



ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

CANYON REGIONAL WATER AUTHORITY
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS :

COUNTY OF GUADALUPE :

I, Timothy Fousse, of Canyon Regional Water Authority hereby swear, or affirm, that the Authority named above has reviewed and approved, at a meeting of the Authority's Board of Trustees on the 8 day of January, 2024, its annual audit report of the fiscal period ended September 30, 2023, and that copies of the annual audit report have been filed in the Authority's office located at 850 Lakeside Pass Dr., New Braunfels, Texas 78130.

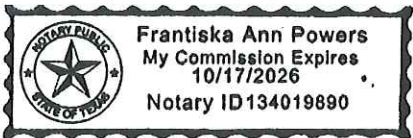
This annual filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: January 8, 2024 By: [Signature] CPM
(Signature of District Official)

Timothy D. Fousse CPM PRESIDENT CRWA
(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this 8 day of January, 2024.

[Signature]
(Signature of Notary)



Commission expires on October 17, 2026
Notary Public in the State of Texas



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Canyon Regional Water Authority
New Braunfels, TX

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canyon Regional Water Authority, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Canyon Regional Water Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Canyon Regional Water Authority, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America..

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Canyon Regional Water Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Canyon Regional Water Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Canyon Regional Water Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Canyon Regional Water Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Canyon Regional Water Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules (as listed in the table of contents) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Canyon Regional Water Authority's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information required by the Texas Commission on Environmental Quality is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Canyon Regional Water Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended September 30, 2023. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's total net position was \$69 million at September 30, 2023.
- During the year, the Authority's operating revenues were \$2.7 million more than the \$17.7 million in operating expenses. After depreciation, operating income was a loss of \$1.8 million.
- Operating revenues increased by 35% and operating expenses increased by 18%. A significant portion of the increase was related to the acquisition of water leases for the Wells Ranch expansion and inflation in chemicals and plant operations.
- No new debt was issued in 2023 aside from a lease for temporary membranes at the Hays Caldwell Plant.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), *the basic financial statements, required supplementary information*, and *supplementary information required by the Texas Commission on Environmental Quality (TCEQ)*. The basic financial statements consist of the following statements:

- The *Statement of Net Position* shows the financial standing of the authority as of the end of the year, including all assets and liabilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* provides information about the activity of the Authority during the fiscal year. It reports revenues when incurred, regardless of when they are received, and expenses when incurred, regardless of when they are paid.
- The *Statement of Cash Flows* reports the sources and uses of cash during the fiscal year.

The financial statements also include notes that explain a few of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The final section of supplementary information provides even more information required by TCEQ.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health or *position*.

- Over time, increases or decreases in the Authority's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The Authority's combined net position was \$69 million at September 30, 2023. Of this amount, \$12.2 million is unrestricted, representing resources available to fund the operations of the Authority next year. (See Table A-1).

Table A-1
Authority's Net Position

	2023	2022	Percentage Change
<i>Assets:</i>			
Cash and Investments	\$ 11,431,647	\$ 10,222,771	12%
Other Current Assets	3,612,688	2,759,182	31%
Other Assets	29,924,660	29,379,749	2%
Capital Assets (Net)	<u>138,119,128</u>	<u>140,577,500</u>	-2%
<i>Total Assets</i>	<u>183,088,123</u>	<u>182,939,202</u>	0%
<i>Deferred Outflows</i>	<u>388,350</u>	<u>306,912</u>	27%
<i>Liabilities:</i>			
Current	16,154,206	15,979,376	1%
Long Term	<u>98,235,513</u>	<u>108,412,790</u>	-9%
<i>Total Liabilities</i>	<u>114,389,719</u>	<u>124,392,166</u>	-8%
<i>Deferred Inflows</i>	<u>-</u>	<u>26,892</u>	-100%
<i>Net Position:</i>			
Net Investment in Capital Assets	50,192,311	42,875,889	17%
Restricted	6,732,158	5,804,405	16%
Unrestricted	<u>12,162,285</u>	<u>10,146,762</u>	20%
<i>Total Net Position</i>	<u>\$ 69,086,754</u>	<u>\$ 58,827,056</u>	17%

The Authority's total operating revenues were \$20.4 million, an increase of 35%. Water sales fluctuate with the environmental conditions and the ability of member entities to take water. They also increase for planned purchases of membranes and new water leases. The operating expenses were \$22.2 million, with an 18% increase from prior year. (See Table A-2)

Table A-2
Changes in Authority Net Position

	2023	2022	Percentage Change
Operating Revenues	\$ 20,411,006	\$ 15,096,852	35%
Operating Expenses	<u>(22,192,007)</u>	<u>(18,884,248)</u>	18%
Operating Income (Loss)	(1,781,001)	(3,787,396)	-53%
Nonoperating Income (Expense)	<u>12,040,699</u>	<u>9,248,711</u>	30%
Change in Net Position	10,259,698	5,461,315	88%
Beginning Net Position	58,827,056	53,365,741	10%
Ending Net Position	<u>\$ 69,086,754</u>	<u>\$ 58,827,056</u>	17%

BUDGETARY HIGHLIGHTS

The Authority budgets on a modified accrual basis so that the billings to the members result in funds available to pay obligations of the Authority as they come due. The Authority's revenues exceeded the budget by \$294 thousand and expenses were under budget by \$2.7 million. The Authority expected plant operations to increase more than it did and not as many water leases were acquired as expected by year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the Authority had invested \$190 million in a broad range of capital assets, including land, buildings, equipment, treatment plants, and distribution systems. (See Table A-3.) The Authority entered into a lease for temporary membranes and is continuing work on Wells Ranch generators. More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

Table A-3
Authority's Capital Assets

	2023	2022	Percentage Change
Land	\$ 2,408,454	\$ 2,408,454	0%
Water Rights	3,439,604	3,439,604	0%
Building and Improvements	791,035	791,035	0%
Plant and Distribution System	175,890,847	175,890,847	0%
Machinery and Equipment	1,191,008	1,096,357	9%
Right of Use Asset	918,231	-	100%
Construction in Progress	5,691,764	4,656,171	22%
Totals at Historical Cost	<u>190,330,943</u>	<u>188,282,468</u>	<u>1%</u>
Total Accumulated Depreciation	<u>(52,211,815)</u>	<u>(47,704,968)</u>	<u>9%</u>
Net Capital Assets	<u>\$ 138,119,128</u>	<u>\$ 140,577,500</u>	<u>-2%</u>

Long-Term Debt

At year-end, the Authority had \$102 million in principal outstanding on bonded debt. No new debt was issued during the fiscal year except for a lease for temporary membranes. More detailed information about the Authority's debt is presented in the notes to the financial statements.

Table A-4
Authority's Long Term Debt

	2023	2022	Percentage Change
Bonds Payable	\$ 102,080,000	\$ 111,035,000	-8%
Lease Payable	622,276	-	100%
Total	<u>\$ 102,702,276</u>	<u>\$ 111,035,000</u>	<u>-8%</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

For the fiscal year ending September 30, 2024, the Authority has budgeted \$34.3 million in total revenues and expenses (an increase of approximately 4%). Management intends to continue with the Hays Caldwell plant expansion and planning for Wells Ranch Phase III, but does not anticipate any major changes in services or operations.

CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at Canyon Regional Water Authority, 850 Lakeside Pass, New Braunfels, Texas 78130-8233.

BASIC FINANCIAL STATEMENTS

The basic financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 11,431,647
Receivables - Member Entities	<u>3,612,688</u>
<i>Total Current Assets</i>	<u>15,044,335</u>

Other Assets:

Long-term Receivables - Member Entities	3,174,611
Restricted Cash for Construction	21,224,962
Restricted Cash for Debt Service	<u>5,525,087</u>
<i>Total Other Assets</i>	<u>29,924,660</u>

<i>Capital Assets (net)</i>	<u>138,119,128</u>
TOTAL ASSETS	<u>183,088,123</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Pension Related Outflows	276,953
Deferred Loss on Debt Refunding	<u>111,397</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>388,350</u>

LIABILITIES

Current Liabilities:

Accounts Payable	837,057
Salaries Payable	81,657
Accrued Leave	82,913
Prepaid Member Assessments	4,811,128
Accrued Interest, Payable from Restricted Assets	558,646
Long-Term Debt - Current Portion	<u>9,782,805</u>
<i>Total Current Liabilities</i>	<u>16,154,206</u>

Long-term Liabilities:

Long-Term Debt (net of current portion)	97,993,083
Net Pension Liability	<u>242,430</u>
<i>Total Long-term Liabilities</i>	<u>98,235,513</u>
TOTAL LIABILITIES	<u>114,389,719</u>

NET POSITION

Net Investment in Capital Assets	50,192,311
Restricted, Expendable:	
Debt Service	4,966,441
Membrane Replacement	1,765,717
Unrestricted	<u>12,162,285</u>
TOTAL NET POSITION	<u>\$ 69,086,754</u>

See accompanying notes to basic financial statements.

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Operating Revenues:	
Water Sales	\$ 20,115,911
Miscellaneous Income	295,095
Total Operating Revenues	<u>20,411,006</u>
 Operating Expenses:	
Water Purchases	5,774,918
Treatment Plant Operating Expenses	8,355,163
Salaries and Wages	1,641,244
Line Use and Transmission Costs	522,554
Employment Related Expenses	498,524
Professional Fees	892,757
Total Operating Expenses	<u>17,685,160</u>
Operating Income (Loss) Before Depreciation	2,725,846
Depreciation	<u>4,506,847</u>
Operating Income (Loss)	(1,781,001)
 Non-Operating Revenues (Expenses):	
Member Entity Debt Reimbursements	12,929,362
Interest Income	1,645,684
Interest Expense	<u>(2,534,347)</u>
Total Non-Operating Revenues (Expenses)	<u>12,040,699</u>
Change in Net Position	10,259,698
Net Position at Beginning of Year	<u>58,827,056</u>
Net Position at End of Year	<u><u>\$ 69,086,754</u></u>

See accompanying notes to basic financial statements.

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Cash Flows from Operating Activities		
Cash Received from Customers		\$ 19,566,501
Cash Payments to Suppliers for Goods and Services		(16,509,883)
Cash Payments to Employees for Services		<u>(1,597,235)</u>
Net Cash Provided (Used) by Operating Activities		<u>1,459,383</u>
 Cash Flows from Capital and Related Financing Activities		
Bond and Lease Principal Payments		(9,250,955)
Interest Paid		(3,726,549)
Member Entity Debt Payments		12,765,468
Purchase of Property, Plant and Equipment		<u>(1,130,244)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(1,342,280)</u>
 Cash Flows from Investing Activities		
Interest and Investment Income		<u>1,645,684</u>
Net Cash Provided (Used) by Investing Activities		<u>1,645,684</u>
 Net Increase (Decrease) in Cash and Cash Equivalents		 1,762,787
 Beginning Cash		
Cash and Cash Equivalents	\$ 10,222,771	
Restricted Cash	<u>26,196,138</u>	
		<u>36,418,909</u>
 Ending Cash		
Cash and Cash Equivalents	11,431,647	
Restricted Cash	<u>26,750,049</u>	
		<u>\$ 38,181,696</u>

See accompanying notes to basic financial statements.

CANYON REGIONAL WATER AUTHORITY
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (1,781,001)
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:	
Depreciation	4,506,847
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(844,505)
(Increase) Decrease in Deferred Outflows for Pensions	(102,204)
Increase (Decrease) in Accounts Payable	(465,967)
Increase (Decrease) in Salaries Payable	7,015
Increase (Decrease) in Accrued Leave	33,063
Increase (Decrease) in Net Pension Liability	133,027
Increase (Decrease) in Deferred Inflows for Pensions	(26,892)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,459,383</u></u>

See accompanying notes to basic financial statements.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canyon Regional Water Authority (the "Authority") was created by the Texas Legislature on August 28, 1989 under Article XVI, Section 59 of the Texas Constitution. The Authority operates under Chapter 65 of the Texas Water Code. The Authority was created to purchase, own, hold, lease and otherwise acquire sources of potable water; build, operate and maintain facilities for the treatment and transportation of water; sell potable water to local governments, water supply corporations and other persons in this state; and to protect, preserve and restore the purity and sanitary condition of water in the area. The Authority may not levy or collect ad valorem taxes, but does have the power of eminent domain and may issue bonds.

The Authority is comprised of eleven member entities, and the governing board consists of two voting members from each entity. The member entities consist of Crystal Clear Special Utility District, East Central Special Utility District, Springs Hill Water Supply Corporation, Green Valley Special Utility District, County Line Special Utility District, Maxwell Special Utility District, Martindale Water Supply Corporation and the cities of Marion, Cibolo, La Vernia, and Converse. The City of San Marcos and San Antonio Water System are water purchasers but do not have board seats.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

1. REPORTING ENTITY

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity" and GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The Authority has no component units.

2. ENTERPRISE FUND

The Authority is an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public or other governmental entities. The activities are financed by charges to member entities and the measurement of financial activity focuses on net income similar to the private sector. Revenues are recognized when earned, and expenses are recognized when incurred.

The Authority finances capital projects primarily through debt. Member entities are assessed their share of the Authority's debt service annually, payable monthly. The revenue from these assessments is recognized in the year of the assessment. However, members may elect to fund their share of capital projects with cash upfront rather than through debt service. For consistency, revenue from these prepayments is recognized over the life of the related debt service for the other entities.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Revenues are classified as *operating* and *non-operating*. Operating revenues include charges to member entities for water pumpage pursuant to their contractual agreements. Non-operating revenues are expense reimbursements from member entities, interest income, and other revenues not related to the sale of wholesale water.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

4. CASH AND INVESTMENTS

State statutes authorize the Authority to invest in (a) obligations of the United States or its agencies, and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) – (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments in money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments in local government investment pools are reported at net asset value. All other investments are reported at fair value.

The Authority reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority considers cash and cash equivalents to be amounts in checking accounts, savings accounts, money market accounts, local government investment pools and certificates of deposit with a maturity date within three months or less from the date of purchase.

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due from member entities. Management considers all outstanding amounts to be collectible and has not recorded an allowance for doubtful accounts.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. PREPAID EXPENSES

Expenses paid during the year that have a benefit beyond the current fiscal year are recorded on the balance sheet as prepaid expenses.

7. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, water rights, and water plant and distribution systems, are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Purchases in excess of \$5,000 with a useful life in excess of one year are capitalized and depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 50 years
Equipment	3 to 25 years
Water Plants and Distribution Systems	10 to 50 years

8. DEFERRED INFLOWS AND OUTFLOWS

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Losses on debt refundings arise when advance payments are made to refund outstanding obligations exceed the carrying amount of those obligations. These losses are deferred and amortized over the life of the bond.

9. LONG-TERM OBLIGATIONS

Bonds, notes and capital leases are recorded as liabilities on the statement of net position. Bond issue costs are expensed in the period they are incurred and premiums are amortized of the life of the obligation. Bonds payable are reported net of the applicable bond premium or discount.

10. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When expenses qualify for restricted and unrestricted resources, the Authority's policy is to use restricted resources first.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. PENSIONS

The net pension liability, deferred inflows, and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County District Retirement System (TCDRS), and additions to and deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. BUDGET

An operating budget is adopted each fiscal year for the Authority. The budget is adopted on a modified accrual basis of accounting. Additional budgetary information is provided in the required supplementary information.

13. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. RECLASSIFICATIONS

Certain transactions are classified differently on the September 30, 2023 financial statements than previous fiscal years. These reclassifications had no effect on net income.

NOTE B -- CASH AND INVESTMENTS

1. Cash and Cash Equivalents

The Authority's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledge securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2023, the Authority's bank deposits were fully covered by a combination of federal deposit insurance and pledged securities.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE B -- CASH AND INVESTMENTS (Continued)

2. Investments

The Authority is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that the Authority's investment practices, management reports and establishment of appropriate policies adhered to the requirements of the Act.

The Act determines the types of investments which are allowable for the Authority. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

As of September 30, 2023, the Authority had \$18,158,031 in LOGIC, a AAA rated local government investment pool. The pool strives to maintain a \$1 per share net asset value and is included in cash and cash equivalents.

NOTE C -- LONG-TERM RECEIVABLE/ REIMBURSEMENT FOR JOINT VENTURE

In previous fiscal years, the Authority assigned 100% of its interest in Alliance Regional Water Authority (formerly Hays Caldwell Public Utility Agency) to four member entities. In exchange, the member entities agreed to reimburse the Authority for the related portion of all prior payments and they will assume responsibility for all future payments to ARWA. As of September 30, 2023, the outstanding amount from members was \$3,174,611. No repayment terms have been established. See Note I.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE D -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balances at 10/1/22	Additions	Transfers/ Disposals	Balances at 9/30/2023
Land	\$ 2,408,454	\$ -	\$ -	\$ 2,408,454
Water Rights	3,439,604	-	-	3,439,604
Building and Improvements	791,035	-	-	791,035
Plant and Distribution System	175,890,847	-	-	175,890,847
Machinery and Equipment	1,096,357	94,651	-	1,191,008
Right of Use Asset	-	918,231	-	918,231
Construction in Progress	4,656,171	1,035,593	-	5,691,764
	<u>188,282,468</u>	<u>2,048,475</u>	<u>-</u>	<u>190,330,943</u>
<i>Less Accumulated Depreciation</i>				
Building and Improvements	(413,591)	(22,048)	-	(435,639)
Plant and Distribution System	(46,580,176)	(4,069,505)	-	(50,649,681)
Machinery and Equipment	(711,201)	(109,217)	-	(820,418)
Right of Use Asset	-	(306,077)	-	(306,077)
	<u>(47,704,968)</u>	<u>(4,506,847)</u>	<u>-</u>	<u>(52,211,815)</u>
Capital Assets, Net	<u>\$ 140,577,500</u>	<u>\$ (2,458,372)</u>	<u>\$ -</u>	<u>\$ 138,119,128</u>

Land, Water Rights and Construction in Progress are not depreciated.

NOTE E -- LONG-TERM DEBT

The Authority's long-term debt consists of bonds with interest payable on February 1 and interest and principal payable on August 1 of each year.

Series Name	Original Issue		Interest Rate	Maturity Date
	Amount	Date		
<i>Project Hays/Caldwell:</i>				
Taxable Revenue Refunding Bonds, 2005	5,845,000	10/26/2005	6.4%	2024
Taxable Contract Revenue Bonds, 2017	5,000,000	7/27/2017	1.32-3.84%	2037
Tax-Exempt Contract Revenue Bonds, 2021	12,050,000	5/12/2021	2.5-4%	2045
Tax-Exempt Revenue Refunding Bonds, 2021	2,115,000	5/12/2021	4%	2038
<i>Project Lake Dunlap/Mid-Cities:</i>				
Tax-Exempt Contract Revenue Refunding Bonds, 2016	34,800,000	8/15/2016	2-5%	2028
<i>Project Wells Ranch:</i>				
Tax-Exempt Contract Revenue Bonds, 2015	42,000,000	12/10/2015	.56-2.41%	2035
Tax-Exempt Contract Revenue Refunding Bonds, 2016	31,550,000	8/1/2016	3-5%	2032
Tax-Exempt Contract Revenue Refunding Bonds, 2021	13,860,000	5/21/2021	3-4%	2041

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE E -- LONG-TERM DEBT (Continued)

In 2023, the Authority entered into a lease for temporary membranes for a plan. The lease is for a period of 2 years and requires monthly payments of \$40,284. Future payments are discounted at 5%. The Authority's long-term debt activity as of and for the year ending September 30, 2023 is as follows:

Bonds Payable, Series	Balance Outstanding 10/1/2022	Additions	Retirements	Balance Outstanding 9/30/2023	Due Within One Year
<i>Private Placement Bonds:</i>					
2005, Hays Caldwell	\$ 1,035,000	\$ -	\$ (500,000)	\$ 535,000	\$ 535,000
2015, Wells Ranch	35,590,000	-	(2,395,000)	33,195,000	2,440,000
2017, Hays Caldwell	4,290,000	-	(235,000)	4,055,000	240,000
<i>Total Private Placement Bonds:</i>	<u>40,915,000</u>	<u>-</u>	<u>(3,130,000)</u>	<u>37,785,000</u>	<u>3,215,000</u>
<i>Bonds Offered to Public:</i>					
2016, Wells Ranch	23,255,000	-	(1,870,000)	21,385,000	1,960,000
2016, Dunlap/Mid-Cities	19,610,000	-	(2,890,000)	16,720,000	3,035,000
2021, Hays Caldwell	11,950,000	-	(300,000)	11,650,000	310,000
2021, Hays Caldwell Refunding	2,035,000	-	(95,000)	1,940,000	100,000
2021, Wells Ranch	13,270,000	-	(670,000)	12,600,000	700,000
<i>Total Bonds Offered to Public:</i>	<u>70,120,000</u>	<u>-</u>	<u>(5,825,000)</u>	<u>64,295,000</u>	<u>6,105,000</u>
Lease Payable	-	918,231	(295,955)	622,276	462,805
Premiums & Discounts	6,223,387	-	(1,149,775)	5,073,612	-
Total	<u>\$ 117,258,387</u>	<u>\$ 918,231</u>	<u>\$ (10,400,730)</u>	<u>\$ 107,775,888</u>	<u>\$ 9,782,805</u>

Future payments on the lease are as follows:

Year End September 30,	Lease payable		Total
	Principal Payments	Interest Payments	
2024	\$ 462,805	\$ 20,603	\$ 483,408
2025	159,471	1,665	161,136
Total	<u>\$ 622,276</u>	<u>\$ 22,268</u>	<u>\$ 644,544</u>

The Authority has three bond series that were directly placed at local banking and other institutions. The bond documents do not contain subjective acceleration clauses, events of default with finance related consequences or termination events with finance-related consequences.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE E -- LONG-TERM DEBT (Continued)

The annual requirements to amortize outstanding bonded debt as of September 30, 2023, including interest payments, are as follows:

Year End September 30,	Private Placements		Public Offerings		Total
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	
2024	\$ 3,215,000	\$ 847,357	\$ 6,105,000	\$ 2,504,519	\$ 12,671,876
2025	2,730,000	774,115	6,460,000	2,210,369	12,174,484
2026	2,780,000	732,148	6,780,000	1,899,569	12,191,717
2027	2,840,000	684,681	7,095,000	1,573,269	12,192,950
2028	2,910,000	631,516	7,405,000	1,270,969	12,217,485
2029-2033	15,705,000	2,162,779	16,795,000	3,424,945	38,087,724
2034-2038	7,605,000	357,621	6,880,000	1,378,695	16,221,316
2039-2043	-	-	5,390,000	510,107	5,900,107
2044-2045	-	-	1,385,000	52,125	1,437,125
Total	<u>\$ 37,785,000</u>	<u>\$ 6,190,217</u>	<u>\$ 64,295,000</u>	<u>\$ 14,824,567</u>	<u>\$ 123,094,784</u>

NOTE F -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Plan Description

The Authority participates as one of 830 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCERS is an agency created by the state of Texas and administered in accordance with the TCERS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCERS is responsible for the administration and management of the system. TCERS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCERS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCERS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the employer.

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE F -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (CONTINUED)

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The Authority has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually. The Authority contributed using the actuarially determined rate of 11.39% and 13.30% for the calendar years of 2022 and 2023, respectively.

The contribution rate payable by the employee members was 6% and increased to 7% January 1, 2023 as adopted by the governing body of the Authority. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the Authority-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/22
Inactive Employees Receiving Benefits	1
Inactive Employees	3
Active Employees	17
	21

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE F -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

Net Pension Liability

The Authority's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Real rate of return	5.00%
Inflation	2.50%
Long-term Investment return	7.50%

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return (Geometric)</u>
US Equities	11.50%	4.95%
Global Equities	2.50%	4.95%
International Equities - Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
	<u>100.00%</u>	

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE F -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.60%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Net Pension Liability (Asset)	\$ 413,961	\$ 242,430	\$ 104,829

Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 514,073	\$ 404,670	\$ 109,403
Changes for the year:			
Service Cost	208,890	-	208,890
Interest on total pension liability	54,837	-	54,837
Effect of Plan Changes	91,786	-	91,786
Economic/Demographic gains or losses	25,927	-	25,927
Changes of Assumptions	-	-	-
Refund of Contributions	-	-	-
Benefit Payments	(2,908)	(2,908)	-
Administrative Expense	-	(381)	381
Member Contributions	-	89,022	(89,022)
Net Investment Income	-	(45,478)	45,478
Employer Contributions	-	168,994	(168,994)
Other	-	36,256	(36,256)
Net Changes	378,532	245,505	133,027
Balance at December 31, 2022	\$ 892,605	\$ 650,175	\$ 242,430

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE F -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Continued)

Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained at www.tcdrs.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the Authority recognized pension expense of \$209,444. Also as of September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 58,237	\$ -
Changes in Actuarial Assumptions	13,710	-
Net Difference between Projected and Actual Earnings	49,158	-
Contributions Subsequent to the Measurement Date	155,848	-
	\$ 276,953	\$ -

Deferred outflows of resources in the amount of \$155,848 result from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2023	\$ 20,436
2024	20,195
2025	19,308
2026	26,819
2027	9,400
Thereafter	24,947
	\$ 121,105

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE G -- WATER CONTRACTS

The Authority has contracted to purchase water from Guadalupe Blanco River Authority (GBRA) to sell to member entities. The contract has a term of forty years with renewal options upon the agreement of both parties. In addition, the Authority has water lease agreements with several landowners in the region. The schedule below summarizes the minimum lease payments for the next five years on the Authority's water leases, calculated at rates currently in effect.

	GBRA					
	Lake Dunlap	San Marcos River	Hays Caldwell	Wells Ranch	Others	Total
Annual Cost	\$ 1,963,431	\$ 336,270	\$ 24,000	\$ 3,266,577	\$ 7,600	\$ 5,597,878
Acre Feet	10,575	2,038	320	35,292	152	48,377

The Authority also has contracts with its member entities in which the members agree to pay for the right to receive water from the Authority and the Authority agrees to sell its treated water to the members. A few member entities have leased their shares to other members. The following schedule summarizes the contracts in acre-feet commitments for each entity not taking into account any member to member agreements or any allocations of excess water capacity.

Member Entity	Lake Dunlap	Hays Caldwell	Wells Ranch	New Berlin	Total
City of Cibolo	1,350	-	1,981	-	3,331
City of Converse	-	-	500	-	500
City of Marion	100	-	200	-	300
City of La Vernia	-	-	-	400	400
East Central SUD	1,400	-	3,150	-	4,550
Green Valley SUD	1,800	-	7,656	-	9,456
Springs Hill WSC	1,925	-	2,100	-	4,025
San Antonio Water System	4,000	-	2,800	-	6,800
Crystal Clear SUD	-	500	1,542	-	2,042
Maxwell SUD	-	900	3,000	-	3,900
County Line SUD	-	1,308	2,000	-	3,308
Martindale WSC	-	190	500	-	690
Total	10,575	2,898	25,429	400	39,302

CANYON REGIONAL WATER AUTHORITY
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE H -- PROFIT SHARING PLAN

The Authority participates in a defined contribution profit sharing plan for eligible employees. The Authority no longer contributes to the plan, but employees may contribute at their discretion. The plan is administered by Retirement Horizons Incorporated as a 401K profit sharing plan. Employees who have attained the age of 21 years, have completed one year of service, and have been credited 1,000 hours of service may participate in the plan. No employer contributions were made for the years ending September 30, 2023, 2022, and 2021, respectively.

NOTE I -- JOINT VENTURE – ALLIANCE WATER

The Authority entered into a joint venture with three other entities in 2007, creating Hays Caldwell Public Utility Agency (the Agency). In 2017, the Agency converted from a public utility agency to Alliance Regional Water Authority. The Agency was created to design, construct, maintain and operate a project to deliver water to the participating entities and other purchasers in the region. The participating entities are contractually obligated to fund a pro-rated portion of the Agency’s operations and project costs. The Authority has pledged its system revenues to fund its share of the Agency’s operations. As of September 30, 2022, the Agency had issued bonds in the amount of \$231 million, of which the Authority is responsible for approximately \$73 million. The debt service on these bonds, which matures through 2050, will be added to the Authority’s annual share of operating expenses of the Agency. Audited Agency financial statements for the year ending September 30, 2022 reported \$363 million in assets and \$276 million in liabilities (including the bonds mentioned previously). Annual, audited financial statements for the Agency may be obtained by writing to Alliance Water, 1040 Highway 123, San Marcos, Texas 78666.

The Authority has assigned all of its interest in the Agency to member entities. These member entities will reimburse the Authority for their share of the annual Agency costs. Contracts in place as of September 30, 2023 allocated the Authority’s share in the Agency as follows:

Responsible Entity	Authority Share Allocation
Green Valley SUD	33.33%
Crystal Clear SUD	53.52%
Martindale WSC	3.15%
County Line SUD	10.00%
Total	100%

NOTE J -- LITIGATION

Management is currently in disputes with contractors over construction defects; however, management and legal counsel do not believe any pending or threatened litigation will have a material impact on the Authority’s financial position.

CANYON REGIONAL WATER AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE K -- RISK MANAGEMENT

The Authority has identified possible risk of losses related to torts; theft of, damage to, or destruction of assets; business interruption; errors and omissions; job-related illnesses or injuries to employees; and other claims of various natures. The Authority contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Annual contributions for the year ended September 30, 2023, were \$99,459. Liability by the Authority is generally limited to the contributed amounts up to coverage limits as follows:

	<u>Limits of Coverage</u>
General Liability	\$ 5,000,000
Errors and Omissions	5,000,000
Automobile Liability	5,000,000
Cyber Liability	1,050,000
Real and Personal Property	86,803,739
Mobile Equipment	139,304
Boiler and Machinery	10,000,000

REQUIRED SUPPLEMENTARY INFORMATION

CANYON REGIONAL WATER AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual Results (Budgetary Basis)	Variance With Final Budget- Positive (Negative)
	Original	Final		
Operating Revenues:				
Water Sales	\$ 19,956,737	\$ 19,956,737	\$ 20,115,911	\$ 159,174
Miscellaneous Income	159,995	159,995	295,095	135,100
Total Operating Revenues	<u>20,116,732</u>	<u>20,116,732</u>	<u>20,411,006</u>	<u>294,274</u>
Operating Expenses:				
Water Purchases	6,645,340	6,645,340	5,774,918	870,422
Treatment Plant Operating Expenses	9,890,432	9,890,432	8,355,163	1,535,269
Salaries and Wages	1,692,868	1,692,868	1,641,244	51,624
Line Use and Transmission Costs	691,230	691,230	522,554	168,676
Employment Related Expenses	548,312	548,312	498,524	49,788
Professional Fees	648,550	648,550	666,983	(18,433)
Total Operating Expenses	<u>20,116,732</u>	<u>20,116,732</u>	<u>17,459,386</u>	<u>2,657,346</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>2,951,620</u>	<u>2,951,620</u>
Non-Operating Revenues (Expenses)				
Member Entity Debt				
Reimbursements	12,766,256	12,766,256	12,765,468	(788)
Principal and Interest Payments	(12,766,256)	(12,766,256)	(12,618,356)	147,900
Total Non-Operating	<u>-</u>	<u>-</u>	<u>147,112</u>	<u>147,112</u>
Net Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,098,732</u>	<u>\$ 3,098,732</u>

CANYON REGIONAL WATER AUTHORITY
NOTES TO SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Budgetary Information – The budget is prepared on a modified accrual basis of accounting. The Authority maintains strict budgetary controls. The annually adopted budget is not a legally binding document, but is used as a planning tool. The Authority does not use encumbrance accounting.

The following schedule reconciles the budgetary basis to generally accepted accounting principles.

Net Income (Budgetary Basis)	\$ 3,098,732
Bond Principal Payments	8,955,000
Amortization of Bond Premiums	1,149,775
Amortization of Refunding Losses	(20,766)
Recognition of Member Prepaid Assessments	163,894
Interest Income	1,645,684
Lease Acquisition Costs from Future Bonds	(225,774)
Depreciation Expense	<u>(4,506,847)</u>
Change in Net Position (GAAP Basis)	<u>\$ 10,259,698</u>

CANYON REGIONAL WATER AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FOUR CALENDAR YEARS

Total Pension Liability				
	2019	2020	2021	2022
Service Cost	\$ 24,085	\$ 110,517	\$ 168,508	\$ 208,890
Interest (on the Total Pension Liability)	1,951	11,062	29,351	54,837
Changes of Benefit Terms	-	33,245	70,424	91,786
Difference between Expected and Actual Experience	19	19,712	26,506	25,927
Change of Assumptions	-	17,100	1,593	-
Benefit Payments, Including Refunds of Employee Contributions	-	-	-	(2,908)
Net Change in Total Pension Liability	26,055	191,636	296,382	378,532
Total Pension Liability - Beginning	-	26,055	217,691	514,073
Total Pension Liability - Ending	<u>\$ 26,055</u>	<u>\$ 217,691</u>	<u>\$ 514,073</u>	<u>\$ 892,605</u>
Plan Fiduciary Net Position				
	2019	2020	2021	2022
Contributions - Employer	\$ 17,980	\$ 82,240	\$ 107,904	\$ 168,994
Contributions - Employee	10,766	49,246	66,689	89,022
Net Investment Income	(29)	3,335	57,029	(45,478)
Benefit Payments, Including Refunds of Employee Contributions	-	-	-	(2,908)
Administrative Expense	(23)	(123)	(218)	(381)
Other	988	3,893	4,993	36,256
Net Change	29,682	138,591	236,397	245,505
Beginning Plan Fiduciary Net Position	-	29,682	168,273	404,670
Ending Plan Fiduciary Net Position	<u>\$ 29,682</u>	<u>\$ 168,273</u>	<u>\$ 404,670</u>	<u>\$ 650,175</u>
Net Pension Liability - Ending	\$ (3,627)	\$ 49,418	\$ 109,403	\$ 242,430
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.92%	77.30%	78.72%	72.84%
Covered Payroll	\$ 269,158	\$1,231,142	\$1,333,786	\$1,483,700
Net Pension Liability as a Percentage of Covered Payroll	-1.35%	4.01%	8.20%	16.34%

Information in this schedule is being accumulated until ten years are presented.
See Independent Auditor's Report.

CANYON REGIONAL WATER AUTHORITY
 SCHEDULE OF EMPLOYER CONTRIBUTIONS- PENSION PLAN
 LAST FOUR FISCAL YEARS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions As Percent of Payroll
2023	\$ 205,513	\$ 205,513	\$ -	\$ 1,607,714	12.78%
2022	\$ 148,935	\$ 148,935	\$ -	\$ 1,413,614	10.54%
2021	\$ 98,074	\$ 98,074	\$ -	\$ 1,255,378	7.81%
2020	\$ 78,588	\$ 78,588	\$ -	\$ 1,176,474	6.68%

Valuation Timing:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	16.6 years (based on contribution rate calculated in 12/31/22 valuation)
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.
Changes in Assumptions	2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions	2023: Member contribution rate increased to 7% 2022: Member contribution rate increased to 6% 2021: Member contribution rate increased to 5% Current service matching rate increased to 150% for future benefits and prior service matching rate was increased to 100%

Information in this schedule is being accumulated until ten years are presented.
 See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

The following Supplementary Information is required to be included as additional information by the Texas Commission on Environmental Quality (TCEQ).

CANYON REGIONAL WATER AUTHORITY
 TSI-1. SERVICES AND RATES
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

1. Services Provided by the District during the Fiscal Year:

- | | | |
|--|---|-------------------------------------|
| <input type="checkbox"/> Retail Water | <input checked="" type="checkbox"/> Wholesale Water | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system, and/or wastewater service (other than emergency interconnect) | | |
| <input type="checkbox"/> Other (specify): _____ | | |

2. Retail Service Providers

(This information is omitted since the Authority does not provide retail services)

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system	6,955,148,000	Water Accountability Ratio: (Gallons billed/Gallons pumped)
Gallons billed to customers:	6,767,254,000	97%

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby Fees? Yes No

If yes, Date of the most recent Commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes No

If yes, Date of the most recent Commission Order: _____

5. Location of District:

Counties in which the District is located: Guadalupe, Comal, Caldwell, Hays, Wilson and Bexar

Is the District located entirely within one county? Yes No

Is the District located within a city? Entirely Partly Not at all

Cities in which the District is located: Entirely Within: Marion, Cibolo, La Vernia, Santa Clara, and New Berlin; Partly Within: Martindale, Seguin, San Antonio, San Marcos, St. Hedwig and New Braunfels

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: Entirely Within: Marion and Cibolo; Partly Within: Elmendorf, Martindale, Seguin, San Antonio, San Marcos, and New Braunfels

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

CANYON REGIONAL WATER AUTHORITY
 TSI-2. ENTERPRISE FUND EXPENSES
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

Personnel Expenditures (including benefits)		\$ 2,139,768
Professional Fees:		
Legal		381,076
Engineering		489,905
Accounting and Audit		17,075
Other		4,701
Water and Transmission Costs		6,297,472
Utilities		2,966,081
Repairs and Maintenance		5,128,965
Administrative Expenses		260,117
Depreciation and Amortization		4,506,847
Interest		<u>2,534,347</u>
Total Expenses		<u><u>\$ 24,726,354</u></u>
<hr/>		
Total number of persons employed by the District	Full-Time	<u>17</u>
	Part-Time	<u>0</u>

The following sections have been omitted since they do not pertain to this entity:

- TSI-3. Temporary Investments
- TSI-4. Taxes Levied and Receivable

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS
 SEPTEMBER 30, 2023

Hays/Caldwell Projects Taxable Revenue Refunding
 Bonds Series 2005 (Private Placement)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 535,000	\$ 34,454	\$ 569,454
	<u>\$ 535,000</u>	<u>\$ 34,454</u>	<u>\$ 569,454</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Wells Ranch II Refunding Tax-Exempt Contract Revenue
 Refunding Bonds Series 2015 (Private Placement)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 2,440,000	\$ 682,482	\$ 3,122,482
2025	2,485,000	648,566	3,133,566
2026	2,530,000	612,038	3,142,038
2027	2,585,000	570,546	3,155,546
2028	2,645,000	523,756	3,168,756
2029	2,710,000	471,914	3,181,914
2030	2,775,000	415,004	3,190,004
2031	2,845,000	353,954	3,198,954
2032	2,925,000	289,088	3,214,088
2033	3,000,000	221,228	3,221,228
2034	3,085,000	150,128	3,235,128
2035	3,170,000	76,398	3,246,398
	<u>\$ 33,195,000</u>	<u>\$ 5,015,102</u>	<u>\$ 38,210,102</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Wells Ranch Refunding Tax-Exempt Contract Revenue
Refunding Bonds Series 2016 (Public Offering)

<u>Fiscal Year Ending September 30,</u>	<u>Principal Due Each Year</u>	<u>Interest Due Each Year</u>	<u>Total</u>
2024	\$ 1,960,000	\$ 940,000	\$ 2,900,000
2025	2,065,000	842,000	2,907,000
2026	2,165,000	738,750	2,903,750
2027	2,270,000	630,500	2,900,500
2028	2,385,000	517,000	2,902,000
2029	2,480,000	421,600	2,901,600
2030	2,580,000	322,400	2,902,400
2031	2,685,000	219,200	2,904,200
2032	2,795,000	111,800	2,906,800
	<u>\$ 21,385,000</u>	<u>\$ 4,743,250</u>	<u>\$ 26,128,250</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Lake Dunlap/Mid-Cities Tax-Exempt Contract Revenue
 Refunding Bonds Series 2016 (Public Offering)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 3,035,000	\$ 764,350	\$ 3,799,350
2025	3,175,000	612,600	3,787,600
2026	3,345,000	453,850	3,798,850
2027	3,510,000	286,600	3,796,600
2028	3,655,000	146,200	3,801,200
	<u>\$ 16,720,000</u>	<u>\$ 2,263,600</u>	<u>\$ 18,983,600</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Hays/Caldwell Projects Taxable Revenue Refunding
 Bonds Series 2017 (Private Placement)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 240,000	\$ 130,421	\$ 370,421
2025	245,000	125,549	370,549
2026	250,000	120,110	370,110
2027	255,000	114,135	369,135
2028	265,000	107,760	372,760
2029	270,000	100,367	370,367
2030	280,000	92,159	372,159
2031	290,000	83,115	373,115
2032	300,000	73,255	373,255
2033	310,000	62,695	372,695
2034	320,000	51,380	371,380
2035	330,000	39,380	369,380
2036	345,000	26,708	371,708
2037	355,000	13,627	368,627
	<u>\$ 4,055,000</u>	<u>\$ 1,140,661</u>	<u>\$ 5,195,661</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Hays/Caldwell Projects Tax-Exempt Revenue Bonds			
Series 2021 (Public Offering)			
Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 310,000	\$ 340,775	\$ 650,775
2025	390,000	328,375	718,375
2026	405,000	312,775	717,775
2027	420,000	296,575	716,575
2028	435,000	283,975	718,975
2029	450,000	270,925	720,925
2030	460,000	257,425	717,425
2031	475,000	243,625	718,625
2032	490,000	229,375	719,375
2033	505,000	214,675	719,675
2034	520,000	199,525	719,525
2035	535,000	183,925	718,925
2036	550,000	167,875	717,875
2037	565,000	151,375	716,375
2038	585,000	134,425	719,425
2039	600,000	116,875	716,875
2040	620,000	98,875	718,875
2041	635,000	83,375	718,375
2042	650,000	67,500	717,500
2043	665,000	51,250	716,250
2044	685,000	34,625	719,625
2045	700,000	17,500	717,500
	\$ 11,650,000	\$ 4,085,625	\$ 15,735,625

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Hays/Caldwell Projects Tax-Exempt Revenue Refunding
 Bonds Series 2021 (Public Offering)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 100,000	\$ 64,800	\$ 164,800
2025	105,000	60,800	165,800
2026	110,000	56,600	166,600
2027	110,000	52,200	162,200
2028	115,000	47,800	162,800
2029	120,000	43,200	163,200
2030	130,000	38,400	168,400
2031	130,000	34,500	164,500
2032	130,000	30,600	160,600
2033	140,000	26,700	166,700
2034	140,000	22,500	162,500
2035	145,000	18,300	163,300
2036	150,000	13,950	163,950
2037	155,000	9,450	164,450
2038	160,000	4,800	164,800
	<u>\$ 1,940,000</u>	<u>\$ 524,600</u>	<u>\$ 2,464,600</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Wells Ranch Tax-Exempt Revenue Bonds Series 2021
 (Public Offering)

Fiscal Year Ending September 30,	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 700,000	\$ 394,594	\$ 1,094,594
2025	725,000	366,594	1,091,594
2026	755,000	337,594	1,092,594
2027	785,000	307,394	1,092,394
2028	815,000	275,994	1,090,994
2029	850,000	243,394	1,093,394
2030	560,000	209,394	769,394
2031	585,000	186,994	771,994
2032	605,000	169,444	774,444
2033	625,000	151,294	776,294
2034	640,000	132,544	772,544
2035	655,000	113,344	768,344
2036	675,000	93,694	768,694
2037	695,000	73,444	768,444
2038	710,000	59,544	769,544
2039	725,000	45,344	770,344
2040	740,000	30,844	770,844
2041	755,000	16,044	771,044
	<u>\$ 12,600,000</u>	<u>\$ 3,207,492</u>	<u>\$ 15,807,492</u>

CANYON REGIONAL WATER AUTHORITY
 TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS (CONTINUED)
 SEPTEMBER 30, 2023

Fiscal Year Ending September 30,	Annual Requirements for all Series		
	Principal Due Each Year	Interest Due Each Year	Total
2024	\$ 9,320,000	\$ 3,351,876	\$ 12,671,876
2025	9,190,000	2,984,484	12,174,484
2026	9,560,000	2,631,717	12,191,717
2027	9,935,000	2,257,950	12,192,950
2028	10,315,000	1,902,485	12,217,485
2029	6,880,000	1,551,400	8,431,400
2030	6,785,000	1,334,782	8,119,782
2031	7,010,000	1,121,388	8,131,388
2032	7,245,000	903,562	8,148,562
2033	4,580,000	676,592	5,256,592
2034	4,705,000	556,077	5,261,077
2035	4,835,000	431,347	5,266,347
2036	1,720,000	302,227	2,022,227
2037	1,770,000	247,896	2,017,896
2038	1,455,000	198,769	1,653,769
2039	1,325,000	162,219	1,487,219
2040	1,360,000	129,719	1,489,719
2041	1,390,000	99,419	1,489,419
2042	650,000	67,500	717,500
2043	665,000	51,250	716,250
2044	685,000	34,625	719,625
2045	700,000	17,500	717,500
	\$ 102,080,000	\$ 21,014,784	\$ 123,094,784

CANYON REGIONAL WATER AUTHORITY
 TSI-6. CHANGES IN LONG-TERM BONDED DEBT
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

	Hays/Caldwell Taxable Bonds Series 2005*	Wells Ranch Tax-Exempt Bonds Series 2016	LD/MC Tax-Exempt Bonds Series 2016	Wells Ranch II Tax-Exempt Bonds Series 2015*	Hays/Caldwell Taxable Bonds Series 2017*	Hays/Caldwell Tax-Exempt Bonds Series 2021	Hays/Caldwell Tax-Exempt Ref. Bonds Series 2021	Wells Ranch Tax-Exempt Bonds Series 2021	Total
Interest Rate	6.44%	3-5%	2.5-5%	.56%-2.41%	1.32-3.84%	2.5-4%	4%	3-4%	
Dates Interest Payable	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	Feb 1, Aug 1	
Maturity Dates	August 2024	August 2032	August 2028	August 2035	August 2037	August 2041	August 2038	August 2041	August 2045
Beginning Bonds									
Outstanding	\$ 1,035,000	\$ 23,255,000	\$ 19,610,000	\$ 35,590,000	\$ 4,290,000	\$ 11,950,000	\$ 2,035,000	\$ 13,270,000	\$ 111,035,000
Bonds Sold During									
The Fiscal Year									
Bonds Retired During									
The Fiscal Year	(500,000)	(1,870,000)	(2,890,000)	(2,395,000)	(235,000)	(300,000)	(95,000)	(670,000)	(8,955,000)
Ending Bonds	\$ 535,000	\$ 21,385,000	\$ 16,720,000	\$ 33,195,000	\$ 4,055,000	\$ 11,650,000	\$ 1,940,000	\$ 12,600,000	\$ 102,080,000
Interest Paid During									
The Fiscal Year	\$ 66,654	\$ 1,033,500	\$ 908,850	\$ 713,618	\$ 134,839	\$ 352,775	\$ 68,600	\$ 421,394	\$ 3,700,230
Paying Agent's Name and City	Bank of America Dallas, TX	BOKF, NA Austin, TX	BOKF, NA Austin, TX	BOKF, NA Austin, TX	BOKF, NA Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	
<i>Bond Authority</i>									
Amount Authorized by									
The Board of Trustees	\$ 5,845,000	\$ 31,550,000	\$ 34,800,000	\$ 42,000,000	\$ 5,000,000	\$ 12,050,000	\$ 2,115,000	\$ 13,860,000	\$ 119,195,000
Amount Issued	5,845,000	31,550,000	34,800,000	42,000,000	5,000,000	12,050,000	2,115,000	13,860,000	119,195,000
Remaining to be Issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund Cash and Temporary Investments as of September 30									\$ 5,525,087
Average Annual Debt Service payment (principal & interest) for remaining term of debt									\$ 5,595,217
* Private Placement Bonds									

CANYON REGIONAL WATER AUTHORITY
 TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

	Percent of Fund Total Revenues					
	2019	2020	2021	2022	2023	2023
Operating Revenues:						
Water Sales	\$11,424,074	\$12,558,713	\$14,631,925	\$14,484,990	\$20,115,911	95.1%
Miscellaneous Income	357,496	427,381	761,931	611,862	295,095	4.1%
Total Operating Revenues	11,781,570	12,986,094	15,393,856	15,096,852	20,411,006	100.0%
Operating Expenses:						
Purchase of Water	4,165,087	4,314,208	4,450,806	4,854,533	5,774,918	35.4%
Treatment Plant Operating Expenses	5,162,545	5,374,351	7,233,174	6,699,461	8,355,163	43.8%
Line Use and Transmission Costs	296,618	322,363	357,393	458,830	522,554	2.5%
Salary and Wages	1,133,861	1,207,234	1,302,646	1,427,301	1,641,244	9.6%
Employment Related Expenses	267,061	223,549	325,858	422,466	498,524	2.3%
Professional Fees	441,260	371,237	177,738	836,926	892,757	3.7%
Total Operating Expenses	11,466,432	11,812,942	13,847,615	14,699,517	17,685,160	97.3%
Operating Income (Loss)						
Before Depreciation	315,138	1,173,152	1,546,241	397,335	2,725,846	2.7%
Depreciation	3,081,575	3,415,909	4,040,299	4,184,731	4,506,847	26.2%
Operating Income (Loss)	(2,766,437)	(2,242,757)	(2,494,058)	(3,787,396)	(1,781,001)	-23.5%
Non-Operating Revenues						
(Expenses)						
Member Debt Reimbursements	10,857,320	11,713,986	12,283,866	11,655,322	12,929,362	92.2%
Capital Contributions	-	-	2,771,907	-	-	0.0%
Insurance Settlements	361,864	-	-	-	-	3.1%
Interest Income	458,495	271,217	77,936	264,058	1,645,684	3.9%
Loss on Disposal of Asset	-	(156,551)	-	-	-	0.0%
Bond Issue Costs	-	-	(1,014,826)	-	-	0.0%
Interest Expense	(3,386,303)	(3,255,365)	(3,266,586)	(2,670,669)	(2,534,347)	-28.7%
Total Non-Operating Revenues (Expenses)	8,291,376	8,573,287	10,852,297	9,248,711	12,040,699	70.4%
Change in Net Position	\$ 5,524,939	\$ 6,330,530	\$ 8,358,239	\$ 5,461,315	\$ 10,259,698	46.9%
						54.3%
						36.2%
						50.3%

CANYON REGIONAL WATER AUTHORITY
 TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

Complete Entity Mailing Address: 850 Lakeside Pass, New Braunfels, Texas 78130

Entity Business Telephone Number: 830-609-0543

Submission Date of the most recent Registration Form: November, 2023

Limit of Fees of Office that a Trustee may receive during a fiscal year: \$0

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* 9/30/23	Expense Reimbursements 9/30/23	Title at Year End
Board of Trustees:				
Timothy Fousse	5/18-5/24	---	---	President
Ted Gibbs	5/21-5/25	---	---	Trustee
Marc Gilbert	5/22-5/24	---	---	Trustee
Al Suarez	5/21-5/25	---	---	Trustee
Martin Poore	5/17-5/24	---	---	Trustee
Gary Gilbert	5/23-5/25	---	---	Trustee
Abigaile Maberry	5/20-5/24	---	---	Trustee
Humberto Ramos	8/23-5/24	---	---	Trustee
Teresa Scheel	5/21-5/25	---	---	Trustee
Christina Miller	5/22-5/24	---	---	Trustee
Steve Cooper	5/21-5/25	---	---	Trustee
Steven Fonville	5/14-5/24	---	---	Trustee
James Forssell	5/21-5/25	---	---	Trustee
Doris Steubing	5/18-5/24	---	---	Secretary
Mabel Vaughn	5/23-5/25	---	---	Trustee
Irene Moreno	5/23-5/24	---	---	Trustee
Clint Ellis	5/21-5/25	---	---	Trustee
Regina Franke	5/21-5/25	---	---	Treasurer
Donald Bosworth	5/23-5/24	---	---	Trustee
Brandon Rohan	5/21-5/25	---	---	Vice President
Randy Schwenn	5/20-5/24	---	---	Trustee

Administrative Personnel:

John Kaufman	4/29/2022	\$ 179,850	\$ 394	Gen. Manager
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*Fees of Office are the amounts actually paid to a director during the Authority's fiscal year.

CANYON REGIONAL WATER AUTHORITY
 TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS (CONTINUED)
 FISCAL YEAR ENDING SEPTEMBER 30, 2023

Names:	Fees Paid Year Ended 9/30/23	Service
Consultants:		
Law Offices of Robert L. Wilson III, PC	\$ 234,086	Attorney
Texas Land & Right of Way Company	\$ 215,795	ROW Agent
Trihydro Corporation	\$ 205,579	Engineer
Louis T. Rosenberg	\$ 186,364	Attorney
Hierholzer Engineering	\$ 123,856	Engineer
Craig Hines	\$ 69,289	ROW Agent
R.W. Harden & Associates, Inc.	\$ 65,420	Engineer
Utility Engineering Group, PLLC	\$ 49,120	Engineer
Ardurra Group, LLC	\$ 34,212	Engineer
Law Offices of Patricia Erlinger Carls	\$ 31,081	Attorney
LNV, Inc.	\$ 30,200	Engineer
Charles C. Bailey	\$ 24,000	Attorney
Bryant Law PC	\$ 19,791	Attorney
Armstrong, Vaughan & Assoc., P.C.	\$ 14,825	Auditor
Gallegos Engineering, Inc.	\$ 12,820	Engineer
NewGen Strategies and Solutions, LLC	\$ 10,946	Rate Consultant
S. Kanetzky Engineering, LLC	\$ 3,490	Engineer



CANYON REGIONAL
water authority