

CROSS ANCHOR UTILITY DISTRICT

Financial Statements
With Supplementary Information

Years Ended June 30, 2023 and 2022

CROSS ANCHOR UTILITY DISTRICT
Financial Statements
With Supplementary Information
Years Ended June 30, 2023 and 2022

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INTRODUCTORY SECTION

CROSS ANCHOR UTILITY DISTRICT
Roster of Officials and Board Members
Year Ended June 30, 2023

Officials

Mr. Chad Wampler
Mrs. Jill Ricker

General Manager
Office Manager

Board Members

Mr. Robert Keller
Mr. Bob Ricker
Mrs. Tanya Kuykendall

FINANCIAL SECTION



Independent Auditors' Report

Board of Commissioners
Cross Anchor Utility District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cross Anchor Utility District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the District as of June 30, 2022, were audited by other auditors whose report dated December 13, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

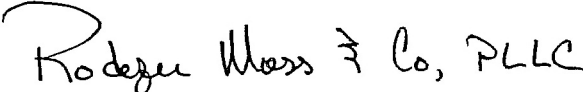
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 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 solely 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 District'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 the District's internal control over financial reporting and compliance.



Greeneville, Tennessee
December 18, 2023

CROSS ANCHOR UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)
June 30, 2023 and 2022

This section of Cross Anchor Utility District's (the "District") financial report presents an introductory overview and analysis of the District's financial position and activities for the fiscal years ended June 30, 2023, 2022, and 2021. The discussion and analysis included in this section contains information for water services provided by the District. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Being a governmental public entity organized under the laws of the State of Tennessee, the District was organized for the purpose of providing water utility service to the general public located in and around the Cross Anchor community within Greene County, Tennessee.

Financial Highlights

- Customers for water for fiscal year ended 2023, 2022, and 2021 were 3,423, 3,369 and 3,332, respectively. The increase in customers from 2021 to 2022 of 37 was an increase of 1.11%. The increase in customers from 2022 to 2023 of 112 was an increase of 1.6%. The increase in customers in recent years has been the result of more houses being built as more people relocate to the area.
- Water rate was increased by 5% effective August 1, 2022, and were raised another 5% beginning on August 1, 2023.
- The District spent \$27,596 in 2021, and an additional \$457,749 in 2022 for a Community Development Block Grant that was awarded to the District. The District also received a new grant in 2023 through the State of Tennessee Department of Environment and Conservation for Coronavirus State and Local Fiscal Recovery funds and expended \$1,290,916 during fiscal year 2023. In addition, the District also received a 10% match contribution from Greene County Government which amounted to \$143,535.

Financial Statement Overview

This discussion and analysis is intended to serve as an introduction to Cross Anchor Utility District's financial statements. The basic financial statements consist of management's discussion and analysis, proprietary fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Proprietary fund financial statements. The District is an enterprise fund, which is a proprietary fund type, and its activities are conducted on a fee-for-service basis in a manner similar to commercial enterprises providing services to the public.

There are three proprietary fund financial statements:

Statements of Net Position - presents information about the District's assets, deferred outflows of resources, and liabilities, and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the District is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position - presents information showing how the District's net position changed during the year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected utility bills and earned but unused vacation time).

Statement of Cash Flows - presents the cash flow changes occurring during the year in cash and investments, including reserved cash and investments.

Notes to the financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the financial statements.

CROSS ANCHOR UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)(Continued)

Other information. In addition to the financial statements discussed above, this report also presents required supplementary information and supplementary information which includes a number of schedules that provide additional detailed information about the operations of the District.

Financial Analysis of the District

Net Position

Cross Anchor Utility District's Net Position			
	2023	2022	2021
Assets			
Current and other assets	\$ 1,760,439	\$ 1,440,438	\$ 1,726,630
Capital assets	<u>7,525,777</u>	<u>5,971,352</u>	<u>5,333,196</u>
Total Assets	<u>\$ 9,286,216</u>	<u>\$ 7,411,790</u>	<u>\$ 7,059,826</u>
Deferred outflows of resources	<u>\$ 336,494</u>	<u>\$ 317,038</u>	<u>\$ 146,602</u>
Liabilities			
Current Liabilities	\$ 1,214,497	\$ 600,994	\$ 480,152
Non-Current Liabilities	<u>1,996,896</u>	<u>1,990,017</u>	<u>2,185,359</u>
Total Liabilities	<u>3,211,393</u>	<u>2,591,011</u>	<u>2,665,511</u>
Deferred inflows of resources	<u>\$ 113,599</u>	<u>\$ 224,714</u>	<u>\$ 142,860</u>
Net Position			
Net Investment in Capital Assets	5,459,413	3,805,332	2,897,219
Restricted	351,241	281,209	274,441
Unrestricted	<u>487,064</u>	<u>826,562</u>	<u>1,226,397</u>
Total Net Position	<u>\$ 6,297,718</u>	<u>\$ 4,913,103</u>	<u>\$ 4,398,057</u>

In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$6,297,718, \$4,913,103, and \$4,398,057 at the end of the fiscal years 2023, 2022, and 2021. By far the largest portion of the District's net position of \$5,459,413, \$3,805,332, and \$2,897,219 reflects its investment in capital assets (land, construction in progress, buildings, equipment, and distribution systems, etc.) at the end of fiscal years 2023, 2022, and 2021. Because capital assets are used to provide services to customers, the assets are not available for future spending. At the end of the fiscal year 2023, the District had a restricted net position of \$351,241 for the debt service reserve and retainage. The remaining unrestricted balances of approximately \$487,064, \$826,562, and \$1,226,397 are unrestricted at the end of the fiscal years 2023, 2022, and 2021. The current and other assets increased by 25% in 2023 compared to 2022. In 2022, current and other assets increased by 5% compared to 2021. The District also has restricted assets for 2022 and 2023 due to bond proceeds received in March 2021 for capital improvements of the water system that will be spent as projects are completed. Utility plant also increased 26% in 2023 compared to 2022 and 2022 increased 12% compared to 2021. See discussion below for capital asset projects completed and in progress for fiscal year 2023. Deferred outflows of resources increased by 6% for 2023 compared to 2022 and 2022 increased 116% compared to 2021. Deferred inflows decreased 49% for 2023 compared to 2022 and 2022 increased 57% compared to 2021. The deferred outflows and inflows for the District are dependent on the actuarial studies completed for TCRS provided through the State of Tennessee.

CROSS ANCHOR UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)(Continued)

Net Position(Continued)

The current liabilities increased for 2023 compared to 2022 by 102% as a result of construction payables at June 30, 2023 of \$540,074 for the West Pines Water Line replacement project. At June 30, 2022, current liabilities increased 25%. The District also has current liabilities of \$208,994 for bond payable on the Bond taken out during fiscal year 2021. Noncurrent liabilities increased .3% for 2023 compared to 2022 and 2022 decreased 8.9% compared to 2021.

Changes in Net Position

Cross Anchor Utility District's Changes in Net Position			
	2023	2022	2021
Operating revenues	\$ 1,847,923	\$ 1,765,251	\$ 1,754,137
Operating expenses	1,454,136	1,308,726	1,222,202
Depreciation	407,405	351,818	353,189
Total expenses	1,861,541	1,660,544	1,575,391
Operating income	(13,618)	104,707	178,746
Non-operating revenue/(expense) net	1,398,233	410,339	(6,290)
Change in net position	1,384,615	515,046	172,456
Net position, beginning of year	4,913,103	4,398,057	4,225,601
Net position, end of year	\$ 6,297,718	\$ 4,913,103	\$ 4,398,057

Net position increased \$1,384,615 for 2023, increased \$515,046 for 2022, and increased \$172,456 for 2021. The following is a summary of financial activities of the District during the fiscal years ended June 30, 2023, 2022, and 2021.

The District runs a water operation. Operating revenues increased 4.7% for 2023 compared to 2022 as a result of a rate increase that went into effect on August 1, 2022 of 5%. Operating expenses increased 11.1% for 2023 compared 2022. The District had higher expenses across all aspects of operations during 2023 and 2022 including higher salaries, cost of electricity, and increase in price of materials due to inflation.

Nonoperating income increased for 2023 compared to 2022 because the District recognized \$,290,916 in grant revenue and received only \$457,749 grant income for 2022.

CROSS ANCHOR UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)(Continued)

Changes in Net Position (Continued)

Capital Assets

At the end of the fiscal years 2023, 2022, and 2021, the District had \$7.53 million, \$5.97 million, and \$5.33 million (net of accumulated depreciation) invested in capital assets, including land and land rights, buildings, utility system improvements, and machinery and equipment.

Cross Anchor Utility District's Capital Assets

	2023	2022	2021	Variance	
				Dollars	Percentage
Land	\$ 114,284	\$ 114,284	\$ 114,284	\$ -	0.0%
Construction work in progress	1,443,981	371,014	128,396	1,072,967	289.2%
Distribution system	9,850,043	9,823,458	9,090,102	26,585	0.3%
Equipment	1,103,483	790,493	776,493	312,990	39.6%
Buildings	<u>1,022,482</u>	<u>473,193</u>	<u>473,193</u>	<u>549,289</u>	<u>116.1%</u>
Total capital assets	13,534,273	11,572,442	10,582,468	1,961,831	17.0%
Less accumulated depreciation	<u>6,008,496</u>	<u>5,601,090</u>	<u>5,249,272</u>	<u>407,406</u>	<u>7.3%</u>
	<u>\$ 7,525,777</u>	<u>\$ 5,971,352</u>	<u>\$ 5,333,196</u>	<u>\$ 1,554,425</u>	<u>26.0%</u>

The District had a net increase (including additions and deletions) of \$1.6 million or 26% for 2023 compared to 2022. The District had several large projects during 2023. The new maintenance workshop with a contract of \$549 thousand was completed and put into service in 2023. The District is also working on the West Pines Water Line project. The project is still on going as of June 30, 2023. The District had a net increase (including additions and deductions) of \$638 thousand or 12% for 2022 compared to 2021.

Debt

Cross Anchor Utility District's Debt

	2023	2022	2021
Series 2006 revenue bonds	\$ 534,639	\$ 549,026	\$ 562,827
Series 2021 revenue bonds	858,078	1,061,201	1,259,698
State revolving fund	455,670	491,585	527,214
Financed purchase obligations	<u>217,977</u>	<u>64,208</u>	<u>86,238</u>
	<u>\$ 2,066,364</u>	<u>\$ 2,166,020</u>	<u>\$ 2,435,977</u>

The District paid principal of \$303 thousand during the year ended June 30, 2023. During the year ended June 30, 2021, the District took out a bond for \$1,278,000. The bond was issued at par. The bond will be used to pay for the new maintenance workshop for vehicle and inventory storage, and to provide a place for routine equipment maintenance. The bond has an interest rate of 2.23% and the final maturity date for the bond is December 2031. The bond is secured by the revenues of the District.

Facts, decisions, or conditions expected to have a significant effect on financial position

Effective August 1, 2023, water rates were increased by 5%.

The District continues to work on the West Pines Water Line Replacement project that was started during fiscal year 2023. The District is expected to spend approximately \$46,000 on an asset management plan for the mapping of the project.

CROSS ANCHOR UTILITY DISTRICT
Management's Discussion and Analysis (Unaudited)(Continued)

Contacting the District's Financial Management

This financial report is designed to provide our customers and interested parties with a general overview of Cross Anchor Utility District's financial position, and to demonstrate accountability for the revenues it receives. Questions regarding this report or requests for additional financial information should be addressed to Cross Anchor Utility District, 800 W. Andrew Johnson Hwy., Greeneville, Tennessee 37745.

CROSS ANCHOR UTILITY DISTRICT
 Statements of Net Position
 June 30, 2023 and 2022

ASSETS	2023	2022
Current assets		
Cash and cash equivalents	\$ 186,741	\$ 698,096
Certificates of deposit	75,000	75,000
Accounts receivable, net	245,209	247,109
Inventories	113,598	101,420
Grants receivable	760,541	-
Prepaid expenses	28,109	25,427
Total current assets	1,409,198	1,147,052
Other noncurrent assets		
Restricted assets		
Cash - retainage payable	65,263	-
Cash - debt service reserve	246,774	242,005
Cash - SRF deposit	39,204	39,204
Capital assets		
Capital assets not being depreciated	1,558,265	485,299
Capital assets being depreciated	11,976,007	11,087,143
Less accumulated depreciation	(6,008,495)	(5,601,090)
Total utility plant in service	7,525,777	5,971,352
Total assets	9,286,216	7,399,613
DEFERRED OUTFLOWS OF RESOURCES		
Pension	336,494	317,038
Total deferred outflows of resources	336,494	317,038

CROSS ANCHOR UTILITY DISTRICT
Statements of Net Position (Continued)

LIABILITIES

Current liabilities		
Accounts payable	755,154	232,298
Other accrued expenses	25,954	26,886
Accrued compensation	42,558	32,979
Employer retirement plan payable	4,185	3,892
Retainage payable	65,263	15,950
Financed purchase obligations - current portion	61,409	23,114
Direct borrowings - current portion	35,993	35,731
Revenue bonds payable - current portion	<u>223,981</u>	<u>217,967</u>
Total current liabilities	<u>1,214,497</u>	<u>588,817</u>
Non-Current liabilities		
Net pension liability	251,915	100,809
Finance purchase obligations - noncurrent portion	156,568	41,094
Direct borrowings - noncurrent portion	419,677	455,854
Revenue bonds payable - noncurrent portion	<u>1,168,736</u>	<u>1,392,260</u>
Total noncurrent liabilities	<u>1,996,896</u>	<u>1,990,017</u>
Total liabilities	<u>3,211,393</u>	<u>2,578,834</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension benefits	<u>113,599</u>	<u>224,714</u>
Total deferred inflows of resources	<u>113,599</u>	<u>224,714</u>
NET POSITION		
Net investment in capital assets	5,459,413	3,805,332
Restricted	351,241	281,209
Unrestricted	<u>487,064</u>	<u>826,562</u>
Total net position	<u>\$ 6,297,718</u>	<u>\$ 4,913,103</u>

CROSS ANCHOR UTILITY DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Water sales and late payment penalties	\$ 1,712,800	\$ 1,633,548
Other revenues	135,123	131,703
Total operating revenue	1,847,923	1,765,251
Operating Expenses		
Water purchased	475,126	472,706
Salaries and wages	472,163	417,325
Depreciation	407,405	351,818
General and administrative	169,029	119,074
Employee benefits	168,173	135,581
Materials and supplies	96,180	77,525
Utilities	43,246	39,519
System maintenance	17,238	21,774
Equipment maintenance and fuel	12,981	25,222
Total operating expenses	1,861,541	1,660,544
Operating income	(13,618)	104,707
Nonoperating revenue (expenses)		
Interest income	12,528	4,296
Rent income	6,000	6,000
Grant revenue	1,434,351	457,749
Gain on disposal of assets	5,675	-
Interest expense	(60,321)	(57,706)
Net nonoperating revenue (expenses)	1,398,233	410,339
Change in net position	1,384,615	515,046
Net position, beginning of year	4,913,103	4,398,057
Net position, end of year	\$ 6,297,718	\$ 4,913,103

CROSS ANCHOR UTILITY DISTRICT
Statements of Cash Flows
Year Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Receipts from customers	\$ 1,834,964	\$ 1,755,818
Payments to suppliers	(412,112)	(857,910)
Payments to employees	(440,381)	(394,445)
Net cash flows from operating activities	982,471	503,463
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,758,380)	(989,974)
Repayments on revenue bonds and notes payable	(253,425)	(247,927)
Repayments on financed purchase obligations	(49,681)	(22,030)
Cash received from grant funding	673,810	457,749
Interest paid on revenue bonds and notes payable	(60,321)	(57,706)
Net decrease in restricted cash	(70,032)	(1,313)
Proceeds from sale of capital assets	5,675	-
Net cash flows from capital and related financing activities	(1,512,354)	(861,201)
Cash flows from investing activities		
Rent income	6,000	6,000
Interest received	12,528	4,296
Net cash flows from investing activities	18,528	10,296
Net change in cash and cash equivalents	(511,355)	(347,442)
Cash and cash equivalents, beginning of year	698,096	1,045,538
Cash and cash equivalents, end of year	\$ 186,741	\$ 698,096
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ (13,618)	\$ 104,707
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	407,405	351,818
(Increase) decrease in:		
Accounts receivable	1,900	(9,433)
Inventories	(12,178)	(51,597)
Prepaid and other assets	(2,682)	13,270
Deferred outflows of resources	(19,456)	(170,436)
Increase (decrease) in:		
Accounts payable and accrued expenses	571,237	101,304
Accrued compensation	9,579	(1,986)
Pension liability	151,106	82,633
Deferred inflows of resources	(111,115)	81,854
Employer retirement plan payable	293	1,329
Net cash flows from operating activities	\$ 982,471	\$ 503,463

See accompanying notes to financial statements.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements
June 30, 2023 and 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - Cross Anchor Utility District (the "District") is engaged in the distribution and sale of water to customers in a portion of Greene County, Tennessee. The District maintains and operates a water treatment plant for its customers. The District operates under the utility district laws of the State of Tennessee. The District is fiscally independent, operating under authority of a Board of Commissioners, and is a reporting entity having sole responsibility for fiscal matters including debt management, revenues, rates, budgets and control of surpluses and deficits without requiring approval by a primary government.

Basis of Presentation - The District is an enterprise fund which is a proprietary type fund used to account for operations 1) 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 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Commission follows Governmental Accounting Standards Board Statement No. 62, "Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements."

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Investments - The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances are considered past due 30 days from the invoice date. Management provides an allowance for probable uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. Unbilled receivables are generally not accrued. Unbilled receivables at June 30, 2023 and 2022 were estimated at \$163,567 and \$165,188, respectively.

Inventories - Materials and supplies inventories are valued at the lower of average cost or market.

Utility Plant - Utility plant and equipment are carried at cost. Depreciation is computed using the straight-line method. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The estimated useful lives of capital assets are as follows:

Distribution lines	25-50 years
Buildings	25 years
Equipment, vehicles and furniture	5-20 years

Restricted Assets - Certain resources of the District, retainage and bond proceeds for capital improvements, are classified as restricted assets on the Statements of Net Position because they are maintained in a separate bank account and their use is limited per Tennessee Code Annotated and per the Water Revenue Bond, Series 2021 bond document.

Concentrations of Credit Risk - Management does not believe significant credit risk exists at June 30, 2023.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences - The cost of vacation pay benefits is recognized as earned by employees. In the event of termination or retirement, employees are reimbursed for accumulated vacation days up to a maximum of three weeks of vacation for prior years plus any vacation earned in the current year. Employees can accumulate annual leave based on length of continuous service. Any unused annual leave will be paid at the end of calendar year. New full-time employees can begin accruing vacation when hired after 6-month of service. Upon retirement or termination, employees are reimbursed for any unused annual leave.

Deferred outflows/inflows of resources - In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses) until that time. The District had certain pension that qualify for reporting in this category at June 30, 2023 and 2022.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District had certain pension that qualify for reporting in this category at June 30, 2023 and 2022.

Pensions - For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System ("TCRS"), and additions to/deductions from the Commission's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Revenue and Expenses - The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District records revenue as billed to its customers based on a monthly meter reading cycle. The net revenue from any service rendered from the latest billing cycle date to the end of the month and their related expenses are not considered material and are not reflected in the financial statements.

Reclassifications - Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no effect on the District's previously reported net position or change in net position.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tap Fees - Fees charged to join an existing line or extension of an existing line are recorded as operating income. The related costs are expensed.

Leases - The District accounts for leases under GASB Statement No. 87 - *Leases*. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There was no impact on the current financial statements from the implementation of this Statement. The District monitors changes in circumstances that would require a remeasurement of its lease liability, and will remeasure the lease liability and deferred outflows of resources if certain changes occur that are expected to significantly affect the amount of the lease liability.

Impact of Recently Issued Accounting Pronouncements - In May 2020, the GASB issued Statement No. 96 - *Subscription-Based Information Technology Arrangements (SBITAs)*, effective for financial statements for periods beginning after June 15, 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and subscription liabilities. There was no impact on the current financial statements from the implementation of this Statement.

Date of Managements Review - Management has evaluated events and transactions occurring subsequent to the statements of net position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the independent auditors' report, which is the date these financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS

State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of the deposits, less so much of such amount as is insured by federal deposit insurance. The collateral must be held by the District or its agent in the District's name, or by the Federal Reserve in the District's name.

Statutes also authorize the District to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, state pooled investment fund, and money market mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction.

At June 30, 2023 and 2022, the bank balances were \$503,672 and \$935,881, all of which was covered by federal depository insurance and the bank's participation in the Tennessee Bank Collateral Pool.

At June 30, 2023 and 2022, the investment in certificates of deposit were \$75,000 for both years. These were fully covered by the bank's participation in the Tennessee Bank Collateral Pool.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 3 - UTILITY PLANT

Utility plant activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated				
Land and land rights	\$ 114,284	\$ -	\$ -	\$ 114,284
Construction in progress	371,014	1,634,773	(561,807)	1,443,980
Total capital assets not being depreciated	<u>485,298</u>	<u>1,634,773</u>	<u>(561,807)</u>	<u>1,558,264</u>
Capital assets being depreciated				
Distribution system	9,823,458	26,585	-	9,850,043
Equipment	790,493	312,990	-	1,103,483
Buildings	473,193	549,289	-	1,022,482
Total capital assets being depreciated	11,087,144	888,864	-	11,976,008
Less accumulated depreciation	<u>5,601,090</u>	<u>407,405</u>	<u>-</u>	<u>6,008,495</u>
Total capital assets being depreciated, net	<u>5,486,054</u>	<u>481,459</u>	<u>-</u>	<u>5,967,513</u>
Total capital assets, net	<u>\$ 5,971,352</u>	<u>\$ 2,116,232</u>	<u>\$ (561,807)</u>	<u>\$ 7,525,777</u>

Utility plant activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated				
Land and land rights	\$ 114,284	\$ -	\$ -	\$ 114,284
Construction in progress	128,396	989,915	(747,297)	371,014
Total capital assets not being depreciated	<u>242,680</u>	<u>989,915</u>	<u>(747,297)</u>	<u>485,298</u>
Capital assets being depreciated				
Distribution system	9,090,102	733,356	-	9,823,458
Equipment	776,493	14,000	-	790,493
Buildings	473,193	-	-	473,193
Total capital assets being depreciated	10,339,788	747,356	-	11,087,144
Less accumulated depreciation	<u>5,249,272</u>	<u>351,818</u>	<u>-</u>	<u>5,601,090</u>
Total capital assets being depreciated, net	<u>5,090,516</u>	<u>395,538</u>	<u>-</u>	<u>5,486,054</u>
Total capital assets, net	<u>\$ 5,333,196</u>	<u>\$ 1,385,453</u>	<u>\$ (747,297)</u>	<u>\$ 5,971,352</u>

Depreciation charged to income was \$407,405 and \$351,818 in 2023 and 2022, respectively.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 4 - RETIREMENT PLAN

Plan Description

Employees of the District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members become eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>7</u>
	<u>17</u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The District makes employer contributions at the rate set by the Board of Trustees as determined by actuarial valuation. For the year ended June 30, 2023, employer contributions for the District were \$25,344 based on a rate of 6.68 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the District's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 4 - RETIREMENT PLAN (Continued)

Net Pension Liability (Asset)

Valuation Date - The District's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total pension asset as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent.
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the three factors described above.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 4 - RETIREMENT PLAN (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 7/1/21	\$ 935,696	\$ 834,887	\$ 100,809
Changes for the year:			
Service Cost	15,800	-	15,800
Interest	63,914	-	63,914
Changes of benefit terms	-	-	-
Differences between expected and actual experience	75,919	-	75,919
Changes of assumptions	-	-	-
Contributions - employer	-	21,135	(21,135)
Contributions - employee	-	16,511	(16,511)
Net investment income	-	(32,471)	32,471
Benefit payments, inc. refunds of employee contributions	(9,240)	(9,240)	-
Administrative expense	-	(648)	648
Other	-	-	-
Net changes	<u>146,393</u>	<u>(4,713)</u>	<u>151,106</u>
Balances at 6/30/22	<u>\$ 1,082,089</u>	<u>\$ 830,174</u>	<u>\$ 251,915</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net position liability (asset) of the District calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75) than the current rate:

	1 % Decrease (5.75)	Current Discount Rate (6.75)	1 % Increase (7.75)
Net pension liability	<u>\$ 427,365</u>	<u>\$ 251,915</u>	<u>\$ 108,495</u>

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 4 - RETIREMENT PLAN (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$45,879.

For the year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,591	\$ 113,599
Net difference between projected and actual earnings of pension plan investments	4,520	-
Changes in assumptions	219,039	-
Contributions subsequent to measurement date of June 30, 2022	25,344	-
Total	\$ 336,494	\$ 113,599

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	24,904
2025		25,109
2026		22,397
2027		43,526
2028		32,987
Thereafter		48,627

In the table above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the pension plan

At June 30, 2023, the District reported a payable of \$4,185 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 5 - LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds					
Series 2006 revenue bonds	\$ 549,026	\$ -	\$ (14,387)	\$ 534,639	\$ 14,987
Series 2022 revenue bonds	<u>1,061,201</u>	<u>-</u>	<u>(203,123)</u>	<u>858,078</u>	<u>208,994</u>
Total revenue bonds	1,610,227	-	(217,510)	1,392,717	223,981
Direct Borrowings					
State revolving fund	<u>491,585</u>	<u>-</u>	<u>(35,915)</u>	<u>455,670</u>	<u>35,993</u>
Total bonds and notes	<u>2,101,812</u>	<u>-</u>	<u>(253,425)</u>	<u>1,848,387</u>	<u>259,974</u>
Financed Purchase Obligations					
Equipment	<u>64,208</u>	<u>203,451</u>	<u>(49,682)</u>	<u>217,977</u>	<u>61,409</u>
Total	<u>\$ 2,166,020</u>	<u>\$ 203,451</u>	<u>\$ (303,107)</u>	<u>\$ 2,066,364</u>	<u>\$ 321,383</u>

The water revenues of the District secure the revenue bonds. Upon event of default, the bonds are in many aspects dependent upon judicial actions. If any default be made in the payment of principal, of premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Municipality and the District with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of current expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution. The Commission is required to set rates in the upcoming fiscal year to produce net revenues for the upcoming fiscal year sufficient to provide for 120% of the debt service on the Series 2021 revenue bonds for the upcoming fiscal year. No debt service reserve fund was funded by the District upon issuance of the Series 2021 Bonds.

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

Long-term debt consisted of the following at June 30, 2023:

Description	Interest Rate	Date Issued	Final Maturity Date	Amount of Original Issue	Balance June 30, 2023
USDA Rural Development Waterworks Revenue Bonds, Series 2006, due in monthly payments of \$3,063 through 2046	4.13%	10/18/2007	11/18/2046	\$ 704,000	\$ 534,639
Waterworks Revenue Refunding Bonds, Series 2021, due in monthly payments of \$19,020 through 2031	2.32%	3/4/2021	12/1/20231	1,259,698	858,078
Note - State Revolving Fund, due in monthly payments of \$3,267 through 2035	0.73%	9/27/2012	8/20/2035	1,015,000	455,670
Financed purchase - John Deere, due in yearly installments of \$17,029 through 2024	5.25%	5/29/2019	5/29/2024	46,051	16,162
Financed purchase - John Deere, due in yearly installments of \$9,107 through 2025	3.95%	11/6/2020	11/6/2025	40,188	25,263
Financed purchase - Caterpillar Financial, due in monthly installments of \$3,969 through 2027	6.38%	9/13/2022	10/12/2027	203,451	176,552

Future maturities of the long-term debt as of June 30, 2023, are as follows:

Year Ended	Bonds and Notes			Financed Purchase		
	June 30	Principal	Interest	Total	Principal	Interest
2024	\$ 259,974	\$ 42,680	\$ 302,654	\$ 61,409	\$ 12,360	\$ 73,769
2025	145,422	38,162	183,584	48,014	8,724	56,738
2026	148,665	35,044	183,709	51,996	5,784	57,780
2027	151,678	31,846	183,524	44,972	2,659	47,631
2028	144,788	28,670	173,458	11,586	2,467	14,053
2029-2033	561,218	102,129	663,347	-	-	-
2034-2038	206,677	61,445	268,122	-	-	-
2039-2043	151,161	32,619	183,780	-	-	-
2044-2048	78,804	3,840	82,644	-	-	-
Total	<u>\$ 1,848,387</u>	<u>\$ 376,435</u>	<u>\$ 2,224,822</u>	<u>\$ 217,977</u>	<u>\$ 31,994</u>	<u>\$ 249,971</u>

CROSS ANCHOR UTILITY DISTRICT
Notes to Financial Statements (Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ended	Total		
June 30	Principal	Interest	Total
2024	\$ 321,383	\$ 55,040	\$ 378,447
2025	193,436	46,886	240,322
2026	200,661	40,828	241,489
2027	196,650	34,505	231,155
2028	156,374	31,137	187,511
2029-2033	561,218	102,129	663,347
2034-2038	206,677	61,445	268,122
2039-2043	151,161	32,619	183,780
2044-2048	78,804	3,840	82,644
Total	<u>\$ 2,066,364</u>	<u>\$ 408,429</u>	<u>\$ 2,476,817</u>

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The District has a contractual agreement with Greeneville Water Commission to purchase water from the Commission at the Commission's current inside rates. The contracts are for 20 years and include an early termination option of 10 years with a 5 year written notice.

NOTE 7 - RISK MANAGEMENT

The Utility 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. The District's risks of loss are covered by its commercial package insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 - SUBSEQUENT EVENTS

Effective August 1, 2023, water rate was increased by 5% for fiscal year 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CROSS ANCHOR UTILITY DISTRICT
Schedule of Changes in the Net Pension Liability and Related Ratios
Based on Participation in the Public Employee Pension Plan of TCRS (Unaudited)
June 30, 2023

Measurement Period Ended	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Total pension liability									
Service cost	\$ 17,077	\$ 14,728	\$ 12,639	\$ 6,222	\$ 14,954	\$ 15,170	\$ 16,581	\$ 19,461	\$ 15,800
Interest	26,123	31,586	27,659	37,703	37,886	39,902	44,904	48,645	63,914
Differences between expected and actual experience	36,482	(88,970)	107,647	(116,924)	(19,634)	18,309	(6,762)	(13,139)	75,919
Changes of assumptions	-	-	-	89,748	-	-	-	232,221	-
Benefit payments, including refunds of employee contributions	(3,355)	(5,618)	(9,604)	(5,618)	(5,618)	(5,618)	(5,996)	(5,995)	(9,240)
Net change in total pension liability	76,327	(48,274)	138,341	11,131	27,588	67,763	48,727	281,193	146,393
Total pension liability - beginning	332,900	409,227	360,953	499,294	510,425	538,013	605,776	654,503	935,696
Total pension liability - ending (a)	\$ 409,227	\$ 360,953	\$ 499,294	\$ 510,425	\$ 538,013	\$ 605,776	\$ 654,503	\$ 935,696	\$ 1,082,089
Plan fiduciary net position									
Contributions - employer	\$ 17,033	\$ 33,072	\$ 28,288	\$ 27,116	\$ 18,791	\$ 21,769	\$ 20,392	\$ 20,807	\$ 21,135
Contributions - employee	8,119	16,431	13,587	13,024	12,444	14,416	15,956	16,281	16,511
Net investment income	37,442	9,060	9,044	43,591	38,001	38,965	29,369	168,084	(32,471)
Benefit payments, including refunds of employee contributions	(3,355)	(5,618)	(9,604)	(5,618)	(5,618)	(5,618)	(5,996)	(5,995)	(9,240)
Administrative expense	(163)	(406)	(472)	(451)	(575)	(577)	(667)	(617)	(648)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	59,076	52,539	40,843	77,662	63,043	68,955	59,054	198,560	(4,713)
Plan fiduciary net position - beginning	215,155	274,231	326,770	367,613	445,275	508,318	577,273	636,327	834,887
Plan fiduciary net position - ending (b)	\$ 274,231	\$ 326,770	\$ 367,613	\$ 445,275	\$ 508,318	\$ 577,273	\$ 636,327	\$ 834,887	\$ 830,174
Net pension liability - ending (a) - (b)	134,996	34,183	131,681	65,150	29,695	28,503	18,176	100,809	251,915
Plan fiduciary net position as a percentage of the total pension liability	67.01%	90.53%	73.63%	87.24%	94.48%	95.29%	97.22%	89.23%	76.72%
Covered - employee payroll	\$ 162,371	\$ 271,742	\$ 260,476	\$ 260,476	\$ 248,894	\$ 288,326	\$ 319,120	\$ 325,624	\$ 330,231
Net pension liability as a percentage of covered employee payroll	83.14%	12.58%	50.55%	25.01%	11.93%	9.89%	5.70%	30.96%	76.28%

Notes to Schedule

Changes of assumptions - In 2021, amounts reported as changes of assumption resulted from changes to the inflation rate, investment rate of return, cost of living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See accompanying independent auditors' report.

CROSS ANCHOR UTILITY DISTRICT
Schedule of Contributions Based on Participation in the
Public Employee Pension Plan of TCRS (Unaudited)
Year Ended June 30, 2023

Measurement period ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 17,033	\$ 33,072	\$ 28,288	\$ 27,116	\$ 18,791	\$ 21,769	\$ 20,392	\$ 20,807	\$ 21,135	\$ 25,344
Contributions in relation to the actuarially determined contribution	<u>17,033</u>	<u>33,072</u>	<u>28,288</u>	<u>27,116</u>	<u>18,791</u>	<u>21,769</u>	<u>20,392</u>	<u>20,807</u>	<u>21,135</u>	<u>25,344</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 162,371	\$ 317,699	\$ 271,742	\$ 260,476	\$ 248,894	\$ 288,326	\$ 319,120	\$ 325,664	\$ 330,231	\$ 398,825
Contributions as a percentage of covered employee payroll	10.49%	10.41%	10.41%	10.41%	7.55%	7.55%	6.39%	6.39%	6.40%	6.35%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar, closed (not to exceed 20 years)
Remaining amortization period:	Varies by year
Asset valuation method:	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25 percent
Salary increases:	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return:	6.75 percent, net of investment expense, including inflation
Retirement age:	Pattern of retirement determined by experience study
Mortality:	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments:	2.125 percent
Change of assumptions:	Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTARY INFORMATION

CROSS ANCHOR UTILITY DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Federal Agency/Pass-Through Agency/State Grantor Program or Cluster Title</u>	<u>Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Amount Pass-through to Subrecipients</u>	<u>Expenditures</u>
Federal Awards				
Department of The Treasury				
Tennessee Department of Environment and Conservation's (TDEC)				
Passed through the County of Greene:				
Coronavirus State And Local Fiscal Recovery Funds	21.027	32701-14616	\$ _____ -	\$ <u>1,290,916</u>
Total federal awards			\$ _____ -	\$ <u>1,290,916</u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Commission has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CROSS ANCHOR UTILITY DISTRICT
Schedule of Changes in Long-Term Debt by Individual Issue
June 30, 2023

Description of indebtedness	Original Amount Of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2023
REVENUE BOND									
Series 2021 Revenue Bond	\$ 1,278,000	2.32%	3/4/2021	12/1/2031	\$ 1,061,201	\$ -	\$ 203,123	\$ -	\$ 858,078
Series 2006 Revenue Bond	720,000	4.13%	10/18/2007	11/18/2046	562,826	-	28,187	-	534,639
DIRECT BORROWINGS									
State Revolving Fund	2,500,000	0.73%	2/13/2012	8/20/2035	<u>491,585</u>	-	<u>35,915</u>	-	<u>455,670</u>
Total Amounts Payable					<u>\$ 2,115,612</u>	<u>\$ -</u>	<u>\$ 267,225</u>	<u>\$ -</u>	<u>\$ 1,848,387</u>

CROSS ANCHOR UTILITY DISTRICT
Schedule of Long-Term Debt, Principal, and Interest Requirements by Year
June 30, 2023

Year Ended June 30	Series 2006 Revenue Bonds		Series 2021 Revenue Bonds		State Revolving Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 14,987	\$ 21,769	\$ 208,994	\$ 17,700	\$ 35,993	\$ 3,211	\$ 259,974	\$ 42,680
2025	15,617	21,139	93,548	14,076	36,257	2,947	145,422	38,162
2026	16,273	20,483	95,870	11,879	36,522	2,682	148,665	35,044
2027	16,957	19,799	97,933	9,630	36,788	2,414	151,678	31,843
2028	17,670	19,086	90,059	7,439	37,059	2,145	144,788	28,670
2029	18,413	18,343	77,264	5,684	37,330	1,874	133,007	25,901
2030	19,187	17,569	69,602	3,772	37,604	1,600	126,393	22,941
2031	19,994	16,762	76,794	2,079	37,879	1,325	134,667	20,166
2032	20,834	15,922	48,014	338	38,157	1,047	107,005	17,307
2033	21,710	15,046	-	-	38,436	768	60,146	15,814
2034	22,623	14,133	-	-	38,717	487	61,340	14,620
2035	23,574	13,182	-	-	39,001	203	62,575	13,385
2036	24,565	12,191	-	-	5,927	7	30,492	12,198
2037	25,597	11,159	-	-	-	-	25,597	11,159
2038	26,673	10,083	-	-	-	-	26,673	10,083
2039	27,795	8,961	-	-	-	-	27,795	8,961
2040	28,963	7,793	-	-	-	-	28,963	7,793
2041	30,181	6,575	-	-	-	-	30,181	6,575
2042	31,450	5,306	-	-	-	-	31,450	5,306
2043	32,772	3,984	-	-	-	-	32,772	3,984
2044	34,149	2,607	-	-	-	-	34,149	2,607
2045	35,585	1,171	-	-	-	-	35,585	1,171
2046	9,070	65	-	-	-	-	9,070	65
	<u>\$ 534,639</u>	<u>\$ 283,128</u>	<u>\$ 858,078</u>	<u>\$ 72,597</u>	<u>\$ 455,670</u>	<u>\$ 20,710</u>	<u>\$ 1,848,387</u>	<u>\$ 376,435</u>

CROSS ACHOR UTILITY DISTRICT
 Schedule of Customer and Rate Data
 June 30, 2023

Water Rates

Minimum bill	\$19.02
Commercial rate	\$61
Each 1,000 gallons	\$6.33
Property Owner - \$30 or 30 days	\$30 + Usage

Fee Schedule

Service connection (3/4" new tap)	\$1,550
Service connection (1" new tap)	\$2,100
New account/change of name	\$100
Late fee	10% of water bill
Reconnect fee	\$40
Meter testing deposit (commercial)	\$150
Meter testing deposit (residential)	\$50
Tampering with meter plus repairs	\$200
Unauthorized fire hydrant use	\$500
Return check fee	\$30

Number of customers at year end	3,423
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COMPLIANCE SECTION



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*

Board of Commissioners
Cross Anchor Utility District

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 Cross Anchor Utility District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements and have issued our report thereon dated December 18, 2023.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item, **2023-001** that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Districts' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Districts' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Rodefer Moss & Co, PLLC

Greeneville, Tennessee
December 18, 2023



Independent Auditors' Report on Compliance For Each Major Program And On
Internal Control Over Compliance Required By The Uniform Guidance

To the Board of Commissioners
Cross Anchor Utility District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cross Anchor Utility District (the "District")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

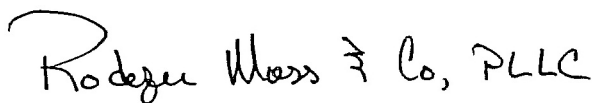
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Greeneville, Tennessee
December 18, 2023

CROSS ANCHOR UTILITY DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2023

I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified opinion**

Internal Control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ X Yes None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors report issued on compliance for major federal programs: **Unmodified opinion**

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

- Auditee qualified as low -risk auditee? _____ Yes X No

CROSS ANCHOR UTILITY DISTRICT
Schedule of Findings and Questioned Costs (Continued)

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

2023-001 – Material Adjustments and Maintenance of General Ledger

Criteria: The District is responsible for preparing annual financial statements in accordance with generally accepted accounting principles (GAAP). Timely recording of transactions on an accrual basis is in accordance with GAAP and provides more meaningful financial information.

Condition: Although the year-end financial statements are prepared on the appropriate accrual basis, the District maintains its general ledger on a cash basis throughout the year. Accrual entries for revenue, receivable, expenditures, payables, and other general ledger account adjustments are posted only at year end. Reconciliations are prepared on a timely basis for some transaction classes, but not all.

Cause: Routine preparation of reconciliations of all detailed account balances within the general ledger is not being performed due to limited available personnel.

Effects: Failure to properly account for and reconcile revenue, receivables, expenditures, payables, and other general ledger transactions could distort financial information provided to management and the Board of Commissioners and could result in critical financial decisions being made in consideration of incomplete data.

Recommendation: Year-end closing entries should be made, if possible, by District personnel. We understand that that the financial information is accurately reported on the general ledger on a cash basis. However, material entries were required as a result of audit procedures to accurately present the financial statements on a basis consistent with U.S. GAAP. Should limited staffing be a concern, we recommend that the District outsource the year end closing entries to an accounting firm so that financial statements are properly stated before they are audited.

Management's Response: The District will consider this recommendation and explore the above as well as alternative options for implementation.

CROSS ANCHOR UTILITY DISTRICT
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2023

Findings – Financial Statements Audit

Internal Control over Financial Reporting

There were no prior year findings.

Compliance and Other Matters

There were no prior year findings.



Cross Anchor

800 West Andrew Johnson Highway • Greeneville, TN 37745

UTILITY DISTRICT
Management's Corrective Action Plan

2023-001 - Material Adjustments and Maintenance of General Ledger

Recommendation

Year-end closing entries should be made, if possible, by District personnel. We understand that that the financial information is accurately reported on the general ledger on a cash basis. However, material entries were required as a result of audit procedures to accurately present the financial statements on a basis consistent with U.S. GAAP. Should limited staffing be a concern, we recommend that the District outsource the year end closing entries to an accounting firm so that financial statements are properly stated before they are audited.

Action Taken

The District will consider this recommendation and explore the above as well as alternative options for implementation.

Name of Contact Person: Chad Wampler

Anticipated Completion Date: June 30, 2024

Sincerely,

Chad Wampler
General Manager