



CONROE BY THE NUMBERS

FYE September 30, 2021
Popular Annual Financial Report &
City Update

Conroe, Texas

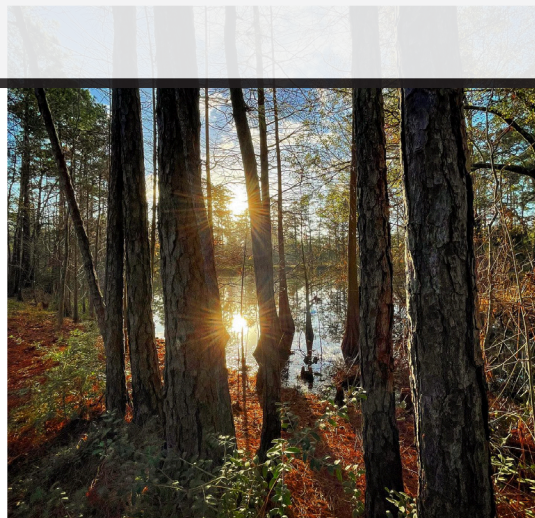




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Community Radio

irlonestar.com/Conroe's FM104.5 & 106.1

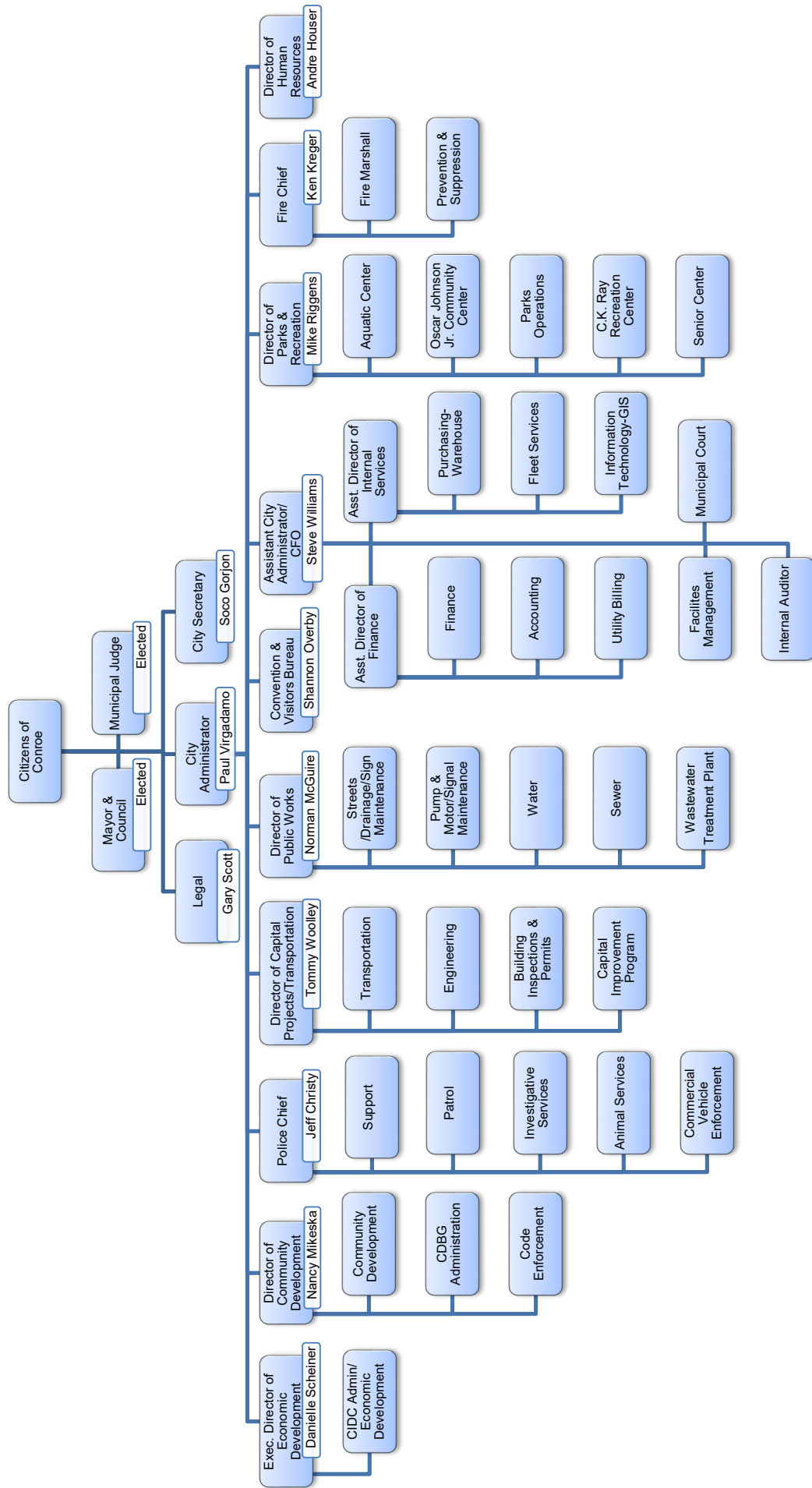


Our City TV

Suddenlink Channel 12

CityofConroe.org/OurCityTV

City of Conroe, Texas Organization Chart



Welcome



Paul Virgadamo, Jr.
City Administrator

On behalf of our elected officials and dedicated city employees, I am pleased to present to you the City of Conroe by the Numbers FY 2021 Popular Annual Financial Report & City Update. The City of Conroe has experienced many positive accomplishments during the past year as well as tremendous growth and development. The Annual Report is our opportunity to highlight those strengths, achievements and successes. Through the Council's strategic direction, and our staff's steadfast dedication to excellence, we have again exceeded expectations.

The Popular Annual Financial Report (PAFR) is prepared using financial information taken from the 2021 Annual Comprehensive Financial Report (ACFR). The ACFR includes full financial statements and note disclosures prepared in accordance with Generally Accepted Accounting Principles (GAAP). The PAFR condenses and simplifies information in the ACFR and is not intended to replace the ACFR. Information in the PAFR is unaudited and is not prepared in accordance with GAAP, due to its condensed and simplified presentation. Those seeking a deeper understanding of the City's finances are encouraged to review a copy of the City's ACFR, which is available on the City's website at www.cityofconroe.org/FinancialTransparency.

Thanks to the City Council's leadership and the determination of our employees, the City's financial standing is strong and businesses and developments continue to move to Conroe, bringing more job opportunities for its citizens. The City continues to move forward with more investments in infrastructure, including our streets, water and sewer systems, as well as parks, community centers, new restaurants, retail shops, residential projects and commercial buildings. The City also remains committed to supporting the arts, culture, public health, public transportation and local businesses. These local businesses, artists, musicians, events and venues are what make us such a unique community and our City a great destination for tourists.

In that spirit, we invite you to come see us at City Hall or the new Conroe Municipal Center home to the Utility Billing Office, Fire Administration, Fire Marshal, Engineering, Building Inspections & Permits, and Capital Improvement Projects Offices. Or visit the City of Conroe website (www.cityofconroe.org) and let us know how we may serve you.

Mayor and City Council Members



Jody Czajkoski
Mayor



Todd Yancey
Councilman Place 1



Curt Maddux
Councilman Place 2



Duke Coon
Councilman Place 3



Raymond McDonald
Councilman Place 4



Marsha Porter
Councilwoman Place 5

Mission Statement

***"To protect and serve the citizens of Conroe and
exceed their expectations"***



Parks and Recreation

20 Parks are at your service in Conroe

5.6 Miles of Trails in Conroe's Parks

660 Acres of Parkland Maintained

50 Senior Center Average Daily Attendance

4 Sand Volleyball Courts

3,277 Learned how to Swim

5 Indoor Community Centers

13 Baseball/Softball Diamonds

12 Soccer/Football Fields

60,983 Membership scans at the C.K. Ray Recreation Center

32,735 Hours of Reserved Athletic Field Usage

490 Children per day average attend the After School Recreation Program

6,314 Hours of Reserved Pavilions and Special Use Facilities

7,000 Attended the Toby Powell Conroe Christmas Celebration

250 Summer Day Camp Average Daily Attendance

17 Outdoor Courts Available for Pickleball

18 Park Pavilions

19 Playgrounds

2 Disc Golf Courses

2 Dog Parks

8 Tennis Courts

1 Skate Park

1 Splash Pad

Conroe Visitors Bureau



Conroe is a delightful blend of nature, history, the arts and recreation nestled in the beautiful Piney Woods of east Texas. With so many places to see and so many things to do, you'll find that the hardest part is deciding which activity to do first.

Conroe is bordered by 22,000-acre Lake Conroe, Sam Houston National Forest, and W. Goodrich Jones State Forest making for a veritable Utopia for the outdoor lover in us all.

Adventure awaits you!

\$100,000 awarded in Events Grants

22 groups hosted representing over **46,570** attendees, **6,657** room nights, and over

\$3 million in visitor spending

120,300 unique visitors to our website www.VisitConroe.com

25,875 followers on social media

30,000+ attendees to the October 2021 Catfish Festival (Conroe's largest annual event)



Police Department

The Conroe Police Department is authorized 155 sworn officers, 46 civilian employees, and receives assistance from numerous civilian volunteers. All are committed men and women dedicated to creating a safer environment and providing quality service to the 96,000 plus citizens of Conroe and the thousands of people that visit our city daily.

5:51 Average Response Time
86,600 Calls for service
13,518 Offense Reports
2,640 Cases Assigned
1,699 Cases Closed
4,695 Arrests
3,036 Motor Vehicle Accidents
23,623 Traffic Stops



Fire Department

9,526 Total Calls for Service
389 Total Fires
50 Fires Investigated by Fire Marshal's Office
5:35 Average Response Time
1,695 Commercial Inspections
11,633 Children/Adults Reached By Public Education
2 ISO Rating is the City's Fire Classification on a Scale of 1 to 10 with 1 Being the Highest Rating





Conroe Connection

- 9** - 21 Passenger Buses
- 2** - ADA Para Transit Mini Vans
- 109** - Bus Stops (19 Shelters & 25 benches)
- 26,333** - Trips Provided to Transit Riders
- 131,672** - Total Revenue Miles
- \$ 835,199** - In Recovered Grant Reimbursements for Annual Operating Expenses
- \$ 30,278** - In Capital Reimbursements Recovered



-
- 1** - 55 Passenger buses
 - 36** - Bus Stops
 - 32,119** - Trips Provided to Transit Riders
 - 22,795** - Total Revenue Miles
 - \$ 206,521** - In Recovered Grant Reimbursement for Operating Expenses



Building Inspections & Permits

- 69,974** - Total Building Inspection
 - **58,110** New
 - **14,864** Re-inspections
 - **6,310** Sets of Plans Reviewed
- 24,501** - Total Permits
 - **3,249** Residential
 - **2,647** New Home Starts (Single Family)
 - **662** Commercial
 - **101** Certificates of Occupancy without building
 - **3,774** Electrical Permits
 - **4,043** Plumbing Permits
 - **2,843** Mechanical Permits
 - **1,646** Irrigation Permits
 - **201** Pools



Capital Improvements Projects

Design Numbers:

- 37** In house Design Projects
- 61** Consultants/contracts
- 420** Payments Processed (\$5,440,434)
- 10** Contract Adjustments Processed
- 220** Design Meetings Attended
- 58** Property Acquisition Processed
- 17** Contract Prepared
- 606** Plan Reviews



Construction Numbers:

- 17** Projects Bid for Construction (\$20,674,041)
- 32** Projects Under Construction (\$56,278,172)
- 560** Submittals Reviewed & Processed
- 61** Change Orders Reviewed & Processed
- 164** RFI Reviewed & Processed
- 204** Payments Reviewed & Processed (\$56,775,191)
- 32** Construction Projects Finalized
- 16,500** Inspections Preformed

Engineering

Development Coordination:

- 181** Pre Development Meetings
- 182** Platting Items
- 606** Sets of Plans Reviewed
- 143** New developments
- 340** Requests for Certificates of Compliance Processed
- 36** Utility Availability Letters Created
- 86** FEMA Floodplain Maps Created for Citizens
- 33** TXDOT UIR Permits Processed
- 35** Streetlight Installation Requests Processed
- 58** Initial Certification/Final Certification
- 38** Traffic Committee Meetings

Development Inspections:

- 220** Total Project Count at Present
 - **105** Public Projects
 - **98** Commercial Projects
 - **10** Private Projects
- 2,567** Driveway Permits
- 4,739** Site Inspections Per Month
- 134** Total Projects Completed

Community Development

Planning & Annexation Division:

- **75.8** Total Square Miles in the City
- **275.09** Total Acres Annexed into the City
- **325.7** Total Sq. Miles in Conroe's Extra-territorial Jurisdiction (ETJ)
- **36** Subdivisions added creating **2** or more lots
- **23** Subdivisions creating **25** or more lots

Code Enforcement Division:

- **700** Citations Issued
- **7,500** Code Inspections
- **3,700** Notices Sent
- **4,800** Number of Violations
- **3,300** Number of Closed Cases



Community Development Block Grant:

- **\$1,200,528** CDBG Funds Spent on Low-Income Housing
- **7** Total Number of Houses Currently Under Construction
- **\$12,000** Total Cost of Community Clean-Up Project
- **139** Tons of Trash and Debris Removed

2040 Comprehensive Plan Completed - Find the Plan at www.cityofconroe.org under Community Development

Economic Development

The mission of the economic development division is to enhance the strength and stability of the greater Conroe economy through the support of existing industry and the attraction of manufacturing and service sector business (basic industries) which bring new capital and employment opportunities into the community.

1,655 Acres in Conroe Park North Industrial Park

4,264 Businesses Located in Conroe

41,379 Employed in Conroe

3,200 Expected Future Student Capacity at Lone Star College – Conroe Center

\$64,744 Median Yearly Household Income for Workers in Conroe

47,694 Labor Force in the City of Conroe

3.72% Job Growth Rate Since 2014

1,346 Acres Encompassed by the Conroe-North Houston Regional Airport

248 Acres in the Deison Technology Park

94,096 Conroe Population



Public Works

145 Water Taps
43 Sewer Taps
10 Large Meter Repairs (2" and larger)
1,279 Water Leaks Repaired
1,100 Water Samples Taken
470 Water Lines Flushed
4.3 Billion Gallons of Water Produced
311 Fire Hydrants Received Maintenance

186,542 Feet of Sewer Main Cleaned
720 Potholes/Utility Cuts Repaired
297 Signs Manufactured
4,510 Acres of Right-of-Way Mowed
8 Miles of Drainage Ditches Cleaned
3.2 Billion Gallons Wastewater Treated
373 Traffic Signal Repairs
12,770 Work Orders Issued

Important Numbers

Administrative Department: 936-522-3001

City Secretary: 936-522-3010

Community Development: 936-522-3600

Conroe Convention & Visitors Bureau: 936-522-3500

Greater Conroe Economic Development Council: 936-538-7118

Finance: 936-522-3040

Fire Department: 936-522-3080

Human Resources: 936-522-3150

Legal Department: 936-522-3030

Municipal Court: 936-522-3380

Parks & Recreation:

Administration Office: 936-522-3842

C.K. Ray Recreation Center: 936-522-3900

Conroe Aquatic Center: 936-522-3930

Oscar Johnson, Jr. Community Center: 936-522-3960

Police Department: 936-522-3200

Public Works: 936-522-3885

Finance Recognitions & Awards



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Conroe for its annual budget for the fiscal year beginning October 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for outstanding achievement to the City of Conroe for its Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2020.

The PAFR is specifically designed to make information extracted from the comprehensive annual financial report to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Certificate of Achievement for Excellence in Financial Reporting to the City of Conroe for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020.

The ACFR is specifically designed to make information readily accessible and easily understandable to the general public and other interested parties without a background in public finance in the spirit of transparency and full disclosure.

General Obligation Bond Rating

Aa1
MOODY'S

AA+
STANDARD & POOR'S

Water & Sewer System Bond Rating

Aa3
MOODY'S

AA
STANDARD & POOR'S

Glossary of Financial Terms

Accrual Basis of Accounting is a method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of the related cash flows.

Current Assets are available or can be made readily available to finance current operations or to pay current liabilities. Current assets include those which will be used up or converted into cash within one year. Some examples are cash, investments, taxes receivable, prepaid items, and inventories.

Capital Assets include land, improvements to land, easements, construction in progress, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Deferred Outflows of Resources represent a consumption of net positions that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows consist of deferred charges on debt refundings, pension contributions after the measurement date, pension activity, OPEB contributions after the measurement date, and OPEB activity. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded (old) debt or refunding (new) debt. The pension contributions after the measurement date are deferred and recognized in the following fiscal year. The pension activity is amortized over a 30 year period.

Current Liabilities are expected to be paid to vendors or employees from current financial resources within one year. Also included are unearned revenue and accrued interest.

Long Term Liabilities are liabilities with a future benefit over one year, including bonds, capital leases, notes payable, health claims liability, Other Post-Employment Benefits ("OPEB"), net pension liability, severance payable, and compensated absences.

Deferred Inflows of Resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows consist of pension activities related to the difference in expected and actual pension experience and OPEB activities related to the difference in expected and actual experience.

Net Investment in Capital Assets represents the City's investment in its capital assets less accumulated depreciation and any outstanding debt due to the acquisition, construction, or improvement of capital assets.

Restricted Net Position is restricted by constraints imposed from outside the City for debt obligations.

Unrestricted Net Position represents the portion available to meet the ongoing obligations of the City.



Financial Position Statement

The City of Conroe Statement of Net Position presents the financial condition of the City at a specific point in time (in this case as of the end of the City's fiscal years, September 30, 2021 and September 30, 2020).

The financial information in the City of Conroe's Statement of Net Position and Statement of Activities is derived from information presented in the City of Conroe's Annual Comprehensive Financial Report ('ACFR') for 2021. The ACFR is lengthy and somewhat complex. However, it is available on the City's webpage, which can be accessed at www.CityofConroe.org/FinancialTransparency. The condensed statements presented herein do not include the detail presented in the ACFR including footnotes required for full disclosure. In addition, the statements do not include information related to the City's discrete component units (separate legal entities whose financial information is provided in the ACFR separately from the City's financial information).

Statement of Net Position (Accrual Basis of Accounting)

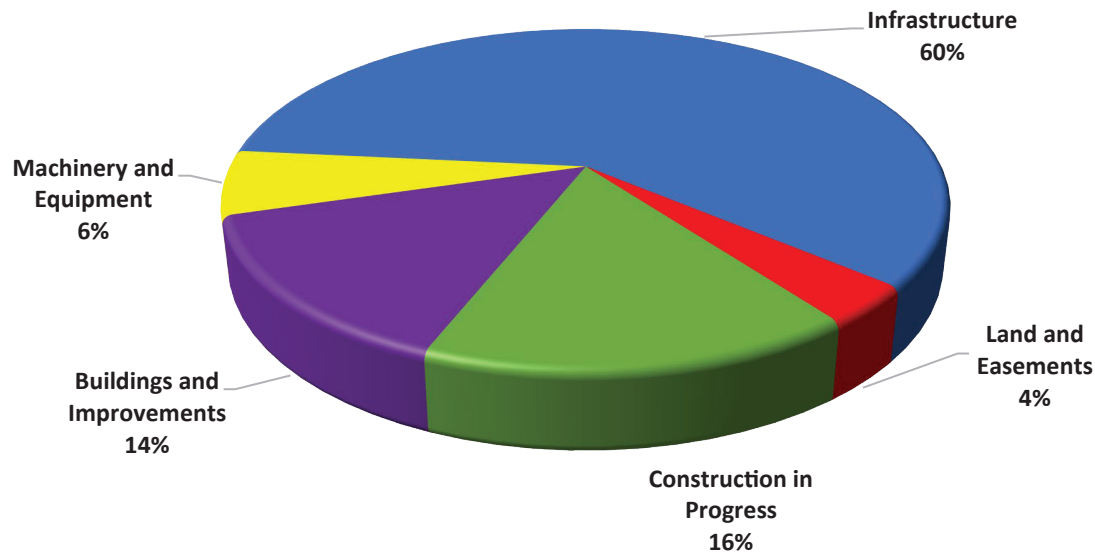
	2021	2020	2019
Current Assets	\$ 404,333,581	\$ 248,951,413	\$ 251,428,905
Capital Assets, Net	588,584,533	511,972,232	427,314,702
Total Assets	992,918,114	760,923,645	678,743,607
Deferred Outflows of Resources	36,321,510	33,661,680	41,963,167
Current Liabilities	41,765,834	37,428,207	24,146,246
Long Term Liabilities	703,428,053	519,263,077	502,013,703
Total Liabilities	745,193,887	556,691,284	526,159,949
Deferred Inflows of Resources	25,191,027	17,530,286	4,835,043
Net Position:			
Net Investment in Capital Assets	148,883,060	202,876,979	172,158,721
Restricted	52,795,530	22,817,945	22,474,860
Unrestricted	57,176,120	(5,331,169)	(4,921,799)
Total Net Position	\$ 258,854,710	\$ 220,363,755	\$ 189,711,782

Fiduciary funds are excluded. Readers of the Financial Position Statement and the Financial Activity Statement should keep in mind that these statements are presented on a non-GAAP basis. Non-GAAP means that the statements do not comply with generally accepted accounting principles. The statements include summarizations and combinations of accounting data that would not be allowed by GAAP.

Capital Assets

The City’s capital assets include land and easements, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. Some major capital asset projects include: Westside Recreation Center, a new Oscar Johnson, Jr. Community Center, various road rehabilitation projects, and a new wastewater treatment plant.

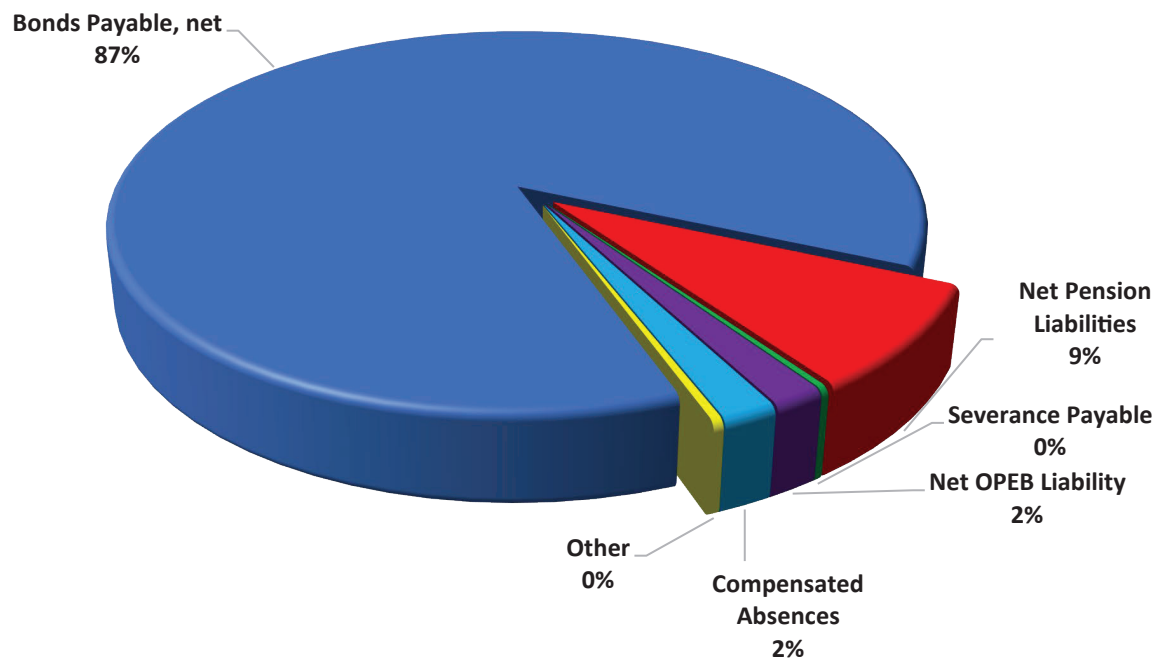
Capital Assets as of September 30, 2021



Long-Term Liabilities

The City’s long-term liabilities consists of bonds payable (reported net of premiums), net OPEB liability, net pension liabilities, severance payable, compensated absences, and other (including: customer deposits, notes payable, health claims liability).

Long-Term Liabilities as of September 30, 2021





Financial Statement of Activities

Statement of Activities (Accrual Basis of Accounting)

	2021	2020	2019
Program Revenues			
Charges for Services	\$ 64,431,049	\$ 56,723,968	\$ 49,693,700
Operating Grants and Contributions	7,021,742	8,046,640	6,708,975
Capital Grants and Contributions	6,354,990	18,434,598	9,060,037
General Revenues			
Property Taxes	41,901,102	39,862,977	34,613,130
In Lieu of Taxes	1,374,709	903,574	883,162
Franchise Fees	7,302,034	7,084,662	7,068,208
Sales and Other Taxes	57,584,688	38,350,177	36,091,913
Hotel Occupancy Taxes	2,239,048	1,659,596	1,339,915
Mixed Beverage Taxes	392,212	267,394	317,139
Miscellaneous	2,151,498	6,203,730	4,705,867
Donations	87,534	96,161	241,688
Grants & Contributions Not Restricted to Specific Programs	1,887,201	1,805,039	1,777,610
Investment Earnings	551,708	2,650,147	5,040,049
Net Change in Fair Value of Investments	(345,589)	123,374	249,177
Total Revenues	\$ 192,933,926	\$ 182,212,037	\$ 157,790,570
Expenses by Function/Program			
Governmental Activities			
General Government	\$ 22,700,578	\$ 19,180,987	\$ 19,049,426
Finance	2,519,717	2,619,660	2,081,717
Public Safety	49,836,592	48,497,670	43,724,780
Community Development	1,801,642	245,320	2,879,575
Industrial Development	7,506,186	-	-
Parks	10,178,552	7,940,701	8,973,409
Public Works	25,109,329	21,907,217	19,615,191
Debt Service: Interest and Fiscal Charges	12,044,629	6,793,511	6,694,721
Business-Type Activities			
Water and Sewer	47,540,213	44,203,584	44,861,241
Total Expenses	\$ 179,237,438	\$ 151,388,650	\$ 147,880,060
Change in Net Position	\$ 13,696,488	\$ 30,823,387	\$ 9,910,510

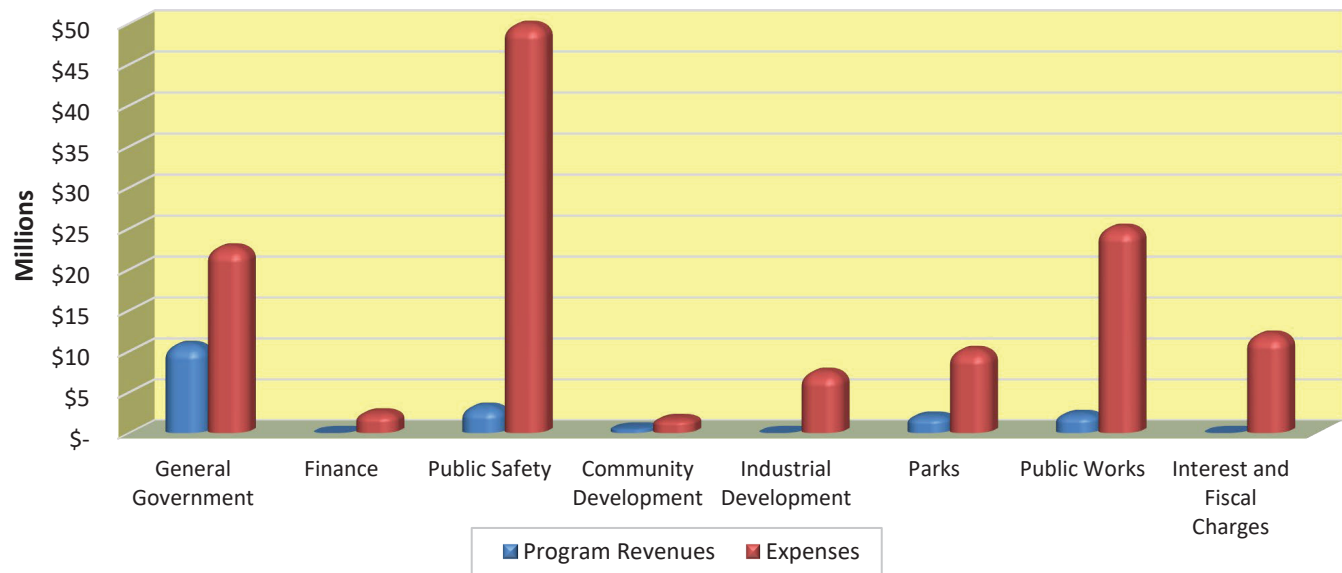


Revenues

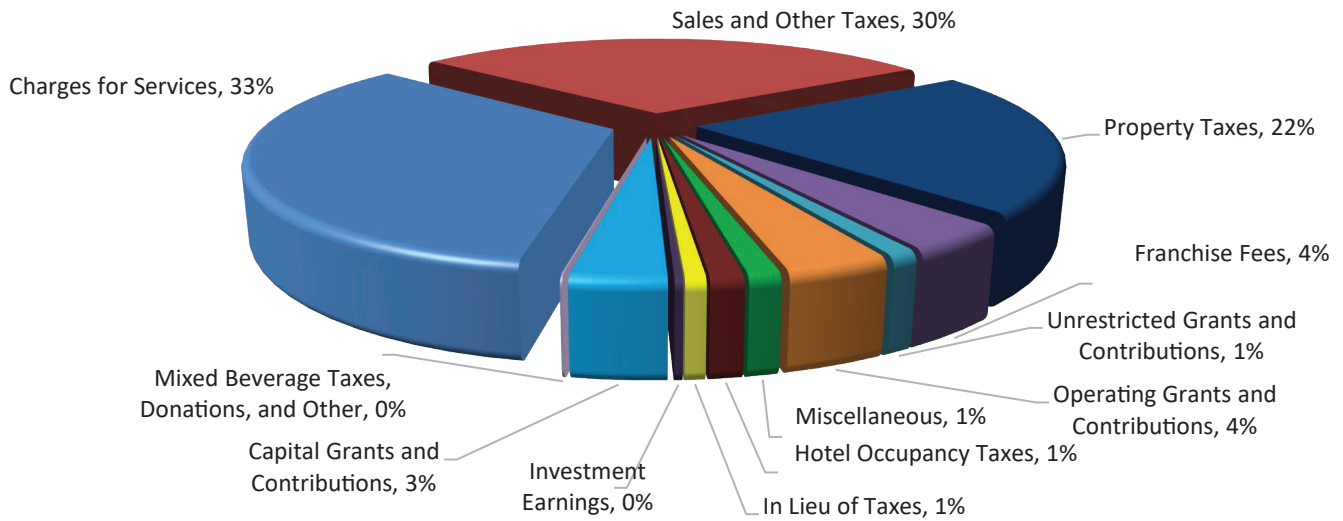
Program revenues are derived from the program itself and reduce the cost of the function to the City. Total program revenues were \$77,807,781 or 40% of total revenues, which decreased \$5,397,425 compared to the prior year. The largest portion of program revenues is Charges for Services of \$64,431,049, which is 33% of total revenues. Of that amount, \$12,592,785 is from governmental activities, which includes fees collected by Municipal Court, Police, Parks, and Public Works departments. The business-type Charges for Services of \$51,838,264 are derived from water and sewer charges. The other portions of program revenues are Operating Grants and Contributions of \$7,021,742 (4%) and Capital Grants and Contributions of \$6,354,990 (3%).

General revenues are revenues that cannot be assigned to a specific function. They consist of Sales and Other Taxes of \$57,584,688, one of the largest revenue sources for governmental activities and 30% of total revenues. Property Taxes of \$41,901,102 or 22% of total revenues, which is a \$2.04M increase from prior year Property Taxes of \$39,862,977, primarily due to increases in appraised values. Franchise Fees of \$7,302,034 (4%), Miscellaneous revenues of \$2,151,498 (1%), Grants and Contributions Not Restricted to Specific Programs of \$1,887,201 (1%), Hotel Occupancy Taxes of \$2,239,048 (1%), In Lieu of Taxes of \$1,374,709 (1%), and Investment Earnings of \$551,708 (less than 1%). The remaining revenue categories are a combined less than 1% of total revenues: Mixed Beverage Taxes of \$392,212, Donations of \$87,534, and Net Change in Fair Value of Investments of negative \$345,589.

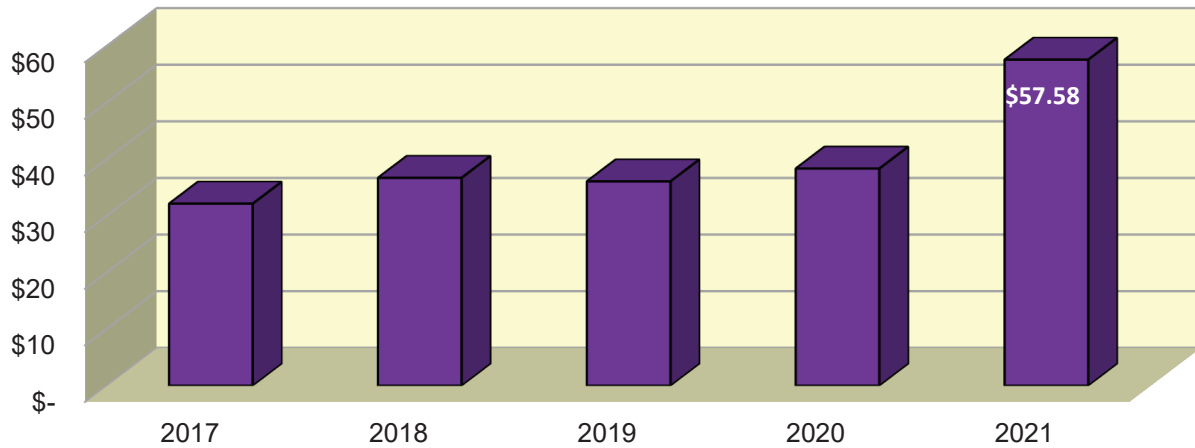
Program Revenues and Expenses - Governmental Activities



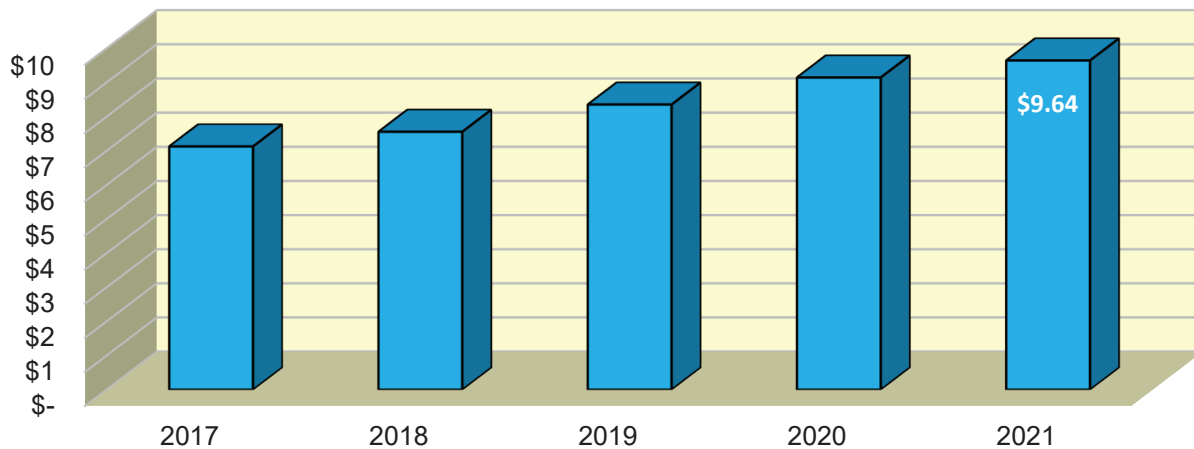
REVENUES BY SOURCE



Sales Tax Revenues (in millions)



Assessed Property Valuation (in billions)





Expenses

General Government expenses include the costs of Administration, Legal, Municipal Courts, Warehouse/Purchasing, Information Technology, and Human Resources. This function expenses were \$22,700,578 or 13% of total expenses. The expenses can be primarily attributed to salaries.

Finance expenses include the costs of administering the City's business through accounting, bill paying, investing funds, auditing, and adopting a budget. This function had expenses of \$2,519,717 or 1%.

Public Safety expenses are the cost for administering assistance through the Police Department and the Fire Department. Total expenses for this function were \$49,836,592 or 28% of total expenses. The expenses can be primarily attributed to salaries (including benefits and overtime) and vehicle maintenance.

Community Development are the expenses that provides assistance to ensure responsible development practices that respects the community's natural environment. Community Development had expenses of \$1,801,642 or 1%.

Industrial Development expenses related to promoting economic development within the City and vicinity. Industrial Development had expenses of \$7,506,186 or 4%.

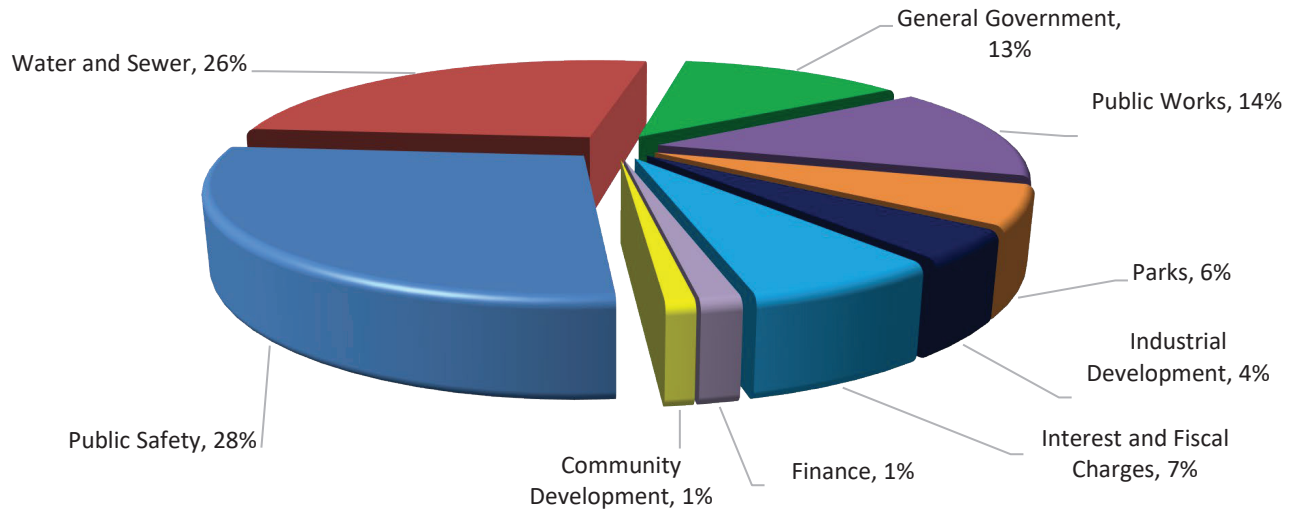
Parks expenses are the costs of maintaining the City's parks and recreation areas, including the Recreation Center, the Aquatic Center, and the numerous athletic fields. Parks with expenses of \$10,178,552 or 6%.

Public Works expenses are for drainage maintenance, street maintenance, signal maintenance, and engineering. The Public Works function had expenses of \$25,109,329 or 14% of total expenses.

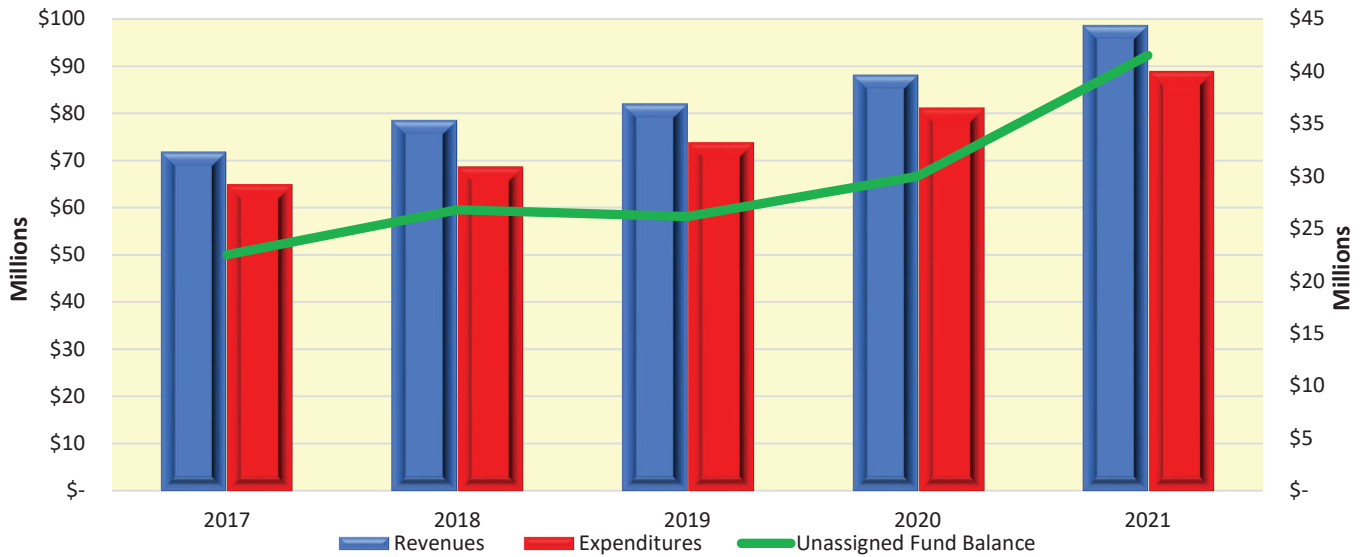
Interest and Fiscal Charges are primarily related to the issuance and repayment of City bonds. Current year expenses were \$12,044,629 or 7%.

Water and Sewer expenses are the costs related to providing water and sewer services to the general public on a continuing basis. The business-type activities function expenses were \$47,540,213 or 26% of total expenses.

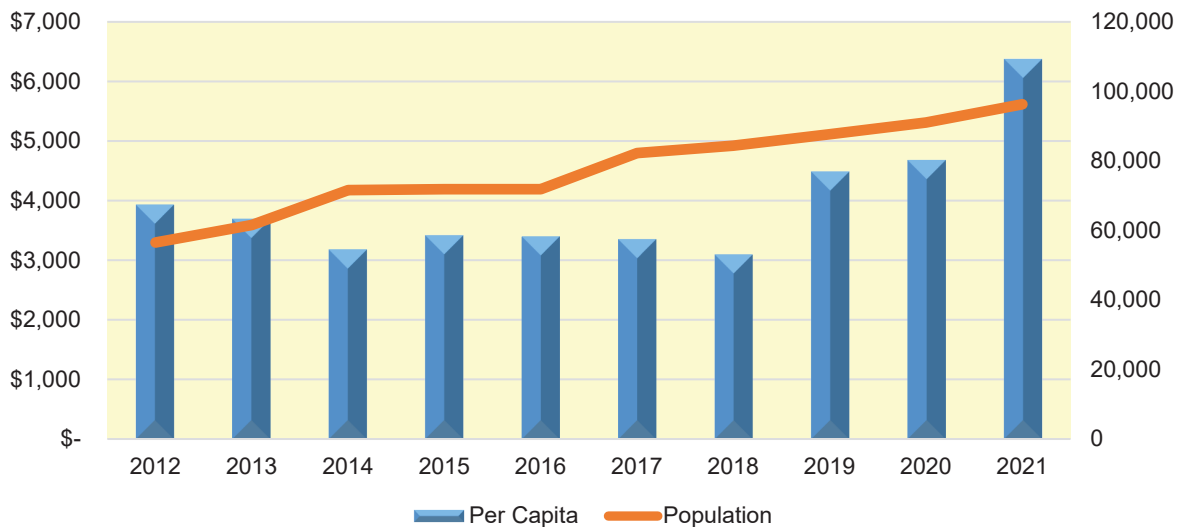
EXPENSES BY FUNCTION



Comparison of General Fund Revenues and Expenditures with Unrestricted Fund Balance



Population Growth to Outstanding Debt Per Capita





Top Ten Area Employers

1

Conroe Independent
School District
5,218 Employees

2

Montgomery County
2,954 Employees

3

HCA Houston
Healthcare Conroe
1,021 Employees

4

City of Conroe
(including Part-Time)
846 Employees

5

National Oilwell Varco
(all Conroe locations)
687 Employees

6

Cantel (formally
Medivators, Inc.)
684 Employees

7

Wal-Mart Supercenter
500 Employees

8

Consolidated
Communications
425 Employees

9

Tri-County Behavioral
Healthcare
382 Employees

10

Borden
240 Employees

Source: Greater Conroe Economic Development Council

Top Ten Taxpayers

1

McKesson Corporation
\$134,689,005

2

National Oilwell Varco
DHT LP
\$127,297,910

3

Ball Metal Container
Corporation
\$126,812,460

4

The Geo Group
\$105,371,870

5

I-45/Loop 336
Associates LLC
\$73,296,540

6

Conroe Hospital
Corporation
\$61,501,190

7

Wal-Mart Real Estate
Bus. Trust
\$59,880,267

8

Massandra KV
Regency LLC
\$58,558,050

9

Entergy Texas Inc.
\$56,591,180

10

National Oilwell Varco
LP/Brandt
\$46,972,480

Source: Montgomery Central Appraisal District



CITY OF CONROE