

**Pontotoc County Rural Water District No. 8
Ada, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2016

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

Pontotoc County Rural Water District No. 8
Ada, Oklahoma
Board of Directors
December 31, 2016

BOARD OF DIRECTORS

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Vice Chairman

Don Kite

Secretary/Treasurer

Bennie Cope

Members

James Treas

Larry Little

Dan Wyche

Wade Pennington

MANAGER

Joyce Williams

Pontotoc County Rural Water District No. 8
Ada, Oklahoma
December 31, 2016

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pontotoc County Rural Water District No. 8
Ada, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Pontotoc County Rural Water District No. 8 (the District), Ada, Oklahoma, as of and for the year ended December 31, 2016, 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. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions 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 District'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 District'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 accounting estimates made by management, as well as

evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 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 supplemental 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 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2017 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 or on 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 Authority's internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

March 28, 2017

Pontotoc County Rural Water District No. 8
Management's Discussion and Analysis
December 31, 2016

Our discussion and analysis of the Rural Water District No. 8, Pontotoc County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the District's financial statements that begin on page 13.

FINANCIAL HIGHLIGHTS

- The District's total operating revenues exceeded total operating expenses by \$177,062. Overall, the District had a net income of \$182,833, and its cash and cash equivalents increased by \$262,177 in the current fiscal year.
- The District is not indebted on any loans at this time.
- Membership in the District continues to increase, from 1,708 in 2015 to 1,753 in 2016.
- The District began allocating funds in 2013;
 - \$125,000 plus \$1 of the \$5 rate increase per meter into a Building Fund,
 - \$100,000 plus \$1 of the \$5 rate increase into a Capital Expenditure Fund,
 - \$275,000 plus \$3 of the \$5 rate increase to Future Water Expense Fund,
 - \$300,000 plus any excess into the Operating Fund.

Using This Report

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

Basis of Accounting

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

The Financial Statements

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net position and the changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Net Position, and Changes in Net Position

The District's Net Position was higher in 2016, increasing from \$4,171,519 to \$4,354,352. Looking at the Net Position and Net Expenses of business-type activities separately, however, two different stories can emerge. Our analysis below focuses on the Net Position (Table 1) and Changes in Net Position (Table 2) of the District's business-type activities.

Table 1 – Net Position:

	2016	2015	Variances
Current and other assets	\$ 2,054,971	1,787,245	267,726
Capital assets, net	2,374,224	2,430,974	(56,750)
Total Assets	<u>\$ 4,429,195</u>	<u>4,218,219</u>	<u>210,976</u>
Current Liabilities	<u>\$ 74,843</u>	<u>46,700</u>	<u>(28,143)</u>
Invest. In capital assets, net			
of related debt	\$ 2,356,364	2,430,974	(74,610)
Unrestricted	1,997,988	1,740,545	257,443
Total Net Position	<u>\$ 4,354,352</u>	<u>4,171,519</u>	<u>182,833</u>

Net Position of the District increased by 4.4 percent (\$4,354,352 compared to \$4,171,519). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$1,740,545 to \$1,997,988.

Table 2 – Changes in Net Position:

	2016	2015	Variances
Revenues:			
Charges for services	\$ 922,103	864,102	58,001
FEMA reimbursement	29,441	-	29,441
OEM reimbursement	4,907	-	4,907
Miscellaneous reimbursements	14,408	10,894	3,514
Interest	5,771	757	5,014
Total Revenues	976,630	875,753	100,877
Expenses:			
Salaries, taxes and benefits	203,849	147,415	(56,434)
Maintenance and repairs	224,749	154,867	(69,882)
Other expenses	249,980	215,735	(34,245)
Depreciation	115,219	114,712	(507)
Total Expenses	793,797	632,729	(161,068)
Changes in Net Position	182,833	243,024	(60,191)
Net Position, Beginning	4,171,519	3,928,495	243,024
Net Position, Ending	\$ 4,354,352	4,171,519	182,833

The District's total revenues increased by 11.5 percent (\$100,877). The total cost of all services increased by 25.5 percent (\$161,068).

Fixed Assets

At December 31, 2016 the District had \$2,374,224 invested in fixed assets, net of depreciation, including land, the water system, vehicles and equipment. The District added \$40,609 of improvements to the water system during the 2016 fiscal year.

Long-Term Debt

The District had no outstanding debt at December 31, 2016. New loan proceeds will be received soon on the construction projects.

Economic Factors and Next Year's Budget and Rates

The District attempts to absorb their rate and expense increases, but may be forced to increase customer rates if additional expenses are incurred.

The District's budget for fiscal year 2017 will remain much like previous years budgets. Your Board of Directors does anticipate small budget changes made primarily to better allow for office and field personnel operations, without the necessity of hiring additional part-time or permanent employees.

Contacting the District's Management

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at P.O. Box 127, Ada, OK 74820 or call (580) 436-3065.



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**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**

Board of Directors
Pontotoc County Rural Water District No. 8
Ada, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Pontotoc County Rural Water District No. 8 (the District), Ada, Oklahoma, as of and for the year ended December 31, 2016, 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 28, 2017.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective 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 in order to determine our auditing procedures that are appropriate 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 over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 no deficiencies in the internal controls that we considered to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that

there is a reasonable possibility that a material misstatement of the 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.

Compliance

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 grants, 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*.

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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

March 28, 2017

PONTOTOC COUNTY RURAL DISTRICT NO. 8
Disposition of Prior Year's Significant Deficiencies
December 31, 2016

There were no prior year significant deficiencies.

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
Schedule of Audit Results
December 31, 2016

Section 1 – Summary of Auditor’s Results:

1. An unmodified opinion report was issued on the financial statements.
2. The audit disclosed no significant deficiencies in the internal controls.
3. The audit disclosed no instances of noncompliance.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
STATEMENT OF NET POSITION
DECEMBER 31, 2016

ASSETS:

Current assets:

Cash	\$ 1,456,200
Investments	505,027
Accounts Receivable	65,645
Prepaid insurance	10,073
Total current assets	<u>2,036,945</u>

Noncurrent assets:

Reserved cash - rent deposits	11,898
Loan costs-net of amortization	6,128
Capital assets:	
Construction in progress	17,860
Land	40,218
Water distribution system-net of depreciation	2,313,242
Furniture and fixtures-net of depreciation	515
Vehicles-net of depreciation	2,389
Total noncurrent assets	<u>2,392,250</u>

Total Assets	<u>4,429,195</u>
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LIABILITIES:

Current liabilities:

Accounts payable	58,045
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Noncurrent liabilities:

Refundable deposits	<u>16,798</u>
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Total Liabilities	<u>74,843</u>
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NET POSITION:

Invested in capital assets, net of related debt	2,356,364
Unrestricted	<u>1,997,988</u>
Total Net Position	<u>\$ 4,354,352</u>

The accompanying notes are an integral part of the financial statements

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

Operating Revenues:	
Water revenue	\$ 865,598
Benefit units	56,505
FEMA reimbursement	29,441
OEM reimbursement	4,907
Other sales and services	14,408
Total operating revenues	<u>970,859</u>
Operating Expenses:	
Salaries and taxes	182,037
Fringe benefits	21,812
Testing	5,300
Utilities	46,049
Telephone	2,287
Water purchases	101,203
Office	16,735
Insurance	19,283
Line materials	123,737
Line repairs	101,012
Rent	9,000
Postage	10,602
Dues and fees	4,854
Vehicles	12,115
Professional fees	2,800
Credit card	8,979
Miscellaneous	9,549
Depreciation	115,219
Amortization	1,224
Total expenses from operations	<u>793,797</u>
Operating Income (Loss)	177,062
Non-Operating Revenues (Expenses):	
Interest income	<u>5,771</u>
Change in Net Position	182,833
Total Net Position, beginning of period	<u>4,171,519</u>
Total Net Position, end of period	<u><u>\$ 4,354,352</u></u>

The accompanying notes are an integral part of the financial statements

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities:

Receipts from customers	\$ 965,206
Payments to employees	(201,437)
Payments to vendors	(448,894)
	<hr/>
Net Cash Provided by (used in) Operating Activities	314,875
	<hr/>

Cash Flows from Financing Activities:

Capital asset (additions) sale	(58,469)
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Cash Flows from Investing Activities:

Interest earned on investments	5,771
	<hr/>

Net increase (decrease) in cash and cash equivalents 262,177

Cash and cash equivalents, beginning of period 1,710,948

Cash and cash equivalents, end of period \$ 1,973,125

Reconciliation of operating income (loss) to net cash provided
by operating activities:

Operating Income (loss)	\$ 177,062
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation Expense	115,219
Amortization Expense	1,224
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(5,653)
(Increase) decrease in prepaid insurance	(1,120)
Increase (decrease) in accounts payable	26,159
Increase (decrease) in taxes payable	2,412
Increase (decrease) in rent deposits	(428)
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Net cash provided by operating activities	\$ 314,875
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The accompanying notes are an integral part of the financial statements

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note A – Significant Accounting Policies

Business Activity

Pontotoc County Rural Water District No. 8 (the District) was formed under the provisions of Title 82, O.S. 1981, Sections 1324.1-1324.26 inclusive. The District operates as a nontaxable government agency to service residents of the Pontotoc County Rural Water District No. 8. The District's primary income is from the sale of water to its members in an area around Latta, Oklahoma.

Basis of Accounting

The financial statements are prepared on an accrual basis of accounting, which is in compliance with accounting principles generally accepted in the United States of America (GAAP), and which recognizes revenues when earned and expenses as incurred. Interest earnings on certificates of deposit are recorded when such interest is actually received by the District. Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

Cash

The District's cash accounts are with the Citizens Bank, Ada, Oklahoma, and are detailed as follows:

	December 31,	
	2016	2015
Operating Account	\$ 1,460,948	1,700,846
Less: Outstanding checks	(4,748)	(2,224)
Balance	<u>\$ 1,456,200</u>	<u>1,698,622</u>

Reserved Account

The reserve account is a rental deposit account. These funds have been deposited in a checking account at Citizens Bank, Ada, Oklahoma, which is insured by the federal government. At December 31, 2016, the reserved balance was \$11,898.

At December 31, 2016, the District allocated the above cash balances and the rental deposit (reserve) account balance into the following areas:

\$ 193,584	into the Building Fund
176,394	into the Capital Expenditure Fund
450,438	into the Future Water Expense Fund
<u>640,532</u>	(remaining funds) into the Operating Fund
<u>\$1,460,948</u>	Total

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note A – Significant Accounting Policies – cont'd

Collateral Pledged

It appears that all funds were adequately insured by FDIC coverage and additional collateral pledged by Citizens Bank as of December 31, 2016.

Investments

The District had the following outstanding investments at December 31, 2016:

Oklahoma Heritage Bank:	
Certificate of deposit No. 10467, due 4-12-17	\$ 252,513
Certificate of deposit No. 10468, due 4-12-17	<u>252,513</u>
Total	<u>\$ 505,026</u>

Fixed Assets

Any items purchased or constructed in excess of \$1,000 and a useful life of over two years is considered a fixed asset by the District, and will be depreciated over a specific time. Depreciation of the waterworks system and improvements is provided using the straight-line method based on a forty-year life. Equipment is depreciated over a 5-7 year life. Depreciation expense for the year is presented as an operating expense and closed, along with other operating expenses, directly to retained earnings.

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

The fixed asset information for the District is shown below:

	12/31/2015 Amount	Additions	Deletions	12/31/2016 Amount
Land	\$ 40,218	-	-	40,218
Office equipment	26,167	-	-	26,167
Plant and water sys.	4,272,265	40,609	-	4,312,874
Vehicles	67,388	-	-	67,388
Const. in progress	-	17,860	-	17,860
Total Fixed Assets	4,406,038	58,469	-	4,464,507
Less: Accumulated Depreciation	(1,975,064)	(115,219)	-	(2,090,283)
Total	<u>\$ 2,430,974</u>	<u>(56,750)</u>	<u>-</u>	<u>2,374,224</u>

Note B – Accounts Receivable

Billings for accounts receivable at December 31, 2016 were \$65,645. Allowance for doubtful accounts was not computed on these amounts.

Note C – Long-Term Debt

The District has no long-term debt at December 31, 2016.

Note D – Contributed Capital

In 2012, the District received the final \$82,209 of a total \$225,000 of grant proceeds on a Community Development Block Grant. These funds are paid directly to the contractor that was awarded the project for water line replacement and upgrades to the water system. This grant is required to be matched by District funds.

Note E – Subsequent Events

Management has evaluated subsequent events through March 28, 2017, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
BALANCE SHEET
DECEMBER 31, 2016

	DECEMBER 31,	
	2016	(memo only) 2015
<u>ASSETS</u>		
Current Assets:		
Cash in bank	\$ 1,456,200	1,698,622
Investments	505,027	0
Accounts receivable	65,645	59,992
Prepaid insurance	10,073	8,953
Total current assets	<u>2,036,945</u>	<u>1,767,567</u>
Fixed Assets:		
Land	40,218	40,218
Water distribution system	4,312,874	4,272,265
Construction in progress	17,860	0
Furniture and fixtures	26,167	26,167
Vehicles	67,388	67,388
Total fixed assets	<u>4,464,507</u>	<u>4,406,038</u>
Less: accumulated depreciation	<u>(2,090,283)</u>	<u>(1,975,064)</u>
Total fixed assets (net of depreciation)	<u>2,374,224</u>	<u>2,430,974</u>
Reserved Assets:		
Rental deposit account	<u>11,898</u>	<u>12,326</u>
Other Assets:		
Loan costs	18,368	18,368
Less: accumulated amortization	<u>(12,240)</u>	<u>(11,016)</u>
Total other assets	<u>6,128</u>	<u>7,352</u>
Total Assets	<u><u>\$ 4,429,195</u></u>	<u><u>4,218,219</u></u>
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 52,425	26,266
Payroll taxes payable	5,620	3,208
Rent deposits	16,798	17,226
Total current liabilities	<u>74,843</u>	<u>46,700</u>
Equity:		
Contributed capital	225,000	225,000
Retained earnings	4,129,352	3,946,519
Total Equity	<u>4,354,352</u>	<u>4,171,519</u>
Total Liabilities and Equity	<u><u>\$ 4,429,195</u></u>	<u><u>4,218,219</u></u>

PONTOTOC COUNTY RURAL WATER DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR YEAR ENDED DECEMBER 31, 2016

	2016	(memo only) 2015
Revenue from operations:		
Water revenue	\$ 865,598	810,802
Benefit units	56,505	53,300
FEMA reimbursement	29,441	0
OEM reimbursement	4,907	0
Miscellaneous reimbursements	14,408	10,894
Total revenue from operations	<u>970,859</u>	<u>874,996</u>
Expenses from operations:		
Salaries and taxes	182,037	125,020
Fringe benefits	21,812	22,395
Testing	5,300	8,982
Utilities	46,049	44,741
Telephone	2,287	3,214
Water purchases	101,203	68,633
Office	16,735	12,264
Insurance	19,283	18,042
Line materials	123,737	86,073
Line repairs	101,012	68,794
Rent	9,000	9,000
Postage	10,602	9,576
Dues and fees	4,854	2,595
Vehicles	12,115	7,098
Professional fees (mapping)	2,800	16,533
Credit card	8,979	7,729
Miscellaneous	9,549	6,104
Depreciation	115,219	114,712
Amortization	1,224	1,224
Total expenses from operations	<u>793,797</u>	<u>632,729</u>
Net Income (Loss) From Operations	177,062	242,267
Non-operating revenue:		
Interest earnings	<u>5,771</u>	<u>757</u>
Net Income (Loss)	182,833	243,024
Retained earnings, beginning of period	<u>3,946,519</u>	<u>3,703,495</u>
Retained earnings, end of period	<u><u>\$ 4,129,352</u></u>	<u><u>3,946,519</u></u>