

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2020



Canadian River Municipal Water Authority
Sanford, Texas





Canadian River Municipal Water Authority

P.O. Box 9, 9875 Water Authority Road

Sanford, Texas 79078

Phone (806) 865-3325

Fax (806) 865-3314

www.crmwa.com

EXECUTIVE COMMITTEE

Richard Ellis, President

Tyke Dipprey, Vice-President

Kent Satterwhite, General Mgr.
and Secretary-Treasurer

MEMBER CITIES

DIRECTORS

AMARILLO

William Hallerberg

Roy Urrutia

BORGER

Glendon Jett

Charles Gillingham

PAMPA

Jerry Carlson

Mac Smith

PLAINVIEW

Tyke Dipprey

Donnie Brumley

LUBBOCK

James Collins

Jay House

SLATON

Chad Wilson

TAHOKA

Jay Dee House

O'DONNELL

Charles Vaughn

LAMESA

Cris Norris

BROWNFIELD

Rickey Dunn

LEVELLAND

Richard Ellis

Scott Wade

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Comprehensive Annual Financial Report

October 1, 2019 - September 30, 2020

Prepared by:
Financial Services Division

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Introductory Section





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January 2, 2021

Members of the Board

Canadian River Municipal Water Authority

Canadian River Municipal Water Authority's (the Authority) bylaws require an audit of the financial records to be completed within ninety (90) days after the end of each fiscal year. This Comprehensive Annual Financial Report (CAFR) of the Authority for the fiscal year ended September 30, 2020 is submitted to fulfill that requirement. This report is also published to provide our customers, the Authority Board, the member cities, and the investment community detailed information about the financial condition and operating results of the Authority as measured by the financial activity of the Authority.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide a reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements. We believe that the Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Doshier, Pickens & Francis, LLC, Certified Public Accountants, has issued an unmodified opinion on the Authority's financial statements for the year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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Profile of the organization

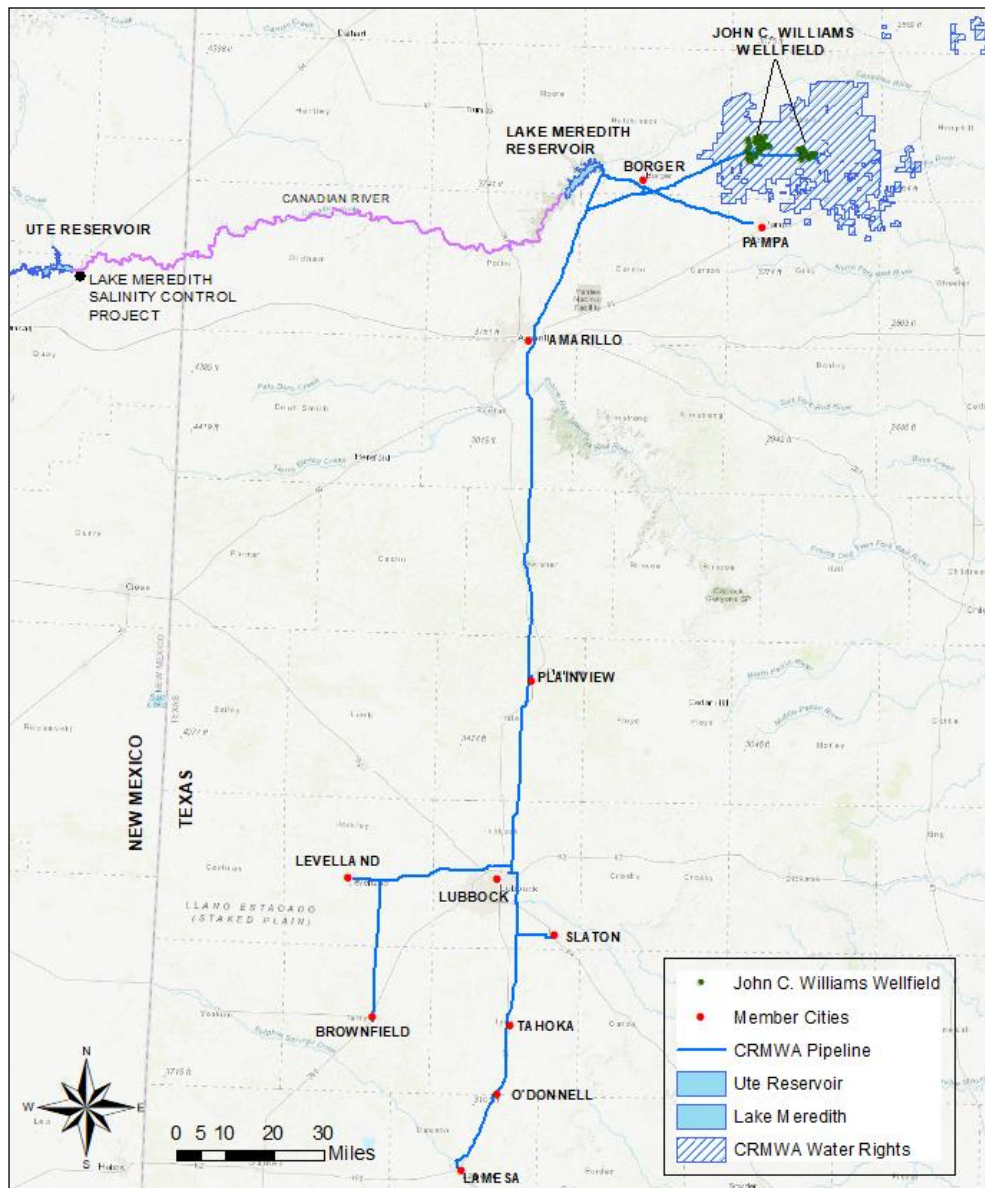
The Authority is a political subdivision of the State of Texas, a conservation and reclamation district organized and functioning pursuant to Article 16, Section 59, of the Texas Constitution, under Chapter 243, Acts of the 53rd Legislature Regular Session, 1953, as amended, formerly codified as article 8280-154 of Vernon's Annotated Texas Civil Statutes (the "Enabling Act").

The Authority is financially accountable for CRMWA Corporation, a not-for-profit corporation created in the State of Texas, authorized to operate in New Mexico to facilitate the construction and operation of the Salinity Control Project. CRMWA Corporation is presented as a blended component unit within this CAFR.

The Authority was created on May 27, 1953 for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the transportation of such water to its 11 member cities located in the Texas Panhandle and South Plains.

Lake Meredith and the John C. Williams Wellfield are the Authority's two primary water resources.

Member cities include: Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O'Donnell, Pampa, Plainview, Slaton and Tahoka.



The Authority operates under a Board of Directors elected by a majority vote of the governing body of each member city. The Board of Directors shall consist of two directors from each member city having a population of 10,000 or more and one director from each member city having a population of less than 10,000, according to the preceding Federal Census. Board members serve two-year terms and must be a qualified voter and a property owning taxpayer in the city from which they are elected and must not be a member of the governing body or an employee of such city. The Board hires the General Manager and may accord such person full power and authority in the management and operation of the Authority, subject only to the orders of the Board.

The budget for the operating fund is adopted annually by the Board of Directors on a basis consistent with GAAP except for depreciation expense, which the Authority has elected to not include in the formal budget. Formal budgetary integration is not employed for debt service or construction because those are set by separate action and do not normally change on an annual basis. However, debt service requirements are included in the budgetary data provided to each city at the time of consideration of the proposed operating Budget each year. Unbudgeted operating expenditures in excess of \$10,000 must be approved by the Board of Directors. The General Manager's legal level of budgetary control is at the Authority's level; therefore, the Board of Directors does not need to approve nominal reallocations within the Authority's budget as a whole.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
Reconciliation of Total Operating Expenses to Net General Operating and Maintenance Credit Due to Member Cities
Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Operating Expenses:				
Personnel costs	\$ 4,844,758	\$ 4,844,758	\$ 4,534,583	\$ 310,175
Professional fees	268,040	268,040	271,075	(3,035)
Purchased and contracted services	259,754	259,754	374,911	(115,157)
Consumable supplies and materials	1,088,279	1,088,279	926,542	161,737
Recurring operating cost	745,142	745,142	637,759	107,383
Depreciation and amortization	-	-	3,767,447 ¹	(3,767,447)
Pumping energy and line chemicals (PEC)	8,519,106	8,519,106	4,517,314 ²	4,001,792 ²
Total Operating Expenses	\$ 15,725,079	\$ 15,725,079	\$ 15,029,631	\$ 695,448
Reconciling Items:				
Depreciation and amortization	\$ -	\$ -	\$ (3,767,447) ¹	\$ 3,767,447
Pumping energy and line chemicals assessments (PEC)	(8,519,106)	(8,519,106)	(4,517,314) ²	(4,001,792) ²
Costs funded by the Dam and Reservoir Reserve	(70,000)	(70,000)	(89,274) ³	19,274
Costs funded by the Well Maintenance Reserve	-	-	(224,737) ³	224,737
Net inventory utilization	-	-	(88,978) ³	88,978
Funding of the Well Replacement Reserve	1,400,000	1,400,000	816,680 ⁴	583,320 ⁷
Funding of the Well Maintenance Reserve	500,000	500,000	500,000 ⁴	-
Funding of the Injection Well Reserve - CRMWA Corp	225,000	225,000	131,250 ⁴	93,750 ⁷
Funding of the General Reserve	100,000	100,000	58,340 ⁴	41,660 ⁷
Capitalized GOM costs	403,066	403,066	404,858 ⁵	(1,792)
Funding received from an irrigation agreement and other	-	-	2,261 ⁶	(2,261)
Total Reconciling Items	(5,961,040)	(5,961,040)	(6,774,361)	813,321
Net General Operating and Maintenance	9,764,039	9,764,039	8,255,270	1,508,769
Member city interim payment reductions	-	-	718,723⁷	(718,723)
Net General Operating and Maintenance Credit due to Member Cities	\$ 9,764,039	\$ 9,764,039	\$ 8,973,993	\$ 790,046⁸

A: Per the Statement of Revenues, Expenses and Changes in Net Position

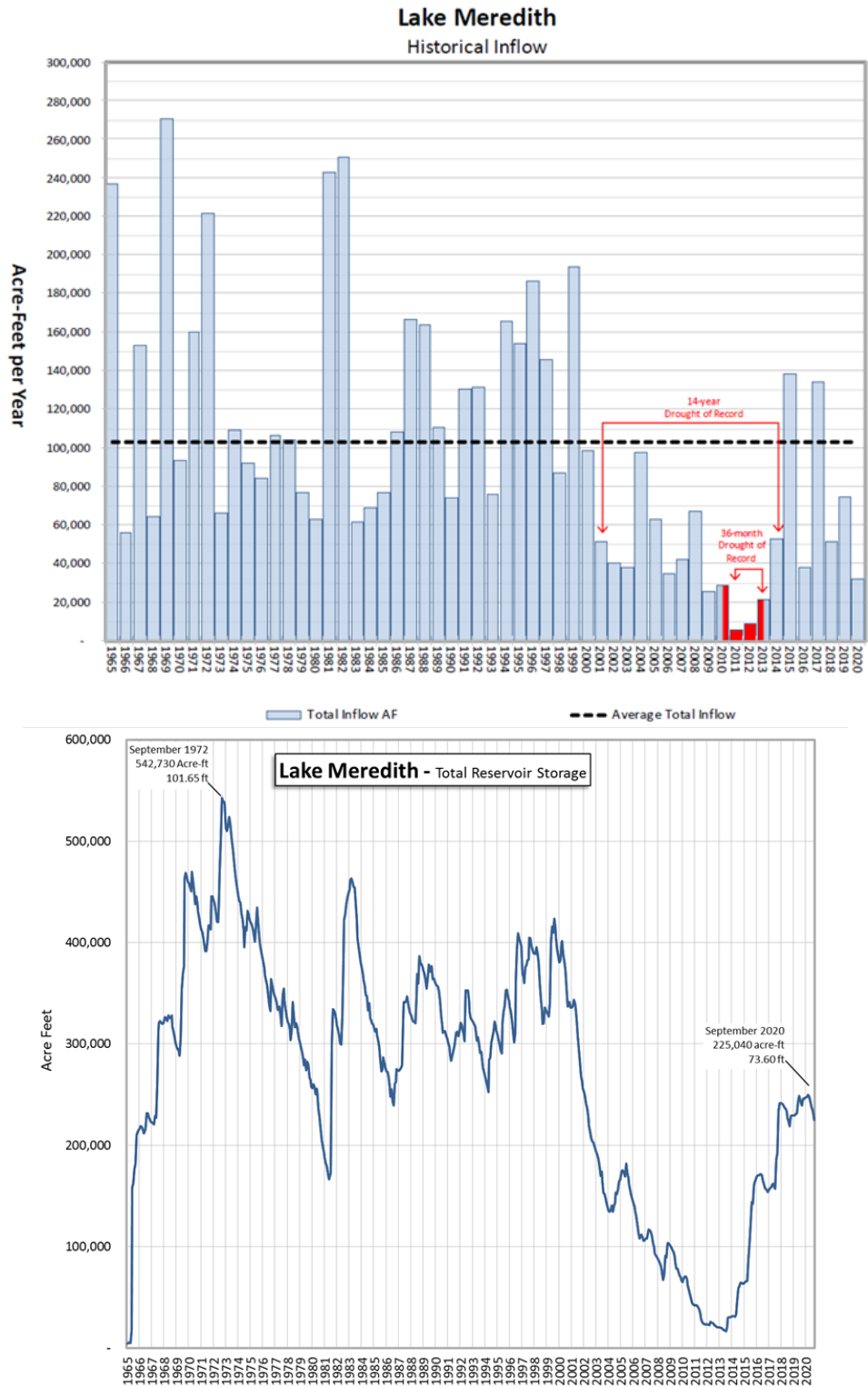
Notes:

- 1) The Authority has elected not to include depreciation and amortization in the GOM budget since member cities are charged for capital costs at the time of purchase rather than over the useful life of the asset as required by the GASB 34 accounting standards. In order to be in compliance with GAAP, the financial statements must reflect depreciation and amortization expense for the current fiscal year. As a result, a reconciling item in the amount of \$3,767,447 is needed to reconcile the operating expenses as shown in the financial statements to the net GOM costs allocated to the member cities at year end.
- 2) The Authority also does not include PEC as a part of the GOM budget. PEC is billed to the member cities based on actual usage and costs to date rather than allocated to the cities at year end like GOM costs. Therefore, a reconciling item in the amount of \$4,517,314 is necessary to reconcile GAAP compliant financials to net GOM. Budgeted PEC charges were based on an estimated usage of 89,000 acre-feet from a blend of lake and groundwater to project anticipated energy costs. For the current fiscal year, actual usage was 64,904 acre-feet (48,233 from groundwater and 16,671 from the lake) which is comparable to the average cities' usage over the last 3 years. However, since CRMWA budgets based on annual delivery capacity, the actual usage is less than budgeted which results in PEC costs being \$3M under budget directly related to usage. This variance in addition to lower pumping energy costs of around \$1M resulted in a total variance of \$4,001,792 under budget.
- 3) The Authority maintains several types of reserves intended for various uses. Member cities are not charged for expenses that qualify to be funded by a reserve, however, in order to be in compliance with GAAP, the financial statements include these costs in the current fiscal year. This results in a reconciling item in order to reconcile GAAP compliant financials to net GOM.
- 4) The Authority has elected to allocate contributions to specific reserves to the member cities in the year the reserve is funded rather than when the reserve is utilized, and therefore, includes these contributions in the GOM budget. However, GAAP standards do not consider these contributions as expenses until actually incurred so these contributions are not included in the GAAP compliant financials. A reconciling item is needed to reconcile operating expenses as shown in the financials to net GOM.
- 5) In order to be in compliance with GAAP, the Authority capitalizes all assets with a cost of at least \$7,500 and a useful life of at least three years for financial reporting purposes, and therefore, these costs are not reflected in operating expenses. As noted above, member cities are charged for capital costs at the time of purchase resulting in the need for a reconciling item in the amount of \$404,858 to reconcile the GAAP compliant financials to net GOM.
- 6) The Authority receives income from an irrigation agreement related to water rights purchased with bond funds resulting in a reconciling item of \$2,261.
- 7) The Board approved a temporary suspension of monthly collections for, and funding of, various reserve funds. As a result, the cities' monthly interim payments were reduced immediately.
- 8) Member cities are assessed each month for estimated GOM costs as budgeted (including any subsequent adjustments made to the cities' assessments) for that fiscal year. After the end of each fiscal year, an additional assessment or credit is calculated based on actual costs allocated to each city as compared to the payments received from the member cities. The net GOM credit due to the member cities for fiscal year 2020 was \$790,046.

Water Statistics

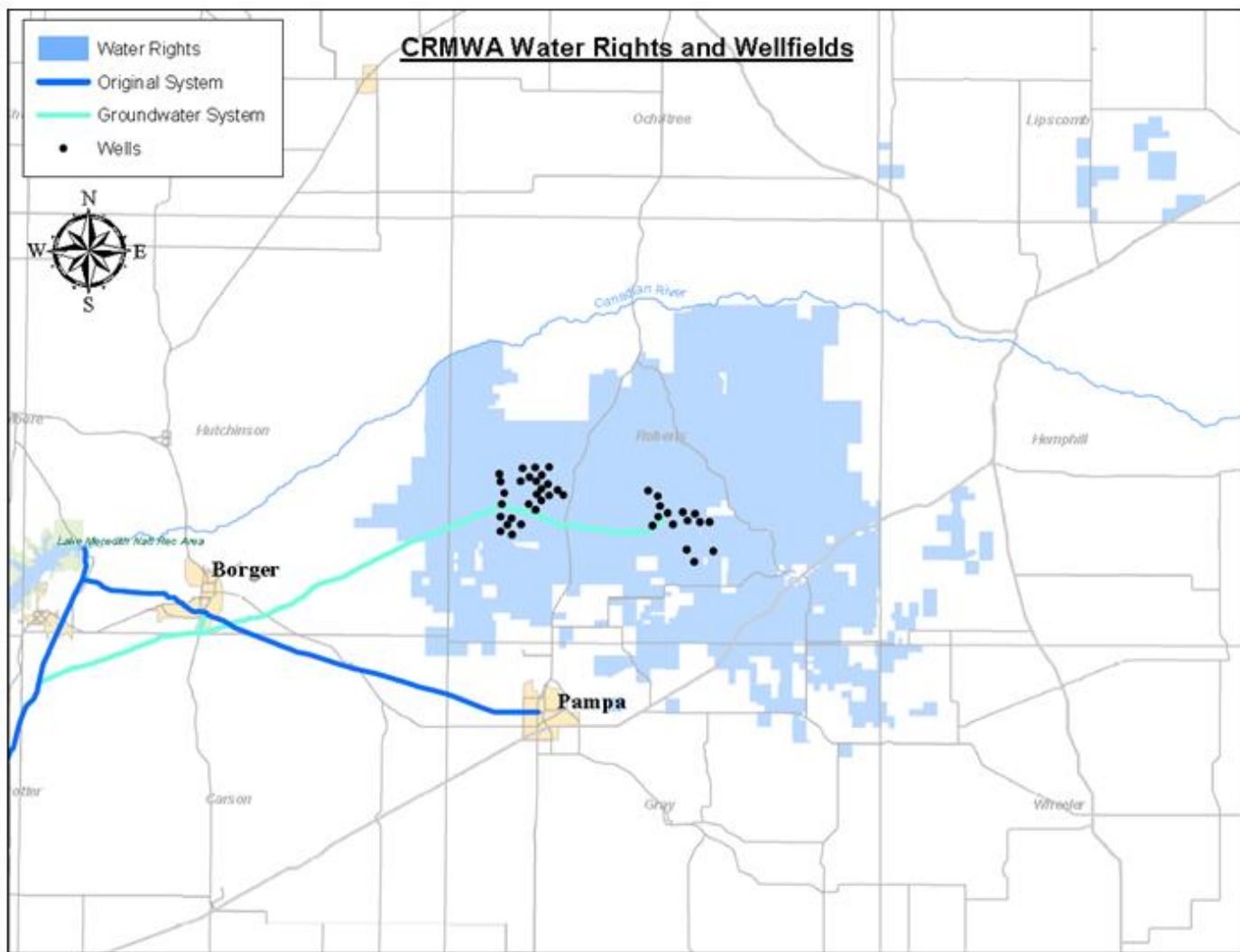
Lake Meredith

As of September 30, 2020, the water in Lake Meredith stood at a nominal depth of 73.6 feet (Elev. 2886.6 feet above mean sea level (MSL)), having decreased 1.99 feet since September 30, 2019. The Lake now contains 225,040 acre-feet of water. Total inflow for the fiscal year was 48,269 acre-feet. Evaporation during this fiscal year has been estimated at 46,535 acre-feet. During the year, deliveries to member cities and their customers amounted to 64,904 acre-feet, with 16,671 acre-feet coming from Lake Meredith and 48,233 acre-feet from the John C. Williams Wellfield.

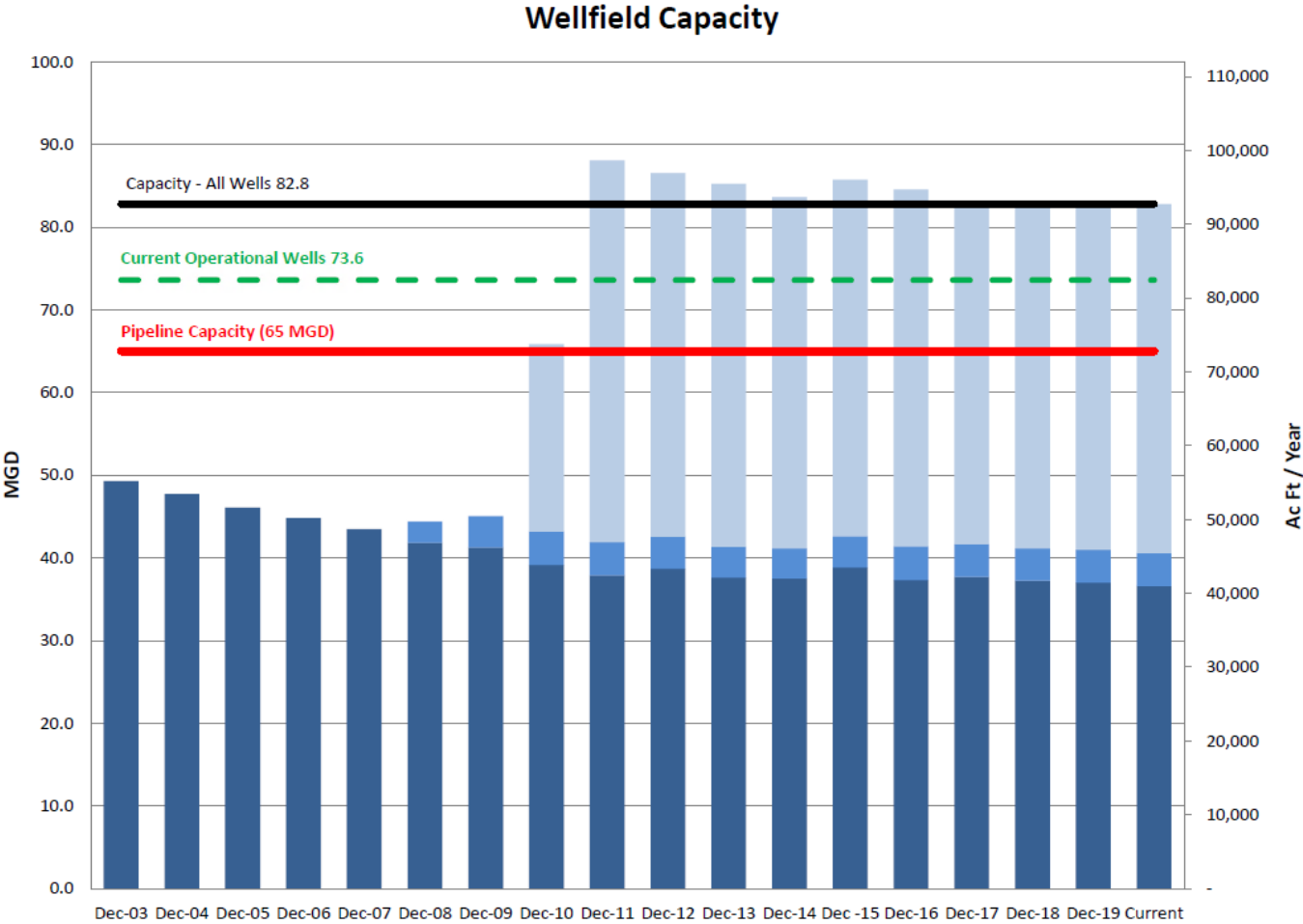


Groundwater

Due to continued lack of inflow into Lake Meredith, the reliability of water from the lake has been severely impacted resulting in increased reliance on groundwater. The Authority currently relies heavily on the John C. Williams Wellfield as the source for the groundwater supply. The Authority's total holdings of water rights is over 456,000 acres in Roberts and adjacent counties. As shown on the map below, only a fraction of these rights are developed. The current capacity of the transmission system from the Roberts County well field is 65 MGD and the Authority can deliver up to 69,000 acre-feet per year. The existing well field capacity is 82.8 MGD. The Authority is proceeding to expand the groundwater production and delivery capacity in order to meet member cities' demand. Those water rights, in conjunction with the existing Canadian River Project Supply, will provide the Authority's 11 members with an abundant water supply that is expected to be available for over 100 years.

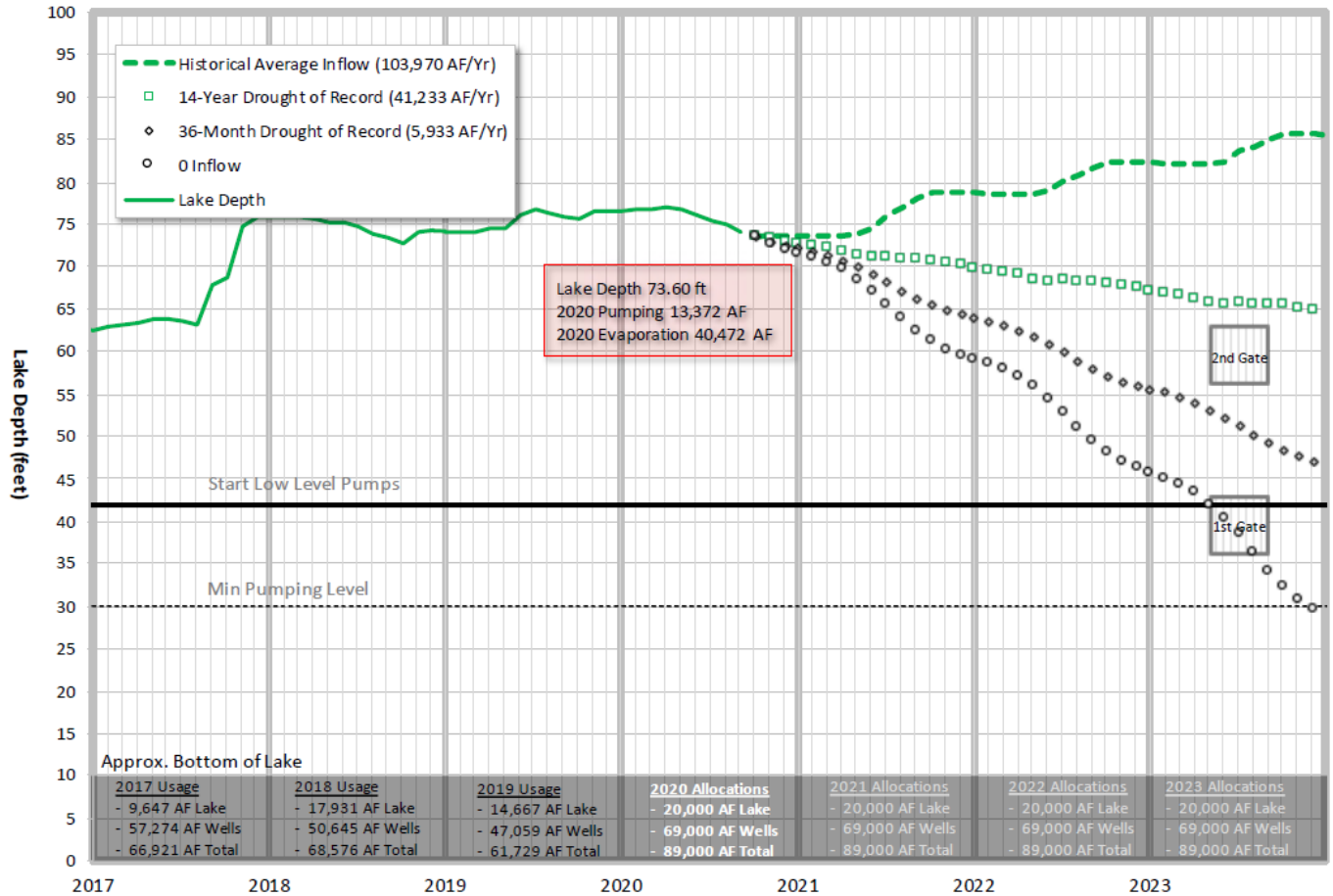


The chart below shows the total capacity of the wellfield each year. In 2003, 27 wells were put into production (Phase I) and total capacity was near 50 million gallons per day (MGD) (or 55,000 acre-feet per year). Capacity continued to drop slightly each subsequent year due to use until 2008 when 2 new wells (Phase 2) were brought online. In 2010 and 2011, Phase 3 was completed, adding 15 more wells for a total of 44 wells. This brought the capacity to 88 MGD. Capacity of the current well field(s) continue to drop slightly each year due to use bringing current capacity to 82.8 MGD.



LAKE MEREDITH - Drought Planning

Projections based on Drought of Record Inflows

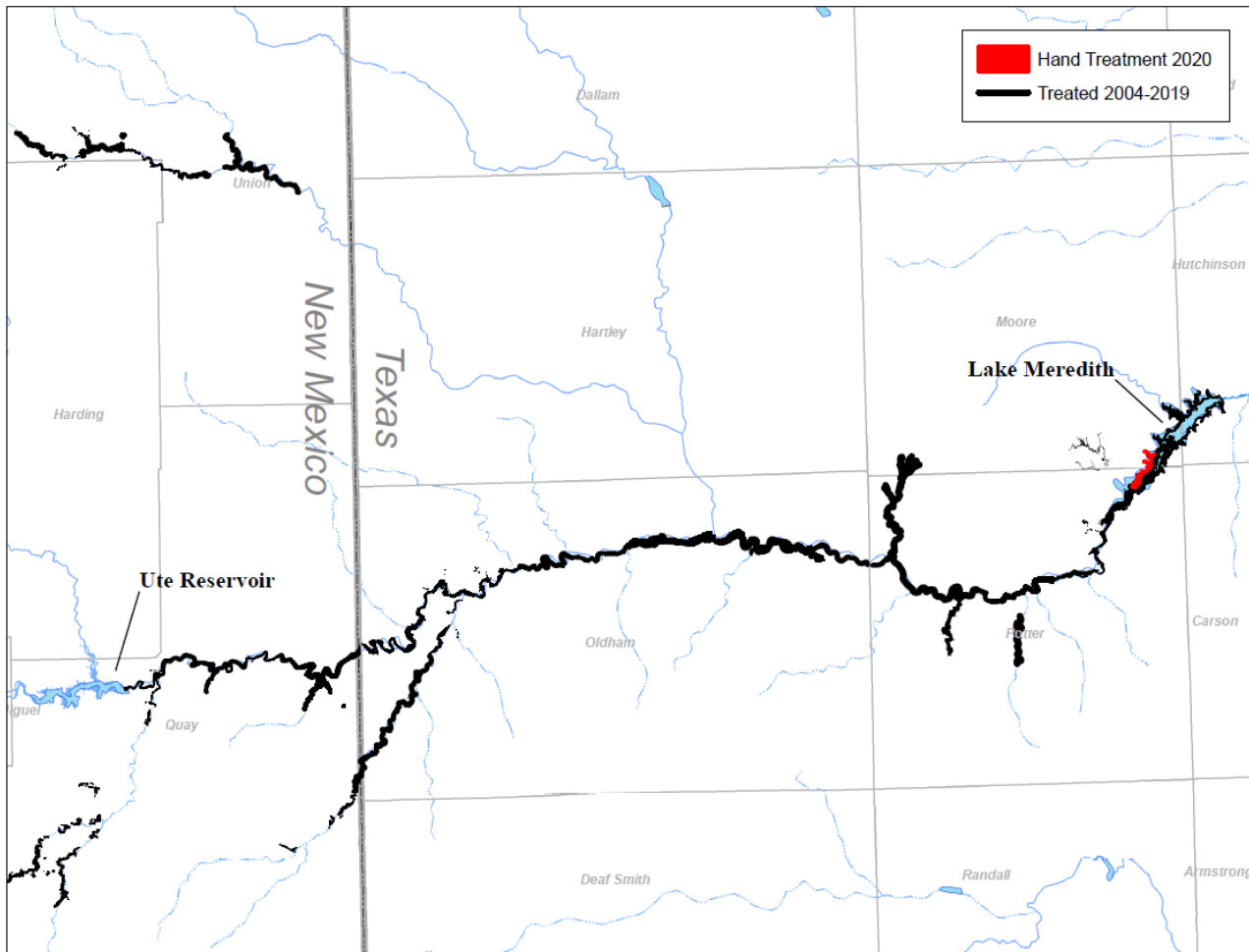


The above graph reflects potential future drought conditions and is used to forecast the allocation between surface water (Lake) and groundwater (Wells), which in turn determines how City allocations may be impacted (Total). Currently, 20,000 acre-feet of surface water is to be allocated during the fiscal year ending September 30, 2021 leaving 69,000 acre-feet of groundwater to be allocated to member cities. This allocation could change if higher than expected inflows are experienced during the year.

Long-term financial planning and major project initiatives

Salt Cedar Control Project

The objectives of the Salt Cedar Control Project are to: 1) increase the flow in the Canadian River and its' tributaries within the Lake Meredith watershed, 2) increase water quality in the Canadian River and 3) create a better habitat for the Arkansas River Shiner, which is Federally listed as a threatened species. In 2020, the Authority completed its sixteenth year in its Salt Cedar Control project, spraying 600 acres of salt cedar with a total of 34,691 acres treated to date. (See the map below that shows the areas treated for salt cedar along the Canadian River since 2004.) The Authority will continue the salt cedar maintenance as necessary.



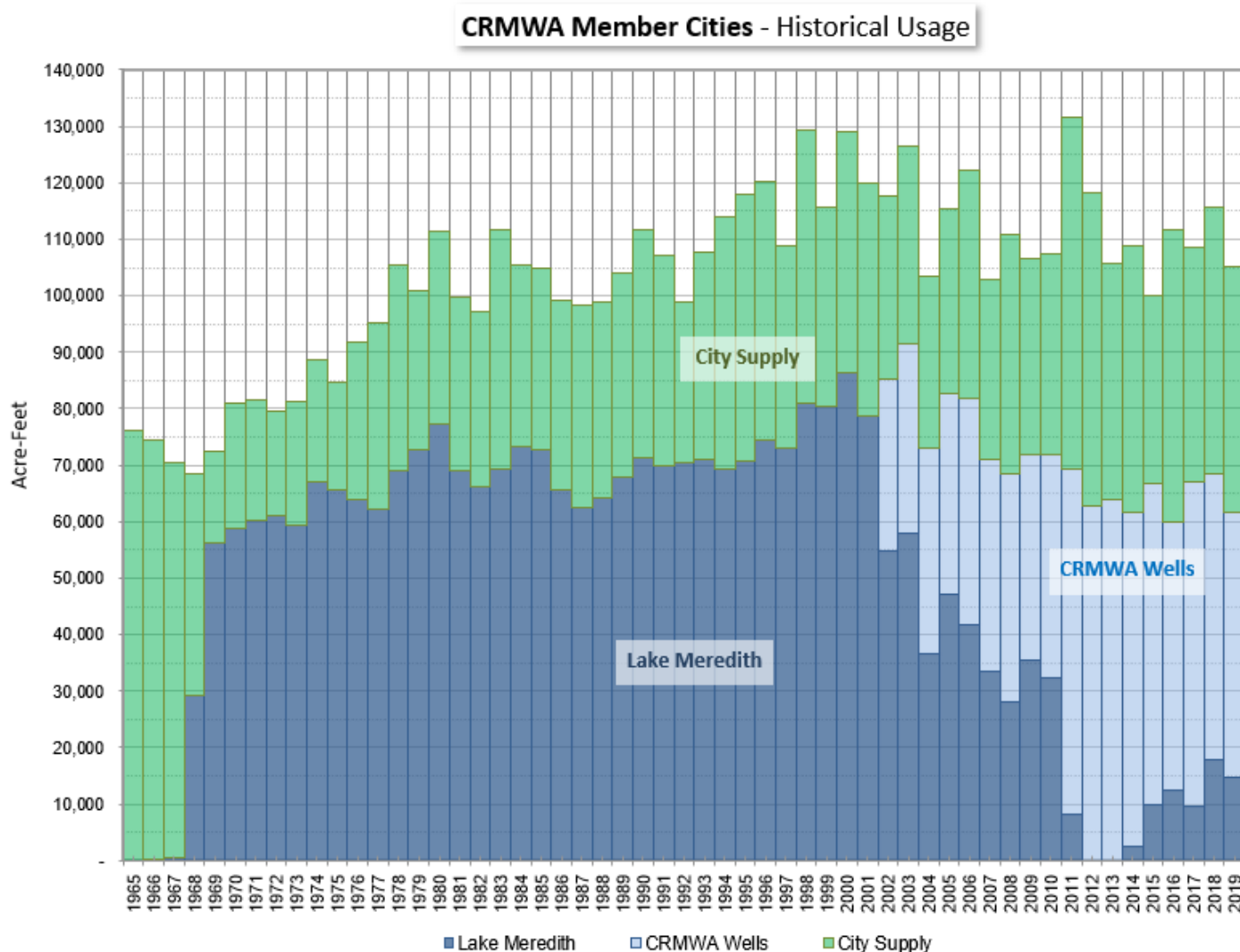
Lake Meredith Salinity Control Project

The Salinity Control Project is designed to improve the quality of water in Lake Meredith by intercepting brine water that is leaking into the Canadian River near Logan, New Mexico. An area in New Mexico just downstream from Ute Dam near Logan was identified as being a major contributor of saline water to the Canadian River System. Studies by the Bureau of Reclamation and consultants indicate that about 70 percent of the chlorides reaching Lake Meredith originate in this localized area, filtering into the river channel from a shallow brine aquifer that is under artesian pressure. Water in the brine aquifer is roughly as salty as seawater. Because salt is “stored” in the river channel sand between Lake Meredith and Logan, the extent of benefit will depend upon climatic conditions and stream flow.

Even though the Authority is not currently using much surface water from Lake Meredith, the continuation of the project is important. Without it, brine would build up in the river alluvium at an uncontrolled rate. The project reduces the amount of brine entering the river and ultimately Lake Meredith.

Future Water Supply Initiatives

The Texas Water Development Board adopted the 2017 State Water Plan (the Plan) on May 19, 2016. The Plan is based on projections indicating that the population will continue with its rapid growth. Based on these population projections, a total population growth in the member cities of about 53 percent is projected during the 50-year period from 2020 to 2070, with Amarillo, Lubbock and Pampa showing the greatest increase in population during this time period. The estimated population of the member cities is expected to increase gradually to an aggregate of nearly 867,000 by the year 2070. Current member cities' water needs are at 33 billion gallons per year ("BGY") with the Authority currently able to supply only 22.5 BGY (69,000 acre-feet) and the remaining amount being provided by groundwater wells or other resources owned by the member cities. Because droughts have reduced the ability of Lake Meredith to provide a constant supply of water, the Authority has expanded its existing wellfield capacity to the maximum capability of existing transportation infrastructure and has purchased additional groundwater resources in the Panhandle of Texas. Further increases in delivery capability will require construction of additional aqueduct capacity. (See the discussion of CRMWA II on page 11 for further details.)

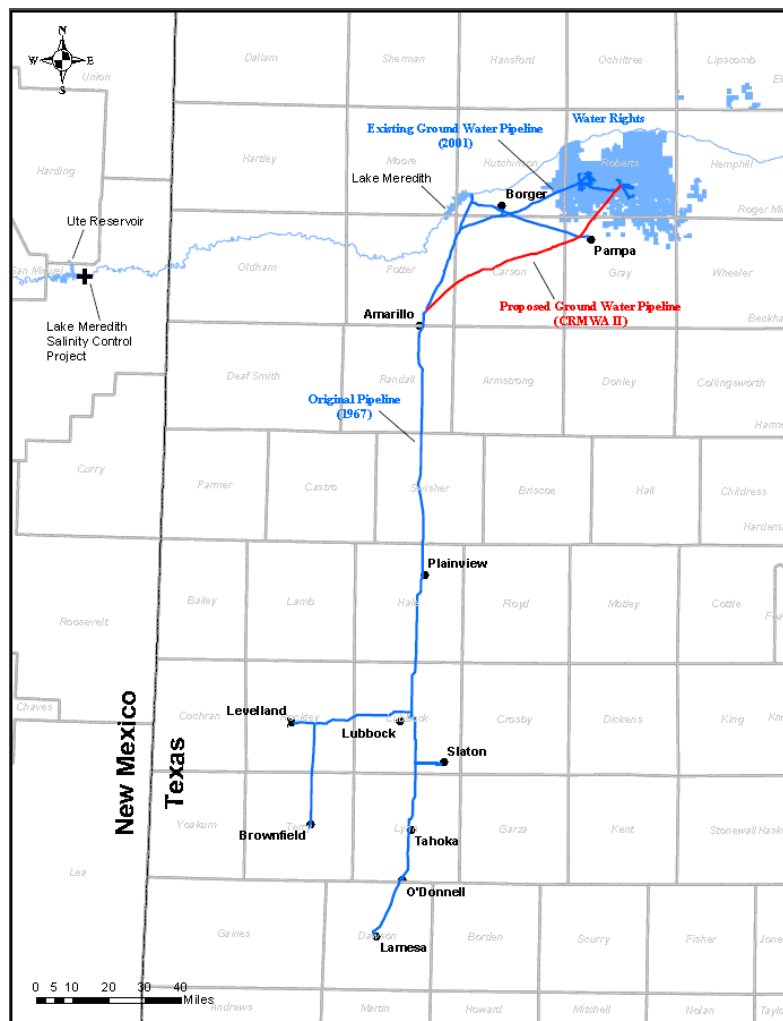


CRMWA II

Based on our recent/current 17-year drought, the reliability of Lake Meredith as a source of water supply is in question. In addition, water quality requirements currently limit the available supply of lake water to only 25% - 30% of the existing water system's delivery capacity. This is prompting the Authority to more fully utilize its groundwater resources. The groundwater infrastructure connects with the original surface water system for delivery to the cities. The current groundwater infrastructure is capable of supplying only enough water to utilize about half of the original surface water system's delivery capacity. This means that the original delivery system is currently underutilized due to the limited lake water availability. Instead, the cities are relying more heavily on their own limited local resources. The needs vs. supply gap will widen even more over time without either replenishment of the surface water supply (Lake Meredith) or additional groundwater infrastructure.

CRMWA II is the proposed project to bridge the gap in needs vs. supply. It would consist of additional aqueduct infrastructure to bring more groundwater to a point in Amarillo where it could be introduced into the original surface water delivery system. An in-house study was performed and found that some of our member cities have a greater need for additional supply while others have more resources and are in less need of additional water. However, forcing the cities to rely this heavily on their own resources will cause those resources to be exhausted more quickly and local replacement options are limited. The actual date the expansion will occur will be decided collectively by the member cities based on what is most advantageous and affordable for all.

The study has been completed proposing the route for this new pipeline which totals about 70 miles in length. The study focused on the following: most economical route for construction, access and maintenance, possible environmental obstacles, possible archeological obstacles, etc. The purchase of easement or right of way is ongoing and is expected to be completed during the next fiscal year.



Conjunctive Use Strategy

The Authority's conjunctive use strategy utilizes the primary water sources (Lake Meredith and the John C. Williams Wellfield) in a manner that most efficiently manages and delivers water to the member cities. The Authority's water delivery system is designed to utilize and deliver both sources of water, however, due to limitations in supply availability and the capacity of the existing delivery systems, the ability to meet member cities' supply needs is limited. In addition to infrastructure projects such as CRMWA II and the construction of additional wells to replace lost wellfield capacity, the Authority's conjunctive use strategy consists of three major components to help address member city supply needs:

- Supply from Lake Meredith in years when available
- Control of invasive brush within the Lake Meredith watershed (Salt Cedar Control Project)
- Aquifer storage and recovery of supplies in excess of demands.

When there are inflows to the lake, the Authority utilizes this source for water supply and reduces groundwater usage. Increasing the use of lake water helps reduce wellfield pumping and energy costs and more importantly prolongs groundwater supplies with the use of renewable surface water. It also provides a beneficial use of water that otherwise would have been lost to evaporation.

As the Authority develops additional wellfield capacity in the John C. Williams Wellfield and constructs the new CRMWA II pipeline, the quantity of water that can be transported from the wellfield will increase substantially. In order to ensure that the system is being used as efficiently and effectively as possible to meet member cities' demands, storage options need to be considered. During non-peak periods, the capacity of the transmission system is underutilized; yet during peak demand months, the ability to meet member cities' peak demands may be limited. To address the need for increased peaking capacity in the water delivery system, available water from Lake Meredith and the John C. Williams Wellfield could be treated and stored by the member cities during non-peak periods for future use during peak times. This strategy proposes to store excess non-peak water through an Aquifer Storage and Recovery program (ASR) that will utilize existing wellfields and infrastructure. The Authority will continue to work with the member cities to determine the most advantageous and affordable option(s) for all.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Canadian River Municipal Water Authority for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 9th consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We are pleased to present this report to the Board for formal adoption.

Respectfully submitted,



Kent Satterwhite
General Manager



Chad Pernell
Deputy General Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Canadian River
Municipal Water Authority
Texas**

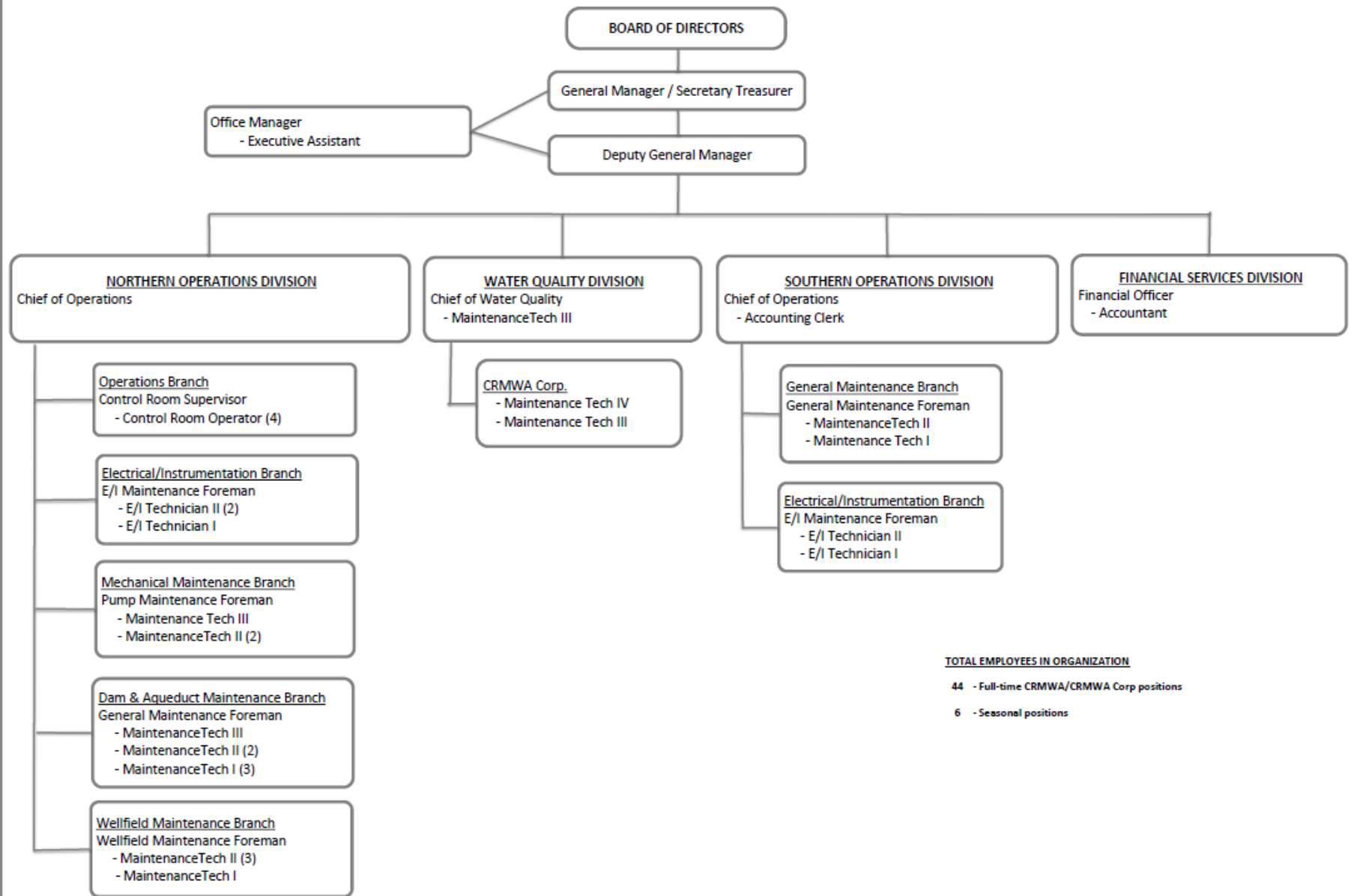
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CRMWA - Organization Chart



TOTAL EMPLOYEES IN ORGANIZATION

44 - Full-time CRMWA/CRMWA Corp positions

6 - Seasonal positions



Financial Section



To the Board of Directors
Canadian River Municipal Water Authority
Sanford, Texas

Independent Auditors' Report

We have audited the accompanying financial statements of the Canadian River Municipal Water Authority (the Authority) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Canadian River Municipal Water Authority as of September 30, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 20 through 25 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.

Other Information

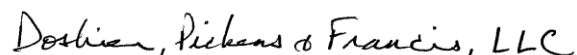
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Canadian River Municipal Water Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information on page 56 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020 on our consideration of the Canadian River Municipal Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Canadian River Municipal Water Authority's internal control over financial reporting and compliance.



Doshier, Pickens & Francis, LLC

December 1, 2020

Management's Discussion and Analysis



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

The Canadian River Municipal Water Authority's (the Authority) discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2020. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, the discussion and analysis should be read in conjunction with the Authority's letter of transmittal which can be found on pages 1 through 12. *[Notation: some of the information in the sections below is from events that occurred in prior years but is considered appropriate here to provide adequate background for the reader to understand the status of work.]*

FINANCIAL HIGHLIGHTS

- Conjunctive Use Groundwater Supply Project

The Authority began work to provide an alternate water supply from groundwater in 1995 by acquiring 42,765 acres of water rights in Hutchinson and Roberts Counties in the Texas Panhandle. A field of 27 wells with appurtenances and approximately a 36-mile aqueduct pipeline were installed and placed in operation in 2001 to allow delivery of the groundwater and blending with surface water. Contract Revenue Bonds issued in 1995 and 1999 supported these developments.

In April 2005, the Authority issued Contract Revenue Bonds, Series 2005 to pay for acquisition and construction costs in connection with the expansion of the Conjunctive Use Groundwater Supply Project. Two wells were added to the original wellfield as Phase II, and one small well previously drilled but not equipped with a pump was also placed in operation.

In April 2006, the Authority issued Contract Revenue Bonds, Series 2006 to pay acquisition costs of additional water rights for the project expansion of the Conjunctive Use Groundwater Supply Project Phases II and III.

Due to the availability of a larger area of water rights than originally anticipated, the Board authorized additional purchases of water rights, with the cost to be reimbursed from future bond sales. Economic conditions also resulted in very favorable construction bids; therefore, the number of wells to be added was increased. In addition, the size of the new transmission pipeline was enlarged to allow more water to be delivered from the expanded wellfield area and to provide for future developments. As of September 30, 2009, the Authority had acquired a total of 260,000 acres of water rights.

In October 2009, the Authority issued Contract Revenue Bonds, Series 2009 to complete funding for the project expansion of the Conjunctive Use Groundwater Supply Project Phase III. Funds from the Authority's General Reserve in the amount of \$1,617,806 were utilized to establish the Bond Reserve Fund for this issue to minimize debt service requirements. (This reserve was subsequently rolled into the 2017 Refunding Issue.) The design of the wellfield expansion included fifteen new wells, collection pipelines to serve all of the new wells, a 54-inch transmission pipeline and other necessary facilities. Together with the original wellfield and the two wells added as part of Phase II, the expanded wellfield would fully utilize the 54-inch pipeline from Roberts County to the Canadian River Aqueduct with allowance for rotation of wells in service. The expanded wellfield allows for production of up to about 69,000 acre-feet annually. All wells were brought on line by the spring of 2011. Route planning and purchasing right of way has started for the next phase of this project which is referred to as CRMWA II. (Additional information related to CRMWA II can be found on page 11.)

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

The Authority issued two new bond issues in 2010 to refinance the 1999 bond issues realizing a significant cost savings due to the low interest rates. Both of these have matured and were defeased.

In December 2011, the Authority issued Subordinate Lien Contract Revenue Bonds, Series 2011 to pay for acquisition of additional water rights to support expansion of the Conjunctive Use Groundwater Supply Project. As of September 30, 2020, the Authority's total holdings of water rights were just over 456,000 acres.

The Authority issued a new bond issue in 2012 to refinance the 2005 bond issue realizing a significant cost savings due to the low interest rates.

The Authority issued a new bond issue in 2014 to refinance the 2005 refunding bond issue and the 2006 bond issue realizing a significant cost savings due to the low interest rates.

The Authority issued a new bond issue in 2017 to refinance the 2009 bond issue realizing a significant cost savings due to the low interest rates.

All of the Authority's bonds have been rated by Moody's as 'Aa3'.

Due During Fiscal Years Ending	Total Annual Requirements For All Long-Term Debt		
	Principal	Interest	Total
2021	\$ 12,915,000	\$ 5,299,575	\$ 18,214,575
2022	13,550,000	4,656,475	18,206,475
2023	14,210,000	3,976,325	18,186,325
2024	14,925,000	3,253,425	18,178,425
2025	15,690,000	2,488,050	18,178,050
2026	9,555,000	1,856,925	11,411,925
2027	10,020,000	1,374,175	11,394,175
2028	6,915,000	982,450	7,897,450
2029	6,635,000	706,100	7,341,100
2030	6,025,000	426,975	6,451,975
2031	6,325,000	138,175	6,463,175
Totals	<u>\$ 116,765,000</u>	<u>\$ 25,158,650</u>	<u>\$ 141,923,650</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The discussion and analysis provided here are intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements consist of the following components: 1) the basic financial statements, 2) the notes to the financial statements, 3) supplementary information and 4) statistical information. This report provides both long-term and short-term information about the Authority's financial status (including CRMWA Corporation). The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 31-53 of this report.

The Authority's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units on an accrual basis as required for enterprise funds. Under this basis, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

The Statement of Net Position presents financial information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is displayed in three components: net investment in capital assets (net of related debt), restricted, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Even though net position decreased by \$1.06 million during the year ended September 30, 2020 to \$338,648,439, the decrease did not negatively affect the financial position of the Authority due to the reduction in long-term debt and savings realized by the Authority's member cities. The member cities' savings were from the Authority applying bond reserves and prior interest earnings to member city receivables related to bonds that were defeased. In addition to the use of these bond reserves, the other factors contributing to the net decrease in net position are current year depreciation offset by member city assessments to fund reserves, investment income and current year premium amortization.

The Statement of Revenues, Expenses, and Changes in Net Position report total operating revenues, operating expenses, and non-operating revenues and expenses during the fiscal year ending September 30, 2020.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

CANADIAN RIVER MUNICIPAL WATER AUTHORITY SUMMARIZED FINANCIAL INFORMATION September 30, 2020 (With Comparative Amounts for September 30, 2019)

	2020	2019
Current and Other Assets	\$ 35,120,419	\$ 32,535,724
Net Capital Assets	328,203,275	331,000,845
Other Noncurrent Assets	106,515,115	120,841,692
Total Assets	469,838,809	484,378,261
Current Liabilities	16,660,995	15,632,821
Noncurrent Liabilities	114,529,375	129,036,571
Total Liabilities	131,190,370	144,669,392
Net Position:		
Net Investment in Capital Assets	201,087,885	190,230,256
Restricted	117,440,962	130,799,750
Unrestricted	20,119,592	18,678,863
Total Net Position	\$ 338,648,439	\$ 339,708,869

The \$2.6 million increase in current and other assets was due to funding of reserves, excess O&M assessments collected and an increase in the amount due from member cities for bond principal payments coming due in the next year.

The decrease in net capital assets of \$2.8 million was the net of current year depreciation of \$3.77 million and the increase from net additions/disposals in the amount of \$970,000. Current year additions to capital assets included the purchase of easements, operating equipment, building improvements and work in progress costs related to the CRMWA II infrastructure project. (Additional information on the Authority's capital assets can be found in Note 5 on page 35 of this report.)

The decrease in other noncurrent assets and noncurrent liabilities relate to: 1) the reclassification of the current portion of the principal payments to be received from the member cities and the 2) reclassification of the current principal to be paid to the bond agencies during the next year plus current year bond premium amortization. (Additional information on the Authority's long-term debt can be found in Note 6 on pages 36-43 of this report.)

The \$1,028,000 net increase in current liabilities was the result of the reclassification of the principal due to the bond agencies in the next year plus the increase for excess O&M assessments to be credited back to the member cities.

The Authority's assets exceeded liabilities by \$338.6 million at September 30, 2020, a \$1,060,430 decrease from September 30, 2019. The excess is comprised of the net position 1) restricted for debt service and 2) the net investment in capital assets which the Authority utilizes to deliver water to the member cities. The purpose of the unrestricted net position is to be able to meet the extraordinary and unforeseen costs of operation and maintenance, repair and betterment of project works and to ensure funds are available for major repairs or rehabilitation of wells, equipment and facilities not provided for in the annual budget.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

CANADIAN RIVER MUNICIPAL WATER AUTHORITY SUMMARIZED CHANGES IN NET POSITION Year Ended September 30, 2020 (With Comparative Amounts for Year Ended September 30, 2019)

	2020	2019
Operating Revenues	\$ 12,772,582	\$ 14,385,832
Operating Expenses	(11,262,184)	(12,748,363)
Revenues in excess of expenses before depreciation/amortization	1,510,398	1,637,469
Operating Expenses - Depreciation/Amortization	(3,767,447)	(3,751,171)
Operating Loss	(2,257,049)	(2,113,702)
Nonoperating Revenues:		
Assessments to member cities for bond interest	5,741,319	6,367,824
Other revenues	472,663	757,948
Nonoperating Expenses:		
Bond interest expense	(4,185,565)	(4,731,815)
Insurance proceeds expended	-	(59,018)
Credits to member cities for bond defeasement activity	(831,798)	-
Nonoperating Income	1,196,619	2,334,939
Increase (Decrease) in Net Position	(1,060,430)	221,237
Net Position - Beginning of Year	339,708,869	339,487,632
Net Position - End of Year	\$ 338,648,439	\$ 339,708,869

The Authority's member cities are assessed each month for general operation and maintenance (GOM) costs based on estimated costs to each member city as budgeted for that fiscal year. The Authority maintains a cost system by which it allocates its actual costs to each member city. After the end of each fiscal year, the Authority issues additional assessments or credits to each member city for the difference between actual costs allocated to each city and the estimated costs previously assessed.

GOM assessments billed to the cities exceeded actual GOM costs by \$790,046 due to health insurance premiums coming in under budget and an overestimation of the cost of the central system survey and the pipeline rehabilitation project work performed in fiscal year 2020. The amount owed to the member cities will be applied to future GOM charges or as otherwise agreed upon as in accordance with the Authority's policies.

The \$831,798 capital credit resulted from the application of bond reserves, including prior interest earnings, toward defeasance of the 2010 refunding bond issue and the 2005 refunding portion of the 2014 refunding bond issue thus reducing member cities' obligations.

The decrease in net position is primarily the result of the credits to member cities for bond defeasement activity and current year depreciation offset by member city assessments to fund reserves, investment income and current year premium amortization.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2020

The following schedule provides a reconciliation of the member cities' assessments and other sources to operating expenses, excluding depreciation and amortization, and other uses of funds.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY Operating Sources and Uses Year Ended September 30, 2020 (With Comparative Amounts for September 30, 2019)

	<u>2020</u>	<u>2019</u>
Sources of Funds:		
Member City Assessments:		
GOM assessments to member cities	\$ 8,255,268	\$ 9,228,230
PEC assessments to member cities	4,517,314	5,157,602
Total Member City Assessments	<u>12,772,582</u>	<u>14,385,832</u>
Other Sources:		
Well and Well Pump Reserve	224,737	855,705
Dam and Reservoir Reserve	89,274	87,452
Net inventory utilization	88,978	-
Vehicle reserve	-	72,786
Sales proceeds	-	28,292
Total Other Sources	<u>402,989</u>	<u>1,044,235</u>
Total Sources of Funds	<u><u>\$ 13,175,571</u></u>	<u><u>\$ 15,430,067</u></u>
Uses of Funds:		
Personnel costs	\$ 4,534,583	\$ 4,530,640
Professional fees	271,075	169,335
Purchased and contracted services	374,911	992,745
Consumable supplies and materials	926,542	1,236,388
Recurring operating costs	637,759	661,653
Pumping energy and line chemicals	4,517,314	5,157,602
Capitalized GOM costs	404,856	241,953
Funding from an irrigation agreement	2,261	4,580
Net Inventory Increase	-	210,171
Contribution to the Well Replacement Reserve	816,680	1,000,000
Contribution to the Well and Well Pump Reserve	500,000	900,000
Contribution to the Injection Well Reserve - Corp	131,250	225,000
Contribution to the General Reserve	58,340	100,000
Total Uses of Funds	<u><u>\$ 13,175,571</u></u>	<u><u>\$ 15,430,067</u></u>

Basic Financial Statements



CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF NET POSITION
September 30, 2020

Assets:

Current Assets:

Cash and cash equivalents	\$ 8,227,448
Investments	12,625,954
Due from member cities and other receivables	13,343,851
Inventory	<u>923,166</u>

Total Current Assets	<u>35,120,419</u>
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Noncurrent Assets:

Restricted cash and cash equivalents	10,760,598
Due from member cities and other receivables	95,754,517
Land and land rights	5,493,666
Capital assets, net of accumulated depreciation of \$86,761,441	<u>322,709,609</u>

Total Noncurrent Assets	<u>434,718,390</u>
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Total Assets	<u>469,838,809</u>
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Liabilities:

Current Liabilities:

Bonds payable - current	12,915,000
Accounts payable and other accruals	2,507,981
Interest payable	701,538
Unearned revenue	511,804
Compensated absences	<u>24,672</u>

Total Current Liabilities	<u>16,660,995</u>
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Noncurrent Liabilities:

Compensated absences	236,264
Bonds payable	<u>114,293,111</u>

Total Noncurrent Liabilities	<u>114,529,375</u>
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Total Liabilities	<u>131,190,370</u>
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Net Position:

Net investment in capital assets	201,087,885
Restricted for debt service	117,440,962
Unrestricted	<u>20,119,592</u>

Total Net Position	<u><u>\$ 338,648,439</u></u>
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The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For Year Ended September 30, 2020

Operating Revenues:

Assessments to member cities	
General operation and maintenance costs	\$ 8,255,268
Pumping and chemical costs	4,517,314

Total Operating Revenues	12,772,582
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Operating Expenses:

Personnel costs	4,534,583
Professional fees	271,075
Purchased and contracted services	374,911
Consumable supplies and materials	926,542
Recurring operating costs	637,759
Depreciation and amortization	3,767,447
Pumping energy and line chemicals	4,517,314

Total Operating Expenses	15,029,631
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Operating Loss	(2,257,049)
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Nonoperating Revenues (Expenses):

Assessments to member cities	
Debt service interest assessment	5,741,319
Other income	6,507
Investment income	466,156
Interest expense	(4,185,565)
Credits to member cities for bond refunding activity	(831,798)

Total Nonoperating Revenues	1,196,619
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Decrease in Net Position	(1,060,430)
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Net Position at Beginning of Year	339,708,869
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Net Position at End of Year	\$ 338,648,439
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The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
For Year Ended September 30, 2020

Cash Flows From Operating Activities:	
Cash received from member cities for assessments	\$ 12,915,107
Cash payments to employees for services	(4,458,159)
Cash payments to suppliers for goods and services	<u>(6,084,807)</u>
Net Cash Provided by Operating Activities	<u>2,372,141</u>
Cash Flows From Capital and Related Financing Activities:	
Cash paid for acquisition or construction of capital assets	(969,877)
Cash received from member cities for debt service	17,949,831
Principal paid from reserve funds	(831,798)
Principal paid from cash received from member cities	(11,743,202)
Interest paid on debt	<u>(5,890,525)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,485,571)</u>
Cash Flows From Investing Activities:	
Purchase of investments	(12,625,954)
Interest received on investments	<u>353,273</u>
Net Cash Used for Investing Activities	<u>(12,272,681)</u>
Net Decrease in Cash and Cash Equivalents	(11,386,111)
Cash and Cash Equivalents at Beginning of Year	<u>30,374,157</u>
Cash and Cash Equivalents at End of Year	<u>\$ 18,988,046</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
For Year Ended September 30, 2020

Continuation

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:

Operating loss	\$ (2,257,049)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Other nonoperating revenue	6,507
Depreciation and amortization	3,767,447
Increase in operating portion of due from member cities and other receivables	(61,841)
Net decrease in inventory	88,978
Increase in accounts payable, other accruals and compensated absences	623,733
Increase in assessments received in advance	<u>204,366</u>
Net Cash Provided by Operating Activities	<u><u>\$ 2,372,141</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

Premium amortization	\$ (1,635,404)
Noncash reduction in amount due from member cities as a result of bond defeasement activity	\$ (831,798)

The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Canadian River Municipal Water Authority (the Authority) have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is responsible for establishing accounting standards for state and local governments through its pronouncements (Statements and Interpretations).

The most significant accounting and reporting policies of the Authority are described in the following notes to the financial statements.

1. Financial Reporting Entity

The Canadian River Municipal Water Authority was created on May 27, 1953, by the Texas legislature Acts 1953, 53rd Leg., Ch. 243, as amended, (previously Art. 8280-154). Its purpose is to supply water for municipal and industrial uses to member cities. Member cities include: Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O'Donnell, Pampa, Plainview, Slaton and Tahoka. Each member city is represented by one or two persons on the Authority's Board of Directors. The Authority's sources of water are surface water from Lake Meredith and groundwater from Roberts County, Texas.

The definition of the reporting entity is based primarily on the notion of financial accountability. The Authority is financially accountable and has operational responsibility for CRMWA Corporation (the Corporation), a not-for-profit corporation created in the State of Texas, authorized to operate in New Mexico to facilitate the construction and operation of the Salinity Control Project. The Corporation is presented in these financial statements as a blended component unit. The Corporation's governing body is the same as the Authority's. The blended component unit, although a legally separate entity, is in substance part of the Authority's operations and is reported with the Authority. Separate financial statements are not published for the Corporation which follows the same accounting policies as the Authority. Transactions with other governmental entities consist of assessments to member cities for costs of operations, pumping energy and construction projects.

2. Basis of Accounting

The Authority qualifies as a special purpose government engaged only in business-type activities, and accordingly only the financial statements required for an enterprise fund are presented as basic financial statements. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The Authority measures the full cost of providing water to the member cities for the purpose of fully recovering that cost through charges to the member cities. Charges to member cities are computed on a cost-reimbursement basis. The Authority's basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. Internal activity has been eliminated in the accompanying financial statements.

3. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method and consists of spare pumps and motors for the wellfield. The cost of such inventory is recorded as an expense when consumed rather than when purchased. The Authority has elected to not record any other inventory since member cities are charged for supply and material costs at the time of purchase rather than at the time of use. The impact to the financial statements taken as a whole is not material.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

4. Capital Assets

Capital assets, which include land, water systems, water rights, buildings and equipment, are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Authority capitalizes all assets with a historical cost of at least \$7,500 and a useful life of at least three years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Land and land rights are not depreciated.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Water systems	10 to 200 years
Buildings	75 years
Other equipment	3 to 10 years
Automobiles/trucks	5 to 10 years

5. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Authority did not have any items that qualified for reporting in this category for the year ended September 30, 2020.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Authority did not have any items that qualified for reporting in this category for the year ended September 30, 2020.

6. Compensated Absences

Employees are entitled to annual leave with pay ranging from two to five weeks per year. Annual leave that is unused at the end of the year may be carried over, but the cumulative total carryover shall not exceed the employee's annual rate of leave accrual as of the current December 31. Upon separation in good standing, the employee shall be paid the amount of unused annual leave accrued to his credit as of the date of termination.

Sick leave accrues at approximately one day per month, up to a maximum of 720 hours. During November of each year, each current employee with one year or more of continuous service shall be paid for the amount of his unused sick leave, up to a maximum of forty (40) hours pay, reduced by sick leave taken during the preceding 12 months.

All accumulated annual leave is recorded as an expense and a liability at the time the benefit is earned. Due to the nature of sick leave, management has elected not to record a liability for its sick leave policy. The expense and related liability would not be material to the financial statements taken as a whole.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

7. Capitalized Interest

In June 2018, the Government Accounting Standards Board (GASB) approved GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. GASB-89 is effective for reporting periods beginning after December 15, 2019, however, the Authority elected early implementation. Upon implementation of GASB-89, interest costs incurred before the end of a construction period will now be recognized as an expense and not capitalized. Changes related to the adoption of GASB-89 are applied prospectively rather than restating beginning balances.

8. Revenue Policies

The principal portion of the Authority's revenues is provided by assessments from member cities for all costs incurred in delivering water to them. Water is delivered to member cities on demand up to predetermined allocations and revenue is recognized at the time of delivery.

9. Deposits and Investments

For financial reporting purposes cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity date of three months or less. Time certificates of deposit with original maturities of more than three months are classified as investments. Interest on certificates of deposit is recorded as earned but is subject to forfeiture for early withdrawal of deposits.

10. Classification of Revenues

Operating revenues consist of assessments to member cities for all general operating costs and for pumping and energy costs. Nonoperating revenues consist primarily of assessments to member cities for servicing debt and of investment income.

11. 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 legislations imposed on the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

1. During April, the budget is adopted by the Board of Directors.
2. Budgeted amounts are as originally adopted but may be revised as necessary.
3. All appropriations lapse at the end of the Authority's fiscal year and may be re-budgeted the next year.
4. The budgets for the operating funds of the Authority and the Corporation are adopted on a basis consistent with generally accepted accounting principles (GAAP) on the accrual basis of accounting, except for depreciation expense which is not included in the annual budget.
5. Formal budgetary integration on an annual basis is employed as a management control device during the year for the operating revenues and expenses. Formal budgetary integration is not employed for the debt service because effective budgetary control is alternatively achieved through the bond redemption schedules for the various bonds. Formal budgetary integration is not employed for construction because effective budgetary control is alternatively achieved through appropriations received for the specified purpose and through budgetary integration on a project length basis at the time the agreements with engineers/contractors are signed.
6. The Authority adhered to the prescribed budgets as a whole, as discussed above, for the year ended September 30, 2020. The negative variance in purchased and contracted services (\$115,157) was funded from the Well Maintenance Reserve. The negative variance in professional fees (\$3,035) was funded from positive variances in other line items.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits are classified in the accompanying Statement of Net Position as follows:

Current assets:	
Cash and cash equivalents	\$ 8,227,448
Non-current assets:	
Restricted cash and cash equivalents	<u>10,760,598</u>
Total deposits	<u>\$ 18,988,046</u>

Deposits and investments held by the Authority consist of the following classifications:

Deposits	\$ 1,931,283
Money Market Accounts	17,056,763
Nonnegotiable Certificates of Deposit	<u>12,625,954</u>
Total deposits and investments	31,614,000
Less deposits	<u>(18,988,046)</u>
Total investments	<u>\$ 12,625,954</u>

Texas law and Board policy require that Authority deposits be placed in financial institutions located in Texas. All of the Authority's demand deposit and time accounts are held in 2 local banking institutions under terms of a written depository contract. Such deposits must be collateralized with securities or surety bonds to the extent not insured by the Federal Deposit Insurance Corporation (FDIC). Securities that may be accepted as collateral are those authorized by the Public Funds Collateral Act. Accordingly, these are limited to obligations of the United States and its agencies and instrumentalities, obligations issued by public agencies with at least a rating of "A" by a nationally recognized rating agency, and any other security in which a public entity may invest under the Public Funds Investment Act.

At September 30, 2020, Authority deposits in excess of the amount insured by the FDIC were collateralized by securities pledged in the amount of \$38,299,934 and were held separate and apart from the pledging banks.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 4 – DUE FROM MEMBER CITIES AND OTHER RECEIVABLES

The following is a summary of the amounts due from the member cities and other receivables:

Current due from member cities and other receivables:	
Due from member cities for bond issues (see Note 6)	\$ 12,639,846
Net year-end adjustments receivable from member cities	557,342
Due from vendors	33,781
Interest receivable	112,882
	<u>\$ 13,343,851</u>
Noncurrent due from member cities and other receivables:	
Due from member cities for bond issues (see Note 6)	\$ 95,512,913
Net year-end adjustments receivable from member cities	241,604
	<u>\$ 95,754,517</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 is as follows:

	Balance at September 30, 2019	Increases	Decreases	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	\$ 5,236,502	\$ 257,164	\$ -	\$ 5,493,666
Total capital assets not being depreciated	<u>5,236,502</u>	<u>257,164</u>	<u>-</u>	<u>5,493,666</u>
Capital assets being depreciated:				
Buildings	1,301,851	3,783	-	1,305,634
Operating Equipment	3,519,050	380,620	(95,428)	3,804,242
Communications Facilities	2,305,554	-	(584,801)	1,720,753
Dam and Reservoir	21,733,541	-	-	21,733,541
Pipelines	116,927,971	-	-	116,927,971
Pumping Plants	27,860,258	20,456	-	27,880,714
Regulating Reservoirs	2,252,876	-	-	2,252,876
Water Treatment Facilities	385,695	-	-	385,695
Water Rights	190,998,213	-	-	190,998,213
Groundwater Production Facilities	33,141,215	-	-	33,141,215
Salinity Control Facilities	6,464,209	-	-	6,464,209
Work in Progress	2,548,133	307,854	-	2,855,987
Total capital assets being depreciated	<u>409,438,566</u>	<u>712,713</u>	<u>(680,229)</u>	<u>409,471,050</u>
Less accumulated depreciation for:				
Buildings	(352,773)	(27,896)	-	(380,669)
Operating Equipment	(2,263,619)	(327,678)	95,428	(2,495,869)
Communications Facilities	(1,336,637)	(26,790)	584,801	(778,626)
Dam and Reservoir	(12,416,928)	(219,530)	-	(12,636,458)
Pipelines	(32,469,144)	(1,090,561)	-	(33,559,705)
Pumping Plants	(7,316,234)	(322,244)	-	(7,638,478)
Regulating Reservoirs	(1,054,556)	(23,917)	-	(1,078,473)
Water Treatment Facilities	(259,238)	(5,142)	-	(264,380)
Water Rights	(11,499,058)	(963,880)	-	(12,462,938)
Groundwater Production Facilities	(8,241,827)	(759,809)	-	(9,001,636)
Salinity Control Facilities	(6,464,209)	-	-	(6,464,209)
Total accumulated depreciation	<u>(83,674,223)</u>	<u>(3,767,447)</u>	<u>680,229</u>	<u>(86,761,441)</u>
Total capital assets being depreciated, net	<u>325,764,343</u>	<u>(3,054,734)</u>	<u>-</u>	<u>322,709,609</u>
Total capital assets, net	<u>\$ 331,000,845</u>	<u>\$ (2,797,570)</u>	<u>\$ -</u>	<u>\$ 328,203,275</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES

In the year ended September 30, 2000, the Authority issued Contract Revenue Bonds, Series 1999 for financing construction of the Conjunctive Use Groundwater Supply Project and for the advance refunding of the Contract Revenue Bonds, Series 1996. The cities of Lubbock and O'Donnell have paid their portion of the Project costs from their own resources and are not participants in the debt financing for this project.

In the year ended September 30, 2005, the Authority issued Contract Revenue Refunding Bonds, Series 2005 in the amount of \$28,260,000 for the advance refunding of a portion of the Contract Revenue Bonds, Series 1999. In the year ended September 30, 2010, the Authority issued Contract Revenue Refunding Bonds, Series 2010 in the amount of \$5,235,000 for the refunding of the remaining portion of the Contract Revenue Bonds, Series 1999 with principal maturing annually through February 15, 2020. Interest ranges from 3% - 3.5% and a Bond Reserve Fund of \$523,500 was established. The Authority then issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in the amount of \$11,750,000 for refunding of the Series 2005 Refunding issue with principal maturing annually through February 15, 2020. Interest ranges from 2% - 5%.

In the year ended September 30, 2005, the Authority issued Contract Revenue Bonds, Series 2005 in the amount of \$48,125,000 for water rights purchases with principal maturing annually through February 15, 2025. The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of \$39,505,000 for the advance refunding portion of the Contract Revenue Bonds, Series 2005 with principal maturing annually through February 15, 2025. Interest ranges from 2% - 5%. The City of Lubbock has a different structure of repayment than the other member cities.

In the year ended September 30, 2006, the Authority issued Contract Revenue Bonds, Series 2006 in the amount of \$49,075,000 for acquisition and construction costs with principal maturing annually through February 15, 2027. Interest ranges from 4.25% - 5%. Slaton and Tahoka had initially opted out of the bond issue and seven of the other cities (not including Lamesa or O'Donnell) agreed to pick up their shares. Slaton and Tahoka then decided to buy in, as allowed by the contract. Even though the buy-in option was exercised, the initial participating member cities are still obligated to make the bond payments in full. The Authority provided these seven-member cities credit for the payments made by Slaton and Tahoka on an annual basis to compensate for the buy-in. The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in the amount \$30,415,000 for the advance refunding of the Contract Revenue Bonds, Series 2006 with principal maturing annually through February 15, 2027. Interest ranges from 2% - 5%. Slaton and Tahoka are participants in the Series 2014 issue.

In the year ended September 30, 2010, the Authority issued Contract Revenue Bonds, Series 2009 in the amount of \$21,105,000 for financing the continuation and expansion of the Conjunctive Use Groundwater Supply Project with principal maturing annually through February 15, 2029. Interest ranges from 3% - 5%. The Authority established a Bond Reserve Fund with a contribution of \$1,617,806 from the General Reserve Fund which will not be repaid by the member cities. The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2017 in the amount of \$11,465,000 for the advance refunding of the Contract Revenue Bonds, Series 2009 with principal maturing annually through February 15, 2029. The Bond Reserve Fund was rolled into the 2017 advanced refunding. Interest ranges from 3% - 5%. All member cities share proportionately the obligations of the annual debt service. Unspent bond proceeds as of September 30, 2020 totaled \$92,720.

In the year ended September 30, 2013, the Authority issued Subordinate Lien Contract Revenue Bonds, Series 2011 in the amount of \$81,630,000 for financing the purchases of various water rights with principal maturing annually through February 15, 2031. Interest ranges from 3% - 5%. The member cities share proportionately the obligations of the annual debt service with a modification made for the City of Levelland for consideration of a cash contribution.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

All bonds are payable from and secured by an irrevocable first lien on and pledge of the participating member cities' project payments in accordance with their individual Conjunctive Use Groundwater Supply Agreements.

Moody's has rated each of these bonds an 'Aa3'.

The following is a summary of the Authority's long-term debt and other liabilities:

	Contract Revenue Conjunctive Use Groundwater Series 2011	Contract Revenue Refunding Conjunctive Use Groundwater Series 2010	Contract Revenue Refunding Conjunctive Use Groundwater Series 2017	Contract Revenue Refunding Conjunctive Use Groundwater Series 2012
Interest Rate	3.0 - 5.0%	3.0 - 3.5%	3.0 - 5.0%	2.0 - 5.0%
Principal Due Annually	Feb	Feb	Feb	Feb
Interest Due Semi-Annually	Feb / Aug	Feb / Aug	Feb / Aug	Feb / Aug
Balances at September 30, 2019	\$ 59,540,000	\$ 980,000	\$ 11,300,000	\$ 31,755,000
Principal Payments	(3,790,000)	(980,000)	(985,000)	(1,860,000)
Balances at September 30, 2020	55,750,000	-	10,315,000	29,895,000
Bond Premium Net of Amortization	3,959,866	-	974,741	2,849,515
Total Bonds Payable at September 30, 2020	<u>\$ 59,709,866</u>	<u>\$ -</u>	<u>\$ 11,289,741</u>	<u>\$ 32,744,515</u>
Amounts Due Within One Year	<u>\$ 3,945,000</u>	<u>\$ -</u>	<u>\$ 1,015,000</u>	<u>\$ 5,400,000</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

Contract Revenue Refunding Conjunctive Use Groundwater Series 2014-2005 Ref	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	Totals
2.0 - 5.0% Feb Feb / Aug	2.0 - 5.0% Feb Feb / Aug	
\$ 2,525,000 (2,525,000)	\$ 23,240,000 (2,435,000)	\$ 129,340,000 (12,575,000)
-	20,805,000	116,765,000
-	2,658,989	10,443,111
\$ -	\$ 23,463,989	\$ 127,208,111
\$ -	\$ 2,555,000	\$ 12,915,000

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

The annual requirements to amortize the Authority's long-term debt, including interest as of September 30, 2020 is presented below:

Due During Fiscal Years Ending	Contract Revenue Bonds Conjunctive Use Groundwater Supply Project Series 2011 (\$81,630,000)			Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2017 (\$11,465,000)		
	Principal	Interest (3-5%)	Total	Principal	Interest (3-5%)	Total
2021	\$ 3,945,000	\$ 2,562,275	\$ 6,507,275	\$ 1,015,000	\$ 401,175	\$ 1,416,175
2022	4,140,000	2,363,250	6,503,250	1,055,000	364,850	1,419,850
2023	4,340,000	2,154,350	6,494,350	1,095,000	321,850	1,416,850
2024	4,555,000	1,931,975	6,486,975	1,145,000	271,325	1,416,325
2025	4,785,000	1,698,475	6,483,475	1,200,000	212,700	1,412,700
2026 - 2030	27,660,000	4,706,050	32,366,050	4,805,000	302,450	5,107,450
2031	6,325,000	138,175	6,463,175	-	-	-
Totals	<u>\$ 55,750,000</u>	<u>\$ 15,554,550</u>	<u>\$ 71,304,550</u>	<u>\$ 10,315,000</u>	<u>\$ 1,874,350</u>	<u>\$ 12,189,350</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2012 (\$39,505,000)			Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2014 - 2006 (\$30,415,000)		
Principal	Interest (3-5%)	Total	Principal	Interest (2-5%)	Total
\$ 5,400,000	\$ 1,359,750	\$ 6,759,750	\$ 2,555,000	\$ 976,375	\$ 3,531,375
5,670,000	1,083,000	6,753,000	2,685,000	845,375	3,530,375
5,960,000	792,250	6,752,250	2,815,000	707,875	3,522,875
6,270,000	486,500	6,756,500	2,955,000	563,625	3,518,625
6,595,000	164,875	6,759,875	3,110,000	412,000	3,522,000
-	-	-	6,685,000	338,125	7,023,125
-	-	-	-	-	-
<u>\$ 29,895,000</u>	<u>\$ 3,886,375</u>	<u>\$ 33,781,375</u>	<u>\$ 20,805,000</u>	<u>\$ 3,843,375</u>	<u>\$ 24,648,375</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

The annual requirements to amortize the Authority's long-term debt, including interest as of September 30, 2020 is presented below:

Due During Fiscal Years Ending	Total Annual Requirements For All Long-Term Debt		
	Principal	Interest	Total
2021	\$ 12,915,000	\$ 5,299,575	\$ 18,214,575
2022	13,550,000	4,656,475	18,206,475
2023	14,210,000	3,976,325	18,186,325
2024	14,925,000	3,253,425	18,178,425
2025	15,690,000	2,488,050	18,178,050
2026 - 2030	39,150,000	5,346,625	44,496,625
2031	6,325,000	138,175	6,463,175
Totals	<u>\$ 116,765,000</u>	<u>\$ 25,158,650</u>	<u>\$ 141,923,650</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES - Continuation

The principal balances of the member cities' obligations as of September 30, 2020 were as follows:

	Contract Revenue Conjunctive Use Groundwater Series 2011	Contract Revenue Refunding Conjunctive Use Groundwater Series 2010	Contract Revenue Refunding Conjunctive Use Groundwater Series 2017	Contract Revenue Refunding Conjunctive Use Groundwater Series 2012	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2005	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	Total
Receivables from Cities at September 30, 2019	\$ 56,846,121	\$ 581,795	\$ 10,599,441	\$ 30,610,886	\$ 870,906	\$ 21,711,080	\$ 121,220,229
Principal Payments	(3,907,418)	(581,795)	(1,008,180)	(4,184,184)	(870,906)	(2,514,987)	(13,067,470)
Receivables from Cities at September 30, 2020	<u>\$ 52,938,703</u>	<u>\$ -</u>	<u>\$ 9,591,261</u>	<u>\$ 26,426,702</u>	<u>\$ -</u>	<u>\$ 19,196,093</u>	<u>\$ 108,152,759</u>
City of Amarillo	\$ 21,688,229	\$ -	\$ 3,880,829	\$ 13,578,638	\$ -	\$ 7,759,288	\$ 46,906,984
City of Borger	2,962,645	-	530,138	1,854,901	-	1,059,951	6,407,635
City of Brownfield	1,173,549	-	209,991	734,745	-	419,855	2,538,140
City of Lamesa	1,163,519	-	208,176	728,382	-	416,226	2,516,303
City of Levelland	889,532	-	266,549	932,674	-	532,936	2,621,691
City of Lubbock	19,908,845	-	3,571,774	5,345,000	-	7,157,598	35,983,217
City of O'Donnell	148,343	-	26,559	92,907	-	53,103	320,912
City of Pampa	1,934,099	-	346,980	1,223,955	-	695,325	4,200,359
City of Plainview	1,982,970	-	355,751	1,254,932	-	712,901	4,306,554
City of Slaton	841,493	-	150,567	526,812	-	301,042	1,819,914
City of Tahoka	245,479	-	43,947	153,756	-	87,868	531,050
Receivables from Member Cities	<u>\$ 52,938,703</u>	<u>\$ -</u>	<u>\$ 9,591,261</u>	<u>\$ 26,426,702</u>	<u>\$ -</u>	<u>\$ 19,196,093</u>	<u>\$ 108,152,759</u>
Current Portion	\$ 3,893,704	\$ -	\$ 994,596	\$ 5,239,202	\$ -	\$ 2,512,344	\$ 12,639,846
Noncurrent Portion	49,044,999	-	8,596,665	21,187,500	-	16,683,749	95,512,913
	<u>\$ 52,938,703</u>	<u>\$ -</u>	<u>\$ 9,591,261</u>	<u>\$ 26,426,702</u>	<u>\$ -</u>	<u>\$ 19,196,093</u>	<u>\$ 108,152,759</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

Unearned Revenue:

As of September 30, 2020, member cities participating in the debt financing had remitted interest payments since the most recent bond interest payment on August 15, 2020 totaling \$511,804 toward the February 15, 2021 debt service requirements. The interest remitted has been recorded as unearned revenue.

	Interest Payments Remitted
Contract Revenue Conjunctive Use Groundwater Series 2011	\$ 233,154
Contract Revenue Refunding Conjunctive Use Groundwater Series 2017	36,661
Contract Revenue Refunding Conjunctive Use Groundwater Series 2012	150,403
Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	<u>91,586</u>
Total Unearned Revenue	<u>\$ 511,804</u>

Compensated Absences:

Compensated absences increased by a net of \$35,734, leaving a balance of \$260,936 as of September 30, 2020.

Balance at September 30, 2019	\$ 225,202
Additions	261,326
Deletions	<u>(225,592)</u>
Balance at September 30, 2020	<u>\$ 260,936</u>
Amounts Due Within One Year	<u>\$ 24,672</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 7 – ASSESSMENTS TO MEMBER CITIES

Member cities of the Authority are assessed each month for general operation and maintenance costs, excluding pumping energy and line chemicals, on the basis of estimated costs to each member city as budgeted for that fiscal year. The Authority maintains a cost system by which it allocates its actual costs to each member city. After the end of each fiscal year it issues additional assessments or credits to each member city for the difference between actual costs allocated to each city and the estimated costs previously assessed. These year-end adjustments are reflected in these financial statements.

NOTE 8 – PUMPING ENERGY AND CHEMICAL COSTS

In accordance with the Authority's manual revised and adopted by the Board of Directors on February 1, 2017, pumping energy and line chemicals are assessed to the member cities each month on a direct cost basis. Therefore, these costs are segregated from other general operation and maintenance costs of the Authority.

NOTE 9 – RESERVES

- Injection Well Reserve

The Injection Well Reserve shall be maintained for the purpose of major repair or rehabilitation of the injection well or wells at the Lake Meredith Salinity Control Project, for the purpose of maintaining or restoring the capacity of the well or wells to receive injectate, or to comply with regulatory requirements. The Board of Directors of the Authority shall determine the maximum amount of this reserve. The fiscal year 2020 GOM budgeted contribution was \$225,000. However, in light of recent developments resulting from the COVID pandemic and potential economic impacts to the member cities, the Board of Directors temporarily suspended monthly collections as of May 1, 2020. (Not funding this reserve for the balance of fiscal year 2020 and all of fiscal year 2021 will not affect operations and will not require a catchup.) Contributions for this current fiscal year totaled \$131,250 and none of the reserve was utilized. The Injection Well Reserve had a balance of \$4,246,165 at September 30, 2020.

- Well Maintenance Reserve

This reserve shall be maintained for providing for the major repair or rehabilitation of wells, well pumps, well pump motors, motor controls, or related equipment, and for paying any applicable minimum charges which may become due on contracts or tariffs for motive power for pumping from wells. The fiscal year 2020 GOM budgeted contribution was \$500,000 and utilization of the reserve totaled \$224,737 for year ended September 30, 2020. The maximum amount of the reserve shall be the amount required to pay the minimum charges on any contract or tariff for motive power for pumping, plus the average annual direct cost of motive power for well pumping for five immediately preceding complete budget years. Such reserve had a balance of \$1,456,306 at September 30, 2020 which is under the calculated maximum.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 – RESERVES – Continuation

- Reserve for Dam Operations

The Authority established the Reserve for Dam Operations in the amount of \$1,506,917 in accordance with the provisions of the Contracts between the cities and the Authority whereby interest earnings would accumulate to meet the annual expense for the dam and reservoir previously paid by the Bureau of Reclamation. As a result of cumulative expenses exceeding cumulative interest earnings, the reserve balance has fallen below the value specified in the Contracts. The Contracts state that the Board of Directors will establish procedures to replenish the fund when and if necessary. It was determined by the Board of Directors at the January 12, 2012 meeting that the fund will continue to be used until it is exhausted. Such reserve had a balance of \$630,628 at September 30, 2020. Utilization of the reserve totaled \$89,274 for year ended September 30, 2020.

- Well Replacement Reserve

The Authority established this reserve for adding future wells to replace lost well production capacity. The fiscal year 2020 GOM budgeted contribution was \$1,400,000. However, in light of recent developments resulting from the COVID pandemic and potential economic impacts to the member cities, the Board of Directors temporarily suspended monthly collections as of May 1, 2020. (Not funding this reserve for the balance of fiscal year 2020 and all of fiscal year 2021 will not affect operations and will not require a catchup.) Contributions for this current fiscal year totaled \$816,680 and none of the reserve was utilized. Such reserve had a balance of \$4,374,901 at September 30, 2020.

- Reserve for Inventory

The Authority uses this reserve to account for inventory. The net decrease in inventory totaled \$88,978 for year ended September 30, 2020. Such reserve had a balance of \$923,166 at September 30, 2020.

- General Reserve

This Reserve shall be maintained 1) to meet the extraordinary and unforeseen costs of operation and maintenance, repair and betterment of project works, 2) for replacement or major repair of items of equipment and facilities not provided for by the approved budget for General Operation and Maintenance costs or other reserves of the Authority, 3) for capital or major improvement of project works. The amount accumulated in this reserve shall not be reduced to less than \$300,000 for the purposes listed in items 2 or 3 without the approval of the Contracting Officer of the Bureau of Reclamation. The maximum amount of the Reserve shall be \$300,000 plus the average of the final amounts budgeted for General Operation and Maintenance Costs during the two immediately preceding complete budget years plus the average annual direct cost of pumping energy for the five immediately preceding complete budget years. The fiscal year 2020 GOM budgeted contribution was \$100,000. However, in light of recent developments resulting from the COVID pandemic and potential economic impacts to the member cities, the Board of Directors temporarily suspended monthly collections as of May 1, 2020. (Not funding this reserve for the balance of fiscal year 2020 and all of fiscal year 2021 will not affect operations and will not require a catchup.) Contributions for this current fiscal year totaled \$58,340. Such Reserve had a balance of \$8,488,426 at September 30, 2020 which is under the calculated maximum.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 10 – CHANGES IN UNRESTRICTED NET POSITION

Changes in the Authority's unrestricted Net Position are shown below:

	Injection Well Reserve	Well Maintenance Reserve	Reserve for Dam Operations	Well Replacement Reserve	Reserve for Inventory	General Reserve	Total Unrestricted Reserves
Balances at September 30, 2019	\$ 4,036,974	\$ 1,158,949	\$ 707,773	\$ 3,483,275	\$ 1,012,144	\$ 8,279,748	\$ 18,678,863
Reserved for vehicle purchases	-	-	-	-	-	-	-
O&M budgeted contributions	131,250	500,000	-	816,680	-	58,340	1,506,270
Miscellaneous income	-	-	-	-	-	6,507	6,507
Net inventory decrease	-	-	-	-	(88,978)	-	(88,978)
Utilization of reserve	-	(224,737)	(89,274)	-	-	-	(314,011)
Interest income	77,941	22,094	12,129	74,946	-	143,831	330,941
Balances at September 30, 2020	<u>\$ 4,246,165</u>	<u>\$ 1,456,306</u>	<u>\$ 630,628</u>	<u>\$ 4,374,901</u>	<u>\$ 923,166</u>	<u>\$ 8,488,426</u>	<u>\$ 20,119,592</u>

NOTE 11 – NET POSITION

Net position at September 30, 2020 consisted of the following:

Net investment in capital assets	
Capital assets, net	\$ 328,203,275
Unspent bond proceeds restricted for construction projects	92,720
Less outstanding debt issued for purchase or construction of capital assets	<u>(127,208,110)</u>
Total net investment in capital assets	201,087,885
Restricted net position	117,440,962
Unrestricted net position	<u>20,119,592</u>
Total Net Position	<u><u>\$ 338,648,439</u></u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 – RETIREMENT PLAN

The Authority has established a money purchase defined contribution 401(a) plan and a 457 plan for its employees, both of which are administered by ICMA. The plan is governed by the Board of Directors which may amend benefits and other plan provisions and are responsible for the management of the plan assets. Contribution requirements of plan members and the Authority may also be amended by the Board of Directors. Currently, the Authority and CRMWA Corporation contribute 14% of eligible employee earnings to the 401(a) plan. Eligible employees must contribute 7% of their earnings. Employees may also contribute to the 457, IRA and/or Roth IRA plans. Employee contributions to all plans were equivalent to 10.68% of covered payroll or \$346,265 for the year ended September 30, 2020. The total cost to the Authority and Corporation for year ended September 30, 2020 was \$453,987. Combined entities' payroll for year ended September 30, 2020 was \$3,305,866 and the Authority's contributions to the 401(a) plan were based on a covered payroll of \$3,242,764. As of September 30, 2020, there were 50 plan members with account balances in the 401(a) plan representing both current (42) and former employees/retirees (8). The 457 plan had 25 members with account balances representing 22 current employees and 3 former employees/retirees.

During the fiscal year ended September 30, 1992, the Board of Directors approved an amendment to the plan to allow early retirement. The amendment established a factor based on the total of the employee's age and length of service to equal 82.5 years, after age 55.

NOTE 13 – RISK MANAGEMENT

The Authority's major areas of risk management are directors' liability, general liability, property damage, boiler and machinery equipment damage, pollution, workers' compensation, automobile liability and employee health insurance. The Authority has purchased commercial insurance to cover risks of loss in these areas. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage for the current year or the previous three years.



CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 – BLENDED COMPONENT UNIT

CONDENSED COMBINING STATEMENT OF NET POSITION
September 30, 2020

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Current and Other Assets	\$ 30,822,040	\$ 4,291,053	\$ 35,113,093
Accounts Receivable from Corp	7,326	-	7,326
Net Capital Assets	327,981,892	221,383	328,203,275
Other Noncurrent Assets	106,515,115	-	106,515,115
 Total Assets	 465,326,373	 4,512,436	 469,838,809
Current Liabilities	16,616,107	37,562	16,653,669
Accounts Payable to the Authority	-	7,326	7,326
Noncurrent Liabilities	114,510,906	18,469	114,529,375
 Total Liabilities	 131,127,013	 63,357	 131,190,370
Net Position:			
Net Investment in Capital Assets	200,866,502	221,383	201,087,885
Restricted for debt service	117,440,962	-	117,440,962
Unrestricted	15,891,896	4,227,696	20,119,592
 Total Net Position	 \$ 334,199,360	 \$ 4,449,079	 \$ 338,648,439

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

CONDENSED COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended September 30, 2020

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Operating Revenues	\$ 12,772,582	\$ -	\$ 12,772,582
Operating Expenses	(10,885,038)	(377,146)	(11,262,184)
Revenues in excess of (under) expenses before depreciation/amortization	1,887,544	(377,146)	1,510,398
Operating Expenses - Depreciation/Amortization	(3,738,053)	(29,394)	(3,767,447)
Operating Loss	(1,850,509)	(406,540)	(2,257,049)
Nonoperating Revenues:			
Assessments to member cities for bond interest	5,741,319	-	5,741,319
Other revenues	394,722	77,941	472,663
Nonoperating Expenses:			
Bond interest expense	(4,185,565)	-	(4,185,565)
Credits to member cities for bond defeasement activity	(831,798)	-	(831,798)
Operating Loss Net of Nonoperating Revenues (Expenses)	(731,831)	(328,599)	(1,060,430)
Transfers	(582,691)	582,691	-
Increase (Decrease) in Net Position	(1,314,522)	254,092	(1,060,430)
Net Position - Beginning of Year	335,513,882	4,194,987	339,708,869
Net Position - End of Year	<u>\$ 334,199,360</u>	<u>\$ 4,449,079</u>	<u>\$ 338,648,439</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

CONDENSED COMBINING STATEMENT OF CASH FLOWS
For Year Ended September 30, 2020

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Cash Flows From Operating Activities:			
Cash received from member cities for assessments	\$ 12,915,107	\$ -	\$ 12,915,107
Cash payments to employees for services	(4,241,068)	(217,091)	(4,458,159)
Cash payments to suppliers for goods and services	(5,939,200)	(145,607)	(6,084,807)
Net Cash Provided (Used) by Operating Activities	<u>2,734,839</u>	<u>(362,698)</u>	<u>2,372,141</u>
Cash Flows From Capital and Related Financing Activities:			
Transfers	(582,691)	582,691	-
Cash paid for acquisition or construction of capital assets	(894,168)	(75,709)	(969,877)
Cash received from member cities for debt service	17,949,831	-	17,949,831
Principal paid from reserve funds	(831,798)	-	(831,798)
Principal paid from cash received from member cities	(11,743,202)	-	(11,743,202)
Interest paid on debt	(5,890,525)	-	(5,890,525)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,992,553)</u>	<u>506,982</u>	<u>(1,485,571)</u>
Cash Flows From Investing Activities:			
Purchase of investments	(8,625,954)	(4,000,000)	(12,625,954)
Interest received on investments	311,621	41,652	353,273
Net Cash Used by Investing Activities	<u>(8,314,333)</u>	<u>(3,958,348)</u>	<u>(12,272,681)</u>
Net Decrease in Cash and Cash Equivalents	<u>(7,572,047)</u>	<u>(3,814,064)</u>	<u>(11,386,111)</u>
Cash and Cash Equivalents at Beginning of Year	<u>26,313,013</u>	<u>4,061,144</u>	<u>30,374,157</u>
Cash and Cash Equivalents at End of Year	<u>\$ 18,740,966</u>	<u>\$ 247,080</u>	<u>\$ 18,988,046</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

CONDENSED COMBINING STATEMENT OF CASH FLOWS
For Year Ended September 30, 2020

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
	<u> </u>	<u> </u>	<u> </u>
Continuation			
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating loss	\$ (1,850,509)	\$ (406,540)	\$ (2,257,049)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Other nonoperating revenue	6,507	-	6,507
Depreciation and amortization	3,738,053	29,394	3,767,447
Increase in operating portion of due from member cities and other receivables	(61,841)	-	(61,841)
Net Decrease in inventory	88,978	-	88,978
Increase (decrease) in accounts payable, other accruals and compensated absences	609,285	14,448	623,733
Increase in assessments received in advance	204,366	-	204,366
	<u>2,734,839</u>	<u>(362,698)</u>	<u>2,372,141</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,734,839</u>	<u>\$ (362,698)</u>	<u>\$ 2,372,141</u>
Schedule of Noncash Investing, Capital and Financing Activities:			
Premium amortization	\$ (1,635,404)	\$ -	\$ (1,635,404)
Noncash reduction in amount due from member cities as a result of bond defeasement activity	\$ (831,798)	\$ -	\$ (831,798)

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE 15 – SUBSEQUENT EVENTS

The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2020 in the amount of \$44,095,000 with interest rates ranging from 4% - 5%. The proceeds were used to refund \$51,805,000 of outstanding Contract Revenue Bonds, Series 2011 which had interest rates ranging from 4% - 5%. The net proceeds of \$53,026,597 (including a \$9,426,115 premium less \$490,904 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The Authority has refunded this bond issue to reduce its total debt service payments over the next 10 years by \$10,232,853 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,562,038.

The Authority has been involved in a lawsuit that claims damages resulting from the installation of a pipeline to serve wells in Phase III of Conjunctive Use Groundwater Project completed in 2011. The case went to trial and a final judgement was made, however, CRMWA has filed a notice of appeal and continues to vigorously defend the lawsuit. A liability for the damages had been recorded for the year ended September 30, 2020. Any other loss over and above what has already been recorded for damages is indeterminable at this time and no increase in liability has been recorded.

Supplementary Information





CANADIAN RIVER MUNICIPAL WATER AUTHORITY
SUPPLEMENTARY INFORMATION
For Year Ended September 30, 2020

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Budget to Actual
For Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget</u>
Operating Revenues:				
Assessments to member cities				
General O&M costs	\$ 9,764,039	\$ 9,764,039	\$ 8,255,268	\$ (1,508,771)
Pumping and chemical costs	8,519,106	8,519,106	4,517,314	(4,001,792)
Total Operating Revenues	<u>18,283,145</u>	<u>18,283,145</u>	<u>12,772,582</u>	<u>(5,510,563)</u>
Operating Expenses:				
Personnel costs	4,844,758	4,844,758	4,534,583	310,175
Professional fees	268,040	268,040	271,075	(3,035)
Purchased and contracted services	259,754	259,754	374,911	(115,157)
Consumable supplies and materials	1,088,279	1,088,279	926,542	161,737
Recurring operating cost	745,142	745,142	637,759	107,383
Depreciation and amortization	-	-	3,767,447	(3,767,447)
Pumping energy and line chemicals	8,519,106	8,519,106	4,517,314	4,001,792
Total Operating Expenses	<u>15,725,079</u>	<u>15,725,079</u>	<u>15,029,631</u>	<u>695,448</u>
Operating Income (Loss)	<u>2,558,066</u>	<u>2,558,066</u>	<u>(2,257,049)</u>	<u>(4,815,115)</u>
Nonoperating Revenues (Expenses):				
Assessments to member cities				
Debt service interest assessment	-	-	5,741,319	5,741,319
Other income	-	-	6,507	6,507
Investment income	-	-	466,156	466,156
Interest expense	-	-	(4,185,565)	(4,185,565)
Credits to member cities for bond defeasement activity	-	-	(831,798)	(831,798)
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>1,196,619</u>	<u>1,196,619</u>
Increase (Decrease) in Net Position	<u>\$ 2,558,066</u>	<u>\$ 2,558,066</u>	<u>\$ (1,060,430)</u>	<u>\$ (3,618,496)</u>
Other Operating Sources (Uses):				
Well Maintenance Reserve Utilization	\$ -	\$ -	\$ 224,737	\$ 224,737
Dam and Reservoir Reserve Utilization	70,000	70,000	89,274	19,274
Net inventory Utilization	-	-	88,978	88,978
Construction Fund Misc. Income	-	-	(2,261)	(2,261)
Net Capital Expenditures	(403,066)	(403,066)	(404,858)	(1,792)
Well Replacement Reserve	(1,400,000)	(1,400,000)	(816,680)	583,320
Well Maintenance Reserve	(500,000)	(500,000)	(500,000)	-
General Reserve	(100,000)	(100,000)	(58,340)	41,660
Injection Well Reserve - CRMWA Corp	(225,000)	(225,000)	(131,250)	93,750
Total Other Operating Uses	<u>(2,558,066)</u>	<u>(2,558,066)</u>	<u>(1,510,400)</u>	<u>1,047,666</u>
Decrease in Net Position after Other Operating Sources Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,570,830)</u>	<u>\$ (2,570,830)</u>
Reconciliation to the Approved General O&M Budget and				
Assessments to Member Cities for General O&M costs				
Operating Expenses	\$ 15,725,079			
Pumping energy and line chemicals	(8,519,106)			
Capital Expenditures	403,066			
Reserve Contributions	2,225,000			
Total General Operation and Maintenance Budget	<u>9,834,039</u>			
Reserve Utilization	(70,000)			
Assessments to member cities - General O&M costs	<u>\$ 9,764,039</u>			

Statistical Section (Unaudited)



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

STATISTICAL SECTION NARRATIVE SUMMARY

The information in this section is not covered by the Independent Auditors' Report but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report (CAFR). The objectives of the statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the Authority's overall financial health and current business needs.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.</i>	59 - 60
Revenue Capacity <i>These schedules contain information to help the reader assess the Authority's most significant local revenue source, the assessments to member cities.</i>	61
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.</i>	62
Demographic and Economic Information <i>These schedules present information to help the reader understand the environment within which the Authority's financial activities take place.</i>	63- 74
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</i>	75 - 77

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

Canadian River Municipal Water Authority
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Net Position										
Net investment in capital assets	\$ 201,087,885	\$ 190,230,256	\$ 180,551,018	\$ 167,184,251	\$ 154,074,007	\$ 137,903,819	\$ 129,107,249	\$ 122,072,146	\$ 116,953,027	\$ 110,447,444
Restricted for debt service	117,440,962	130,799,750	142,080,365	160,360,765	171,903,499	183,221,813	198,205,403	208,905,421	219,921,655	147,855,177
Unrestricted	20,119,592	18,678,863	16,856,249	15,094,492	14,737,484	15,048,904	15,446,073	14,446,811	13,495,044	13,010,852
Total Net Position	\$ 338,648,439	\$ 339,708,869	\$ 339,487,632	\$ 342,639,508	\$ 340,714,990	\$ 336,174,536	\$ 342,758,725	\$ 345,424,378	\$ 350,369,726	\$ 271,313,473

Note: Certain accounts in the prior year columns have been reclassified for comparative purposes to conform to the presentation in the current year column.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

Canadian River Municipal Water Authority
Statements of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues:										
Assessments to members cities										
General O&M Costs	\$ 8,255,268	\$ 9,228,230	\$ 9,259,061	\$ 9,541,638	\$ 14,924,608	\$ 5,762,240	\$ 5,937,108	\$ 5,859,319	\$ 5,653,120	\$ 5,302,842
Pumping and chemical costs	4,517,314	5,157,602	6,603,580	7,769,111	5,734,395	7,702,843	8,293,522	7,262,188	7,022,023	7,333,795
Total Operating Revenues	12,772,582	14,385,832	15,862,641	17,310,749	20,659,003	13,465,083	14,230,630	13,121,507	12,675,143	12,636,637
Operating Expenses:										
Personnel costs	4,534,583	4,530,640	4,263,258	4,035,929	4,244,692	3,575,271	3,499,405	3,487,022	3,327,308	3,163,488
Professional fees	271,075	169,335	208,868	572,478	1,371,603	241,136	322,364	231,419	211,998	200,237
Purchased and contracted services	374,911	992,745	1,122,773	1,086,755	1,522,484	1,291,355	804,799	647,609	519,833	687,825
Consumable supplies and materials	926,542	1,236,388	1,014,975	876,559	1,225,080	554,067	614,263	705,858	661,177	564,070
Recurring operating costs	637,759	661,653	575,629	630,574	818,568	513,447	453,645	475,080	549,133	538,217
Depreciation and amortization	3,767,447	3,751,171	3,690,530	3,602,424	3,495,414	3,449,032	3,442,907	3,433,253	3,389,318	3,887,625
Pumping energy and line chemicals	4,517,314	5,157,602	6,603,580	6,926,873	5,140,047	7,289,768	7,722,518	6,605,430	6,642,259	6,969,641
Total Operating Expenses	15,029,631	16,499,534	17,479,613	17,731,592	17,817,888	16,914,076	16,859,901	15,585,670	15,301,026	16,011,103
Operating Income (Loss)	(2,257,049)	(2,113,702)	(1,616,972)	(420,843)	2,841,115	(3,448,992)	(2,629,271)	(2,464,163)	(2,625,883)	(3,374,466)
Non operating Revenues (Expenses):										
Assessments to member cities:										
Debt service interest assessment	5,741,319	6,367,824	6,816,975	7,636,056	8,091,061	8,025,253	9,397,296	8,931,887	9,647,282	6,942,351
Other Income	6,507	7,673	7,682	11,721	4,805	8,540	35,613	5,056	3,233	15,273
Insurance proceeds	-	(59,018)	59,018	-	-	-	-	-	-	-
Gain on disposal of asset	-	20,036	-	-	9,400	24,342	-	11,070	14,265	-
Investment income	466,156	730,239	555,247	337,830	165,998	99,989	116,971	112,043	72,255	63,859
Interest expense	(4,185,565)	(4,731,815)	(5,381,780)	(5,640,246)	(6,571,925)	(7,673,089)	(9,586,262)	(9,061,016)	(8,171,295)	(5,868,431)
Credits to member cities for bond related activity	(831,798)	-	(3,379,999)	-	-	(3,111,475)	-	(2,070,000)	-	-
Other bond costs	-	-	(212,047)	-	-	(508,756)	-	(410,224)	(844,526)	(14,281)
Total Nonoperating Revenues (Expenses)	1,196,619	2,334,939	(1,534,904)	2,345,361	1,699,339	(3,135,196)	(36,382)	(2,481,184)	721,214	1,138,771
Capital Contributions and Transfers:										
Contributions from member cities for bond activity	-	-	-	-	-	-	-	-	82,630,000	-
Contributions from member cities for low level pump	-	-	-	-	-	-	-	-	-	29,802
Total Capital Contributions and Transfers	-	-	-	-	-	-	-	-	82,630,000	29,802
Increase (Decrease) in Net Position	(1,060,430)	221,237	(3,151,876)	1,924,518	4,540,454	(6,584,189)	(2,665,653)	(4,945,348)	80,725,331	(2,205,893)
Net Position at Beginning of Year	339,708,869	339,487,632	342,639,508	340,714,990	336,174,536	342,758,725	345,424,378	350,369,726	271,313,473	273,519,366
Prior period adjustment	-	-	-	-	-	-	-	-	(1,669,078)	-
Net Position at End of Year	\$ 338,648,439	\$ 339,708,869	\$ 339,487,632	\$ 342,639,508	\$ 340,714,990	\$ 336,174,536	\$ 342,758,725	\$ 345,424,378	\$ 350,369,726	\$ 271,313,473

Note: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

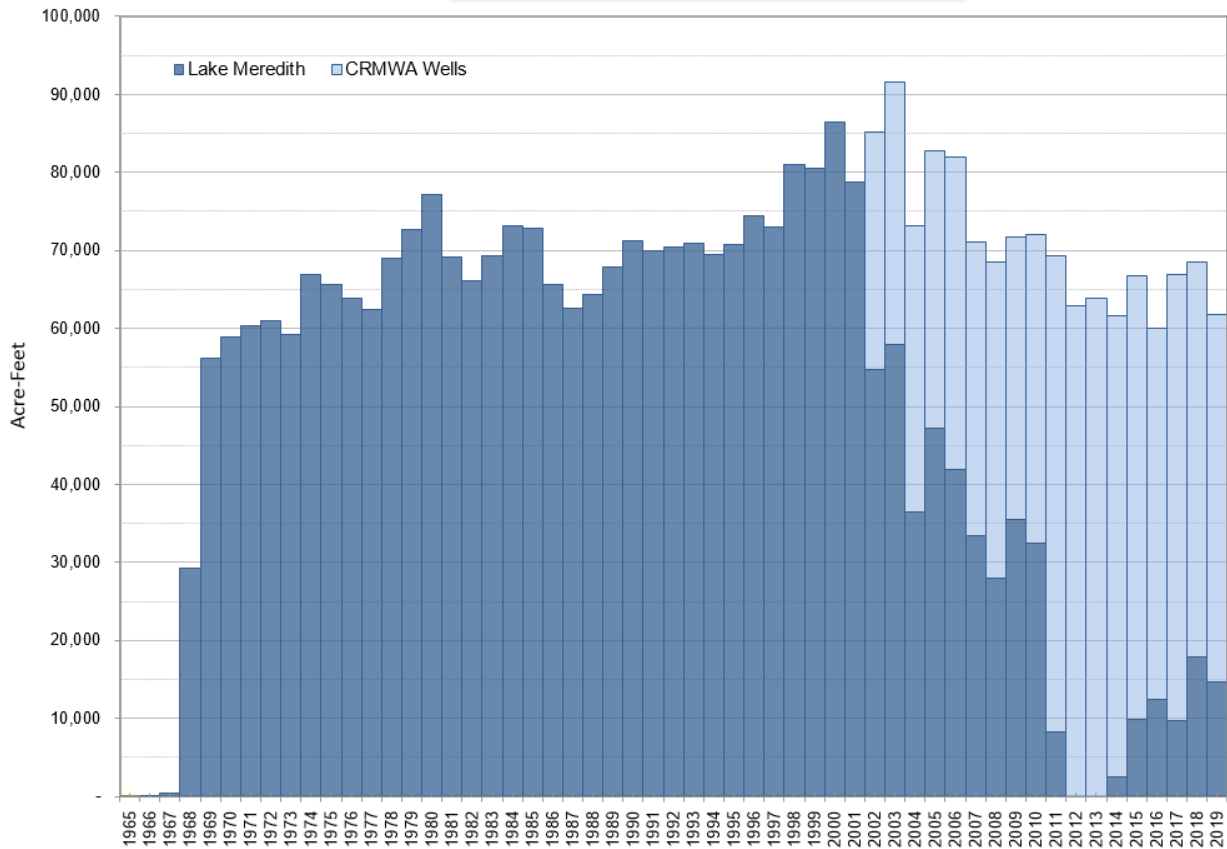
CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

HISTORICAL WATER DELIVERIES TO MEMBER CITIES (Calendar Year)

CRMWA Member Cities - Historical Usage



Historical Usage (Acre-feet)							
Year	Lake	Year	Lake	Year	Lake	Wells	Total
1966	89	1984	73,223	2002	54,689	30,559	85,248
1967	411	1985	72,810	2003	57,899	33,728	91,627
1968	29,292	1986	65,679	2004	36,518	36,611	73,129
1969	56,229	1987	62,516	2005	47,215	35,501	82,715
1970	58,922	1988	64,332	2006	41,837	40,125	81,962
1971	60,325	1989	67,841	2007	33,430	37,676	71,106
1972	60,954	1990	71,259	2008	28,050	40,442	68,492
1973	59,269	1991	70,028	2009	35,540	36,242	71,782
1974	66,959	1992	70,365	2010	32,405	39,604	72,009
1975	65,702	1993	70,982	2011	8,287	61,039	69,326
1976	63,820	1994	69,426	2012	-	62,909	62,909
1977	62,344	1995	70,686	2013	-	63,786	63,786
1978	69,053	1996	74,480	2014	2,466	59,181	61,647
1979	72,745	1997	73,058	2015	9,934	56,862	66,796
1980	77,241	1998	81,000	2016	12,487	47,455	59,942
1981	69,143	1999	80,474	2017	9,647	57,274	66,921
1982	66,128	2000	86,488	2018	17,931	50,645	68,576
1983	69,345	2001	78,842	2019	14,700	47,059	61,759

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2020

Canadian River Municipal Water Authority Ratios of Outstanding Debt by Issue Last Ten Fiscal Years

	Fiscal Year									
Contract Revenue Bonds	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Conjunctive Use Groundwater Series 2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ 1,665,000	\$ 46,130,271	\$ 47,046,944
Conjunctive Use Groundwater Series 2005 - 2012 Refunding	32,744,515	35,231,548	37,638,580	39,965,613	42,232,646	44,429,679	45,056,711	45,683,744	-	-
Conjunctive Use Groundwater Series 1999 - 2005 Partial Refunding	-	-	-	-	-	-	15,500,000	18,245,000	20,875,000	23,385,000
Conjunctive Use Groundwater Series 2005 Partial Refunding- 2014 Refunding	-	2,633,366	5,283,723	7,814,080	10,259,437	12,639,793	-	-	-	-
Conjunctive Use Groundwater Series 2006	-	-	-	-	-	2,190,000	38,065,493	40,138,895	42,117,297	44,005,699
Conjunctive Use Groundwater Series 2006 - 2014 Refunding	23,463,989	26,305,286	29,031,583	31,647,880	34,179,177	34,585,474	-	-	-	-
Conjunctive Use Groundwater Series 2009	-	-	970,000	15,659,960	16,571,988	17,449,015	18,291,043	19,103,070	19,895,098	20,662,125
Conjunctive Use Groundwater Series 2009 - 2017 Refunding	11,289,741	12,388,857	12,502,974	-	-	-	-	-	-	-
Bureau of Reclamation Project Series 1999 - 2010 Refunding	-	-	-	2,259,429	3,428,584	4,567,739	5,671,894	6,741,049	7,775,204	8,774,359
Conjunctive Use Groundwater Series 1999 - 2010 Refunding	-	987,486	1,437,054	1,871,622	2,291,190	2,705,759	3,275,328	3,824,897	4,354,464	4,869,032
Conjunctive Use Groundwater Series 2011	59,709,866	63,871,972	67,854,077	71,696,183	75,373,288	78,895,394	82,267,500	85,494,605	88,566,711	-
Total Outstanding Debt	\$ 127,208,111	\$ 141,418,515	\$ 154,717,991	\$ 170,914,767	\$ 184,336,310	\$ 197,462,853	\$ 208,977,969	\$ 220,896,260	\$ 229,714,045	\$ 148,743,159
Per Capita (1)	\$ 222	\$ 248	\$ 273	\$ 308	\$ 339	\$ 364	\$ 389	\$ 386	\$ 414	\$ 274

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) Population data can be found in the Member City Population section on page 63

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2020

Canadian River Municipal Water Authority Member City Population Last Ten Fiscal Years

Year	Amarillo	Borger	Brownfield	Lamesa	Levelland	Lubbock	O'Donnell	Pampa	Plainview	Slaton	Tahoka	Total
2020	208,945	12,856	9,314	9,463	13,518	266,859	837	21,336	22,194	6,275	2,677	574,274
2019	206,876	12,437	9,314	9,463	13,568	264,388	795	21,336	22,194	6,275	2,677	569,323
2018	204,828	12,508	9,314	9,422	13,771	261,946	807	21,336	22,194	6,275	2,677	566,286
2017	202,800	12,631	9,779	9,422	13,966	254,565	807	21,336	22,194	6,275	2,677	554,680
2016	201,430	12,847	9,725	9,422	14,060	243,736	800	21,336	22,194	6,275	2,570	543,220
2015	199,744	12,978	9,757	9,115	14,114	241,322	800	23,043	22,194	6,250	2,553	541,870
2014	198,402	13,024	9,734	9,115	14,080	238,706	800	23,043	22,194	6,200	2,585	537,883
2013	196,336	12,916	9,711	9,115	13,746	236,362	777	22,119	22,121	6,200	2,566	531,969
2012	194,375	13,077	9,693	9,207	13,677	233,651	795	22,326	22,121	6,120	2,608	528,045
2011	195,666	13,240	9,675	9,357	13,610	231,937	813	22,535	22,194	6,122	2,650	527,799
% Population Change	6.79%	-2.90%	-3.73%	1.13%	-0.68%	15.06%	2.95%	-5.32%	0.00%	2.50%	1.02%	8.81%

Sources: Member City CAFR's, 2000 and 2010 United States Census

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

Canadian River Municipal Water Authority Assessments to Member Cities Current Year and Nine Years Ago

Member City	2020			2011		
	Assessments ¹	Rank	Percentage of total Assessments	Assessments ¹	Rank	Percentage of total Assessments
Lubbock	\$ 5,009,013	1	39.22%	\$ 5,136,340	1	39.49%
Amarillo	4,407,425	2	34.51%	4,615,836	2	35.49%
Pampa	633,428	3	4.96%	557,045	4	4.28%
Levelland	531,317	4	4.16%	539,900	5	4.15%
Borger	529,705	5	4.15%	596,415	3	4.59%
Plainview	521,297	6	4.08%	444,409	6	3.42%
Brownfield	435,869	7	3.41%	425,047	7	3.27%
Lamesa	375,159	8	2.94%	357,378	8	2.75%
Slaton	211,652	9	1.66%	228,256	9	1.76%
Tahoka	70,249	10	0.55%	68,693	10	0.53%
O'Donnell	47,468	11	0.37%	35,969	11	0.28%
	<u>\$ 12,772,583</u>		<u>100.00%</u>	<u>\$ 13,005,287</u>		<u>100.00%</u>

Notes:

- 1 Assessments to member cities includes General Operation and Maintenance costs (GOM) and Pumping, Chemical and Energy costs (PEC) less groundwater conservation district fees

Source: Canadian River Municipal Water Authority Records

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

Canadian River Municipal Water Authority

Principal Employers of Member Cities

Current Year and Nine Years Ago

Name of Employer	City	2019			2010		
		Employees	Rank	Percentage of Individual Member City Employment ¹	Employees	Rank	Percentage of Individual Member City Employment ¹
Texas Tech University	Lubbock	5,505	1	3.470%	10,701	1	7.760%
Amarillo Independent School District	Amarillo	5,364	2	3.499%			
Covenant Health System	Lubbock	5,102	3	3.210%	5,021	2	3.640%
Tyson Foods	Amarillo	4,400	4	2.089%	3,768	3	2.994%
United Supermarkets (Corporate)	Lubbock	3,915	5	2.470%	2,351	8	1.700%
University Medical Center	Lubbock	3,659	6	2.300%	3,149	5	2.280%
TTU Health Sciences Center	Lubbock	3,635	7	2.290%	2,838	6	2.060%
Lubbock Independent School District	Lubbock	3,487	8	2.200%	3,449	4	2.500%
CNS Pantex	Amarillo	3,203	9	2.087%			
Baptist/St. Anthony's Health Systems	Amarillo	3,200	10	2.870%	2,626	7	2.087%
City of Lubbock	Lubbock	2,369		1.490%	2,131	9	1.540%
Northwest Texas Healthcare	Amarillo	1,860		1.213%	1,489	10	1.183%
		45,699			37,523		

Notes:

1 The percentage is based on the specific member city employee data - not the member cities employees in total

Source: Member Cities CAFR's

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2020

Canadian River Municipal Water Authority Principal Water Customers of the Member Cities Current Year and Nine Years Ago

Name of Customer	City	2019		Percentage of City's Average Annual Water Consumption	2010		Percentage of City's Average Annual Water Consumption
		Average Monthly Consumption (Gallons)	Rank		Average Monthly Consumption (Gallons)	Rank	
Xcel Energy	Amarillo	393,734,000	1	32.42%	13,165,416		1.01%
Tyson Fresh Meat / IBP	Amarillo	119,047,000	2	9.80%	138,962,250	1	10.64%
Agrium U.S. Inc.	Borger	106,016,500	3	30.80%	83,666,000	2	34.80%
WRB Refining / Phillips 66	Borger	95,561,083	4	27.76%	48,219,000	3	20.06%
TDCJ (Clements & Neal Units)	Amarillo	77,872,000	5	6.41%	28,522,916	6	2.18%
City of Amarillo	Amarillo	39,177,000	6	3.23%	-		0.00%
City of Canyon	Amarillo	34,016,000	7	2.80%	10,700,000		0.82%
Lubbock Parks Department	Lubbock	29,170,250	8	2.97%	28,731,000	5	2.89%
Orion Engineered Carbon	Borger	28,397,750	9	8.25%	18,444,000	9	7.67%
Sid Richardson	Borger	26,166,417	10	7.60%	23,493,000	7	9.77%
Texas Tech University	Lubbock	22,932,583		2.34%	34,995,000	4	3.52%
Lubbock ISD	Lubbock	9,272,583		0.94%	16,187,100	10	1.63%
LP&L Electric	Lubbock	6,718,416		0.68%	20,635,500	8	2.08%
		<u>988,081,582</u>			<u>465,721,182</u>		

The Authority supplied 58%, 25%, and 63% of Amarillo's, Borger's and Lubbock's total water consumption in 2019

The Authority supplied 58%, 51%, and 79% of Amarillo's, Borger's and Lubbock's total water consumption in 2010

Sources: 2010 and 2019 Continuing Disclosure Reports

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

Canadian River Municipal Water Authority Full-time Equivalent Employees by Division Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Management	4	4	4	4	4	4	4	5	5	5
Northern Operations Division	26	26	26	26	26	25	25	24	24	23
Water Quality Division	2	2	2	2	2	2	2	2	2	2
Southern Division	8	8	8	8	8	8	8	8	8	8
Financial Services Division	2	2	2	2	2	2	2	3	3	3
Water Quality Division Logan, New Mexico	2	2	2	2	2	2	2	2	2	2
Total	44	44	44	44	42	43	44	44	43	43

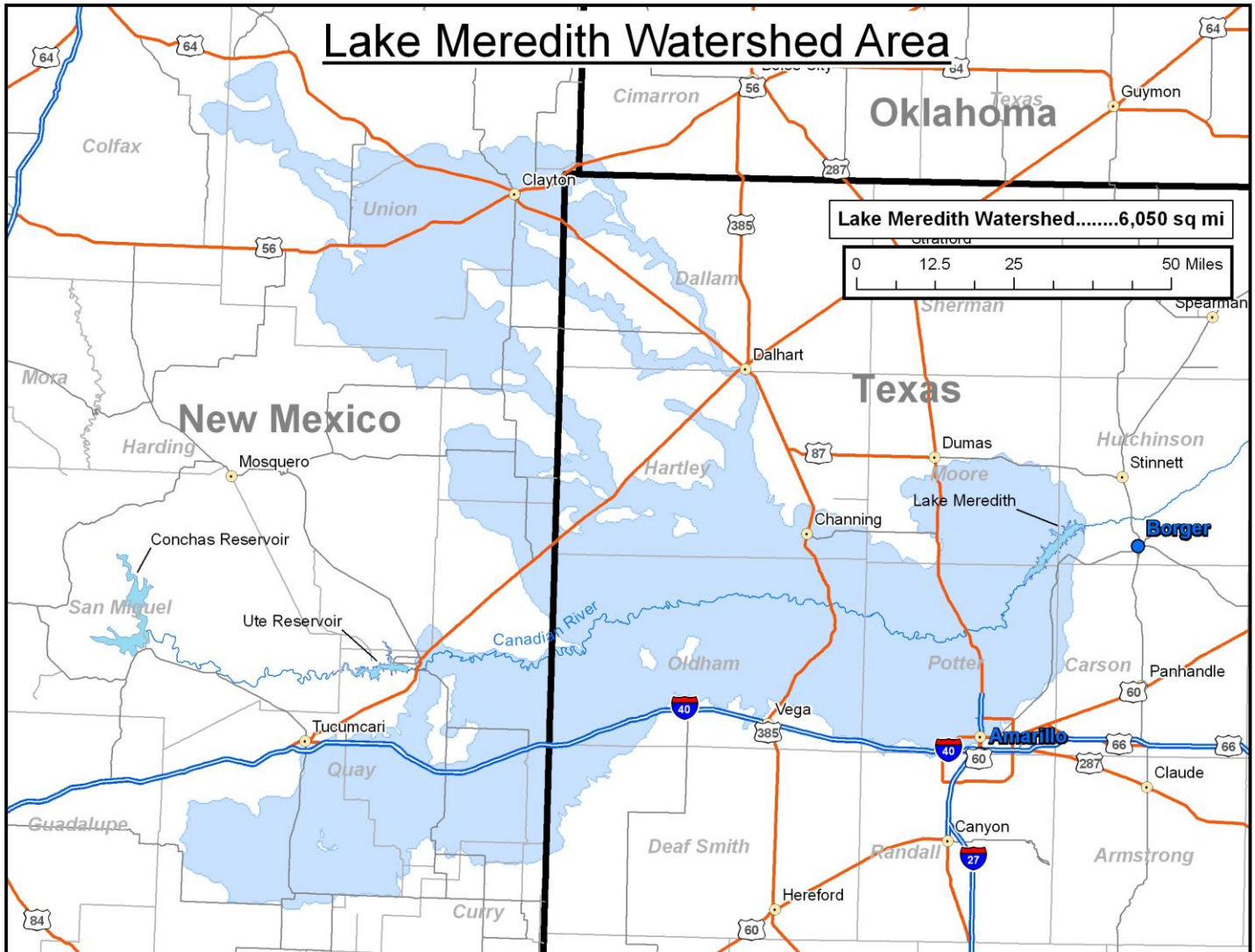
Source: Quarter 3 Form 941 - Employers Quarterly Federal Tax Return

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

LAKE MEREDITH WATERSHED AREA

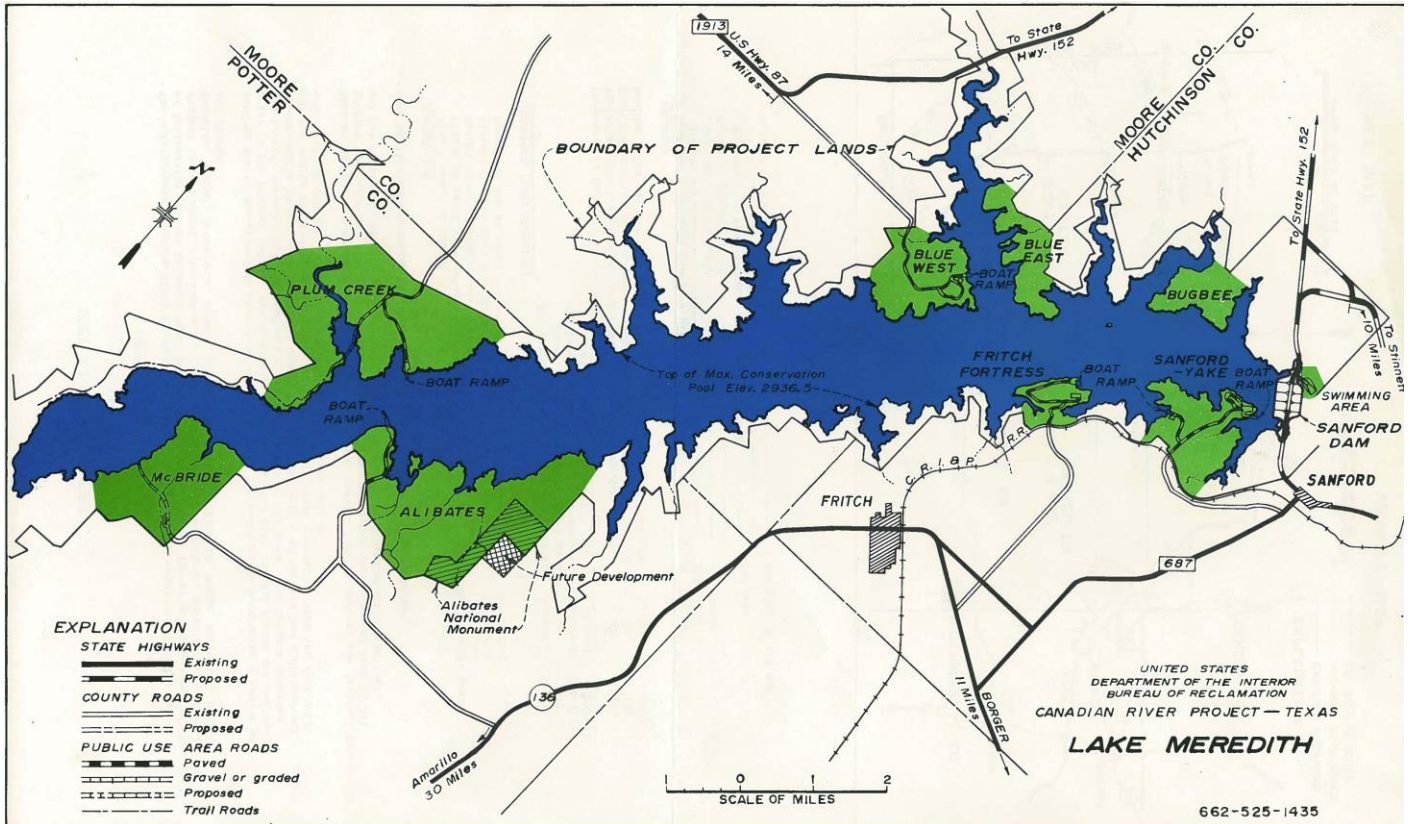


CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

LAKE MEREDITH



Location

Canadian River Mile 508.5

Project Purposes

Flood control, water supply, irrigation, recreation, fish and wildlife

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

LAKE MEREDITH ELEVATIONS AND STORAGES

<u>Feature</u>	<u>Elevation</u>	<u>Reservoir Area</u> <u>(acres)</u>	<u>Original Reservoir Capacity</u> <u>(acre-feet)</u>	<u>Based on 1995 Survey</u> <u>Reservoir Capacity</u> <u>(acre feet)</u>
Top of Dam	3011.0			
Maximum pool	3004.9	30,470	2,434,200	
Top of flood control pool	2965.0 (2)	21,640	1,407,600	
Bottom of flood control pool	2941.3	17,320	945,500	
Top of conservation pool (ultimate)	2941.3	17,320	945,500	
Top of conservation pool (initial)	2936.5	16,500	864,400	817,970
Top of inactive pool	2860.0	4,500	79,200	73,443
Top of dead pool	2850.0	2,770	43,000	38,414
Surcharge storage	2965.0 - 3004.9		1,026,600	
Flood control storage	2941.3 - 2965.0		462,100 (3)	
Conservation storage (initial)	2860.0 - 2941.3		866,300 (4)	
Storage between top of initial and ultimate conservation pools	2936.5 - 2941.3		81,100	
Dead and inactive storage	2813.0 - 2860.0		79,200	

(1) Spillway crest

(2) Contains 36,300 acre-feet for sediment storage

(3) Contains 366,300 acre-feet for sediment storage

(4) The initial top of the conservation pool at elevation 2936.5 provides 500,000 acre-feet of conservation capacity permitted under the terms of the Canadian River Compact with allowance for the portion of the 50-year sediment inflow expected to deposit below the top of the conservation pool. The top of the conservation pool will be raised, as necessary, to elevation 2941.3 to preserve the conservation capacity. Any water temporarily stored between elevations 2936.5 and 2941.3 will be released by the Bureau of Reclamation, or its designated agent, through the river outlet works. Such evacuations will be at rate of 2,800 cfs, or less.

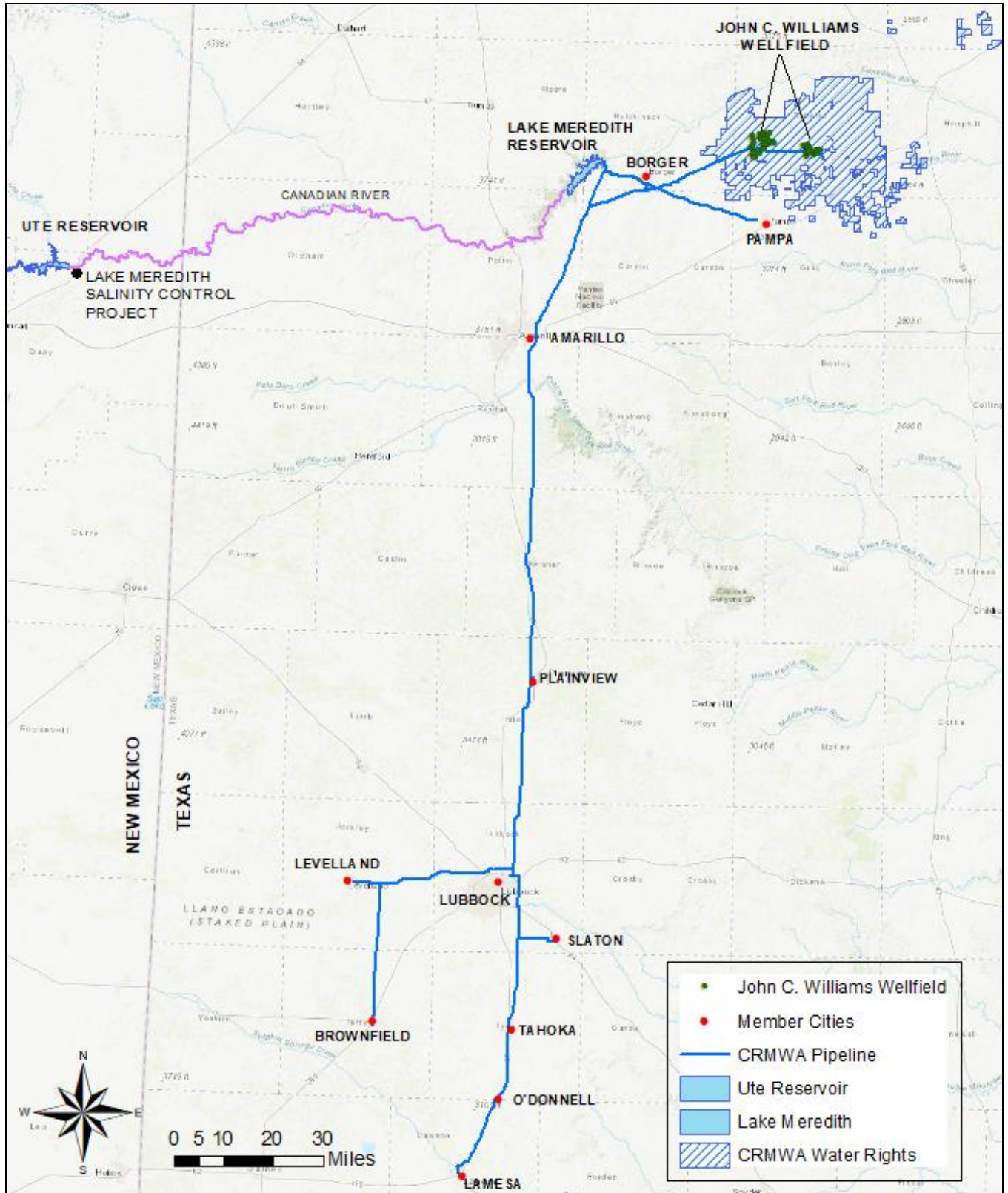
(5) 1995 Volumetric Survey only went up to elevation 2936.50. Elevations above this are assumed to have changed by at least this same value.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

AQUEDUCT SYSTEM



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

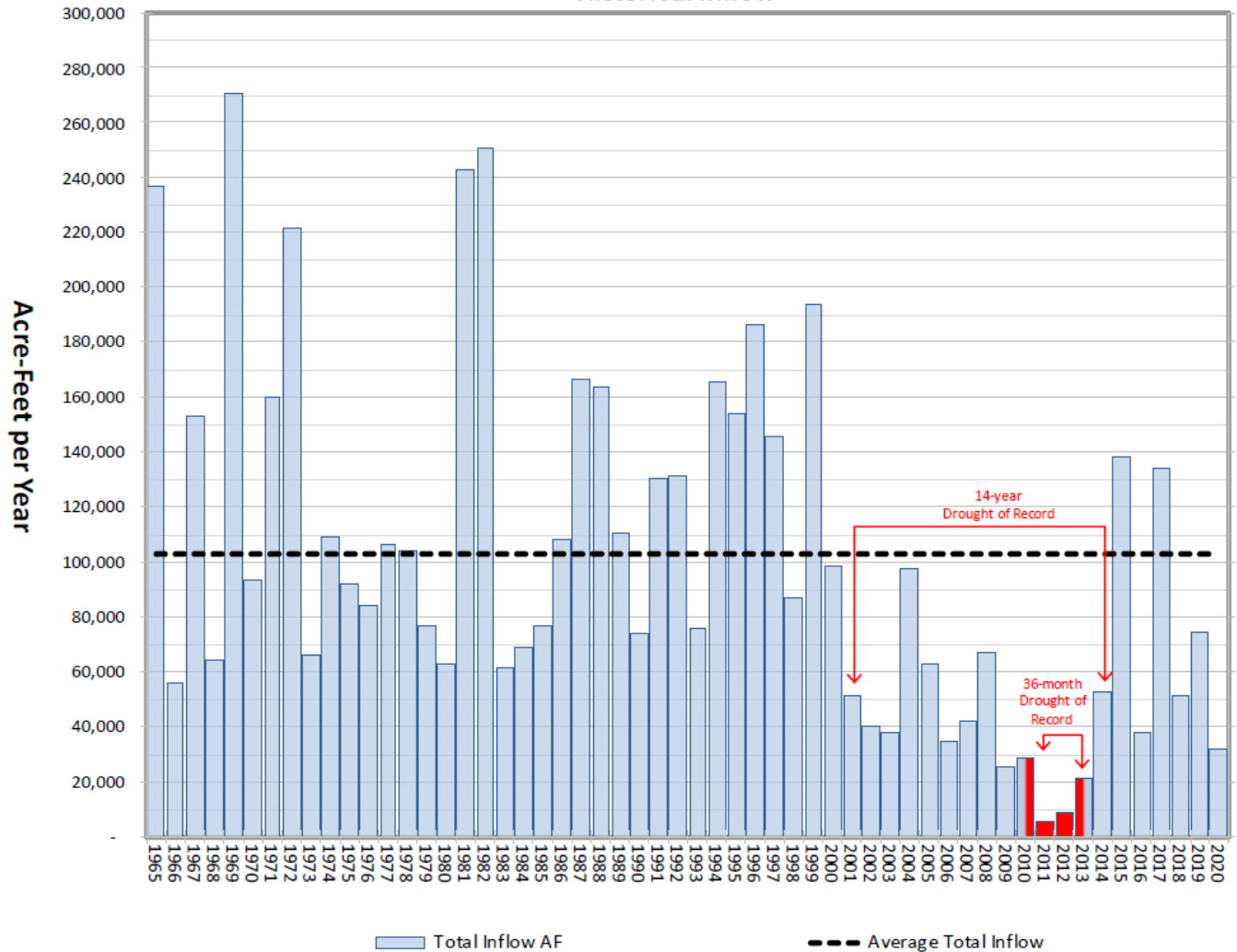
Statistical Section

Year Ended September 30, 2020

HISTORICAL INFLOW (Calendar Year)

Lake Meredith

Historical Inflow



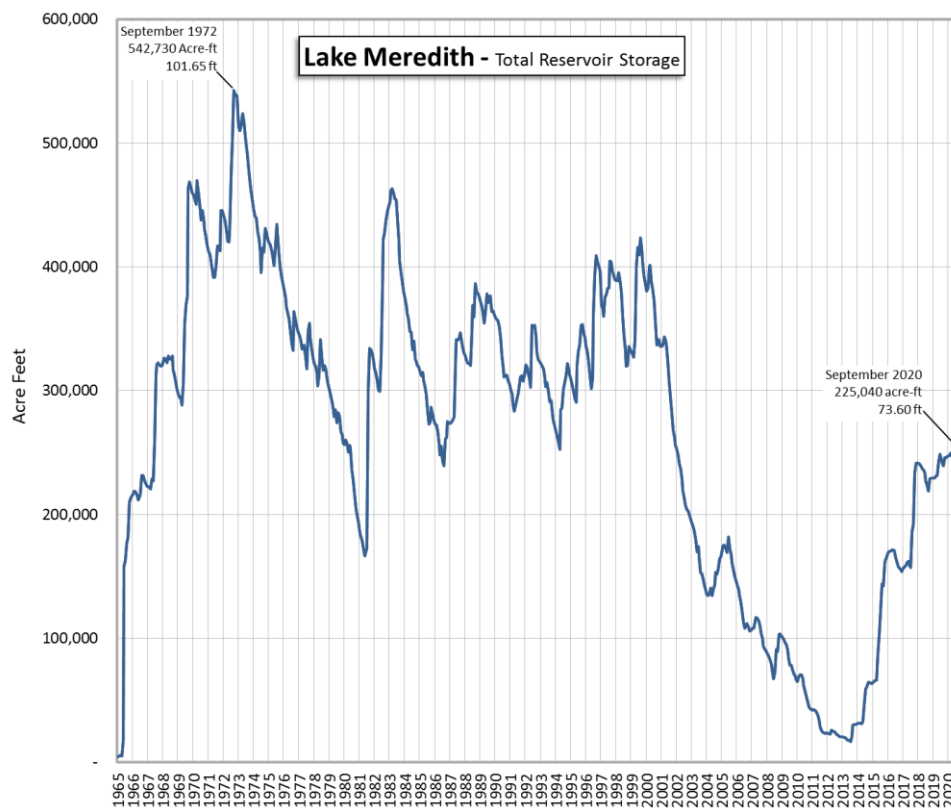
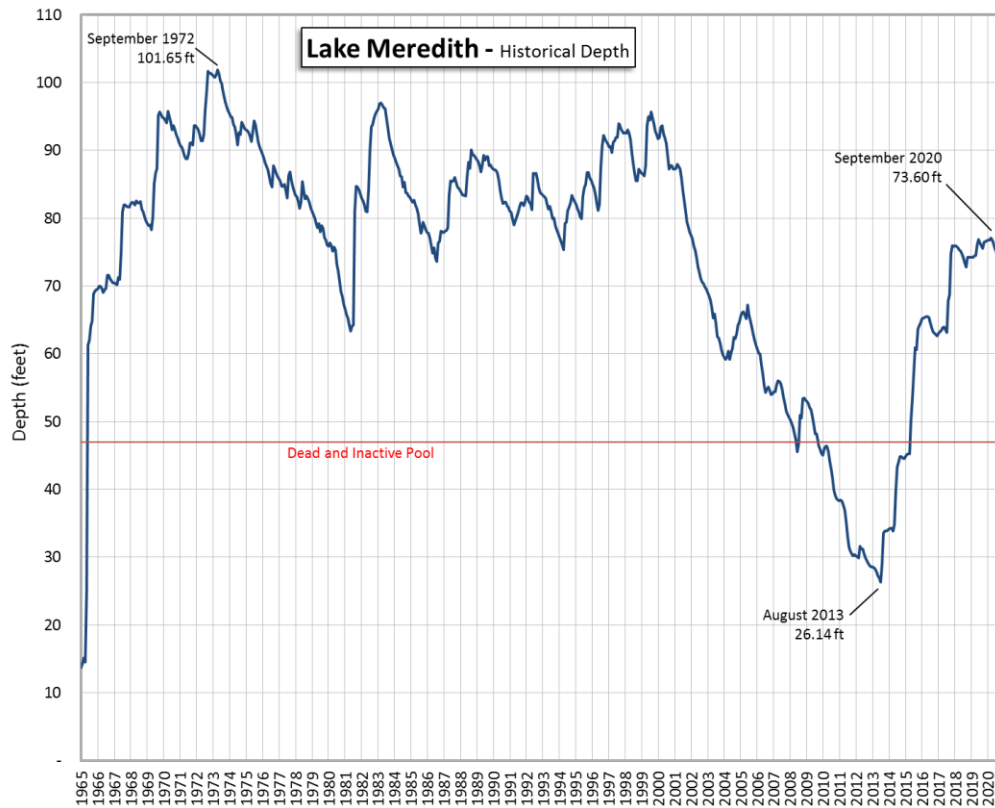
Historical Inflow					
Year	(Acre-Feet)	Year	(Acre-Feet)	Year	(Acre-Feet)
1965	236,666	1985	76,871	2004	97,616
1966	56,171	1986	108,734	2005	62,937
1967	153,525	1987	166,609	2006	34,843
1968	64,270	1988	163,481	2007	42,535
1969	270,416	1989	110,295	2008	66,781
1970	93,092	1990	73,884	2009	25,931
1971	160,553	1991	130,696	2010	28,745
1972	221,987	1992	130,988	2011	5,446
1973	66,422	1993	76,324	2012	8,827
1974	109,340	1994	165,734	2013	21,546
1975	92,222	1995	154,054	2014	52,933
1976	84,150	1996	186,715	2015	138,449
1977	106,319	1997	145,566	2016	38,317
1978	104,088	1998	86,915	2017	134,371
1980	63,060	1999	193,741	2018	51,394
1981	242,804	2000	98,695	2019	74,760
1982	250,560	2001	51,073	as of 9/30/2020	32,025
1983	61,316	2002	40,078		
1984	69,396	2003	37,965		

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

HISTORICAL DEPTH / STORAGE (Calendar Year)



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

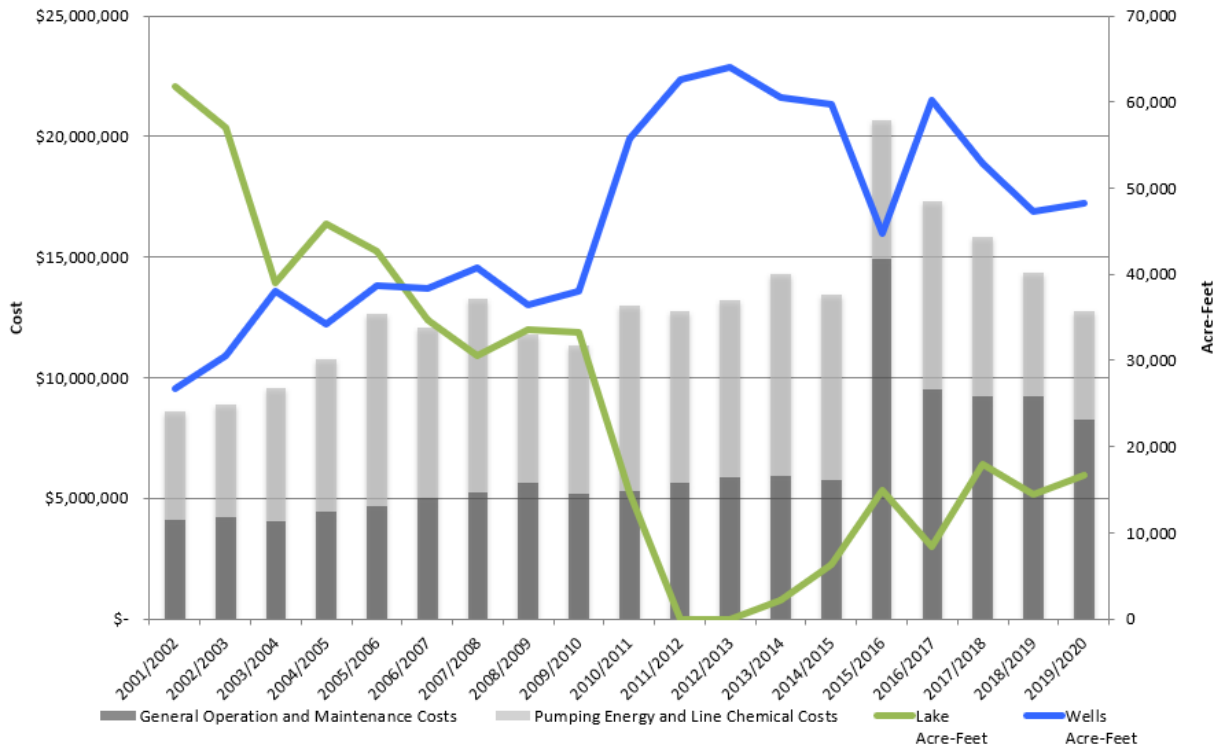
Historical Depth / Storage Levels					
As of September 30	Depth (ft)	Storage (Acre-Feet)		As of September 30	Depth (ft) Storage (Acre-Feet)
1965	64.87	181,898		1993	80.06 292,091
1966	71.60	231,676		1994	82.30 311,989
1967	81.95	322,750		1995	86.69 353,119
1968	81.37	317,224		1996	92.20 409,345
1969	95.16	462,991		1997	93.87 403,934
1970	93.02	438,305		1998	85.47 319,999
1971	91.10	416,842		1999	94.80 414,094
1972	101.65	542,730		2000	87.28 336,736
1973	98.13	477,964		2001	81.04 281,584
1974	92.37	411,876		2002	70.51 203,810
1975	92.38	411,985		2003	62.33 152,310
1976	87.78	364,003		2004	62.21 151,600
1977	86.84	354,724		2005	63.91 161,760
1978	83.23	320,421		2006	55.09 111,890
1979	78.53	278,800		2007	52.71 99,750
1980	70.61	216,208		2008	50.50 89,083
1981	84.73	334,407		2009	47.22 74,381
1982	93.88	427,646		2010	40.00 48,955
1983	91.79	404,961		2011	30.91 24,526
1984	83.76	325,355		2012	29.50 21,873
1985	78.07	275,030		2013	33.50 29,842
1986	76.39	261,078		2014	44.81 64,471
1987	86.05	346,947		2015	60.57 142,050
1988	90.04	386,610		2016	63.28 157,970
1989	89.07	376,692		2017	68.76 192,210
1990	82.34	312,351		2018	72.76 219,170
1991	82.22	311,266		2019	75.59 239,270
1992	85.69	343,502		2020	73.60 225,040

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2020

HISTORICAL COSTS (Fiscal Year)

CRMWA Historical Cost vs Deliveries



Fiscal Year	Lake Acre-Feet	Wells Acre-Feet	Total Acre-Feet	Total KWHr	General Operation and Maintenance Costs	Pumping Energy and Line Chemical Costs	Bond Payments ¹	Total Member City Cost	Total Cost per Acre-Foot	Total Cost per 1,000 Gallons
2001/2002	61,867	26,763	88,630	118,501,731	\$ 4,099,573	\$ 4,483,588	\$ 6,359,733	\$ 14,942,894	\$ 169	\$ 0.52
2002/2003	57,079	30,576	87,654	124,393,081	\$ 4,210,200	\$ 4,653,083	\$ 6,005,785	\$ 14,869,067	\$ 170	\$ 0.52
2003/2004	39,041	38,043	77,084	120,176,204	\$ 4,023,905	\$ 5,564,344	\$ 6,016,681	\$ 15,604,930	\$ 202	\$ 0.62
2004/2005	45,915	34,162	80,077	121,047,125	\$ 4,441,227	\$ 6,309,561	\$ 6,316,757	\$ 17,067,545	\$ 213	\$ 0.65
2005/2006	42,635	38,669	81,304	126,888,698	\$ 4,685,346	\$ 7,942,665	\$ 8,818,664	\$ 21,446,675	\$ 264	\$ 0.81
2006/2007	34,648	38,392	73,040	119,338,682	\$ 5,008,562	\$ 7,046,193	\$ 13,694,762	\$ 25,749,517	\$ 353	\$ 1.08
2007/2008	30,508	40,706	71,215	118,579,357	\$ 5,218,898	\$ 8,035,218	\$ 12,879,400	\$ 26,133,515	\$ 367	\$ 1.13
2008/2009	33,552	36,406	69,959	116,086,293	\$ 5,634,272	\$ 6,181,500	\$ 12,822,044	\$ 24,637,816	\$ 352	\$ 1.08
2009/2010	33,230	38,018	71,247	123,969,388	\$ 5,197,688	\$ 6,127,440	\$ 13,753,463	\$ 25,078,591	\$ 352	\$ 1.08
2010/2011	14,601	55,695	70,297	145,467,623	\$ 5,302,842	\$ 7,702,444	\$ 14,068,856	\$ 27,074,143	\$ 385	\$ 1.18
2011/2012	-	62,562	62,562	146,264,706	\$ 5,653,120	\$ 7,124,401	\$ 19,027,670	\$ 31,805,190	\$ 508	\$ 1.56
2012/2013	-	64,030	64,030	146,184,719	\$ 5,859,319	\$ 7,369,273	\$ 19,744,674	\$ 32,973,266	\$ 515	\$ 1.58
2013/2014	2,131	60,549	62,680	145,272,690	\$ 5,937,108	\$ 8,392,506	\$ 20,427,944	\$ 34,757,559	\$ 555	\$ 1.70
2014/2015	6,300	59,676	65,976	145,511,467	\$ 5,762,240	\$ 7,702,843	\$ 19,306,441	\$ 32,771,524	\$ 497	\$ 1.52
2015/2016	14,948	44,724	59,672	118,559,009	\$ 14,924,608	\$ 5,734,395	\$ 19,642,479	\$ 40,301,482	\$ 675	\$ 2.07
2016/2017	8,408	60,195	68,604	142,272,373	\$ 9,541,638	\$ 7,769,111	\$ 19,590,967	\$ 36,901,716	\$ 538	\$ 1.65
2017/2018	18,036	52,860	70,896	141,406,653	\$ 9,259,061	\$ 6,603,580	\$ 19,477,230	\$ 35,339,871	\$ 498	\$ 1.53
2018/2019	14,453	47,337	61,790	124,346,198	\$ 9,228,230	\$ 5,157,602	\$ 18,535,382	\$ 32,921,214	\$ 533	\$ 1.64
2019/2020	16,671	48,233	64,904	130,076,847	\$ 8,255,268	\$ 4,517,314	\$ 18,617,809	\$ 31,390,391	\$ 484	\$ 1.48

NOTES:

1. Includes both interest and principal

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2020

MEMBER CITIES' WATER ALLOCATIONS (Fiscal Year)

Water Deliveries to Member Cities												
	Amarillo	Borger	Brownfield	Lamesa	Levelland	Lubbock	O'Donnell	Pampa	Plainview	Slaton	Tahoka	Acre-feet
ACRE-FEET												
FY01-02	35,493	3,597	1,597	1,629	2,005	36,706	147	2,263	3,892	959	342	88,630
FY02-03	35,399	3,799	1,534	1,787	2,024	35,042	146	2,752	3,844	994	333	87,654
FY03-04	32,100	3,966	1,309	1,474	1,580	29,982	141	2,107	3,050	1,056	319	77,084
FY04-05	33,350	3,534	1,260	1,491	1,763	32,981	113	1,297	3,006	1,000	282	80,077
FY05-06	32,967	3,241	1,513	1,729	1,903	32,809	149	2,505	3,052	1,184	252	81,304
FY06-07	31,409	3,731	1,197	1,778	1,545	29,096	115	1,668	1,330	914	257	73,040
FY07-08	26,034	3,383	1,259	1,644	1,565	30,766	126	2,450	2,597	1,093	298	71,215
FY08-09	24,772	3,606	1,363	1,665	1,780	29,764	113	2,485	3,121	959	331	69,959
FY09-10	27,794	3,666	1,334	1,658	1,740	29,367	103	2,632	1,879	785	289	71,247
FY10-11	27,724	4,159	1,496	1,756	1,860	26,943	130	2,306	2,569	1,036	318	70,297
FY11-12	26,862	2,667	1,415	1,219	1,511	23,232	114	2,133	2,237	899	274	62,562
FY12-13	26,810	3,230	1,450	1,090	1,660	23,920	104	2,110	2,370	986	300	64,030
FY13-14	26,969	2,873	1,383	1,040	1,725	22,506	108	2,201	2,607	942	326	62,680
FY14-15	28,861	2,863	1,409	1,081	1,816	24,205	103	1,950	2,587	786	316	65,976
FY15-16	26,815	3,688	1,360	1,212	1,695	19,522	107	2,401	1,790	786	297	59,673
FY16-17	29,660	3,589	1,365	1,193	1,859	24,331	119	2,557	2,704	878	348	68,604
FY17-18	31,046	3,568	1,466	1,145	1,760	25,591	123	2,296	2,592	1,001	308	70,896
FY18-19	25,884	3,132	1,350	1,086	1,707	22,702	109	2,242	2,408	899	270	61,790
FY19-20	26,355	3,641	1,458	1,273	1,744	23,958	99	2,547	2,680	859	291	64,904
Proposed FY19-20	32,982	4,939	1,956	1,939	2,483	32,982	247	6,375	3,285	1,403	409	89,000
FY19-20	40.6%	5.6%	2.2%	2.0%	2.7%	36.9%	0.2%	3.9%	4.1%	1.3%	0.4%	100.0%
Proposed FY20-21	37.1%	5.5%	2.2%	2.2%	2.8%	37.1%	0.3%	7.2%	3.7%	1.6%	0.5%	100.0%
5 yr avg	42.9%	5.4%	2.1%	1.8%	2.7%	35.6%	0.2%	3.7%	3.7%	1.4%	0.5%	100.0%
YTD avg	41.2%	4.9%	2.0%	2.0%	2.5%	38.7%	0.2%	3.2%	3.7%	1.3%	0.4%	100.0%

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2020

GENERAL OPERATION AND MAINTENANCE BUDGET COMPARISON

CRMWA (includes CORP)	2018 - 2019 Final Budget	2019 - 2020 Final Budget	2019/2020 Budget vs 2018/2019 Budget	
TOTAL PAYROLL EXPENSES	\$ 4,523,392	\$ 4,624,850	\$ 101,458	2.24%
TOTAL PROFESSIONAL FEES	244,375	\$ 264,375	\$ 20,000	8.18%
TOTAL CONTRACTED SERVICES	370,016	\$ 231,454	\$ (138,562)	(37.45%)
TOTAL CONSUMABLE SUPPLIES	1,223,105	\$ 1,004,905	\$ (218,200)	(17.84%)
TOTAL RECURRING EXPENSES	678,305	\$ 624,190	\$ (54,115)	(7.98%)
TOTAL CAPITAL OUTLAY	100,000	\$ 355,172	\$ 255,172	255.17%
TOTAL RESERVE CONTRIBUTIONS	2,000,000	2,000,000	\$ -	-
CRMWA CORP:				-
OPERATING EXPENSES	449,689	504,093	\$ 54,404	12.10%
RESERVE CONTRIBUTION	225,000	225,000	\$ -	-
GRAND TOTAL O&M	\$ 9,813,882	\$ 9,834,039	\$ 20,157	0.21%

Notes:

* Refer to page 56 for the reconciliation of the general operation and maintenance budget to the budget for operating expenses.

CRMWA BUDGET SUMMARY FISCAL YEAR 19/20

CITY	Estimated O&M	Estimated PEC	Bond Payments	TOTAL	Allocation 1,000 gal	Cost per 1,000 gal
AMARILLO	\$ 3,055,091	\$ 3,090,985	\$ 8,387,328	\$ 14,533,404	10,747,094	\$ 1.35
BORGER	431,126	328,031	1,154,142	1,913,299	1,609,251	1.19
BROWNFIELD	328,010	283,957	453,832	1,065,799	637,436	1.67
LAMESA	281,139	186,651	449,924	917,714	631,926	1.45
LEVELLAND	395,099	399,437	500,980	1,295,516	809,121	1.60
LUBBOCK	4,047,991	3,174,346	5,715,579	12,937,916	10,747,094	1.20
O'DONNELL	38,677	23,813	50,575	113,065	80,622	1.40
PAMPA	572,417	541,318	722,952	1,836,687	2,077,323	0.88
PLAINVIEW	369,829	316,167	762,115	1,448,111	1,070,417	1.35
SLATON	186,016	134,998	325,407	646,421	457,052	1.41
TAHOKA	58,644	39,403	94,974	193,021	133,403	1.45
FY19/20 Budget Allocated to Member Cities	\$ 9,764,039	\$ 8,519,106	\$18,617,808	\$ 36,900,953	29,000,739	\$ 1.27
BOR Share - Dam & Reservoir	70,000					
Total FY19/20 Original Budget	\$ 9,834,039	\$ 8,519,106	\$18,617,808	\$ 36,900,953		

NOTE:

Based on estimated usage of 89,000 AF (32 billion gallons). Approximately 69,000 AF Groundwater and 20,000 AF Lake water.



To the Board of Directors
Canadian River Municipal Water Authority
Sanford, Texas

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Canadian River Municipal Water Authority (the Authority) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Canadian River Municipal Water Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Canadian River Municipal Water Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Doshier, Pickens & Francis, LLC

Doshier, Pickens & Francis, LLC

December 1, 2020

