

CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

RUTHERFORD, TAYLOR & COMPANY, P.C.
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**CASH SPECIAL UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board:

We have audited the accompanying financial statements of the business type activities, which are the proprietary funds of the Cash Special Utility District (District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's 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 of 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 auditor's 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 evaluating the appropriateness of accounting policies used and the reasonableness of significant account 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 respective financial position of the business type activities, which are the proprietary funds of the Cash Special Utility District as of December 31, 2014, and the respective changes in financial position and cash flows thereof 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 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 District's basic financial statements as a whole. The schedules identified as Texas Supplementary Information are presented for the purpose of additional analysis, and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2015, on our consideration of the District'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 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 the District's internal control over financial reporting and compliance.

March 16, 2015
Greenville, Texas

**RUTHERFORD,
TAYLOR &
COMPANY, P.C.**
Certified Public Accountants

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**INDEPENDENT AUDITOR'S 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***

Members of the Board:

We have audited, in accordance with the 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 the business type activities, which are the proprietary funds of the Cash Special Utility District (District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 16, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 the District'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 that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

Purpose of this Report

The purpose of this report is 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 16, 2015
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

**Schedule
Reference
Number**

Findings

NONE

**CASH SPECIAL UTILITY DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

**Schedule
Reference
Number**

Prior Findings

NONE

CASH SPECIAL UTILITY DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2014

Schedule
Reference
Number

Actions Planned

NONE

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

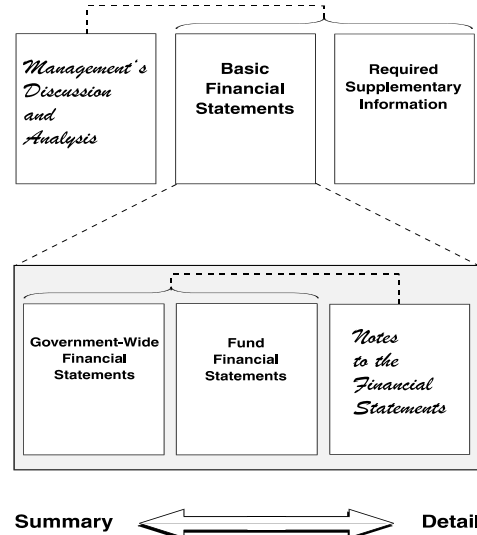
This section of Cash Special Utility District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2014. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$ 11,472,429 at December 31, 2014.
- During the year, The District's expenses were \$ 306,007 less than the \$ 4,777,914 generated from charges for services and other revenues for business-type activities.
- The District issued new refunding bonds to refund outstanding debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements and required supplementary information. Management's Discussion and Analysis provides an overview of the financial activities of the District. The basic financial statements include three statements that present a financial view of the District: The Statement of Fund Net Position presents financial information, including assets and liabilities, representing a one day snapshot; the Statement of Revenues, Expenses and Changes in Fund Net Position presents a review of operating and non-operating activities for the fiscal period; the Statement of Cash Flows reflects the inflows and outflows of cash resources.



- Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as water sales.

The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was \$ 11,472,429 at December 31, 2014.

Cash Special Utility District's Net Position			Table A-1
	2014	2013	Total Percentage Change 2013 - 2014
Assets:			
Cash and Cash Equivalents	\$ 228,811	\$ 27,045	746.04%
Other Assets	271,151	246,850	9.84%
Restricted Assets	4,329,763	4,585,627	-5.58%
Capital Assets	16,165,652	16,322,525	-0.96%
Total Assets	\$ 20,995,377	\$ 21,713,247	-3.31%
Deferred Outflows of Resources:	\$ 438,818	\$ 531,200	-17.39%
Liabilities:			
Current Liabilities	\$ 1,939,879	\$ 1,868,163	3.84%
Long-term Liabilities	7,905,000	8,678,662	-8.91%
Deferred Inflow of Resources	116,887	-	100.00%
Total Liabilities	\$ 9,961,766	\$ 10,546,825	-5.55%
Net Position:			
Net Investment in Capital Assets	\$ 7,353,765	\$ 6,835,014	7.59%
Restricted	167,353	-	100.00%
Unrestricted	3,951,311	4,331,408	-8.78%
Total Net Position	\$ 11,472,429	\$ 11,166,422	2.74%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Changes in Cash Special Utility District's Net Position			Table A-2
	2014	2013	Total Percentage Change 2013 - 2014
Operating Revenues:			
Charges for Services	\$ 4,497,833	\$ 4,527,380	-0.65%
Total Operating Revenues	\$ 4,497,833	\$ 4,527,380	-0.65%
Operating Expenses:			
Water Utilities	\$ 4,004,409	\$ 3,934,088	1.79%
Total Operating Expenses	\$ 4,004,409	\$ 3,934,088	1.79%
Non-operating Revenues (Expenses):			
Interest Income	\$ 46,902	\$ 7,912	492.80%
Interest Expense	(344,373)	(447,134)	22.98%
Grant Proceeds	3,000	-	-100.00%
Gain (Loss) on Sale of Capital Assets	15,891	(3,350)	-100.00%
Debt Issuance Costs	(123,125)	(3,350)	-100.00%
Customer Contributions	214,288	65,085	229.24%
Total Non-operating Revenues (Expenses)	\$ (187,417)	\$ (377,487)	50.35%
Increase (Decrease) in Net Position	\$ 306,007	\$ 215,805	-41.80%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2014 the District had invested \$ 24,553,432 in a broad range of capital assets, including land, water distribution systems, buildings, equipment and vehicles (See Table A-3).

Cash Special Utility District's Capital Assets			Table A-3
	2014	2013	Total Percentage Change 2013 - 2014
Land and Improvements	\$ 255,383	\$ 255,383	0.00%
Buildings and Improvements	563,531	563,531	0.00%
Water Distribution System	22,959,040	21,076,676	8.93%
Vehicles and Equipment	712,253	749,893	-5.02%
Office Equipment	63,225	56,844	11.23%
Construction in Progress	-	1,319,972	-100.00%
Totals at Historical Cost	\$ 24,553,432	\$ 24,022,299	2.21%
Total Accumulated Depreciation	(8,387,780)	(7,699,774)	8.94%
Net Capital Assets	\$ 16,165,652	\$ 16,322,525	-0.96%

**CASH SPECIAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Long Term Debt

At December 31, 2014, the District had \$ 8,695,000 in debt outstanding as shown in Table A-4. More detailed information about the District's debt is presented in the notes to the basic financial statements.

Cash Special Utility District's Long Term Debt			Table A-4
	2014	2013	Total Percentage Change 2013 - 2014
Bonds Payable	\$ 8,695,000	\$ 9,180,000	-5.28%
Other Debt Payable	-	163,662	-100.00%
Total Debt Payable	\$ 8,695,000	\$ 9,343,662	-6.94%

BUDGET, ECONOMIC ENVIRONMENT AND RATES

At this time, Cash Special Utility District is not aware of any decisions or conditions that would impact the District's operations through 2014.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clay Hodges, General Manager for the District.

BASIC FINANCIAL STATEMENTS

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2014

		Enterprise Fund
		Water Utilities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	228,811
Accounts Receivable		150,561
Prepaid Expenses - Supplies and Materials		109,021
Prepaid Insurance		11,569
Total Current Assets	\$	499,962
Restricted Assets:		
Debt Service	\$	333,480
Construction		2,885,501
Developer Capacity Fee		65,049
Customer Deposits		997,191
CoBank A-Stock		48,542
Total Restricted Assets	\$	4,329,763
Capital Assets, Net	\$	16,165,652
Total Assets	\$	20,995,377
DEFERRED OUTFLOW OF RESOURCES		
Refunding Penalty		438,818
Total Deferred Outflow of Resources	\$	438,818

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2014

		Enterprise Fund	
		Water Utilities	
LIABILITIES			
Current Liabilities:			
Accrued Wages Payable	\$	29,338	
Accounts Payable		98,304	
TCEQ Assessment Payable		18,102	
Total Current Liabilities	\$	<u>145,744</u>	
Current Liabilities (Payable from Restricted Assets):			
Accrued Interest Payable	\$	60,706	
Bonds Payable		790,000	
Customer Deposits		919,275	
Developer Capacity Fees		24,154	
Total Current Liabilities (Payable from Restricted Assets)	\$	<u>1,794,135</u>	
Non-Current Liabilities:			
Bonds Payable	\$	7,905,000	
Total Non-Current Liabilities	\$	<u>7,905,000</u>	
Total Liabilities	\$	<u>9,844,879</u>	
DEFERRED INFLOW OF RESOURCES			
Gain on Refunding	\$	116,887	
Total Deferred Inflow of Resources	\$	<u>116,887</u>	
NET POSITION			
Net Investment in Capital Assets	\$	7,353,765	
Restricted		167,353	
Unrestricted		3,951,311	
Total Net Position	\$	<u>11,472,429</u>	

The accompanying notes are an integral part of this statement.

CASH SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

		Enterprise Fund
		Water Utilities
		<hr/>
OPERATING REVENUES		
Water/Sales	\$	4,065,019
Customer Charges/Fees		<hr/> 432,814
 Total Operating Revenues	 \$	 <hr/> 4,497,833
OPERATING EXPENSES		
Payroll and Benefits	\$	1,089,708
Water Purchased		782,571
Repairs and Maintenance		332,555
Supplies		240,017
Professional and Legal Fees		36,866
Insurance		146,252
Other Operating Costs		464,907
Amortization and Depreciation		<hr/> 911,533
 Total Operating Expenses	 \$	 <hr/> 4,004,409
 Net Operating Revenue (Expenses)	 \$	 <hr/> 493,424
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	\$	46,902
Interest Expense		(344,373)
Gain (Loss) on Sale of Capital Assets		15,891
Grant Proceeds		3,000
Debt Issuance Costs		(123,125)
Customer Contributions		<hr/> 214,288
Net Non-Operating Revenue (Expenses)	\$	<hr/> (187,417)
 Change in Net Position	 \$	 306,007
 Total Net Position - Beginning (January 1)		 <hr/> 11,166,422
Total Net Position - Ending (December 31)	\$	<hr/><hr/>11,472,429

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

		Enterprise Fund
		Water
		Utilities
Cash Flows from Operating Activities:		
Cash Received from Customers	\$	4,493,019
Cash Payments for Goods and Services		(2,030,395)
Cash Payments to Employees		(1,085,353)
		<hr/>
Net Cash Provided by (Used for) Operating Activities	\$	1,377,271
Cash Flows from Capital and Other Related Financing Activities:		
Sale (Purchase) of Restricted Assets	\$	255,864
Principal Paid on Bonds		(665,000)
Interest Paid on Bonds		(427,310)
Grant Proceeds		3,000
Acquisition and Construction of Capital Assets		(662,277)
Proceeds of Sale of Capital Assets		25,785
		<hr/>
Net Cash Provided by (Used for) Capital and Other Related Financing Activities	\$	(1,469,938)
Net Cash Provided by (Used for) Noncapital Financing Activities		
Change in Customer Deposits	\$	36,500
Developer Capacity Fee		(3,256)
Customer Contributions		214,288
		<hr/>
Net Cash Provided by (Used for) Noncapital Financing Activities	\$	247,532
Cash Flows from Investing Activities:		
Interest Received	\$	46,901
		<hr/>
Net Cash Provided by (Used for) Investing Activities	\$	46,901
Net Increase (Decrease) in Cash and Cash Equivalents	\$	201,766
Cash and Cash Equivalents - Beginning (January 1)		27,045
		<hr/>
Cash and Cash Equivalents - Ending (December 31)	\$	228,811
		<hr/> <hr/>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Net Operating Revenue (Expenses)	\$	493,424
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Amortization and Depreciation		911,533
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables		(4,814)
(Increase) Decrease in Prepaid Expenses, Supplies and Materials		(7,918)
(Increase) Decrease in Prepaid Insurance		(11,569)
Increase (Decrease) in Accounts Payable		(7,291)
Increase (Decrease) in Accrued Wages Payable		4,355
Increase (Decrease) in TCEQ Assessment Payable		(449)
		<hr/>
Net Cash Provided by (Used for) Operating Activities	\$	1,377,271
		<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

A. Summary of Significant Accounting Policies

Cash Special Utility District was created under Chapter 49 and 65 of the Texas Water Code by order of the Texas Commission of Environmental Quality, (TCEQ) on March 11, 2003.

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

1. Reporting Entity

The Board of Directors (Board), a nine member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to providing water services within the jurisdiction of the Cash Special Utility District. Members of the Board are elected by the public, have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "Reporting Entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units presented.

2. Basis of Presentation

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenue and expenses. The fund type utilized by the District is described below:

a. Proprietary fund types include the following –

The *Enterprise Fund* is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) the governing body has decided periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989 and continue to follow new FASB pronouncements unless they conflict with GASB guidance.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the balance sheet. Fund equity is identified as net position.

4. Budget

The Board adopts an annual budget for the Enterprise Fund. The Budget for the Enterprise Fund is adopted under a basis consistent with GAAP. The Board approves amendments to the annual budget as prepared by the General Manager of the District.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

A. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

Additions to the utility system are recorded at cost or, if contributed property, at its estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of capital assets is recovered by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Office Equipment	3-7 years
Equipment and Vehicles	5-10 years
Water Distribution System	20-40 years

6. Prepaid Expenses - Supplies and Materials

Prepaid expenses consist of items or services paid for in the current period to be utilized in following accounting periods. Prepaid supplies and materials consist of supplies and repair parts for the distribution system, valued at cost. The cost of supplies and materials is recorded as an expense when consumed rather than when purchased.

7. Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, a cash equivalent is considered any highly liquid investment with a maturity of ninety days or less. Restricted assets are not included.

8. Retirement Plan

On June 23, 2003 the District established a deferred compensation plan with a 457(b) elective plan for the employees of the District effective July 1, 2003.

The Board of Directors also set the rate for the non-elective profit sharing plan contribution to be 5% of the annual gross wages. Qualifications for this plan are: Attain age 16, be a full time employee, and complete two years of service to be considered non-forfeitable.

The plan has a vesting schedule as set forth:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	-0-
1	-0-
2	20%
3	40%
4	60%
5	80%
6 or more	100%

For the year ended December 31, 2014, the District's total payroll for all employees amounted to \$ 1,025,391. During the year the District contributed \$ 64,317 to the plan. In addition to the retirement plan as described above, the employees of the District are covered by social security.

9. Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accumulates, but does not vest, and will only be expensed when used.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

B. Capital Assets

The following is a summary of changes in capital assets for the year:

	Beginning Balances	Additions and Reclassifications	Disposals	Ending Balances
Land and Improvements	\$ 255,383	\$ -	\$ -	\$ 255,383
Construction in Progress	1,319,972	-	1,319,972	-
Water Distribution System	21,076,676	1,882,364	-	22,959,040
Buildings and Improvements	563,531	-	-	563,531
Vehicles and Equipment	749,893	107,309	144,949	712,253
Office Equipment	56,844	6,528	147	63,225
Totals at Historical Cost	\$ 24,022,299	\$ 1,996,201	\$ 1,465,068	\$ 24,553,432
Less Accumulated Depreciation for:				
Water Distribution System	\$ 7,039,106	\$ 739,619	\$ -	\$ 7,778,725
Buildings and Improvements	150,092	16,103	-	166,195
Vehicles and Equipment	461,813	59,862	130,997	390,678
Office Equipment	48,763	3,566	147	52,182
Total Accumulated Depreciation	\$ 7,699,774	\$ 819,150	\$ 131,144	\$ 8,387,780
Net Capital Assets	\$ 16,322,525	\$ 1,177,051	\$ 1,333,924	\$ 16,165,652

C. Deposits, Securities and Investments

The District's funds are deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At December 31, 2014, all District cash deposits appear to be covered by FDIC insurance or by pledged collateral held by the depository in the District's name at all times throughout the fiscal year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to be in compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or secured certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include deposits in TexSTAR, an external investment pool, and investments held with Edward Jones, and an Equity (stock) account with CoBank. These investments are reported at share price (fair value) and are presented as Restricted Assets.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

C. Deposits, Securities and Investments (Continued)

Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities (Participants) to invest their public funds and funds under their control through the investment pools.

J. P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (Board). JPMIM provides investment services, and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co.

The Board may establish separate Funds within TexSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants' assets in the Funds are represented by units of beneficial interest (units). The Board may issue an unlimited number of units in each Fund.

TexSTAR is rated AAAM by Standard & Poor's rating agency. This rating and the fund's operational settings allow the fund to comply with the requirement of the Public Funds Investment Act.

The following table categorizes the District's investments at year end:

	<u>Credit Rating</u>	<u>Fair Value</u>
TexSTAR	AAAM	\$ 3,267,712
Edward Jones	AAA	1,013,510
CoBank	AAA	48,542
		<hr/>
Total		<u>\$ 4,329,764</u>

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Districts' name. At year end, the District does not appear to be exposed to custodial credit risk.

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

C. Deposits, Securities and Investments (Continued)

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District does not appear to be exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District does not appear to be exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District does not appear to be exposed to foreign currency risk.

D. Long - Term Obligations

The following schedule presents changes in long-term debt for the year:

	Beginning Balance	Additions	Deletions	Refunding	Ending Balance	Due in One Year
Bonds Payable	\$ 9,180,000	\$ 8,695,000	\$ 665,000	\$ 8,515,000	\$ 8,695,000	\$ 790,000
Unamortized Premium	163,662	-	15,344	148,318	-	-
Totals	\$ 9,343,662	\$ 8,695,000	\$ 680,344	\$ 8,663,318	\$ 8,695,000	\$ 790,000

Bonds

The District issued "Cash SUD Revenue Refunding Bonds, Series 2014," totaling \$ 8,695,000 to be used to refund maturities of the following outstanding Series:

Revenue, Refunding and Improvement Bonds, Series 2004

The bonds are dated September 4, 2014 and were issued September 4, 2014. The proceeds including premium less issuance costs were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the refunded debt. The refunding meets the requirements of an in-substance defeasance and the debt has been removed from the District's long term debt. The maturities of refunded debt will be called on various dates with all maturities refunded on the final call date of September 1, 2024.

As a result of the refunding, the District decreased its debt service requirements by \$ 1,242,209. The refunding was authorized to reduce debt requirements on previously issued debt. The refunding resulted in an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$ 1,096,389.

The following are outstanding debt at year end:

Description	Interest Rate	Original Amount	Outstanding Balance
Revenue, Refunding Bonds, Series 2014	2.13%	8,695,000	8,695,000

**CASH SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

D. Long - Term Obligations (Continued)

Debt service requirements to maturity on bonds at year end are as follows:

Year Ended December 31	Principal	Interest	Total Requirements
2015	\$ 790,000	\$ 183,660	\$ 973,660
2016	810,000	168,377	978,377
2017	825,000	151,124	976,124
2018	840,000	133,551	973,551
2019	855,000	115,659	970,659
2020	880,000	97,448	977,448
2021	895,000	78,703	973,703
2022	910,000	59,640	969,640
2023	935,000	40,257	975,257
2024	955,000	20,341	975,341
Totals	<u>\$ 8,695,000</u>	<u>\$ 1,048,760</u>	<u>\$ 9,743,760</u>

E. Refunding Penalty

In 2004, the District issued Revenue Refunding and Improvement Bonds, Series 2004, in the amount of \$ 14,300,000, which they utilized, in part, to refund their notes payable to CoBank, ACB. As a condition of the original debt agreement with CoBank, the District was obligated to pay a refunding penalty in the amount of \$ 1,362,645, amortized over a fifteen-year period. Annual write off of the penalty is \$ 92,383 and is reflected as amortization expense. The remaining amount recorded as "Deferred Expenses – Refunding Penalty," in the basic financial statements totals \$ 438,818 at year end.

F. Customer Deposits

The District requires each new customer to pay \$ 200, which is held as a refundable deposit to secure payment of the customer's final water bill. At year end, the District's obligation for refundable deposits owed to water customers totaled \$ 919,275.

G. Litigation

The District does not appear to be involved in any litigation at year end.

H. Joint Agreements

The District has entered into equity agreements with North Texas Municipal Water District (NTMWD) and Sabine River Authority (SRA).

I. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance for each of the past three fiscal years.

J. Subsequent Events

The District's management has evaluated subsequent events through March 16, 2015, the date which the financial statements were available for issue.

TEXAS SUPPLEMENTARY INFORMATION (TSI)
(Other Supplementary Information)

**CASH SPECIAL UTILITY DISTRICT
SUPPLEMENTARY SCHEDULES INCLUDED WITHIN THIS REPORT
YEAR ENDED DECEMBER 31, 2014**

Exhibit ID	Exhibit Title	Page
	Independent Auditor's Report on Supplementary Schedules	28
	Budgetary Comparison – Enterprise Fund	29
TSI-1	Services and Rates	30
TSI-2	Enterprise Fund Expenditures	32
TSI-3	Temporary Investments	33
TSI-5	Long-Term Debt Service Requirements by Years	34
TSI-6	Changes in Long-Term Bonded Debt	35
TSI-7	Comparative Schedule of Revenues and Expenses Enterprise Fund - Five Years	36
TSI-8	Board Members, Key Personnel and Consultants	37

The following schedules are not applicable to this District.

TSI-4	Analysis of Taxes Levied and Receivable
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**RUTHERFORD,
TAYLOR &
COMPANY, P.C.**
Certified Public Accountants

2802 Washington Street

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

Members of the Board:

In our opinion, the accompanying information is stated accurately in all material respects in relation to the basic financial statements, taken as a whole, of the Cash Special Utility District for the year ended December 31, 2014, which are covered by our opinion presented in the first section of this report.

The accompanying information is supplemental to the basic financial statements and is not essential for a fair presentation of financial position, results of its operations or cash flows.

Our audit, which was made for the purpose of forming an opinion on the basic financial statements taken as a whole, included such tests of the accounting records, from which the supplementary information was compiled, and such other auditing procedures as we considered necessary in the circumstances.

March 16, 2015
Greenville, Texas

**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Water/Sales	\$ 4,255,200	\$ 4,064,940	\$ 4,065,019	\$ 79
Customer Charges/Fees	424,400	686,503	432,814	(253,689)
 Total Operating Revenues	 \$ 4,679,600	 \$ 4,751,443	 \$ 4,497,833	 \$ (253,610)
OPERATING EXPENSES				
Payroll and Benefits	\$ 1,075,500	\$ 1,060,368	\$ 1,089,708	\$ (29,340)
Water Purchased	822,800	808,588	782,571	26,017
Repairs and Maintenance	285,000	353,986	332,555	21,431
Supplies	235,000	232,615	240,017	(7,402)
Other Operating Costs	505,000	459,766	464,907	(5,141)
Professional and Legal Fees	18,000	22,472	36,866	(14,394)
Insurance	200,000	196,895	146,252	50,643
Amortization and Depreciation	950,000	806,000	911,533	(105,533)
 Total Operating Expenses	 \$ 4,091,300	 \$ 3,940,690	 \$ 4,004,409	 \$ (63,719)
NONOPERATING REVENUES (EXPENSES):				
Interest Income	\$ -	\$ -	\$ 46,902	\$ 46,902
Interest Expense	-	(137,255)	(344,373)	(207,118)
Gain (Loss) on Sale of Fixed Assets	-	-	15,891	15,891
Grant Proceeds	-	-	3,000	3,000
Debt Issuance Costs	-	-	(123,125)	(123,125)
Customer Contributions	-	-	214,288	214,288
 Net Nonoperating Revenues (Expenses)	 \$ -	 \$ (137,255)	 \$ (187,417)	 \$ (50,162)
 Change in Net Position	 \$ 588,300	 \$ 673,498	 \$ 306,007	 \$ (367,491)
Net Position - Beginning (January 1)	11,166,422	11,166,422	11,166,422	-
 Net Position - Ending (December 31)	 \$ 11,754,722	 \$ 11,839,920	 \$ 11,472,429	 \$ (367,491)

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2014**

1. Services provided by the District:

<u>X</u>	Retail Water	<u>X</u>	Wholesale Water	Drainage
___	Retail Wastewater		Wholesale Wastewater	Irrigation
	Parks/Recreation		Fire Protection	Security
	Solid Waste/Garbage		Flood Control	Roads
___	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)			
	Other (specify): ___			

2. a. Retail Rates Based on 5/8" Meter:

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1000 Gallons Over Minimum		Usage Levels	
WATER:	\$ 25.50	0	N	\$ 3.95	0	to	5,000
				\$ 4.40	5,001	to	10,000
				\$ 4.95	10,001	to	15,000
				\$ 5.50	15,001	to	20,000
				\$ 5.75	20,001	to	25,000
					25,001	to	unlimited
WASTEWATER:	\$ n/a	0	N	\$ n/a	n/a	to	n/a
	\$ n/a	0	N	\$ n/a	n/a	to	n/a

District employs winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage: Water \$67.25 Wastewater \$ n/a

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unbilled	5	5	x1.0	5
≤ 3/4"	2	2	x1.0	2
1"	6,712	6,004	x2.5	15010
5/8"	27	27	x2.5	68
1 1/2"	2	2	x5.0	10
2"	23	23	x8.0	184
3"	1	1	x15.0	15
4"	1	1	x25.0	25
6"	1	1	x	
Total Water	6,774	6,066		15319
Total Wastewater	0	0	x1.0	

**CASH SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED DECEMBER 31, 2014**

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system: 629,730,000

Gallons billed to customers: 50,138,550

Water Accountability %: 79.62 %

4. Standby Fees: District does not levy standby fees.

5. Location of District:

County(ies) in which district is located. Hunt, Hopkins, Rains and Rockwall

Is the District located entirely in one county? Yes No

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

City(ies) in which district is located. n/a

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

ETJ's in which district is located. Greenville

Is the general membership of the Board appointed by an office outside the district?

Yes No

If Yes, by whom? n/a

**CASH SPECIAL UTILITY DISTRICT
ENTERPRISE FUND EXPENSES
YEAR ENDED DECEMBER 31, 2014**

Payroll and Benefits	\$	1,089,708
Professional and Legal Fees		36,866
Water Purchased		782,571
Repairs and Maintenance		332,555
Supplies		240,017
Other Operating Costs		464,907
Insurance		146,252
Amortization and Depreciation		911,533
Interest Expense		344,373
Total Expenses	\$	4,348,782

Number of persons employed by the District:

Full Time	21
Part Time	0

**CASH SPECIAL UTILITY DISTRICT
TEMPORARY INVESTMENTS
YEAR ENDED DECEMBER 31, 2014**

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
<u>Enterprise Fund</u>					
TexSTAR Investments *	1160010400	3.5700%	Monthly	2,885,501	\$ -
TexSTAR Investments *	1160015660	3.5700%	Monthly	31,353	-
TexSTAR Investments *	1160022990	3.5700%	Monthly	17,378	-
TexSTAR Investments *	1160030000	3.5700%	Monthly	333,480	-
Edward Jones *	MMA	0.0100%	Monthly	14,095	-
Edward Jones *	MMA	0.0100%	Monthly	160,156	-
Edward Jones *	535705	6.5000%	2/1/2031	5,604	-
Edward Jones *	687399	6.0000%	12/1/2032	4,758	-
Edward Jones *	684199	6.0000%	1/1/2033	3,898	-
Edward Jones *	555667	5.5000%	7/1/2033	5,341	-
Edward Jones *	3094	6.0000%	6/20/2031	5,756	-
Edward Jones *	003052	6.0000%	3/20/2031	15,559	-
Edward Jones *	303826	6.0000%	3/1/2026	17,009	-
Edward Jones *	555000	6.0000%	10/1/2032	7,356	-
Edward Jones *	1491	6.0000%	2/1/2033	16,071	-
Edward Jones *	604245	5.5000%	4/15/2033	19,882	-
Edward Jones *	256552	5.5000%	1/1/2037	30,451	-
Edward Jones *	003865	6.0000%	6/20/2036	15,256	-
Edward Jones *	004559	5.0000%	10/20/2039	43,013	-
Edward Jones *	004680	5.5000%	4/20/2040	34,290	-
Edward Jones *	004802	5.0000%	9/20/2040	40,773	-
Edward Jones *	004924	5.0000%	1/20/2041	42,583	-
Edward Jones *	005234	4.5000%	11/20/2041	73,679	-
Edward Jones *	MA1224	3.5000%	8/20/2043	138,648	-
Edward Jones *	MA1223	3.0000%	8/20/2043	117,445	-
Edward Jones *	MA0154	3.5000%	6/20/2042	112,992	-
Edward Jones *	MA1676	3.0000%	2/22/2044	88,892	-
Total				\$ 4,281,219	\$ -

* The District's interest-bearing investments do not accrue interest due to interest being paid monthly.

**CASH SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SERIES 2004 - BY YEAR
YEAR ENDED DECEMBER 31, 2014**

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015	790,000	183,660	973,660
2016	810,000	168,377	978,377
2017	825,000	151,124	976,124
2018	840,000	133,551	973,551
2019	855,000	115,659	970,659
2020	880,000	97,448	977,448
2021	895,000	78,703	973,703
2022	910,000	59,640	969,640
2023	935,000	40,257	975,257
2024	955,000	20,341	975,341
Total	\$ 8,695,000	\$ 1,048,760	\$ 9,743,760

**CASH SPECIAL UTILITY DISTRICT
CHANGES IN LONG-TERM BONDED DEBT
YEAR ENDED DECEMBER 31, 2014**

	<u>Bond Issues</u> Series 2004	<u>Bond Issues</u> Series 2014	
Interest Rate	3.0% - 5.25%	2.13%	
Dates Interest Payable	3/1 - 9/1	3/1 - 9/1	
Maturity Date	9/1/2024	9/1/2024	
Beginning Bonds Outstanding	\$ 9,180,000	\$ -	
Bonds Sold During the Fiscal Year	-	8,695,000	
Bonds Retired During the Fiscal Year	<u>9,180,000</u>	<u>-</u>	
Ending Bonds Outstanding	<u>\$ -</u>	<u>\$ 8,695,000</u>	
Interest Paid During the Fiscal Year	\$ 427,310	\$ -	
Paying Agent's Name and City	<u>The Bank of New York Trust Co, N.A., Dallas, Texas</u>		
Bond Authority:	Tax Bonds	Other Bonds	Refunding Bonds
Amount Issued	\$ -	\$ -	\$ 8,695,000
Remaining To Be Issued	\$ -	\$ -	\$ -
Debt Service Fund cash and temporary investment balances as of December 31, 2014:			\$ 333,480
Average annual debt service payment (Principal and Interest) for remaining term of all debt:			\$ 974,376

**CASH SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE YEARS ENDED DECEMBER 31, 2014**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
OPERATING REVENUE										
Water Sales	\$ 4,065,019	\$ 4,181,205	\$ 4,095,287	\$ 4,290,348	\$ 3,911,388	90.38%	92.35%	91.57%	93.94%	92.99%
Customer Charges/Fees	432,814	346,175	376,885	276,767	294,869	9.62%	7.65%	8.43%	6.06%	7.01%
TOTAL OPERATING REVENUE	\$ 4,497,833	\$ 4,527,380	\$ 4,472,172	\$ 4,567,115	\$ 4,206,257	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 1,089,708	\$ 998,123	\$ 1,021,910	\$ 1,008,911	\$ 988,839	24.23%	22.05%	22.85%	22.09%	23.51%
Water Purchased	782,571	729,886	675,850	635,907	585,519	17.40%	16.12%	15.11%	13.92%	13.92%
Repairs and Maintenance	332,555	319,283	167,139	172,812	134,425	7.39%	7.05%	3.74%	3.78%	3.20%
Supplies	240,017	147,058	124,616	130,697	127,142	5.34%	3.25%	2.79%	2.86%	3.02%
Professional Fees	36,866	16,732	19,492	16,826	20,020	0.82%	0.37%	0.44%	0.37%	0.48%
Insurance	146,252	186,509	234,699	222,350	211,443	3.25%	4.12%	5.25%	4.87%	5.03%
Other Operating Costs	464,907	445,008	472,953	602,446	588,774	10.34%	9.83%	10.58%	13.19%	14.00%
Amortization and Depreciation	911,533	1,091,489	897,885	900,629	874,297	20.27%	24.11%	20.08%	19.72%	20.79%
TOTAL OPERATING EXPENSES	\$ 4,004,409	\$ 3,934,088	\$ 3,614,544	\$ 3,530,459	\$ 3,665,582	89.03%	86.90%	80.82%	80.81%	83.93%
NET OPERATING REVENUE (EXPENSES)	\$ 493,424	\$ 593,292	\$ 857,628	\$ 675,798	\$ 201,418	10.97%	13.10%	19.18%	19.19%	16.07%
NONOPERATING REVENUE (EXPENSES)										
Gain (loss) on Sale of Capital Assets	\$ 15,891	\$ (3,350)	\$ -	\$ 10,829	\$ (3,692)	0.35%	-0.07%	0.00%	0.24%	-0.09%
Interest Income	46,901	7,912	20,728	36,570	49,827	1.04%	0.17%	0.46%	0.80%	1.18%
Interest Expense	(344,373)	(447,134)	(546,433)	(567,667)	(586,367)	-7.66%	-9.88%	-12.22%	-12.43%	-13.94%
Grant Proceeds	3,000	-	-	-	-	*	*	*	*	*
Debt Issuance Costs	(123,125)	-	-	-	-	*	*	*	*	*
Customer Contributions	214,288	65,085	59,945	36,390	28,509	4.76%	1.44%	1.34%	0.80%	0.68%
NET NONOPERATING REVENUE (EXPENSES)	\$ (187,418)	\$ (377,487)	\$ (465,760)	\$ (511,723)	\$ (383,686)	-1.50%	-8.34%	-10.41%	-10.59%	-12.17%
NET REVENUE (EXPENSES)	\$ 306,006	\$ 215,805	\$ 391,868	\$ 164,075	\$ (182,268)	9.47%	4.77%	8.76%	8.60%	3.90%

* Subsequent reports will report comparative data

**CASH SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED DECEMBER 31, 2014**

Complete District Mailing Address: P.O. Box 8129 Greenville, Texas 75404-8129
 District Business Telephone Number: 903-883-2695
 Submission Date of the most recent District Registration Form: September, 2012

	Term of Office (Elected or Appointed or Date Hired)	Fees of Office Paid 12/31/2014	Expense Reimbursements 12/31/2014	Title at Year End
Board Members:				
William Reese	2012-2014	\$ 550	\$ 381	President
Vernon Pippin	2012-2014	\$ 550	\$ -	Vice-Pres.
James Fortenberry	2012-2014	\$ 550	\$ 443	Sec/Tres
Bobby Don Ayers	2012-2014	\$ 500	\$ -	Director
Craig Driggers	2014-2016	\$ 200	\$ -	Director
Bryan Delgado	2014-2016	\$ 250	\$ -	Director
Norris Mayberry	2012-2014	\$ 400	\$ -	Director
Staley Cash	2012-2014	\$ 200	\$ -	Director
Kevin Chilcoat	2013-2014	\$ 550	\$ 380	Director

Key Administrative Personnel:

Clay Hodges	\$ 123,942	\$ 189	General Manager
-------------	------------	--------	-----------------

Consultants:

Freeman & Corbett	\$ 2,003	\$ -	Attorney
Rutherford, Taylor & Company, P.C.	\$ 9,650	\$ -	Auditor
Velvin & Weeks, P.C.	\$ 54,707	\$ -	Engineer