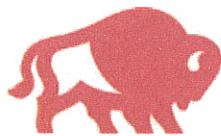


CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2017

CITY OF CANYON, TEXAS

GENERAL OBLIGATION DEBT



HTS Continuing Disclosure Services

A Division of Hilltop Securities.

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: City of Canyon, Texas

Issue(s):

- \$ 9,090,000 Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2012
- \$ 6,180,000 General Obligation Refunding Bonds, Series 2013
- \$ 5,785,000 General Obligation Bonds, Series 2016

Filing Format X electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

X Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

- X Annual Financial Report or CAFR
- X Financial Information & Operating Data
- ___ Other (describe) _____
- X Fiscal Period Covered: FYE 2017
- ___ Monthly ___ Quarterly X Annual ___ Other: _____

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Chris Sharp
Name: Chris Sharp Title: Assistant City Manager
Employer: City of Canyon, Texas
Voice Telephone Number: 806-655-5003
Email Address: csharp@canyontx.com

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2012

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 400,000	138897DA8
02/15/20	405,000	138897DB6
02/15/21	425,000	138897DC4
02/15/22	435,000	138897DD2
02/15/23	445,000	138897DE0
02/15/24	460,000	138897DF7
02/15/25	475,000	138897DG5
02/15/26	495,000	138897DH3
02/15/27	515,000	138897DJ9
02/15/28	530,000	138897DK6
02/15/29	545,000	138897DL4
02/15/30	570,000	138897DM2
02/15/31	590,000	138897DN0
02/15/32	610,000	138897DP5
	<u>\$ 6,900,000</u>	

General Obligation Refunding Bonds, Series 2013

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 510,000	138897DV2
02/15/20	525,000	138897DW0
02/15/21	540,000	138897DX8
02/15/22	555,000	138897DY6
02/15/23	575,000	138897DZ3
02/15/24	590,000	138897EA7
02/15/25	610,000	138897EB5
02/15/27	190,000	138897EC3
	<u>\$ 4,095,000</u>	

General Obligation Bonds, Series 2016

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/19	\$ 230,000	138897EF6
02/15/20	240,000	138897EG4
02/15/21	245,000	138897EH2
02/15/22	250,000	138897EJ8
02/15/23	260,000	138897EK5
02/15/24	265,000	138897EL3
02/15/25	275,000	138897EM1
02/15/26	280,000	138897EN9
02/15/27	290,000	138897EP4
02/15/28	295,000	138897EQ2
02/15/29	305,000	138897ER0
02/15/30	315,000	138897ES8
02/15/32	660,000	138897EU3
02/15/34	700,000	138897EW9
02/15/36	745,000	138897EY5
	<u>\$ 5,355,000</u>	

FINANCIAL STATEMENTS

The audited financial statements for the City for the fiscal year ended September 30, 2017 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

CITY OF CANYON, TEXAS

/s/ Chris Sharp

Chris Sharp
Assistant City Manager

Approved for Submission:

03/28/2018

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of Canyon, Texas with respect to the issues listed on the report cover was submitted directly to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Candace Springer

**CITY OF CANYON, TEXAS
2018 GENERAL OBLIGATION DEBT REPORT**

TABLE 1 -- VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2017/18 Market Valuation Established by Potter-Randall Appraisal District (excluding totally exempt property)	\$ 744,134,212
Less Exemptions/Reductions at 100% Market Value:	
Over 65/Disabled Exemptions	\$ 3,115,306
Disabled or Deceased Veterans Survivor Exemptions	758,500
Veterans Exemptions	2,479,588
Agricultural Land Use Reduction	1,243,372
Freeport Exemptions	177,507
Pollution Control	71,305
Prorations	1,686,328
Homestead Cap Adjustment	<u>946,648</u>
	<u>10,478,554</u>
2017/18 Taxable Assessed Valuation	\$ 733,655,658
Funded Debt Payable from Ad Valorem Taxes (as of 1/31/2018)	\$ 17,460,000
Less: Self-Supporting Debt ⁽¹⁾	<u>11,880,000</u>
Net General Purpose Funded Debt Payable from Ad Valorem Taxes	\$ 5,580,000
Ratio Funded Debt to Taxable Assessed Valuation	2.38%

2018 Estimated Population - 15,120
Per Capita Taxable Assessed Valuation - \$48,522
Per Capita Funded Debt \$1,155
Per Capita Net Funded Debt \$369

(1) It is the City's current policy to pay such self-supporting debt from waterworks and sewer system revenues; this policy is subject to change in the future, although the City has no current plans to change this policy. In the event the City changes its policy, or if such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service.

TABLE 2 – TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 543,313,692	73.01%	\$ 497,416,212	75.78%	\$ 484,416,796	75.84%
Real, Residential Multi-Family	54,191,385	7.28%	47,727,045	7.27%	51,162,385	8.01%
Real, Vacant Lots/Tracts	3,227,065	0.43%	3,227,056	0.49%	3,578,640	0.56%
Real, Acreage (Land Only)	1,262,798	0.17%	1,205,963	0.18%	1,288,478	0.20%
Real, Farm/Ranch Improvements	45,800	0.01%	424,555	0.06%	367,720	0.06%
Real, Commercial	73,723,240	9.91%	66,352,145	10.11%	59,391,902	9.30%
Real and Tangible Personal, Utilities	15,114,918	2.03%	13,674,531	2.08%	12,350,112	1.93%
Tangible Personal, Commercial	51,188,922	6.88%	24,274,841	3.70%	23,836,123	3.73%
Tangible Personal, Mobile Homes	1,123,989	0.15%	980,808	0.15%	1,042,672	0.16%
Real Property, Inventory	901,715	0.12%	1,110,574	0.17%	1,262,998	0.20%
Special Inventory	40,688	0.01%	43,390	0.01%	22,507	0.00%
Total Appraised Value Before Exemptions	\$ 744,134,212	100.00%	\$ 656,437,120	100.00%	\$ 638,720,333	100.00%
Less: Total Exemptions/Reductions	(10,478,554)		(7,999,377)		(7,932,889)	
Taxable Assessed Value	\$ 733,655,658		\$ 648,437,743		\$ 630,787,444	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2015		2014	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 451,990,188	75.08%	\$ 430,084,023	73.83%
Real, Residential Multi-Family	48,596,374	8.07%	46,478,810	7.98%
Real, Vacant Lots/Tracts	3,963,081	0.66%	3,849,615	0.66%
Real, Acreage (Land Only)	1,660,498	0.28%	1,710,857	0.29%
Real, Commercial	58,087,152	9.65%	57,436,041	9.86%
Real and Tangible Personal, Utilities	12,157,852	2.02%	11,627,026	2.00%
Tangible Personal, Commercial	24,086,480	4.00%	26,091,683	4.48%
Tangible Personal, Mobile Homes	1,063,023	0.18%	1,236,438	0.21%
Real Property, Inventory	359,165	0.06%	2,753,550	0.47%
Special Inventory	22,502	0.00%	15,044	0.00%
Total Appraised Value Before Exemptions	\$ 601,986,315	100.00%	\$ 582,530,337	100.00%
Less: Total Exemptions/Reductions	(7,443,644)		(8,837,696)	
Taxable Assessed Value	\$ 594,542,671		\$ 573,692,641	

NOTE: Valuations shown are certified taxable assessed values reported by the Potter-Randall Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at End of Year ⁽³⁾	Ratio Tax Debt to Taxable Assessed Valuation	G.O. Debt Per Capita
2014	13,866	\$ 573,692,641	\$ 41,374	\$ 14,420,000	2.51%	\$1,040
2015	13,920	594,542,671	42,711	13,590,000	2.29%	976
2016	14,054	630,787,444	44,883	18,530,000	2.94%	1,318
2017	14,887	648,437,743	43,557	17,460,000	2.69%	1,173
2018	15,120	733,655,658	48,522	16,350,000 ⁽⁴⁾	2.23% ⁽⁴⁾	1,081 ⁽⁴⁾

(1) Source: City staff.

(2) As reported by the Potter-Randall Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes Self-Supporting debt.

(4) Projected.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2014	\$ 0.37613	\$ 0.37613	\$ -	\$ 2,157,830	97.11%	97.49%
2015	0.39083	0.39083	-	2,323,651	96.81%	99.80%
2016	0.39083	0.39083	-	2,465,307	95.56%	96.47%
2017	0.46503	0.39083	0.07420	3,015,430	94.37%	94.37%
2018	0.45484	0.39083	0.06401	3,336,959	83.13% ⁽¹⁾	83.13% ⁽¹⁾

(1) Collections as of January 31, 2018.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2017/18 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Lone Star Dairy Products	Distribution	\$ 27,529,351	3.75%
WalMart Stores Inc.	Retail	11,649,796	1.59%
Furman Family Partnership	Apartment Complex	6,123,555	0.83%
CEV Canyon LP	Apartment Complex	4,919,690	0.67%
BNSF Railway Company	Railroad	4,710,486	0.64%
Southwestern Public Service	Electric Utility	4,330,029	0.59%
Atmos Energy	Gas Utility	4,002,307	0.55%
Bingham Family Trust	Residential	3,361,855	0.46%
Bagatelle Investments LLP	Apartment Complex	3,253,678	0.44%
Wayne Vincent Wirt Sr	Apartment Complex	2,832,293	0.39%
		<u>\$ 72,713,040</u>	<u>9.91%</u>

TABLE 6 - TAX ADEQUACY

2018 Net Principal and Interest Requirements.....	\$	1,629,875
\$0.2565 Tax Rate at 98% Collection Produces	\$	1,629,978
Average Net Annual Principal and Interest Requirements, 2018-2036.....	\$	1,187,912
\$0.1870 Tax Rate at 98% Collection Produces	\$	1,188,327
Maximum Net Annual Principal and Interest Requirements, 2021.....	\$	1,633,375
\$0.2571 Tax Rate at 98% Collection Produces	\$	1,633,791

TABLE 7 – ESTIMATED OVERLAPPING DEBT

Updated information with respect to the City as contained in the "Estimated Overlapping Debt" table of the final official statements of debt issued is contained in other tables of this annual report. Information relating to other taxing entities within the territory of the City that was contained in the "Estimated Overlapping Debt" table of the final official statements has not been updated (as it is not financial information or operating data of the issuer); however information relating to other taxing entities is contained in individual "Texas Municipal Reports" as published by the Municipal Advisory Council of Texas.

TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt			Less: Self- Supporting Debt	General Purpose Funded Tax Debt	% of Principal Retired
	Principal	Interest	Total			
2018	\$ 1,110,000	\$ 519,875	\$ 1,629,875	\$ 1,246,700	\$ 383,175	
2019	1,140,000	491,175	1,631,175	1,249,825	381,350	
2020	1,170,000	459,075	1,629,075	1,244,775	384,300	
2021	1,210,000	423,375	1,633,375	1,251,350	382,025	
2022	1,240,000	386,625	1,626,625	1,247,025	379,600	33.62%
2023	1,280,000	347,713	1,627,713	1,245,763	381,950	
2024	1,315,000	306,525	1,621,525	1,242,450	379,075	
2025	1,360,000	264,063	1,624,063	1,243,088	380,975	
2026	870,000	228,188	1,098,188	720,538	377,650	
2027	900,000	200,563	1,100,563	720,013	380,550	66.41%
2028	825,000	175,000	1,000,000	620,300	379,700	
2029	850,000	148,663	998,663	616,488	382,175	
2030	885,000	119,850	1,004,850	621,975	382,875	
2031	915,000	89,950	1,004,950	621,675	383,275	
2032	945,000	59,050	1,004,050	620,675	383,375	91.72%
2033	345,000	38,175	383,175	-	383,175	
2034	355,000	27,675	382,675	-	382,675	
2035	365,000	16,875	381,875	-	381,875	
2036	380,000	5,700	385,700	-	385,700	100.00%
	<u>\$ 17,460,000</u>	<u>\$ 4,308,113</u>	<u>\$ 21,768,113</u>	<u>\$ 14,512,640</u>	<u>\$ 7,255,473</u>	

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

The City currently has an Interest & Sinking Fund ("I&S") tax rate of \$.06401.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

As of September 30, 2017, the City has no Authorized but Unissued debt.

TABLE 11 – OTHER OBLIGATIONS

Capital Leases

The City has leased certain equipment under non-cancellable capital leases for various pieces of equipment. The interest rates range between 3.50% and with maturity dates of December 2020. The following summarizes the City's obligations under capital leases:

Year Ending 9/30	Governmental Activities
2018	\$ 37,021
2019	37,021
2020	37,021
2021	37,021
	<u>\$ 148,084</u>
Less amounts Representing Interest	12,286
Present Value of Lease Payments	<u>\$ 135,798</u>

Operating Leases

The City is obligated under certain leases for office equipment which are accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the assets being leased under the lease agreements are not reflected in the City's capital assets. The future minimum lease payments under non-cancellable operating leases are as follows:

Year Ending 9/30	Future Minimum Lease Payments
2018	\$ 87,217
2019	82,532
2020	79,225
2021	74,648
2022	6,000
Total	<u>329,622</u>

Lease expenditures under the City's operating leases for the year ended September 30, 2017 totaled \$81,549.

TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Ad Valorem Tax	\$ 2,397,372	\$ 2,369,618	\$ 2,260,922	\$ 2,116,019	\$ 2,061,941
Sales Tax	2,127,359	2,055,503	1,948,745	1,840,442	1,756,432
Franchise Tax	700,576	621,695	678,725	682,550	625,661
Other Taxes	14,416	11,055	10,350	6,139	9,227
Penalty and Interest on Taxes	-	-	-	-	12,202
License and Permits	186,515	186,774	102,879	61,055	85,864
Intergovernmental Revenue and Grants	563,771	519,665	834,592	602,305	1,248,533
Charges for Services	1,959,868	1,733,312	1,738,021	1,519,245	1,520,678
Fines and Forfeits	305,482	326,281	275,455	356,705	331,039
Investment Earnings	9,410	6,861	3,060	3,578	3,930
Other Revenue	98,872	173,645	18,866	149,294	117,776
Total revenue	\$ 8,363,641	\$ 8,004,409	\$ 7,871,615	\$ 7,337,332	\$ 7,773,283
Expenditures					
General Government	\$ 980,109	\$ 936,131	\$ 925,293	\$ 454,389	\$ 417,118
Public Safety	3,773,258	3,637,283	3,519,318	3,192,726	3,062,230
Streets	587,406	547,522	534,286	583,482	983,078
Sanitation	1,111,034	1,117,772	984,033	849,337	838,104
Culture and Recreation	1,520,268	1,271,441	1,212,007	1,071,456	1,087,919
Conservation and Development	226,969	207,737	218,519	206,696	190,719
Capital Outlay	929,944	1,147,276	2,108,002	1,844,290	1,368,724
Debt Service	37,022	49,968	35,345	35,344	35,594
Total Expenditures	\$ 9,166,010	\$ 8,915,130	\$ 9,536,803	\$ 8,237,720	\$ 7,983,486
Other Financing Sources (Uses):					
Operating Transfer from Water Fund	\$ 999,589	\$ -	\$ 656,351	\$ 836,481	\$ 360,268
Proceeds From Sale of Capital Assets	13,148	17,455	-	-	-
Transfer to Water Fund	(5,000)	-	-	-	-
Excess (Deficiency) of Revenue and Other Sources Over Expenses	\$ 205,368	\$ (893,266)	\$ (1,008,837)	\$ (63,907)	\$ 150,065
Fund Balance - October 1	\$ 685,899	\$ 1,579,165	\$ 2,588,002	\$ 2,481,985	\$ 2,458,942
Prior Period Adjustments	-	-	-	169,924	-
Fund Balance - September 30	\$ 891,267	\$ 685,899	\$ 1,579,165	\$ 2,588,002	\$ 2,609,007

TABLE 13 – CHANGE IN NET ASSETS

	Fiscal Year Ending September 30,				
	2017	2016	2015	2014	2013
<u>Revenues</u>					
Charges for Services	\$ 2,434,136	\$ 2,277,509	\$ 2,186,369	\$ 1,960,163	\$ 2,273,641
Capital Grants and Contributions	3,830,000	-	-	-	700,411
Operating Grants and Contributions	535,687	521,616	836,577	604,306	228,823
Property Taxes	2,849,768	2,369,990	2,260,506	2,115,671	2,092,830
Sales Taxes	2,127,359	2,055,503	1,948,745	1,840,442	1,756,432
Franchise Taxes	700,576	621,695	678,725	682,550	625,661
Other Taxes	263,582	223,060	214,656	160,801	174,357
Gain (Loss) on Sale of Capital Asset	-	11,599	7,694	15,113	5,882
Miscellaneous Revenues	101,712	174,932	24,408	151,852	84,633
Investment Earnings	31,769	14,904	3,880	5,023	6,673
Operating Transfers	999,589	-	682,155	831,613	1,251,277
Total Revenues	<u>\$13,874,178</u>	<u>\$ 8,270,808</u>	<u>\$ 8,843,715</u>	<u>\$ 8,367,534</u>	<u>\$ 9,200,620</u>
<u>Expenditures:</u>					
General Government	\$ 1,059,008	\$ 976,892	\$ 958,544	\$ 495,854	\$ 376,791
Public Safety	4,057,165	3,807,098	3,609,010	3,354,917	3,220,731
Streets	1,266,286	1,079,886	1,001,771	996,542	1,320,352
Sanitation	1,145,699	1,131,807	976,788	840,373	857,945
Culture and Recreation	2,055,455	1,687,169	1,628,317	1,457,699	1,266,417
Interest on Long-Term Debt	144,302	105,718	2,578	4,410	3,776
Mainstreet Program	233,628	211,800	218,818	208,893	403,757
Total Expenditures	<u>\$ 9,961,543</u>	<u>\$ 9,000,370</u>	<u>\$ 8,395,826</u>	<u>\$ 7,358,688</u>	<u>\$ 7,449,769</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	\$ 3,912,635	\$ (729,562)	\$ 447,889	\$ 1,008,846	\$ 1,750,851
Net Assets, Beginning of Year	\$21,714,608	\$22,444,170	\$24,257,599	\$22,932,878	\$21,182,027
Prior Period Adjustment	-	-	(2,261,318)	315,875	-
Net Assets, End of Year	<u>\$25,627,243</u>	<u>\$21,714,608</u>	<u>\$22,444,170</u>	<u>\$24,257,599</u>	<u>\$22,932,878</u>

TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. On May 15, 2004, the voters of the City passed a ½ of 1% sales tax increase for a 4B corporation and a ½ of 1% sales tax increase for the reduction of property taxes. Both sales tax increases went into effect October 1, 2004.

Fiscal Year Ended 9/30	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2014	\$2,028,568	94.01%	\$ 0.3536	\$ 146
2015	2,009,481	86.48%	0.3380	144
2016	2,055,504	83.38%	0.3259	146
2017	2,127,359	70.55%	0.3281	143
2018	575,550 ⁽²⁾	17.25%	0.0784	38

(1) Represents amount collected for the General Fund (75% of total collections).

(2) Collections as of February 28, 2018.

TABLE 15 - CURRENT INVESTMENTS

As of December 31, 2017, the City's investable funds were invested in the following categories:

Description	Book Value
Utility ICS Account	\$ 5,824,203
General Fund ICS Account	620,107
General Fund Certificates of Deposit	961,079
General Fund Checking Account	1,459,859
Utility Fund Checking Account	1,691,448
	<u>\$10,556,696</u>

TABLE 16 - CURRENT MONTHLY WATER RATES

Base Plus 2,000 gallons.....	\$28.28 (minimum)
2,001 to 8,000 gallons.....	\$4.71 per 1M
8,001 to 20,000 gallons.....	\$6.15 per 1M
20,001 to 35,000 gallons.....	\$6.31 per 1M
35,001 to 50,000 gallons.....	\$6.47 per 1M
Over 50,001 gallons.....	\$6.89 per 1M

TABLE 17 – HISTORICAL WATER CONSUMPTION

<u>Fiscal Year Ended</u>	<u>Total Usage (Gallons)</u>	<u>Water Revenue</u>
2013	675,773,000	\$ 3,830,998
2014	662,714,000	4,234,006
2015	768,796,000	3,866,482
2016	699,088,000	4,707,694
2017	806,871,271	4,700,818

TABLE 18 – TOP TEN WATER CUSTOMERS

<u>Customer</u>	<u>Type of Industry</u>	<u>Water Usage (000's)</u>
West Texas A&M University	School	148,057
Palo Duro RV Park	RV Park	5,098
Wal-Mart	Retail	4,997
CEV Canyon	Student Housing	4,589
Canyon ISD	School	5,440
Chaparaal Villa Trailor Park	Trailor Park	3,157
The Washhouse	Car wash	2,745
Lone Star Milk Producers	Industrial Power Milk Plant	2,565
Palo Duro Retirement	Retirement Home	2,198
Holiday Inn Express	Hotel	1,928
	Total	<u>180,774</u>

TABLE 19 – CURRENT MONTHLY SEWER RATES

Classification of Service	Monthly Charge
Code O - Commercial	Determined by prior calendar year average monthly usage as follows: 25M - 50M: \$107.89 50M - 100M: \$252.99 100M - 150M: \$438.48 150M - 200M: \$617.44 200M or Over: calculated by multiplying average monthly water consumption by 58% at \$6.89 cost per 1,000 gallons
Code 2 - Residential	\$27.00 per unit
Code 3 - Commercial	\$27.71 per unit
Code 4 - Commercial	\$42.13 per unit
Code 5 - Commercial	\$59.04 per unit
Code W - Colleges/Universities	Average monthly water consumption multiplied by 58% at \$5.77 cost per 1,000 gallons

TABLE 20 – WASTEWATER USAGE

Fiscal Year Ended	Total Usage (Gallons)	Sewer Revenue
2013	309,829,140	\$ 1,610,301
2014	150,205,000	1,950,499
2015	292,656,625	1,997,146
2016	184,738,000	2,393,459
2017	330,612,978	2,550,235

TABLE 21 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
<u>Operating Revenues</u>					
Charges for Services	\$7,639,840	\$7,063,668	\$6,002,276	\$6,283,813	\$6,003,510
Permits and Licenses	19,610	17,065	15,080	15,995	14,220
Other Income	44,461	81,472	51,327	50,104	83,119
Total Operating Revenues	<u>\$7,703,911</u>	<u>\$7,162,205</u>	<u>\$6,068,683</u>	<u>\$6,349,912</u>	<u>\$6,100,849</u>
<u>Operating Expenses</u>					
Personnel Costs	\$1,543,697	\$1,449,346	\$1,258,496	\$1,566,657	\$1,365,668
Contractual Services	2,926,485	2,560,493	2,572,170	2,365,664	2,118,642
Supplies	-	-	-	-	307,998
Intercity Charges	108,950	135,622	32,760	-	-
Total Operating Expenses	<u>\$4,579,132</u>	<u>\$4,145,461</u>	<u>\$3,863,426</u>	<u>\$3,932,321</u>	<u>\$3,792,308</u>
Net Available for Debt Service	<u>\$3,124,779</u>	<u>\$3,016,744</u>	<u>\$2,205,257</u>	<u>\$2,417,591</u>	<u>\$2,308,541</u>