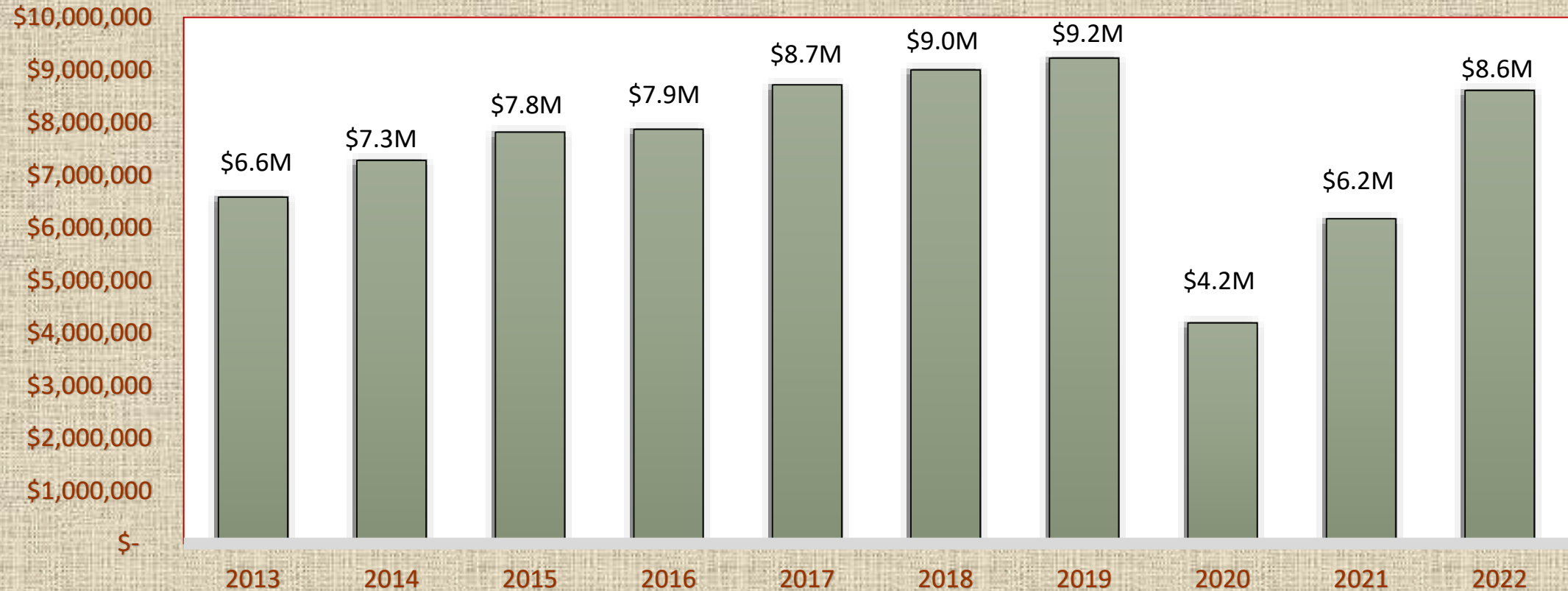


**THE WOODLANDS TOWNSHIP  
HOTEL OCCUPANCY TAX DEPOSITS  
REPORT DATE: DECEMBER 31, 2022**

	<b>Variances</b>						
				<b>Actual 2022 vs. Budget 2022</b>		<b>Actual 2022 vs. Actual 2021</b>	
	<b>Actual 2021</b>	<b>Budget 2022</b>	<b>Actual 2022</b>	<b>\$ Change</b>	<b>% Change</b>	<b>\$ Change</b>	<b>% Change</b>
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	734,973	131,897	21.9%	180,929	32.7%
NOV	692,026	712,297	873,313	161,016	22.6%	181,287	26.2%
DEC	592,980	632,380	739,439	107,059	16.9%	146,459	24.7%
<b>TOTAL</b>	<b>\$ 6,173,393</b>	<b>\$ 7,280,832</b>					
<b>YTD</b>	<b>\$ 6,173,393</b>	<b>\$ 7,280,832</b>	<b>\$ 8,609,970</b>	<b>\$ 1,329,138</b>	<b>18.3%</b>	<b>\$ 2,436,578</b>	<b>39.5%</b>

Collected 118.3% of the 2022 budgeted amount

## YTD Hotel Tax Collections 2013-2022





End of Report





# Expenditure Variances

## December 2022

	YTD Budget	YTD Actual	YTD Variance		YTD Budget	YTD Actual	YTD Variance
<b>General Government</b>				<b>Community Services</b>			
Board of Directors	45,588	24,438	21,150	Community Services Admin	1,426,620	1,138,883	287,738
President's Office	626,409	606,929	19,480	Covenant Administration	2,949,048	2,828,639	120,409
Legal Services	670,888	510,967	159,921	Environmental Services	626,100	514,621	111,479
Intergovernmental Relations	193,612	212,949	(19,337)	Streetlighting	1,055,000	859,386	195,614
Human Resources	879,763	722,418	157,346	Streetscape Maintenance	5,059,863	5,182,216	(122,353)
Finance	1,685,729	1,464,396	221,333	Solid Waste Services	6,873,000	6,899,019	(26,019)
Information Technology	2,874,444	2,517,433	357,011		<b>17,989,631</b>	<b>17,422,765</b>	<b>566,866</b>
Records/Database Mgmt	224,600	219,145	5,455	<b>Community Relations</b>			
Township Secretary	152,568	49,126	103,442	Community Relations	725,984	568,738	157,246
Non-Departmental	1,617,556	1,696,907	(79,351)	CVB Staff Services	780,730	715,654	65,076
	<b>8,971,157</b>	<b>8,024,708</b>	<b>946,449</b>		<b>1,506,714</b>	<b>1,284,392</b>	<b>222,322</b>
<b>Law Enforce/Neighborhood Svcs</b>				<b>Fire Department</b>			
Law Enforcement Services	13,174,467	12,140,579	1,033,888	Fire & EMS Management	2,239,522	1,900,473	339,049
Neighborhood Services	583,407	653,200	(69,793)	Fire Protection	19,731,207	19,908,805	(177,598)
	<b>13,757,874</b>	<b>12,793,779</b>	<b>964,095</b>	Fire Dispatch	1,526,272	1,394,759	131,513
					<b>23,497,001</b>	<b>23,204,038</b>	<b>292,963</b>
<b>Parks and Recreation</b>				<b>Other Expenditures</b>			
Parks Admin/Planning	2,292,160	2,069,653	222,507	Transportation	572,925	424,300	148,625
Parks Operations	9,636,489	8,397,211	1,239,278	Economic Development	223,000	203,250	19,750
Aquatics	2,492,165	2,376,084	116,081	Regional Participation	1,683,855	1,926,344	(242,489)
Recreation	3,897,403	4,475,406	(578,003)	Event Tax Cynthia Woods Pavilion	1,106,483	1,651,314	(544,831)
Town Center Facilities & Operations	2,643,305	2,900,593	(257,288)	Other Expenditures	597,400	560,366	37,034
Township Events	1,467,308	1,187,560	279,748		<b>4,183,663</b>	<b>4,765,574</b>	<b>(581,911)</b>
	<b>22,428,830</b>	<b>21,406,507</b>	<b>1,022,323</b>	<b>EXPENDITURE SUBTOTAL</b>	<b>92,334,870</b>	<b>88,901,761</b>	<b>3,433,109</b>

# Fund Balance

## Undesignated

General Fund Unassigned	37,014,552
CVB Unassigned	1,275,299
Transportation Unassigned	3,639,358
<b>Total Undesignated</b>	<b>\$ 41,929,208</b>

## Designated

General Fund Notes Rec.	4,940,710
General Fund Prepays	528,661
Healthcare Obligation	850,051
Cultural Events & Education	183,479
Debt Service Reserve	-

<b>Capital Projects</b>	<b>74,404,970</b>
EDZ Payable	(4,563,463)
CVB Prepaid	12,648
<b>Total Designated</b>	<b>\$ 76,357,056</b>

## Reserved

Operating Reserve	29,361,271
Debt Service	8,873,104
Debt Service Reserve	112,771
<b>Total Reserved</b>	<b>\$ 38,347,146</b>

**Total Fund Balance \$ 156,633,411**

## Capital Projects Reserve components/projects

<b>Capital Projects</b>	<b>5,268,887</b>
<b>Cultural Events and Education</b>	<b>909,169</b>
<b>Capital Replacement Reserve</b>	<b>58,927,385</b>
<b>CCSA Capital Reserve</b>	<b>2,000,000</b>
<b>Capital Contingency - Undesignated</b>	<b>4,242,378</b>
<b>Capital Contingency - Falconwing Park</b>	<b>2,579,260</b>
<b>Lake Woodlands Dam</b>	<b>362,766</b>
<b>GE Betz Building Reserve*</b>	<b>0</b>
<b>Incorporation Reserve*</b>	<b>0</b>
<b>Flood/Drainage Reserve</b>	<b>115,124</b>
<b>Capital Projects Fund</b>	<b>\$74,404,970</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.



# NAICS – North American Industry Classification System

## Industry Classifications

<u>Industry</u>	<u>YTD - Jan 22 thru Dec 22</u>	<u>Percent of the Total</u>			
Retail Trade	33,748,824	49.9%	Administrative and Waste Management	1,035,299	1.5%
Accommodation and Food Services	8,713,497	12.9%	Utilities	988,112	1.5%
Manufacturing	4,622,121	6.8%	Other Services (except Public Admin)	777,971	1.1%
Information	4,563,347	6.7%	Transportation and Warehousing	774,089	1.1%
Professional and Technical Services	3,520,256	5.2%	Other Industries (less than 2% of the total)	652,267	1.0%
Wholesale Trade	3,475,698	5.1%	Real Estate and Rental and Leasing	645,431	1.0%
Construction	1,925,110	2.8%	Mining and Oil and Gas Extraction	455,763	0.7%
Arts, Entertainment, and Recreation	1,602,807	2.4%	No Code	151,564	0.2%
					100%

- 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**  
**Budget vs Actual**  
**For the Twelve Months Ending December 2022**

**Other Sources**

Program Revenues	6,116,960	7,119,866	1,002,906
Administrative Fees	255,375	254,739	(636)
Grants and Contributions	201,250	76,284	(124,966)
Interest Income	810,847	1,224,122	413,275
Other Income	3,443,110	3,858,818	415,708
Other Transfers In	4,465,562	4,454,530	(11,032)
<b>TOTAL REVENUES</b>	<b>15,293,104</b>	<b>16,988,359</b>	<b>1,695,255</b>