



# **Annual Report of Certain Financial and Local Debt Information**

## **Fiscal Year Ended September 30, 2019**

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the City's website on March 20, 2020.



## ☑ Overview of Certain Financial/Bond Ratings

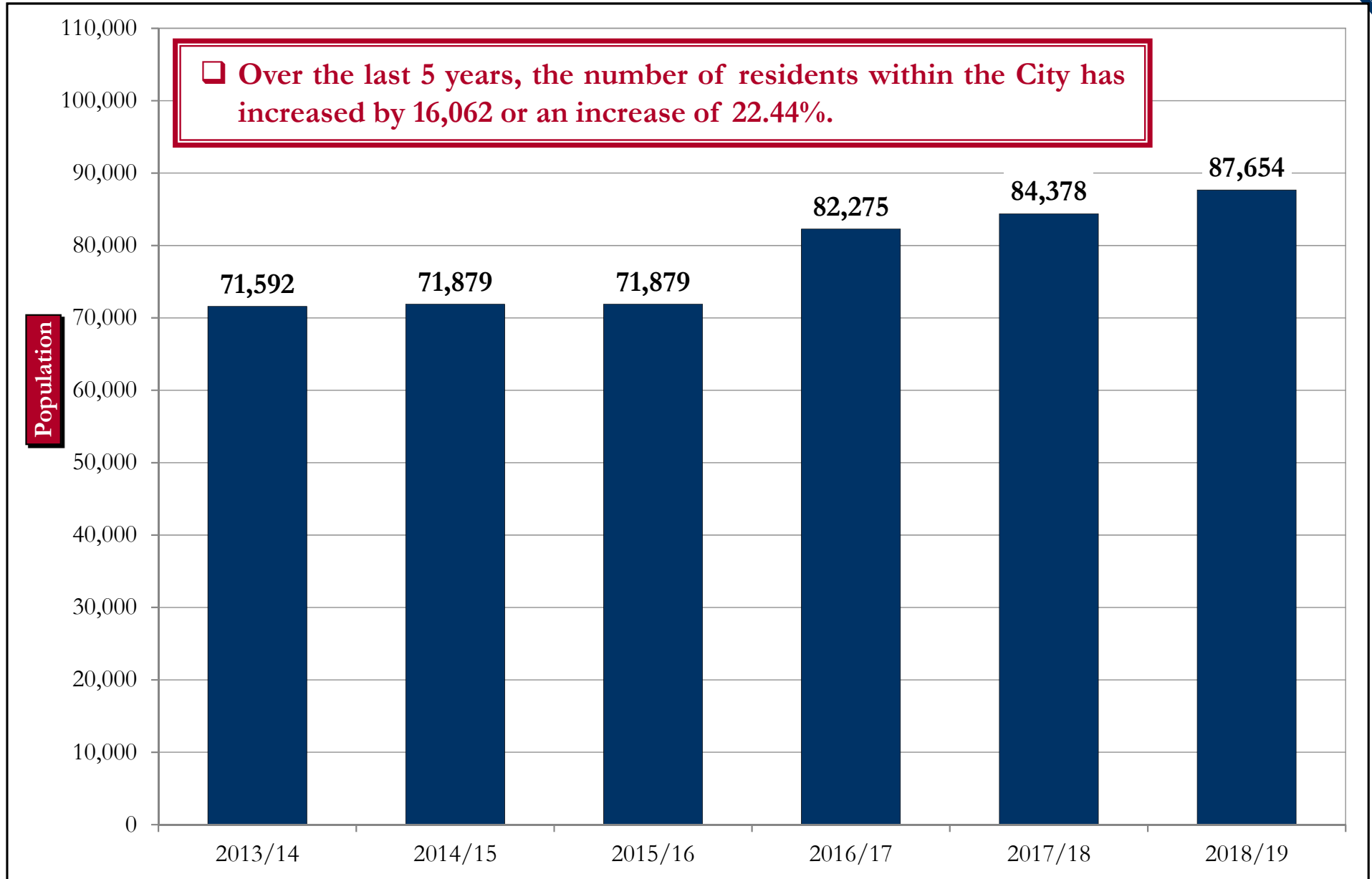
- ☐ **Credit Ratings:** The City of Conroe, Texas (the “City”) maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service and S&P Global Ratings that evaluate the City’s financial strength and its ability to pay its existing bonds. The current credit ratings for the City are displayed below:

Bond Credit Ratings	Moody's	S&P
General Obligation Debt	Aa1	AA+
Water and Sewer System Revenue Debt	Aa3	AA
Sales Tax Debt	Aa3	A+

- ✓ **Moody’s Investors Service, Inc.:** Defines the credit rating of the City as: “Judged to be of high quality and are subject to very low credit risk.”
- ✓ **S&P Global Ratings:** Defines the credit rating of the City as: “Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree.”

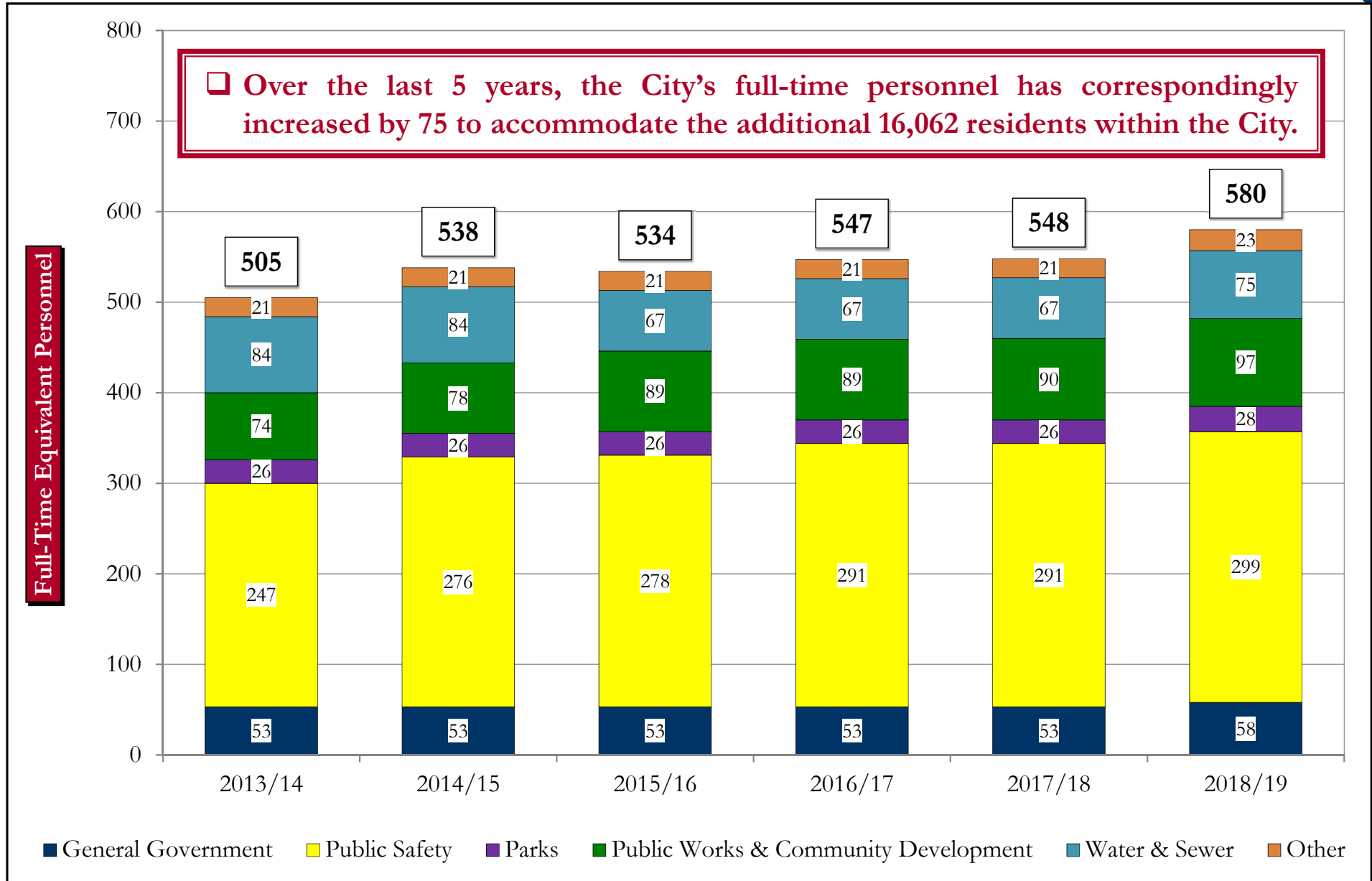


# Historical Population



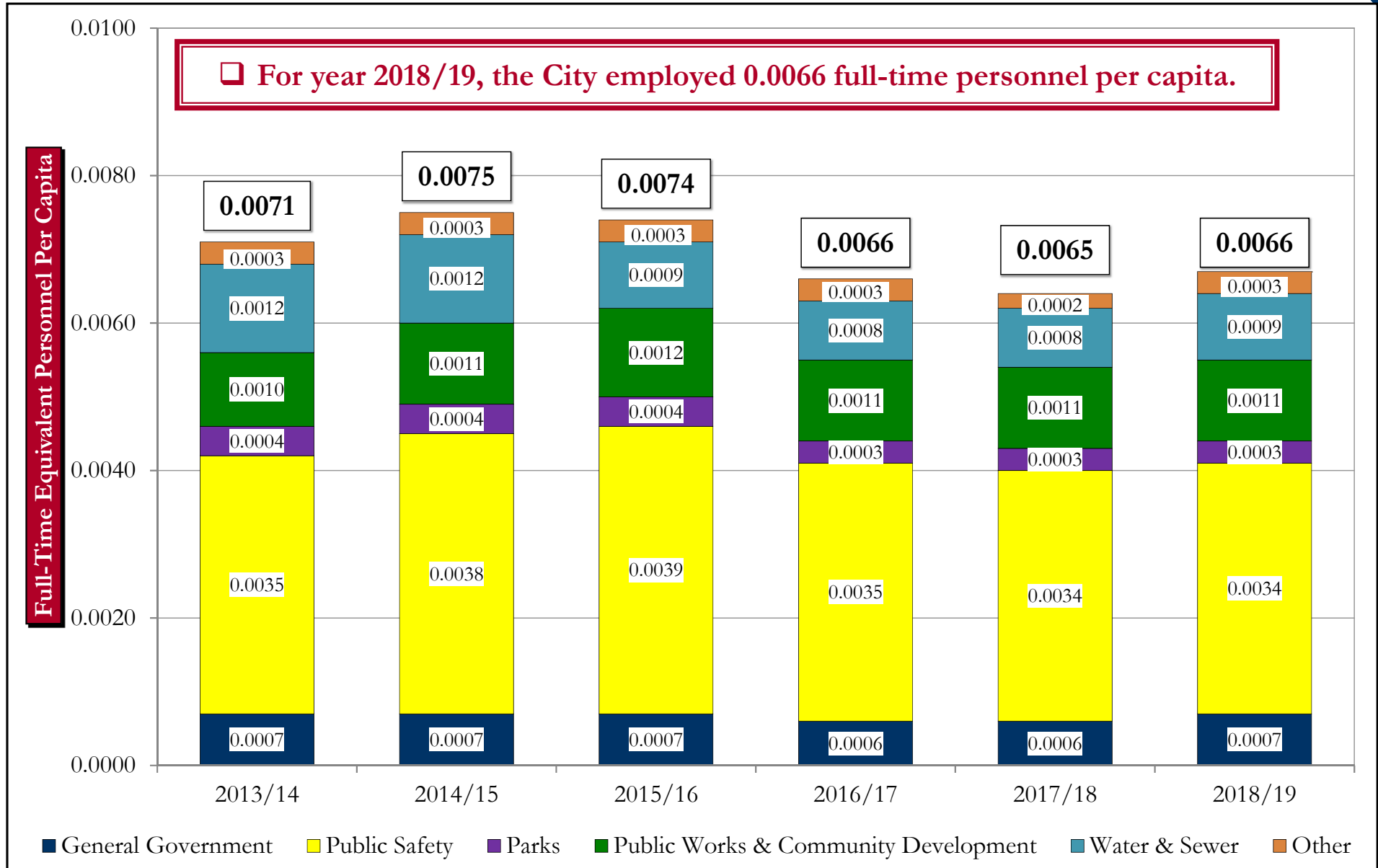


# Full-Time Personnel





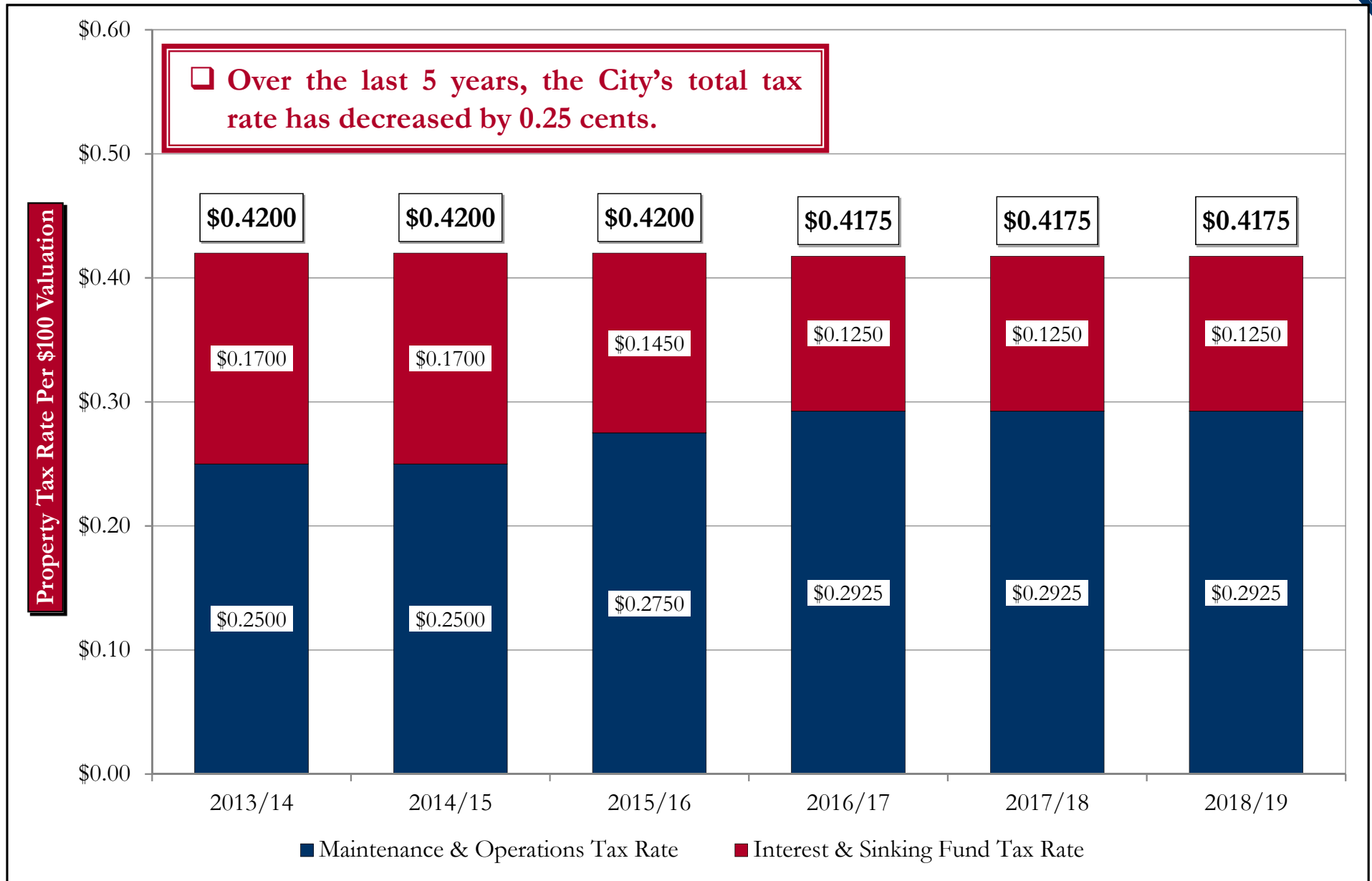
# Full-Time Personnel Per Capita



Note: Total Full-Time Equivalent Personnel per Capita may differ due to rounding.

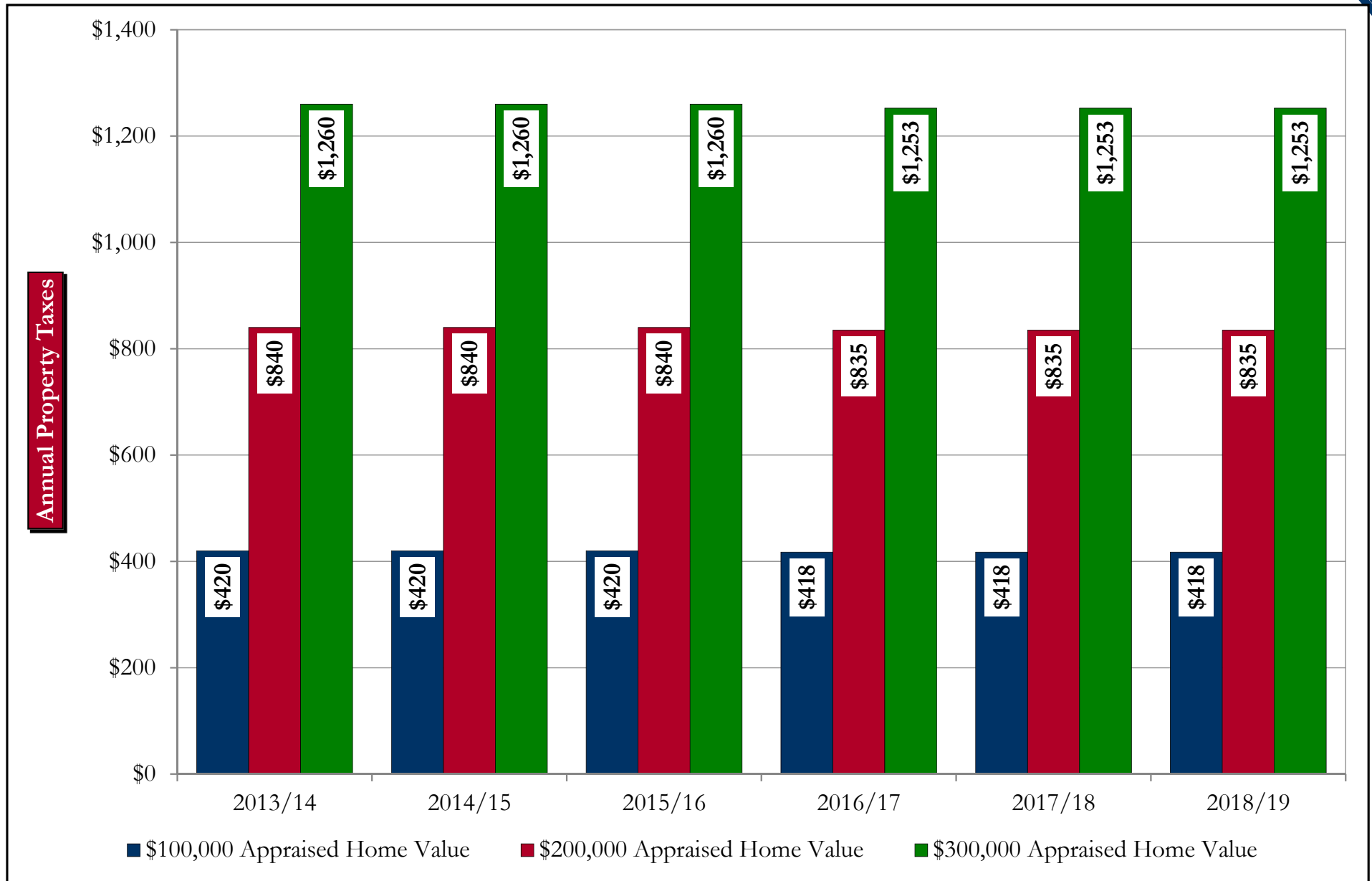


# Historical Tax Rates





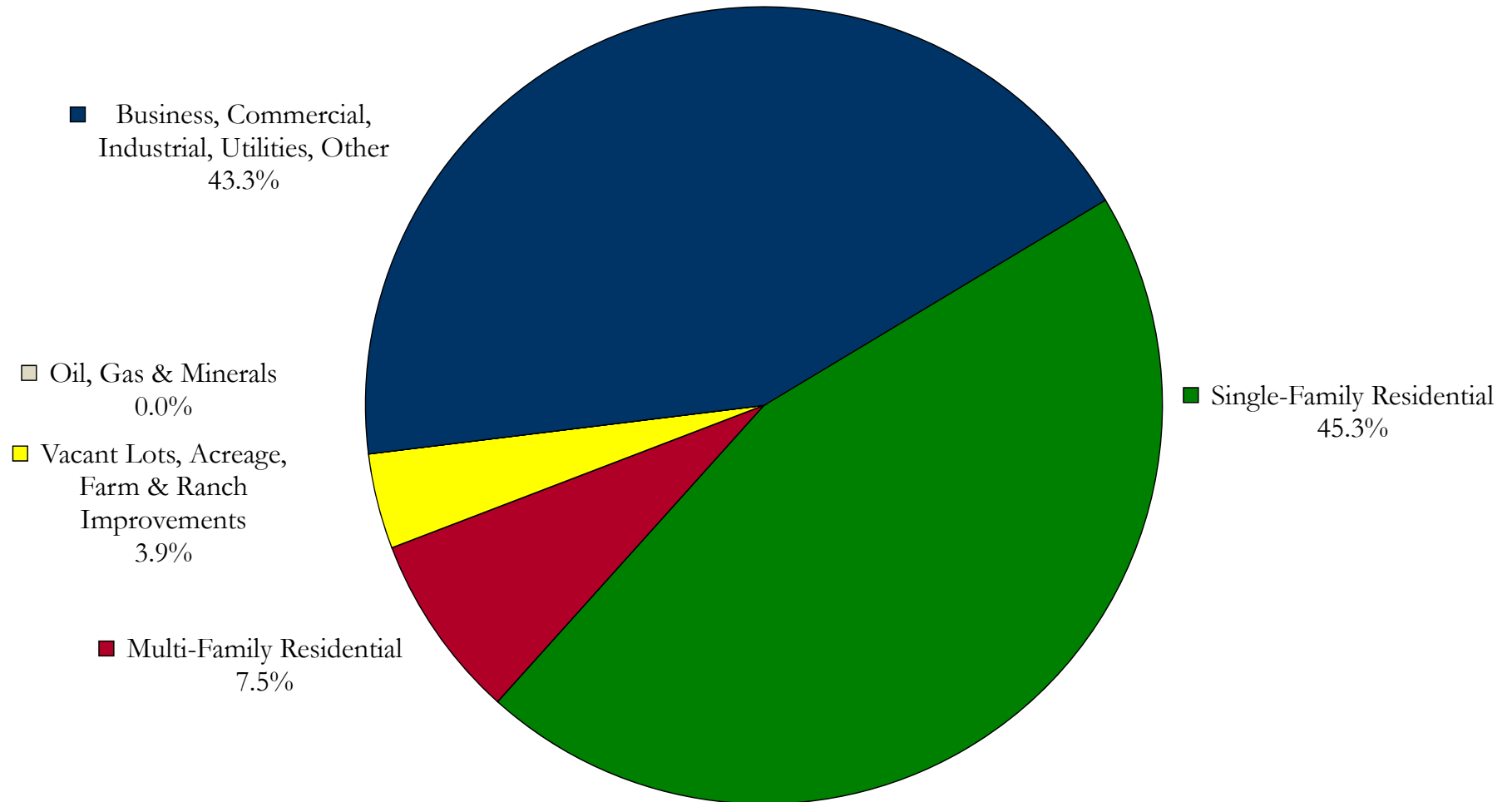
# Historical Total Property Taxes For Various Appraised Home Values





# Composition of Taxable Assessed Valuation – Year 2018/19

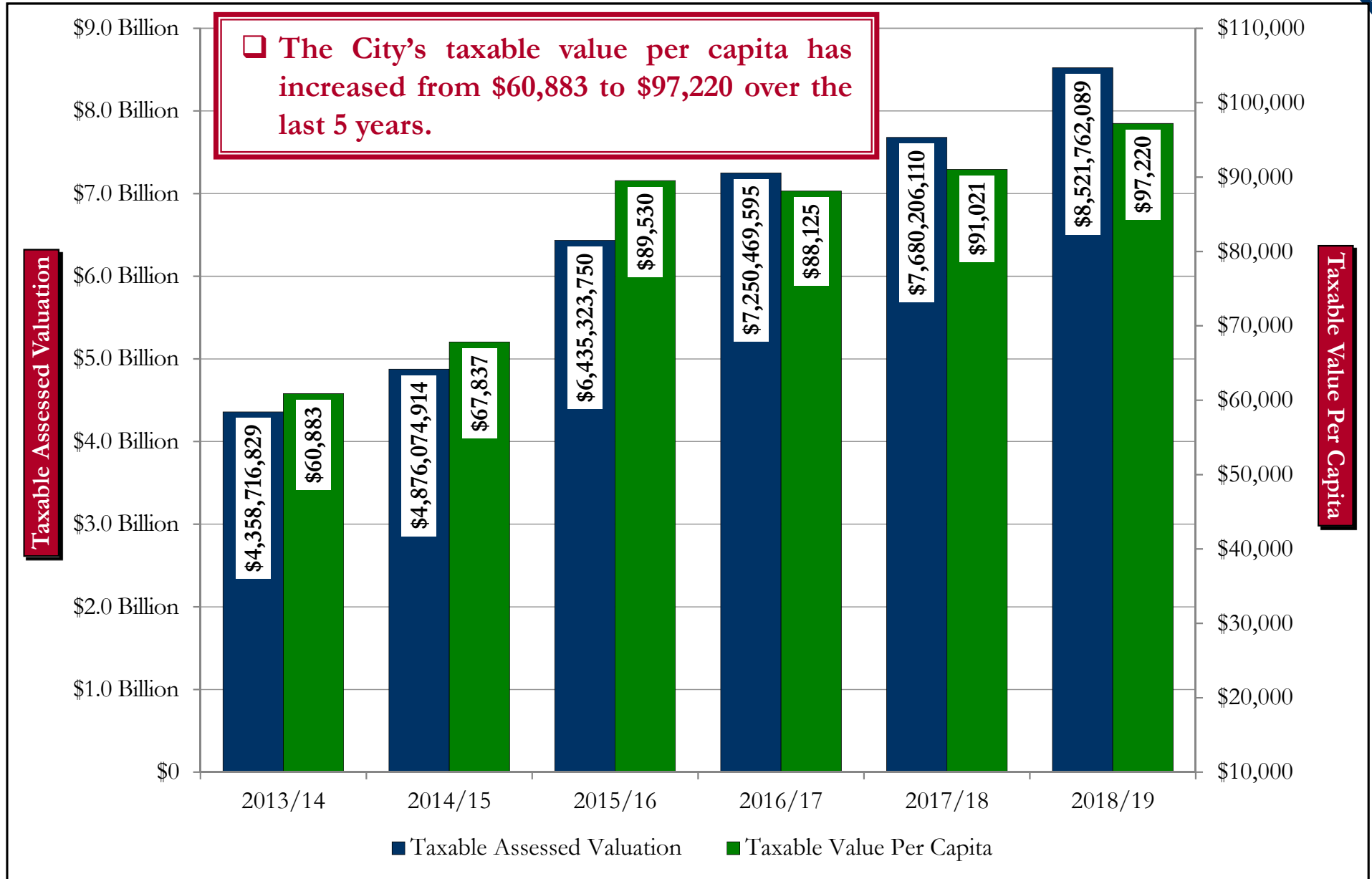
For year 2018/19 the City's taxable assessed valuation was \$8,521,762,089. Single-Family Residential properties comprised 45.3% of the City's total assessed valuation and other property categories comprised 54.7%.





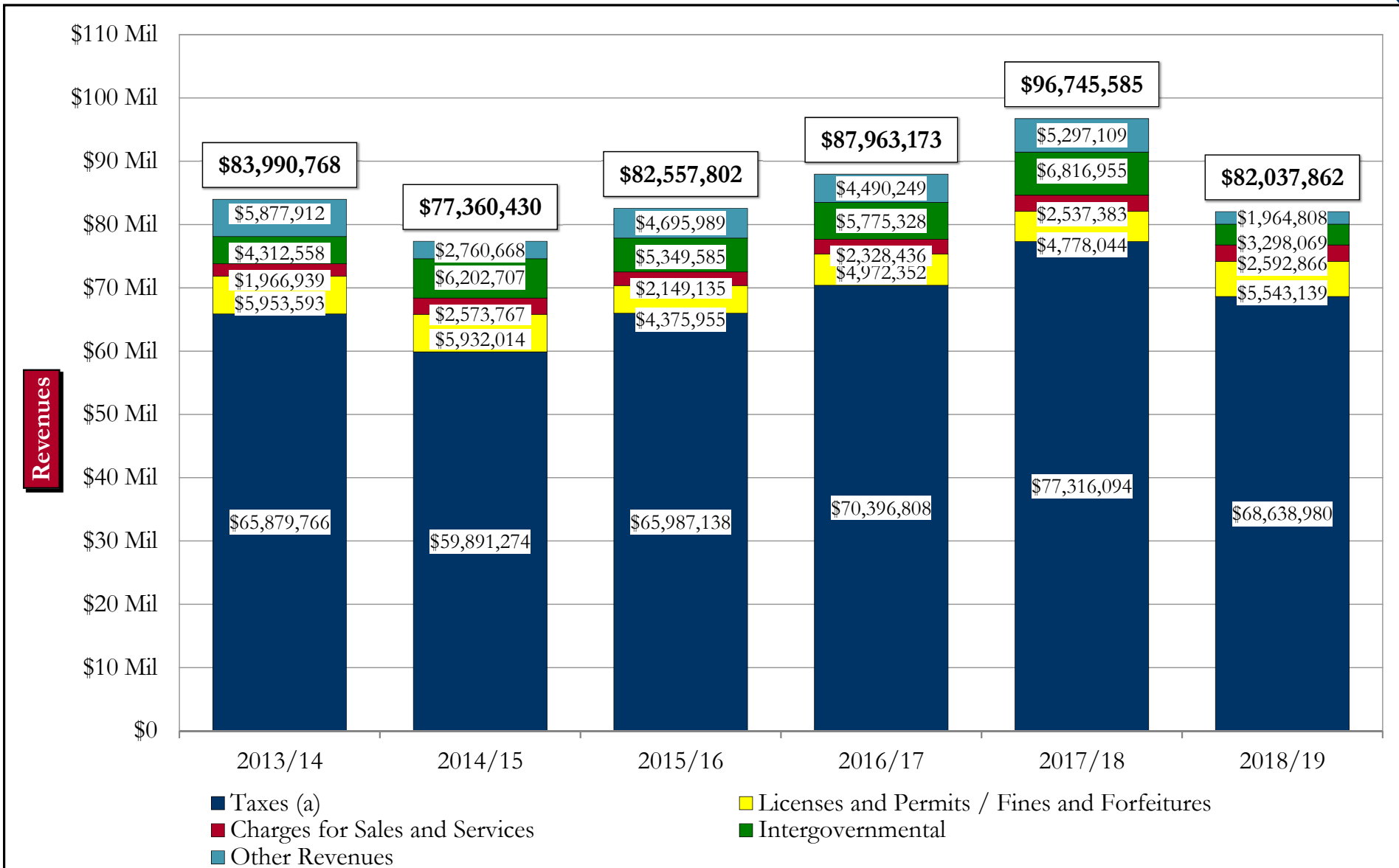


# Historical Taxable Assessed Valuation and Taxable Value Per Capita





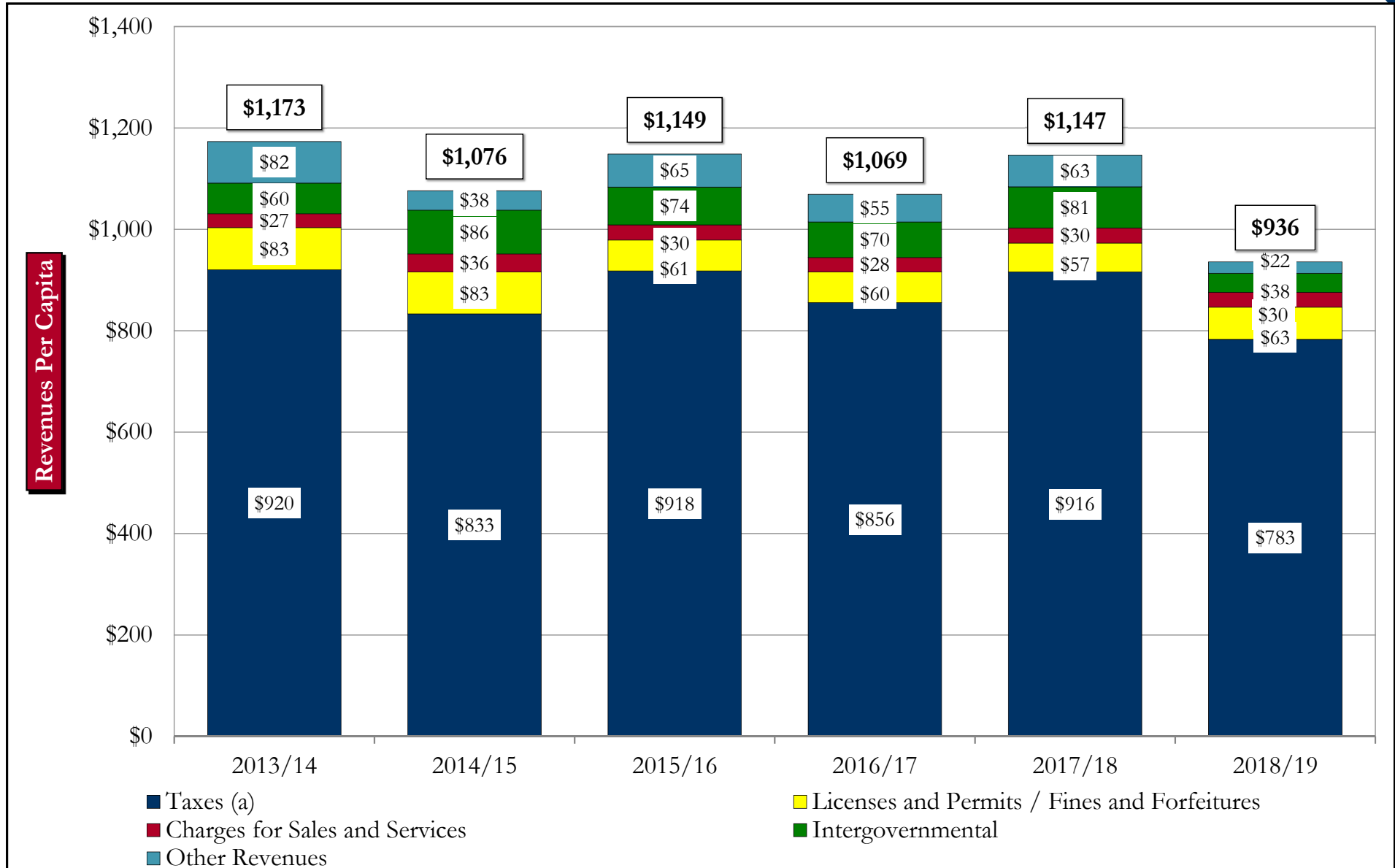
# Governmental Funds\* Revenues By Source



(a) Includes Property, Sales and Use, Hotel/Motel Occupancy, Franchise and Other Taxes collected by the City.



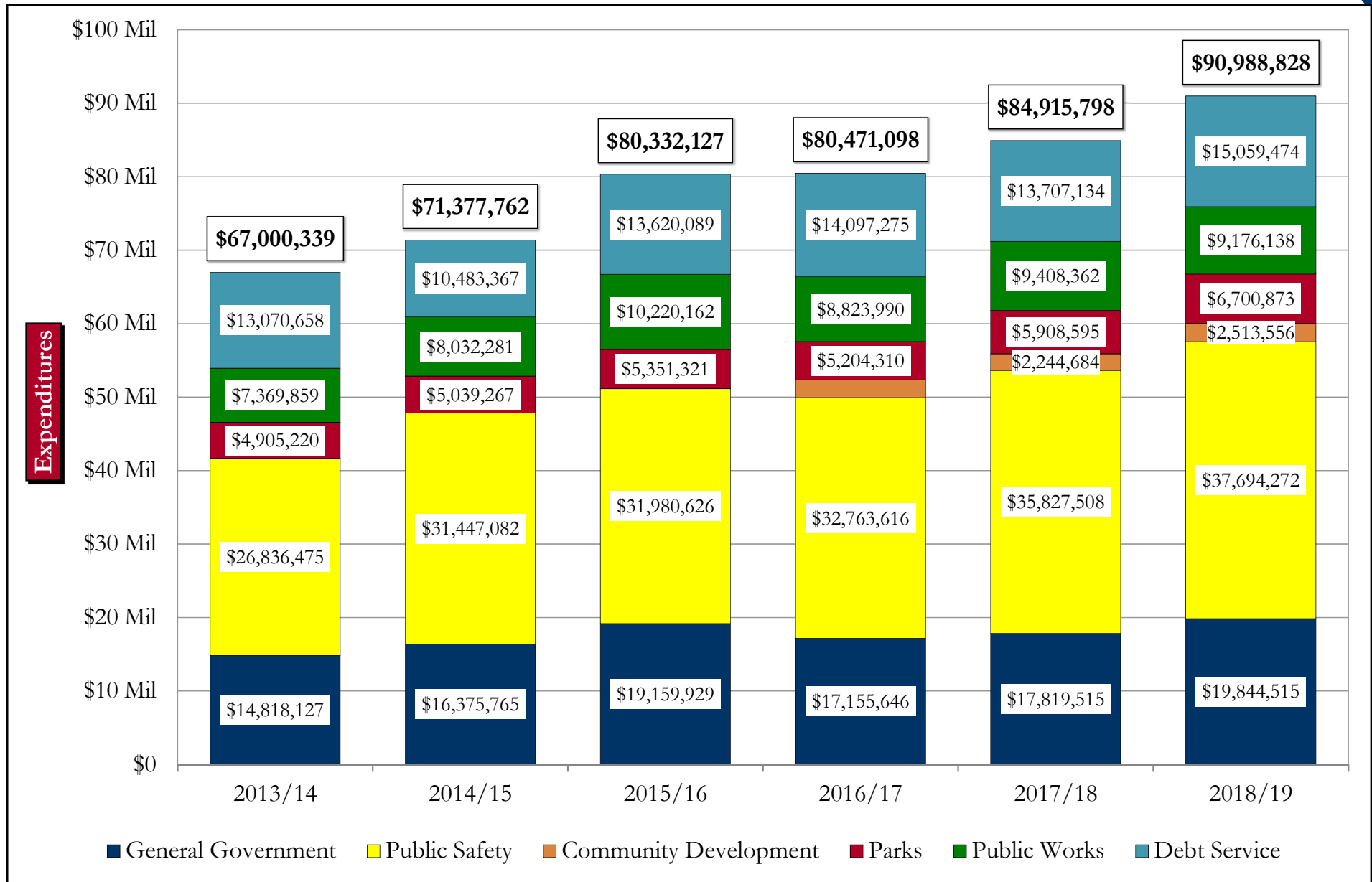
# Governmental Funds\* Revenues Per Capita



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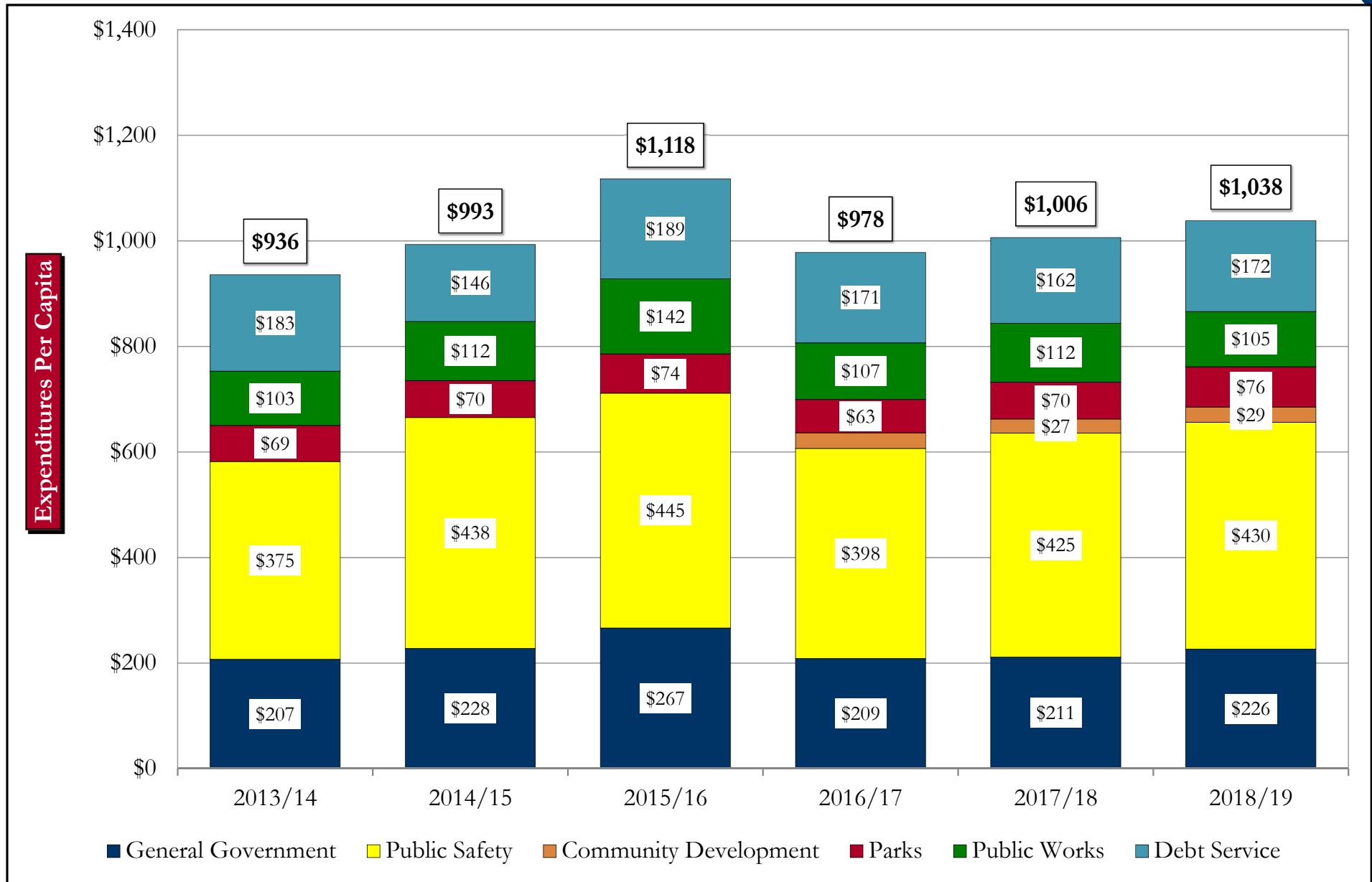
# Governmental Fund\* Operating Expenditures By Source



\*Excludes Capital Outlay expenditures. Source: City's Audited Financial Statements and City records.



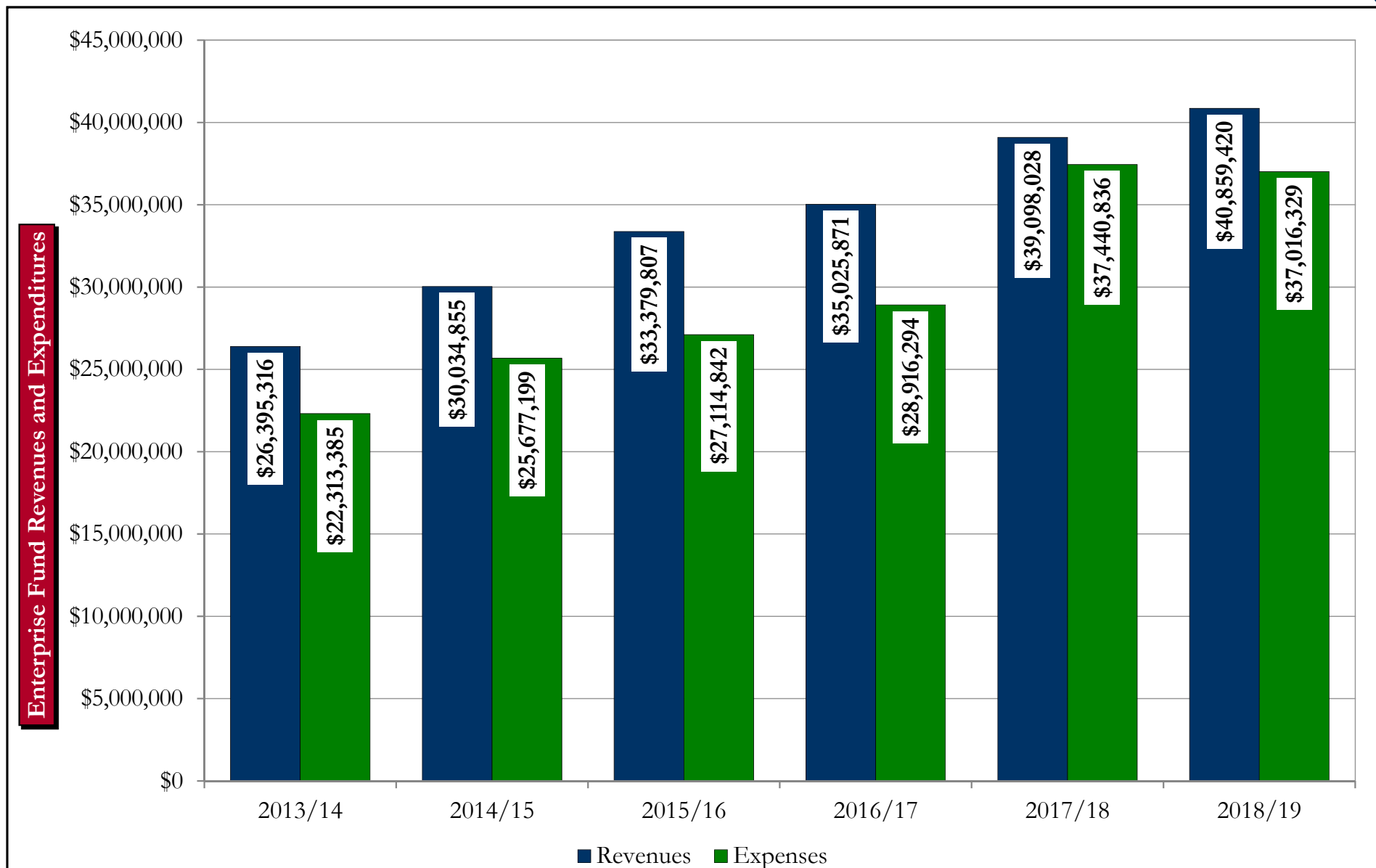
# Governmental Funds\* Operating Expenditures Per Capita



\*Excludes Capital Outlay expenditures. Source: City's Audited Financial Statements and City records.



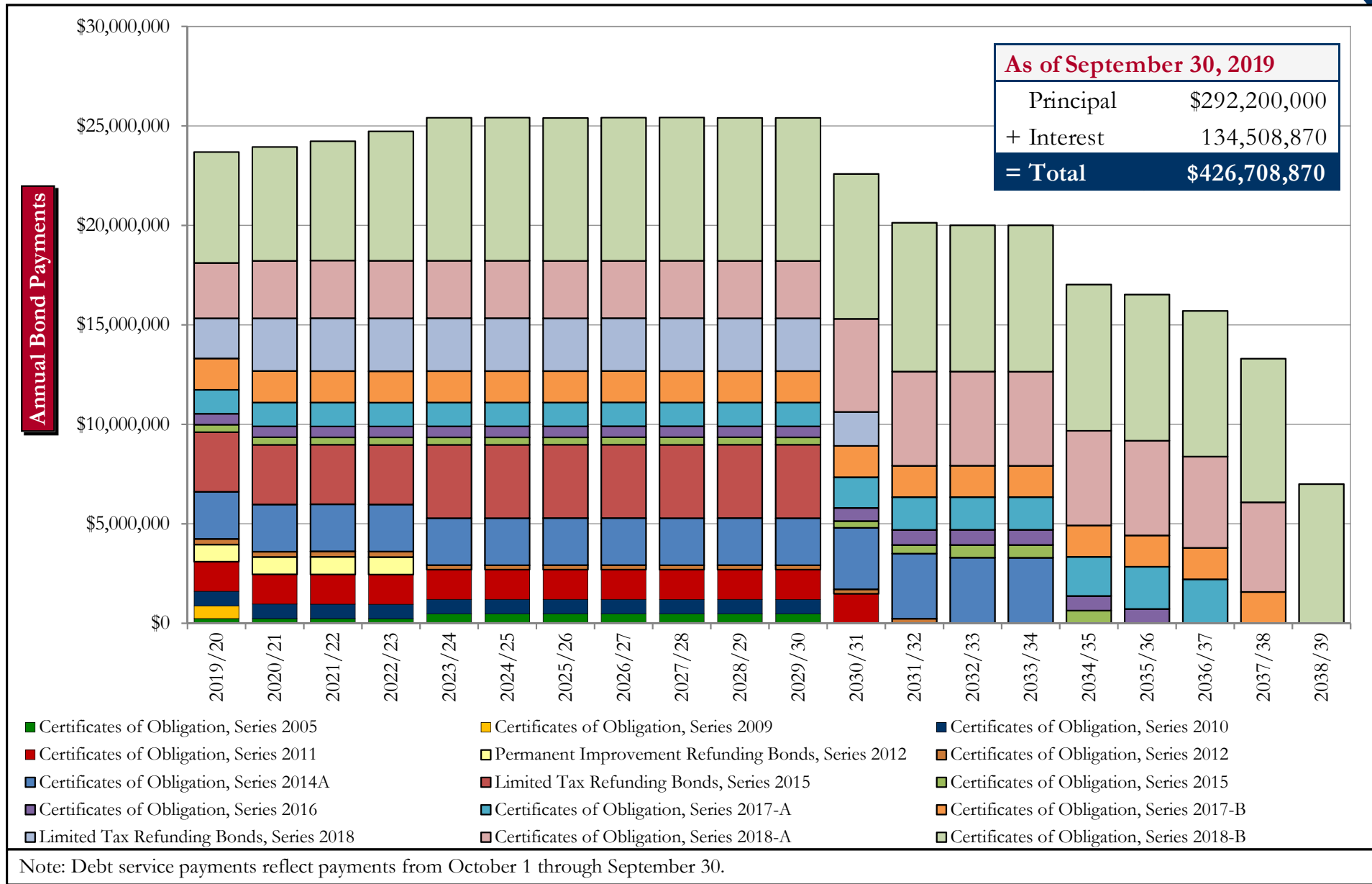
# Enterprise Fund (Business-Type Activities\*) Operating Revenues and Expenses



\* Does not include Non-Operating Revenues and Expenses.

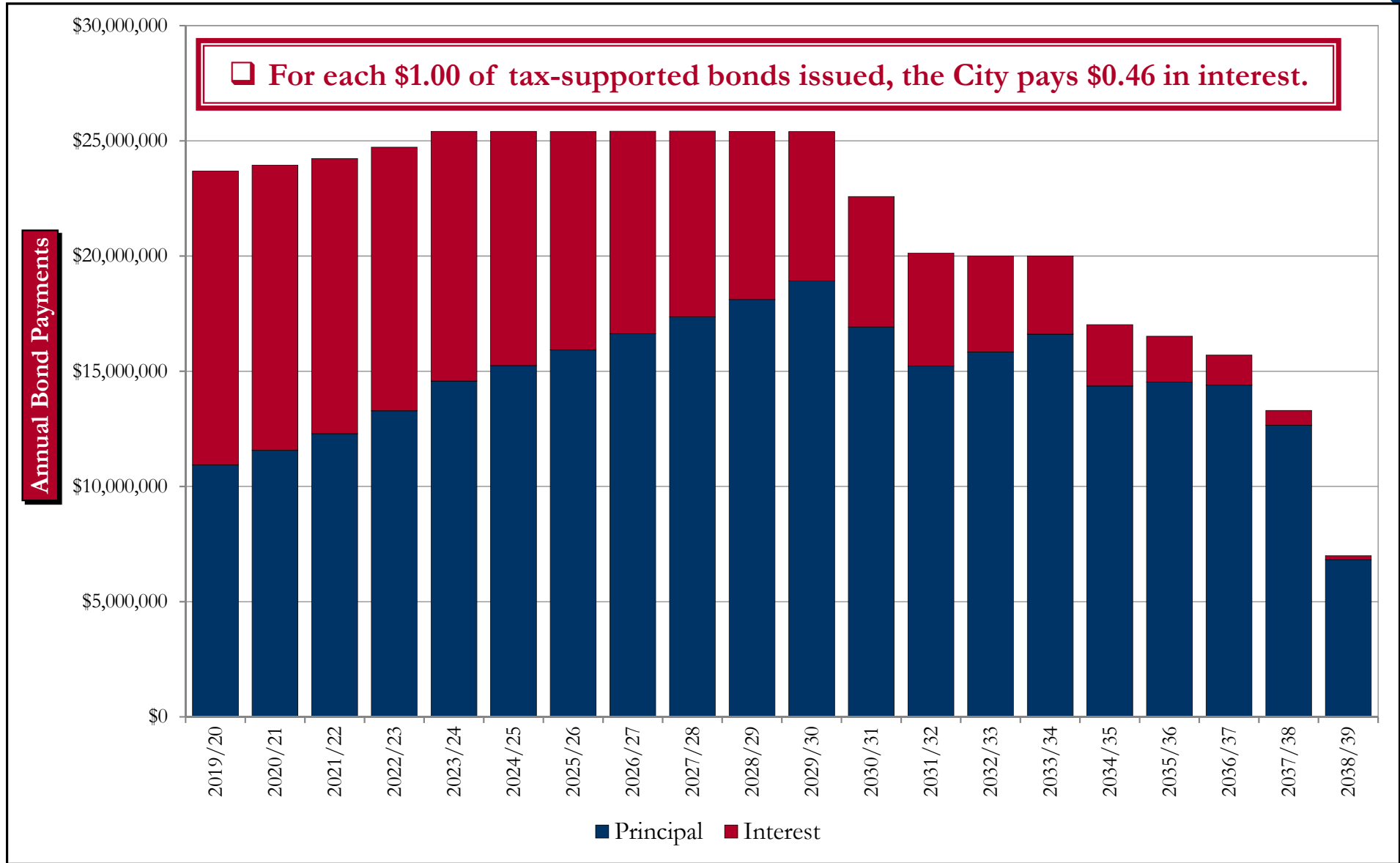


# ☑ Tax-Supported Debt Service By Series





# ☑ Tax-Supported Debt Service By Principal and Interest



Note: Debt service payments reflect payments from October 1 through September 30.



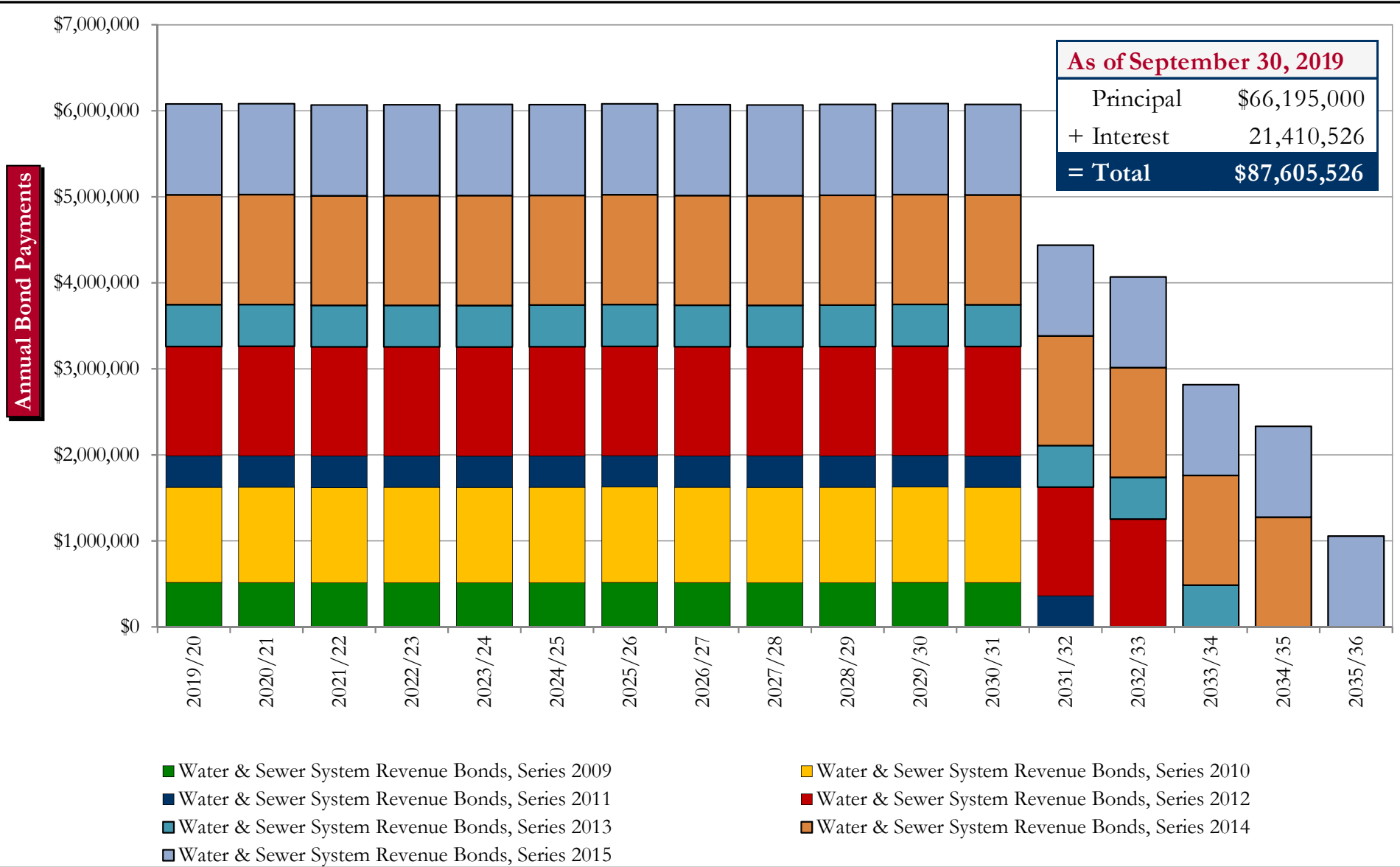


# ☑ Summary of Tax-Supported Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2019

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Certificates of Obligation, Series 2005	Capital Improvements	\$3,865,000	\$3,240,000	\$4,216,801	\$36.96	\$48.11	03/01/2030	Yes	\$3,865,000	\$3,865,000	\$0
2	Certificates of Obligation, Series 2009	Capital Improvements	\$12,750,000	\$625,000	\$635,938	\$7.13	\$7.26	03/01/2030	Yes	\$12,793,466	\$12,793,466	\$0
3	Certificates of Obligation, Series 2010	Capital Improvements	\$9,270,000	\$6,515,000	\$8,048,875	\$74.33	\$91.83	03/01/2030	Yes	\$9,532,101	\$9,532,101	\$0
4	Certificates of Obligation, Series 2011	Capital Improvements	\$18,235,000	\$13,880,000	\$17,909,306	\$158.35	\$204.32	03/01/2031	Yes	\$18,816,416	\$18,380,985	\$435,431
5	Permanent Improvement Refunding Bonds, Series 2012	Refunding at a lower interest rate, etc.	\$7,560,000	\$3,290,000	\$3,488,175	\$37.53	\$39.79	03/01/2023	Yes	\$7,703,916	\$7,703,916	\$0
6	Certificates of Obligation, Series 2012	Capital Improvements	\$8,970,000	\$2,625,000	\$3,147,009	\$29.95	\$35.90	03/01/2032	Yes	\$8,993,918	\$8,993,918	\$0
7	Certificates of Obligation, Series 2014	Capital Improvements	\$31,100,000	\$27,540,000	\$38,981,572	\$314.19	\$444.72	03/01/2034	Yes	\$34,550,980	\$34,550,980	\$0
8	Limited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$33,370,000	\$30,995,000	\$37,789,238	\$353.61	\$431.12	03/01/2030	Yes	\$35,926,669	\$35,926,669	\$0
9	Certificates of Obligation, Series 2015	Capital Improvements	\$8,795,000	\$5,085,000	\$6,828,903	\$58.01	\$77.91	03/01/2035	Yes	\$8,823,955	\$8,823,955	\$0
10	Certificates of Obligation, Series 2016	Capital Improvements	\$11,275,000	\$7,690,000	\$10,475,003	\$87.73	\$119.50	03/01/2036	Yes	\$11,934,645	\$11,292,314	\$642,331
11	Certificates of Obligation, Series 2017-A	Capital Improvements	\$20,110,000	\$17,635,000	\$25,963,350	\$201.19	\$296.20	03/01/2037	Yes	\$21,848,573	\$21,848,573	\$0
12	Certificates of Obligation, Series 2017-B	Capital Improvements	\$21,590,000	\$20,825,000	\$29,926,275	\$237.58	\$341.41	11/15/2037	Yes	\$23,836,662	\$23,113,676	\$722,986
13	Limited Tax Refunding Bonds, Series 2018	Refunding at a lower interest rate, etc.	\$24,185,000	\$23,210,000	\$30,308,300	\$264.79	\$345.77	11/15/2030	Yes	\$27,104,190	\$27,104,190	\$0
14	Certificates of Obligation, Series 2018-A	Capital Improvements	\$42,870,000	\$42,200,000	\$69,162,750	\$481.44	\$789.04	03/01/2038	Yes	\$48,041,016	\$12,437,579	\$35,603,437
15	Certificates of Obligation, Series 2018-B	Capital Improvements	\$86,845,000	\$86,845,000	\$139,827,375	\$990.77	\$1,595.22	11/15/2038	Yes	\$98,390,621	\$9,329,351	\$89,061,270
<b>Totals:</b>			<b>\$340,790,000</b>	<b>\$292,200,000</b>	<b>\$426,708,870</b>	<b>\$3,333.56</b>	<b>\$4,868.10</b>			<b>\$372,162,127</b>	<b>\$245,696,672</b>	<b>\$126,465,455</b>



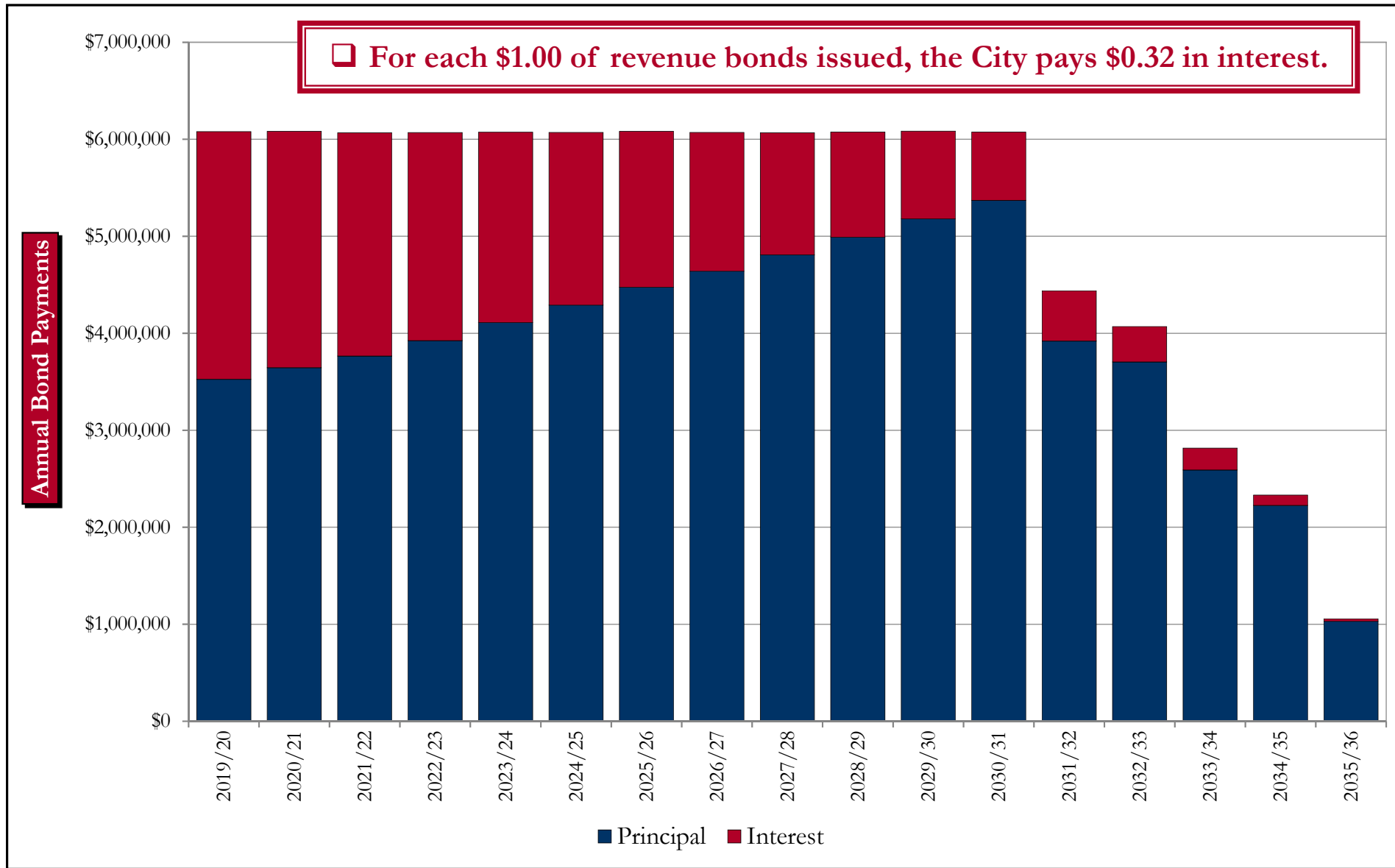
# Water and Sewer System Revenue Debt Service By Series



Note: Debt service payments reflect payments from October 1 through September 30.



# Water and Sewer System Revenue Debt Service By Principal and Interest



Note: Debt service payments reflect payments from October 1 through September 30.

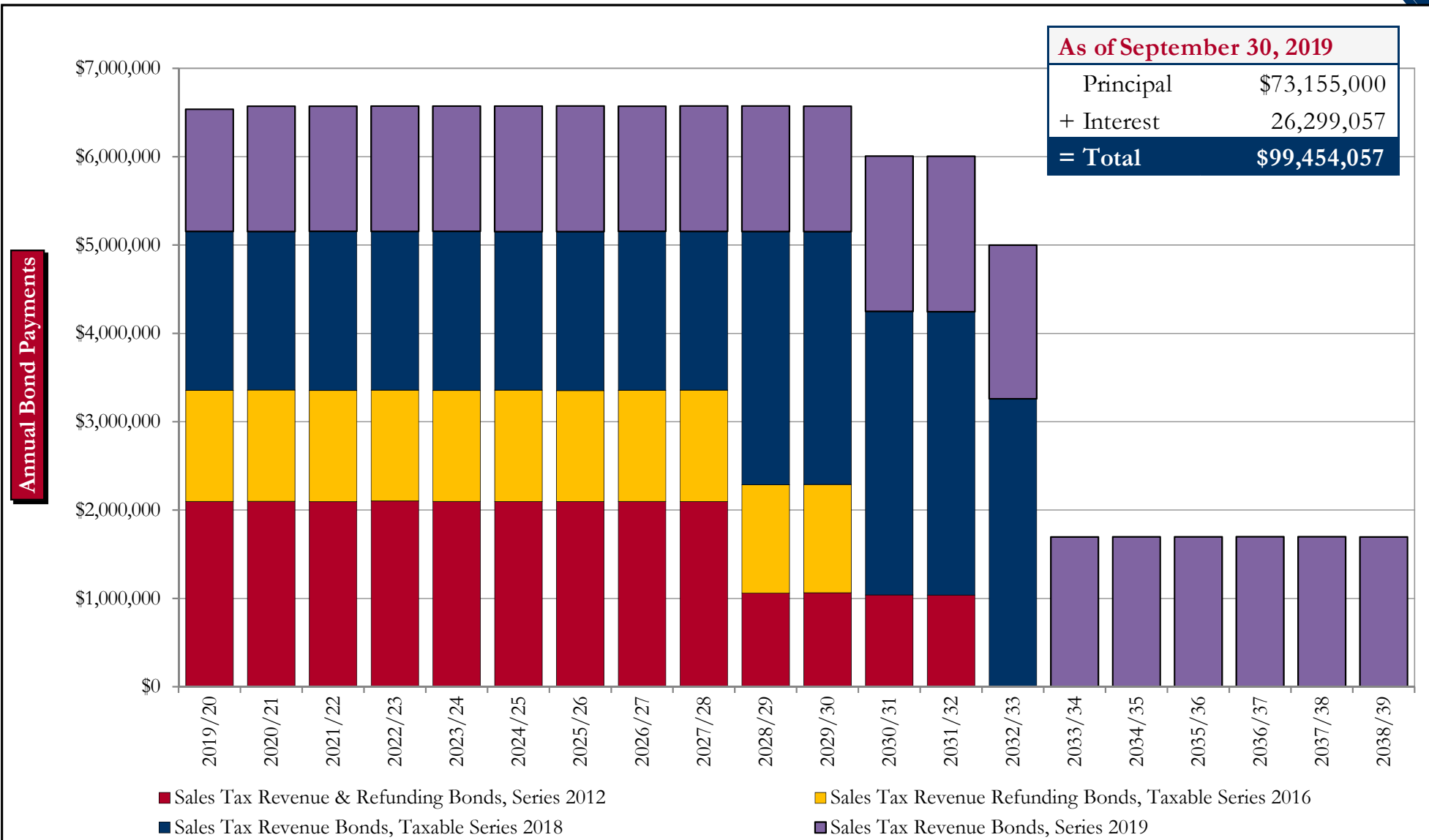


# ☑ Summary of Water and Sewer System Revenue Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2019

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Water & Sewer System Revenue Bonds, Series 2009	Capital Improvements	\$7,350,000	\$4,855,000	\$6,178,294	\$55.39	\$70.49	11/15/2030	No	\$7,336,799	\$7,105,623	\$231,176
2	Water & Sewer System Revenue Bonds, Series 2010	Capital Improvements	\$15,715,000	\$10,595,000	\$13,299,225	\$120.87	\$151.72	11/15/2030	No	\$16,012,361	\$14,485,130	\$1,527,231
3	Water & Sewer System Revenue Bonds, Series 2011	Capital Improvements	\$5,160,000	\$3,705,000	\$4,736,788	\$42.27	\$54.04	11/15/2031	No	\$5,149,236	\$5,149,236	\$0
4	Water & Sewer System Revenue Bonds, Series 2012	Capital Improvements	\$18,130,000	\$14,085,000	\$17,757,063	\$160.69	\$202.58	11/15/2032	No	\$19,313,481	\$18,399,958	\$913,523
5	Water & Sewer System Revenue Bonds, Series 2013	Capital Improvements	\$6,790,000	\$5,465,000	\$7,271,847	\$62.35	\$82.96	11/15/2033	No	\$6,913,367	\$6,913,367	\$0
6	Water & Sewer System Revenue Bonds, Series 2014	Capital Improvements	\$17,130,000	\$14,620,000	\$20,421,863	\$166.79	\$232.98	11/15/2034	No	\$18,873,459	\$18,873,459	\$0
7	Water & Sewer System Revenue Bonds, Series 2015	Capital Improvements	\$14,400,000	\$12,870,000	\$17,940,447	\$146.83	\$204.67	11/15/2035	No	\$15,441,475	\$15,441,475	\$0
<b>Totals:</b>			<b>\$84,675,000</b>	<b>\$66,195,000</b>	<b>\$87,605,526</b>	<b>\$755.19</b>	<b>\$999.45</b>			<b>\$89,040,179</b>	<b>\$86,368,249</b>	<b>\$2,671,930</b>



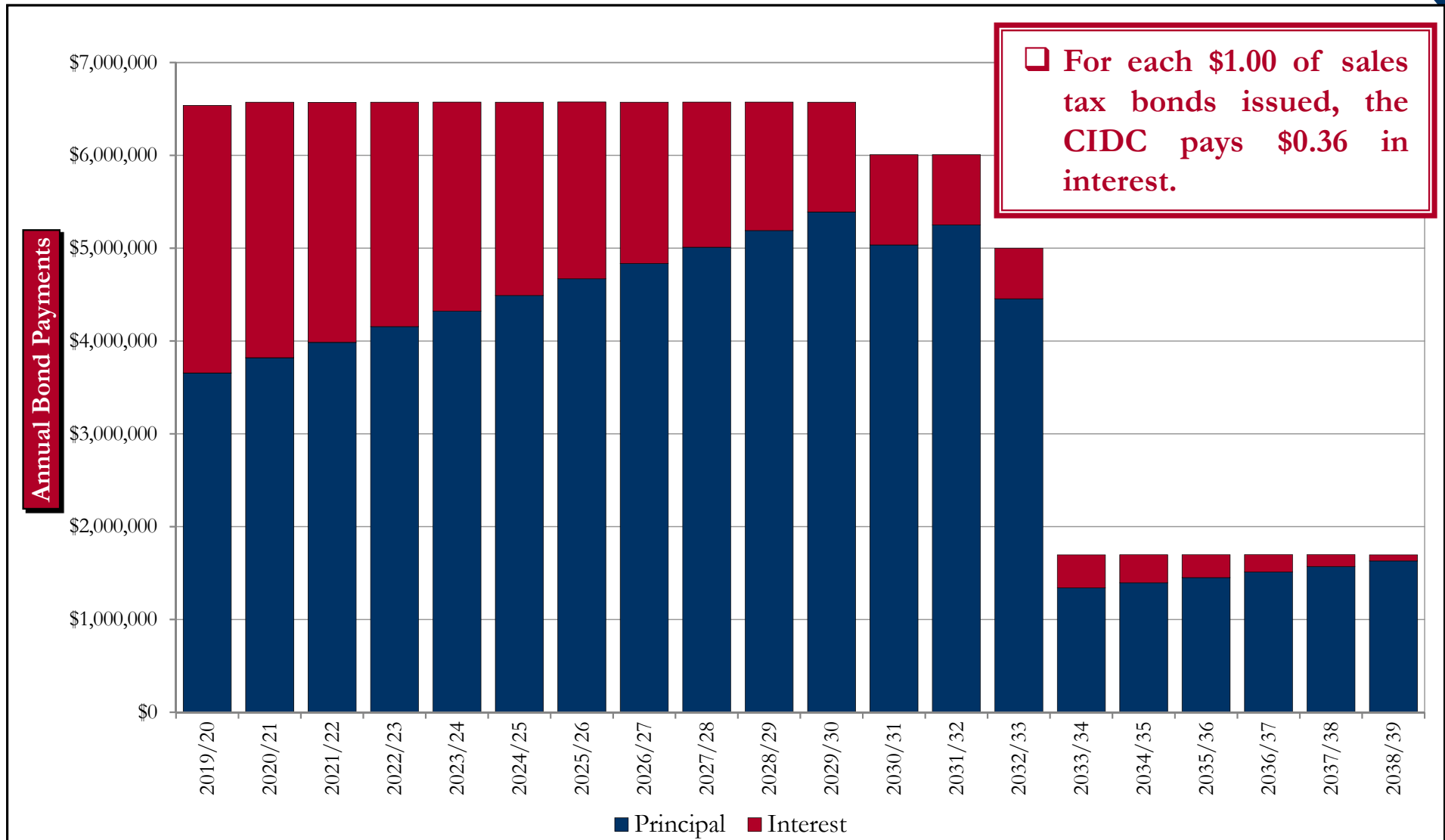
# ☑ Conroe Industrial Development Corporation (Sales Tax) Debt Service By Series



Note: Debt service payments reflect payments from October 1 through September 30. Conroe IDC is scheduled to refund a portion of the Series 2012 Bonds on a taxable basis on September 1, 2021 pursuant to an agreement with the Internal Revenue Service through the Tax Exempt Voluntary Closing Agreement Program Request.



# ☑ Conroe Industrial Development Corporation (Sales Tax) Debt Service By Principal and Interest



Note: Debt service payments reflect payments from October 1 through September 30. Conroe IDC is scheduled to refund a portion of the Series 2012 Bonds on a taxable basis on September 1, 2021 pursuant to an agreement with the Internal Revenue Service through the Tax Exempt Voluntary Closing Agreement Program Request.



# ☑ Summary of Conroe Industrial Development Corporation (Sales Tax) Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2019

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Sales Tax Revenue & Refunding Bonds, Series 2012	Capital Improvements; Refunding at a lower interest rate,	\$25,385,000	\$18,860,000	\$23,075,188	\$215.16	\$263.25	09/01/2032	No	\$26,918,461	\$26,918,461	\$0
2	Sales Tax Revenue Refunding Bonds, Taxable Series 2016	Refunding at a lower interest rate, etc.	\$13,815,000	\$11,665,000	\$13,783,305	\$133.08	\$157.25	09/01/2030	No	\$13,815,000	\$13,815,000	\$0
3	Sales Tax Revenue Bonds, Taxable Series 2018	Capital Improvements	\$23,225,000	\$22,435,000	\$31,583,896	\$255.95	\$360.32	09/01/2033	No	\$23,225,000	\$23,225,000	\$0
4	Sales Tax Revenue Bonds, Series 2019	Capital Improvements	\$20,195,000	\$20,195,000	\$31,011,668	\$230.39	\$353.80	09/01/2039	No	\$23,840,141	\$805,812	\$23,034,329
<b>Totals:</b>			<b>\$82,620,000</b>	<b>\$73,155,000</b>	<b>\$99,454,057</b>	<b>\$834.59</b>	<b>\$1,134.62</b>			<b>\$87,798,602</b>	<b>\$64,764,273</b>	<b>\$23,034,329</b>



# Savings from City's Bond Refunding and Prepayment Programs

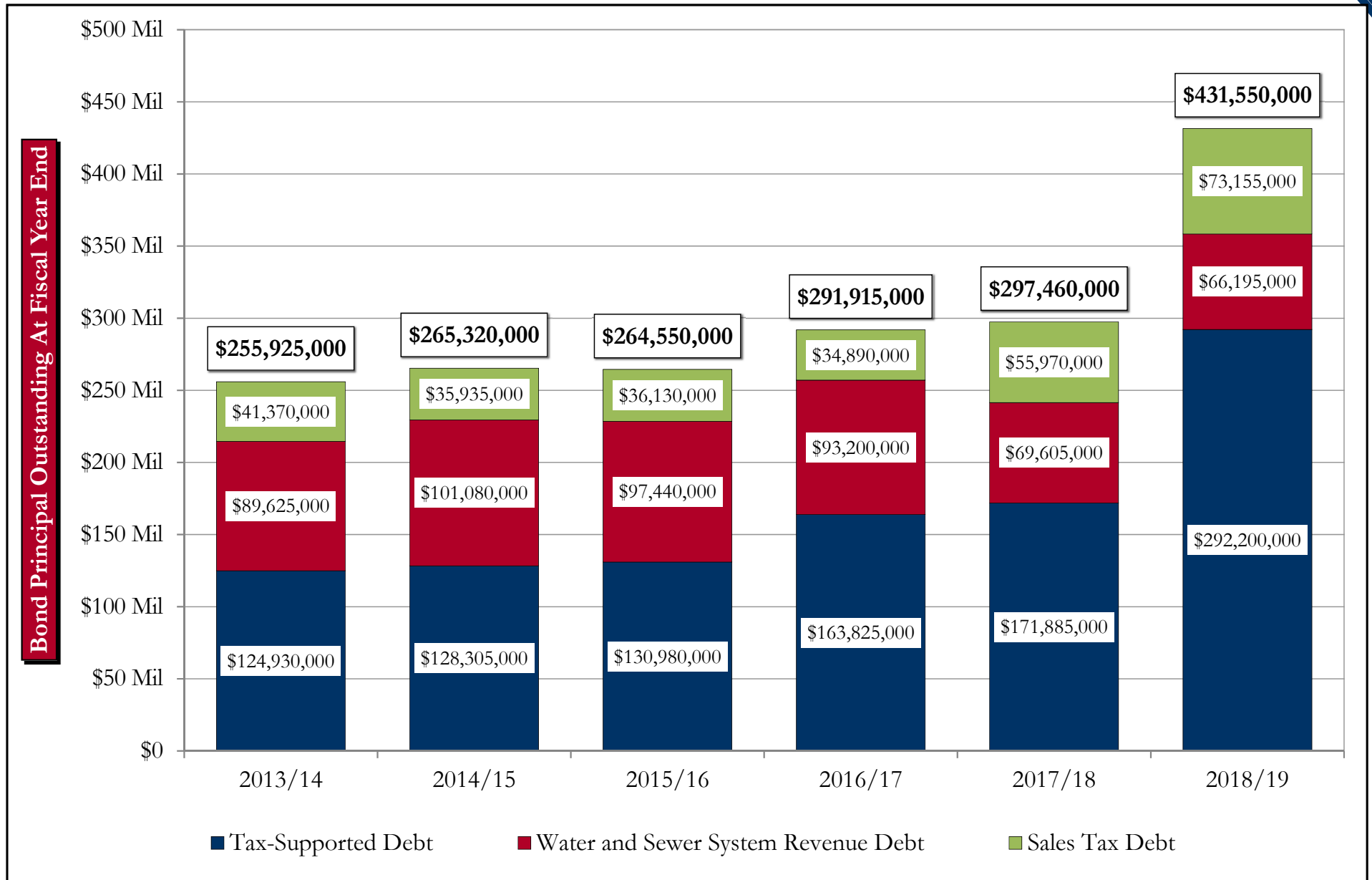
## Summary of Interest Cost Savings – Bond Refunding Programs/Prepayment of Bonds

Issue/Description	Series Refunded	Principal Amount Refunded	Total Savings
<b>Tax Supported Debt</b>			
Refunding Bonds, Series 2007	1996, 1997, 1998, 2000	\$ 12,845,000	\$ 535,202
Permanent Improvement Refunding Bonds, Series 2010	1998, 2001	4,000,000	275,373
Permanent Improvement Refunding Bonds, Series 2012	2003	7,270,000	612,192
Limited Tax Refunding Bonds, Series 2015	2006, 2007, 2008	33,650,000	4,598,974
Limited Tax Refunding Bonds, Series 2018	2006 WSS, 2007 WSS, 2008 WSS, 2009	27,020,000	3,565,663
<b>Sales Tax Debt</b>			
Sales Tax Revenue and Refunding Bonds, Series 2012	2008	\$ 12,970,000	\$ 2,117,773
Sales Tax Revenue Refunding Bonds, Taxable Series 2016	2011	12,785,000	(409,887)
<b>Totals</b>	---	<b>\$ 110,540,000</b>	<b>\$ 11,295,290</b>





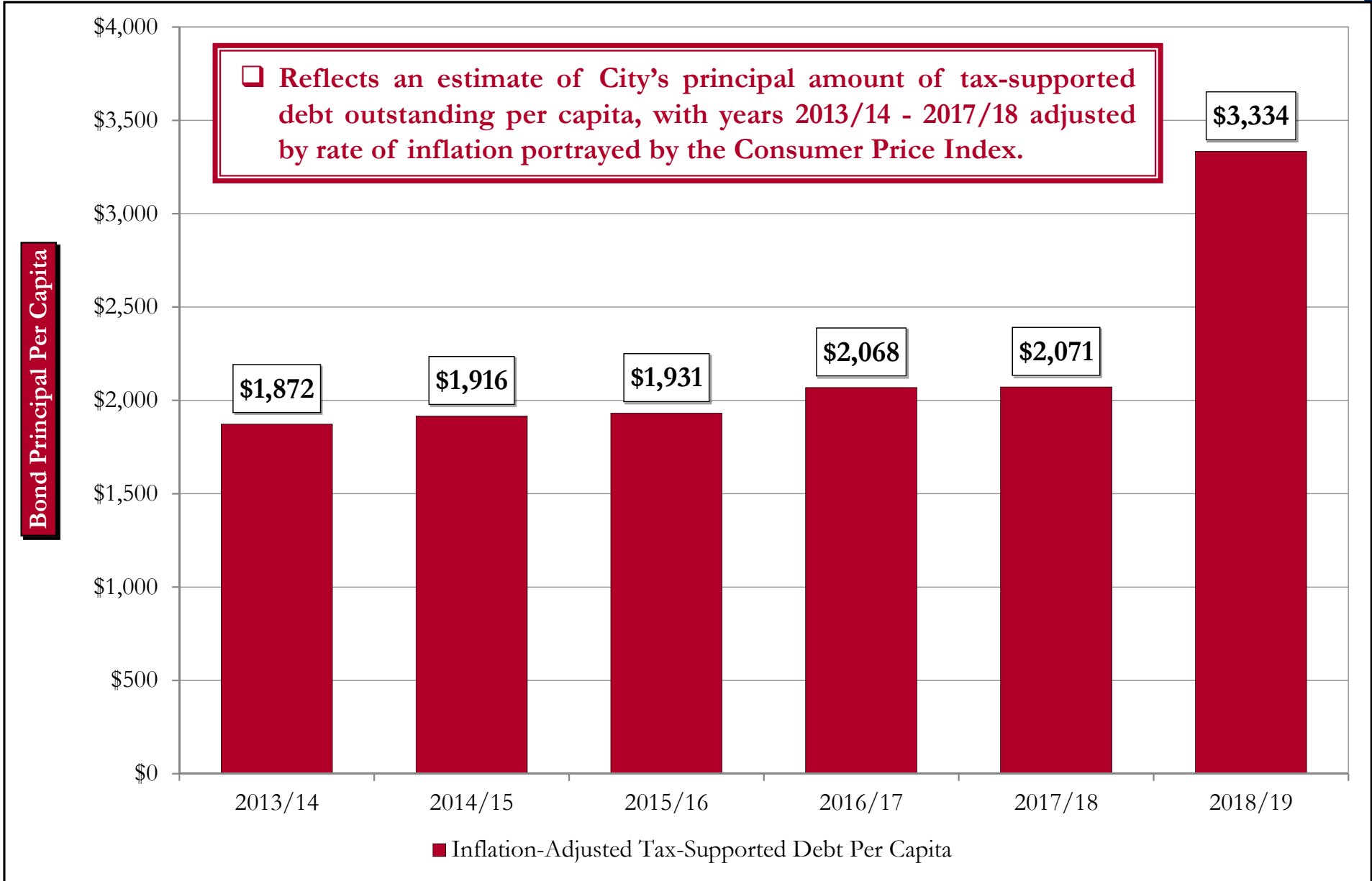
# Total Bond Principal Outstanding At Fiscal Year End



Source: City's Audited Financial Statements and City records.



# Inflation-Adjusted Tax-Supported Debt Per Capita



Source: City's Audited Financial Statements, 2010 U.S. Census (Interpolated), Bureau of Labor Statistics and City records.



## Contact Information and Links to Additional Resources

### **City Hall Contact Information:**

Physical and Mailing Address:

300 West Davis Street  
Conroe, Texas 77301

Phone: (936) 522-3000

### For additional information regarding this report, please contact:

Mr. Steve Williams

Assistant City Administrator & Chief Financial Officer

Phone: (936) 522-3050

Email: [swilliams@cityofconroe.org](mailto:swilliams@cityofconroe.org)

### **Links to Additional Resources:**

<https://www.comptroller.texas.gov/transparency/local/debt/cities.php>

[http://www.brb.state.tx.us/local\\_debt\\_search.aspx](http://www.brb.state.tx.us/local_debt_search.aspx)