

**MUNICIPALITY OF THE
DISTRICT OF EAST HANTS**

FINANCIAL REPORT

March 31, 2018



EAST HANTS
We live it!

Municipality of the District of East Hants

Table of Contents

March 31, 2018

	<u>Page</u>
Auditor's Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations	2
Consolidated Statement of Changes of Net Debt	3
Consolidated Statement of Cash Flow	4
Notes to the Consolidated Financial Statements	5-17
Schedule of Current Fund Operations - Municipal Operations	18
Schedule of Financial Position - Municipal Operations	19
Schedule of Current Fund Operations - Water Utility	20
Schedule of Financial Position - Water Utility	21
Schedule of Capital Fund Operations - Municipal Operations	22
Schedule of Financial Position - Municipal Capital Fund	23
Schedule of Reserve Operations	24
Schedule of Financial Position - Reserves Fund	25
Reconciliation of the Financial Plan to the PSAS Budget	26
Consolidated Schedule of Operations by Function	27-28



Deloitte LLP
Purdy's Wharf Tower II
1969 Upper Water Street
Suite 1500
Halifax NS B3J 3R7
Canada

Tel: 902-422-8541
Fax: 902-423-5820
www.deloitte.ca

Independent Auditor's Report

His Worship the Warden and
Members of Council of the
Municipality of the District of East Hants

We have audited the accompanying consolidated financial statements of the Municipality of the District of East Hants, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

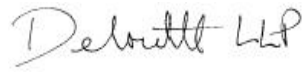
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Municipality of the District of East Hants as at March 31, 2018, and the results of its operations, net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in cursive script that reads "Deloitte LLP".

Chartered Professional Accountants
July 31, 2018
Halifax, Nova Scotia

**Municipality of the District of East Hants
Consolidated Statement of Financial Position
As at March 31, 2018**

	2018	2017
FINANCIAL ASSETS		
Cash (Note 2)	\$ 25,904,233	\$ 23,461,556
Taxes and water rates receivable (Note 3)	2,506,376	2,519,597
Accounts receivable (Note 4)	1,501,240	1,175,707
	<u>29,911,849</u>	<u>27,156,860</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	2,586,113	1,838,252
Deferred revenue - general	1,554,235	1,548,185
Deferred revenue - obligatory reserve (Note 6)	3,553,916	3,660,644
Employee future benefits (Note 9 & 10)	1,621,969	1,264,565
Tax sale surplus	337,122	377,356
Net Long-term liabilities (Note 8)	24,730,475	26,479,010
	<u>34,383,830</u>	<u>35,168,012</u>
NET DEBT	<u>(4,471,981)</u>	<u>(8,011,152)</u>
NON FINANCIAL ASSETS		
Tangible capital assets (Note 7)	72,276,659	75,098,580
Work in progress (Note 7)	6,407,201	1,275,973
Inventory and prepaid expenses	504,239	260,374
	<u>79,188,099</u>	<u>76,634,927</u>
ACCUMULATED SURPLUS (Note 12d)	<u>\$ 74,716,118</u>	<u>\$ 68,623,775</u>

Contingency (Note 15)

Approved on Behalf of the Municipality
of the District of East Hants


.....Warden


.....Clerk

Municipality of the District of East Hants
Consolidated Statement of Operations
Year Ended March 31, 2018

	2018 Budget Unaudited (Note 16)	2018 Actual	2017 Actual
Revenues			
Property taxes (Note 13)	\$ 26,133,806	\$ 26,104,755	\$ 25,636,758
Grants in lieu of taxes	188,114	178,010	188,129
Sale of services	989,004	1,063,209	943,658
Other revenue from own sources	837,942	1,184,595	993,510
Unconditional transfers from other governments	191,593	447,646	461,305
Conditional transfers from federal or provincial government	133,381	163,352	162,850
Government grants	3,388,247	3,388,247	1,012,845
Development and other contributions applied	879,178	454,178	503,593
Water utility	1,865,768	1,850,039	1,765,578
Total Revenues	34,607,033	34,834,031	31,668,226
Expenses			
General government services	5,625,766	4,738,669	5,491,222
Protective services	7,006,888	7,342,670	6,787,112
Education services (Note 13)	4,953,751	4,953,756	4,861,500
Social services (Note 13)	65,550	59,788	63,130
Transportation services	2,135,910	1,987,115	2,223,469
Environmental health services	4,757,892	4,586,177	4,660,564
Environmental development services	1,669,696	1,225,405	997,119
Landfill closure/post closure (recovery) costs	-	(56,671)	8,610
Recreation and cultural services	1,839,678	1,946,309	1,898,351
Water utility	2,492,907	1,958,470	2,090,407
Total Expenses	30,548,038	28,741,688	29,081,484
Annual Surplus	4,058,995	6,092,343	2,586,742
Accumulated Surplus, Beginning of Year	68,623,775	68,623,775	66,037,033
Accumulated Surplus, End of Year	\$ 72,682,770	\$ 74,716,118	\$ 68,623,775

Municipality of the District of East Hants
Consolidated Statement of Changes of Net Debt
Year Ended March 31, 2018

	2018 Budget Unaudited (Note 16)	2018 Actual	2017 Actual
Annual Surplus	\$ 4,058,995	6,092,343	\$ 2,586,742
Tangible Capital Assets and Work-in-Progress			
Acquisition of tangible capital assets	(11,962,705)	(5,555,151)	(2,357,616)
Amortization of tangible capital assets	2,775,511	2,775,511	2,740,804
Net gain on sale of tangible capital assets	(873,237)	(873,237)	(465,242)
Proceeds on sale of tangible capital assets	1,343,570	1,343,570	512,974
	<u>(8,716,861)</u>	<u>(2,309,307)</u>	<u>430,920</u>
Other Non-Financial Assets			
Decrease (increase) in inventory and prepaid expenses	-	(243,865)	6,052
Decrease (Increase) in Net Debt	(4,657,866)	3,539,171	3,023,714
Net Debt, Beginning of Year	(8,011,152)	(8,011,152)	(11,034,866)
Net Debt, End of Year	\$ (12,669,018)	(4,471,981)	\$ (8,011,152)

Municipality of the District of East Hants
Consolidated Statement of Cash Flow
Year Ended March 31, 2018

	2018	2017
Operating Transactions		
Annual surplus	\$ 6,092,343	\$ 2,586,742
Add amortization of tangible capital assets	2,775,511	2,740,804
	<u>8,867,854</u>	<u>5,327,546</u>
Changes in Non-Cash Assets and Liabilities		
(Increase) decrease in accounts receivable	(325,533)	332,342
Decrease (increase) in taxes receivable	13,221	(48,411)
Increase (decrease) in accounts payable and accruals	747,861	(1,044,307)
(Decrease) increase in tax sale surplus	(40,234)	119,063
(Decrease) increase in deferred revenue	(100,678)	151,569
Increase in employee benefits/other obligations	357,404	305,231
(Increase) decrease in inventory and prepaid expenses	(243,865)	6,051
Net gain on sale of tangible capital assets	(873,237)	(465,242)
	<u>(465,061)</u>	<u>(643,704)</u>
Net Change in Cash From Operations	<u>8,402,793</u>	<u>4,683,842</u>
Financing Transactions		
Long-term liabilities issued	-	340,000
Long-term liabilities retired (Note 8c)	(1,748,535)	(1,549,700)
	<u>(1,748,535)</u>	<u>(1,209,700)</u>
Capital Transactions		
Additions to tangible capital assets	(423,923)	(2,039,144)
Increase in work in progress	(5,131,228)	(318,472)
Proceeds on sale of tangible capital assets	1,343,570	512,974
	<u>(4,211,581)</u>	<u>(1,844,642)</u>
Increase in Cash Position	<u>2,442,677</u>	<u>1,629,500</u>
Cash Position, Beginning of Year	<u>23,461,556</u>	<u>21,832,056</u>
Cash Position, End of Year	<u>\$ 25,904,233</u>	<u>\$ 23,461,556</u>

1. Significant Accounting Policies

The consolidated financial statements of the Municipality of East Hants “Municipality” are the representations of management prepared in accordance with Canadian Public Sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the Municipality of East Hants are as follows:

a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in net debt and financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the Municipality for the administration of their financial affairs and resources and which are owned or controlled by the Municipality, namely:

- General Operating and Capital
- Water Utility Operating and Capital

Inter-departmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

b) Fund Accounting

Funds within the consolidated financial statements consist of current, capital and reserve funds.

Council approves certain amounts to be set aside in reserves and reserve funds for future operating and capital purposes. Transfers between funds are recorded as adjustments to the appropriate fund balance.

c) Revenue and Expenditure Recognition

Revenues are recorded using the accrual basis of accounting as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as Deferred Revenue - Obligatory Reserve Funds until used for the purpose specified. Expenditures are recognized using the accrual method of accounting.

Property tax revenue is based on assessments determined in accordance with the Province of Nova Scotia legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. Penalties on overdue taxes are recorded in the period levied.

1. **Significant Accounting Policies (Continued)**

d) **Tangible Capital Assets**

Tangible capital assets are recorded in accordance with section 3150 of the PSAS Handbook and are recorded at cost less accumulated amortization.

Amortization has been calculated on a straight-line basis over an asset's useful life as follows:

Land Improvements	20 years
Municipal Buildings	40 years
Buildings - Plants	25 years
Machinery and Equipment	5 - 10 years
Vehicles - residual value \$10,000	4 years
Engineered Structures	
Roadway Systems	50 years
Sidewalks	20 years
LED Streetlights	10 years
Sewer Collection and Disposal	40 - 50 years
Landfill Infrastructure	25 years
Industrial Park Infrastructure	40 years

Water Utility assets are depreciated in accordance with the Nova Scotia Utility and Review Board Accounting and Reporting Handbook section 3040 and 3042.

e) **Deferred Revenue**

Deferred revenue consists of user charges and fees which have been collected but for which the related services have yet to be performed, at which time they will be recognized as revenues.

The Municipality receives infrastructure charge contributions and payments in lieu of green space under provisions of Municipal By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works, are recorded as Deferred Revenue - Obligatory Reserve Funds. As applied to capital projects, they are recorded as revenue in the year the funds are expended.

f) **Government Contributions**

Government contributions are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met. Exceptions to this are when the transfer includes stipulations which have not yet been met and cause the Municipality to incur a liability.

g) **Investment Income**

Investment income earned on surplus current funds, capital funds, and reserve funds (other than obligatory reserve funds) is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is reported as part of the respective deferred revenue balance.

1. **Significant Accounting Policies (Continued)**

h) Employee Future Benefits

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected cost method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and other costs.

i) Budget Figures

Council completes separate budget reviews for its operating, water utility and capital budgets each year. The approved operating and water utility budget for 2018 is reflected on the Schedule of Current Fund Municipal Operations and Schedule of Current Fund Water Utility. For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds, transfers from the operating/water utility funds, by the application of applicable grants, other funds available and by debt financing. As many capital projects are carried out over one or more years, it is not practical to present annualized budget information on the Schedule of Capital Fund Operations.

j) PSAS Budget

The consolidated financial statements include an unaudited PSAS budget.

With the exception of the water utility budget, amortization and the gain/loss on the sale of assets were not contemplated during the development of the budget and, as such, have been included using actual figures for the budget value.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed as a schedule - Reconciliation of the Financial Plan to the PSAS Budget.

k) Use of Estimates

The preparation of these statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclose contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The Municipality relies on estimates to calculate the landfill liability, pension liability, sick leave liability, allowance for doubtful accounts and the amortization expenses.

l) Segmented Information

East Hants is a diversified municipal government that provides a wide range of municipal programs and services to its constituents, including fire, RCMP, waste and recycling services, water supply and distribution, wastewater treatment, libraries, recreation, and tourism. Segmented information has been prepared by major functional classification, consistent with the Consolidated Statement of Operations and provincially legislated requirements.

1. Significant Accounting Policies (Continued)

l) Segmented Information (Continued)

The major segments are as follows:

General government services: Activities that provide for the overall operation of the Municipality and that are common to, or affect all of the services provided by the Municipality. This includes the administrative arm of the Municipality (finance, taxation & collection, facilities management (including interest on debt charges), information services, Chief Administrative Officer and human resources) and legislative activities related to the Warden and Council of the Municipality, including their remuneration and expenses.

Protective services: Activities that provide for the public safety of the inhabitants of the Municipality, such as RCMP protection, transfers to correctional services, bylaw enforcement, building inspection, emergency measures, fire department grants and levies and fire hydrants.

Education Services: Mandatory education transferred to Chignecto-Central Regional School Board.

Social Services: Payments made to Housing Nova Scotia to cover the deficits of the public housing authorities in the region.

Transportation services: Activities, transfers and related debt for roads, sidewalks and LED lighting.

Environmental health services: Activities that provide environmentally regulated services, including sewage collection, treatment & disposal, waste management center operations, multi stream waste collection and disposal programs and engineering/environmental stewardship.

Environmental development services: Activities that support and control the Municipality's economic development including environmental planning and zoning, industrial park development, tourism and community development.

Recreation and cultural services: Activities that provide recreation and cultural services, including recreational facilities, libraries, and cultural buildings.

Water Utility: Activities related to the operations of the East Hants Water Utility, a 2,748 customer utility that operates two modern water treatment plants and related infrastructure.

2. Cash

Cash is comprised of:

	<u>2018</u>	<u>2017</u>
Bank	\$ 22,870,318	\$ 20,305,913
Restricted cash (obligatory reserves)	3,033,915	3,155,643
	<u>\$ 25,904,233</u>	<u>\$ 23,461,556</u>

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

2. **Cash (Continued)**

Administered bank accounts

The Municipality administers bank accounts for Lantz, Maitland, Milford, Mount Uniacke, Nine Mile River, Noel, Rawdon, Shubenacadie and Walton Fire Departments. These bank accounts are held in the name of the Municipality of the District of East Hants but do not belong to the Municipality and therefore these accounts are not included in these financial statements.

3. **Taxes and Water Rates Receivable**

Taxes and water rates receivable have been recorded net of an allowance for doubtful accounts of \$28,776 (2017 - \$31,967), representing management's estimate of uncollectible accounts.

4. **Accounts Receivable**

The balance for accounts receivable on the consolidated Statement of Financial Position totaled \$1,501,240 (2017 - \$1,175,707). The balance is comprised of the following:

	<u>2018</u>	<u>2017</u>
Amounts owing from government	\$ 535,186	\$ 234,923
Loan to Lantz fire department	253,671	270,484
Local Improvement Loan	106,800	119,400
Other	605,583	550,900
	<u>\$ 1,501,240</u>	<u>\$ 1,175,707</u>

In 2008/2009 the Municipality loaned the Lantz Volunteer Fire Department the amount of \$370,000 as per section 66(4)(e) of the Municipal Government Act (MGA). The loan period is for 15 years and it is interest bearing that escalates from 3.10% in year one to 5.48% in year 15. At this time the loan is in good standing but the Municipality has the ability (if needed) to withhold the Fire Levy as collateral on the loan.

5. **Accounts Payable and Accrued Liabilities**

	<u>2018</u>	<u>2017</u>
Liability for landfill closure/post closure	\$ 228,565	\$ 285,236
Salaries and wages payable	224,479	223,716
Trade payables and accruals	2,133,069	1,329,300
	<u>\$ 2,586,113</u>	<u>\$ 1,838,252</u>

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

6. Deferred Revenue - Obligatory Reserve

	<u>2018</u>	<u>2017</u>
Sewer balance March 31, 2017	\$ 2,505,722	\$ 2,403,946
Sewer developer charges	99,828	92,987
Sewer developer interest	31,358	19,361
Transfer - Capital Projects	-	(7,115)
Transfer - Sewer Capacity Study	-	(3,457)
Sewer balance March 31, 2018	<u>\$ 2,636,908</u>	<u>\$ 2,505,722</u>
Water balance March 31, 2017	\$ 1,140,006	\$ 1,159,329
Water developer charges	93,828	77,882
Water developer interest	12,254	8,090
Transfer - Lantz & Enfield Easements	(388,971)	(105,295)
Water balance March 31, 2018	<u>\$ 857,117</u>	<u>\$ 1,140,006</u>
Green Space balance March 31, 2017	\$ 14,916	\$ 14,782
Green Space contributions	44,766	-
Green Space interest	209	134
Green Space balance March 31, 2018	<u>\$ 59,891</u>	<u>\$ 14,916</u>
Sewer Developer Charges	\$ 2,636,908	\$ 2,505,722
Water Developer Charges	857,117	1,140,006
Green Space Contributions	59,891	14,916
	<u>\$ 3,553,916</u>	<u>\$ 3,660,644</u>

Municipality of the District of East Hants

Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

7. Tangible Capital Asset Continuity Schedule

	General Capital Assets				Infrastructure				2018 TOTAL	2017 TOTAL
	Land & Land Improvements	Buildings	Machinery & Equipment	Vehicles	Engineered Structures	Industrial Parks	Water Utilities	Assets in WIP		
Cost										
Opening Costs	\$ 4,213,998	\$ 13,033,007	\$ 2,839,802	\$ 356,053	\$ 57,062,762	\$ 6,301,004	\$ 23,942,953	\$ 1,275,973	\$ 109,025,552	\$ 106,715,667
Additions during year	131,655	23,683	57,429	88,844	20,916	31,089	70,306	5,134,094	5,558,016	2,908,239
Disposals & Write downs	(405,891)	-	-	(81,970)	-	-	(88,509)	(2,866)	(579,236)	(598,354)
Closing Costs	3,939,762	13,056,690	2,897,231	362,927	57,083,678	6,332,093	23,924,750	6,407,201	114,004,332	109,025,552
Accumulated Amortization										
Opening Accum. Amortization	-	3,595,600	2,050,408	174,624	20,110,804	1,431,732	5,287,831	-	32,650,999	29,910,194
Amortization in Year	41,013	323,477	200,079	41,724	1,647,472	165,723	356,023	-	2,775,511	2,740,805
Adj/Disposals - Accum Amort	-	-	-	(64,070)	-	-	(41,968)	-	(106,038)	-
Acc Amort - End of Year	41,013	3,919,077	2,250,487	152,278	21,758,276	1,597,455	5,601,886	-	35,320,472	32,650,999
Net Book Value	\$ 3,898,749	\$ 9,137,613	\$ 646,744	\$ 210,649	\$ 35,325,402	\$ 4,734,638	\$ 18,322,864	\$ 6,407,201	\$ 78,683,860	\$ 76,374,553

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

8. Long-Term Liabilities

a) Of the \$24,730,475 long-term liabilities (2017 - \$26,479,010) certain payments represent a burden on general Municipal Revenues, as they are to be recovered in future years from other sources.

	<u>2018</u>	<u>2017</u>
General revenues	\$ 2,595,832	\$ 2,895,497
Local improvement charges	148,506	214,245
Area rates	8,689,280	9,373,823
Sale of land in Business Parks	2,517,705	2,710,124
Water charges	4,309,122	4,529,546
Tenants rent	6,222,165	6,491,455
Loan to Lantz fire department	247,865	264,320
	<u>\$ 24,730,475</u>	<u>\$ 26,479,010</u>

b) The total principal repayments in each of the next five years are as follows:

	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
General Government	\$ 310,700	\$ -	\$ -	\$ -	\$ -
Transportation	746,878	406,386	404,013	408,274	1,317,077
Environmental Development	251,251	783,226	344,044	117,570	118,911
Environmental Health	89,351	62,989	66,140	623,265	363,204
Sewers	119,753	95,897	99,213	102,780	103,332
Recreation	149,162	156,046	163,522	171,568	180,156
Buildings	279,960	291,280	3,086,875	98,000	99,900
Water Utilities	229,162	228,213	237,421	1,615,340	1,623,463
Hospital	31,356	32,770	34,563	35,932	145,600
Lantz Fire Department	17,300	18,200	19,135	20,120	21,160
Tourism	28,000	28,000	28,000	28,000	28,000
Fire Dept Equipment	8,627	8,988	9,379	-	-
Total:	<u>\$ 2,261,500</u>	<u>\$ 2,111,995</u>	<u>\$ 4,492,305</u>	<u>\$ 3,220,849</u>	<u>\$ 4,000,803</u>

* Principal Payments include balloon payments that may be re-financed

c) Total charges for the year for long-term liabilities are as follows:

	<u>2018</u>	<u>2017</u>
Principal	\$ 1,748,535	\$ 1,549,700
Interest	1,137,064	1,200,254
	<u>\$ 2,885,599</u>	<u>\$ 2,749,954</u>

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

8. **Long-Term Liabilities (Continued)**

d) Total charges for the year for long-term liabilities were recorded as follows:

	<u>2018</u>	<u>2017</u>
General revenues	\$ 981,598	\$ 833,894
Local improvement charges	71,021	64,569
Area rates	1,106,322	1,119,784
Sale of land in business parks	298,107	301,511
Water charges	428,551	430,196
	<u>\$ 2,885,599</u>	<u>\$ 2,749,954</u>

9. **Employee Future Benefits**

The Municipality provides certain employee benefits that require funding in future periods. Under the personnel policies of the Municipality, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. An actuarial valuation of the sick leave liability was done last fiscal year and has been recorded in the Consolidated Statement of Financial Position.

10. **Pension Plan**

The Municipality operates a defined benefit pension plan, which provides benefits to employees upon retirement. The accrued benefit obligation as at March 31, 2018, is based on an actuarial valuation for accounting purposes as at December 31, 2016, with adjustments based on additional information provided to the actuary in 2017. The next actuarial valuation for accounting purposes is to be prepared as of December 31, 2017. The accrued benefit obligation has changed due to, among other assumption changes, a decrease in the discount rate used and the change in the mortality assumption. All plan assets are held by various Manulife Funds.

	Estimated <u>December 31, 2017</u>	Estimated <u>December 31, 2016</u>
Accrued Benefit Obligation	\$16,314,654	\$14,845,731
Fair Value Plan Asset	<u>10,449,798</u>	<u>9,664,770</u>
Funded Status - (Plan Deficit) Surplus	<u><u>\$(5,864,856)</u></u>	<u><u>\$(5,180,961)</u></u>

10. Pension Plan (Continued)

The significant actuarial assumptions adopted measuring the Municipality's accrued benefit obligation as at December 31, 2017 were as follows:

	<u>Dec.31, 2017</u>	<u>Dec. 31, 2016</u>
Expected long-term rate of return on plan assets	6.25%	6.25%
Rate of compensation increase	3.00%	3.00%
Discount rate used to determine benefit obligation	3.50%	3.75%

The Post-retirement mortality assumption was based on CPM2014 Public Sector Mortality with generational projection. The assumption in the prior valuation was 1994 Uninsured Pensioners (UP94) projected to 2017.

An actuarial valuation of the pension plan was performed for accounting purposes using the projected benefit method prorated on service. The unamortized actuarial loss is amortized over the expected average remaining service life ("EARSL") of the employee group; EARSL in 2018 was 17 years and it was 17 years in 2017.

	<u>Dec.31, 2017</u>	<u>Dec. 31, 2016</u>
Accrued benefit obligation, net of plan assets	\$5,864,856	\$5,180,961
Unamortized actuarial loss	<u>(4,467,972)</u>	<u>(4,117,705)</u>
Benefit liability recorded in the statement of financial position	<u>\$1,396,884</u>	<u>\$1,063,256</u>

During the year, the Municipality contributed \$474,462 (\$228,552 in 2017) and the employees contributed \$185,342 (\$163,127 in 2017) to the plan. Benefit payments for the year totaled \$516,083 (\$436,598 in 2017).

Administrative fees paid during the 2017/2018 fiscal year totaled \$13,286; Plan Valuation costs were \$7,625.

11. Solid Waste Management Facilities Liabilities

The Municipality owns one landfill site for which the permit to operate expired December 31, 2005. As of March 31, 2007, the site has been capped in accordance with all applicable environmental regulations. The site, although not used as a residual waste disposal site, will continue to be used as a construction and demolition disposal site into the future. In addition, the site has an organics and waste transfer facility in operation. East Hants waste has been shipped to a facility outside of its borders since January 1, 2006.

The liability of \$228,565 (2017 - \$285,236) is felt to approximate the present value of post closure costs of the site in accordance with current regulations and has been reported on the Consolidated Statement of Financial Position as an accounts payable and accrued liabilities. Costs relating to the post closure of this site include cost for maintenance of sedimentation ponds and testing of the monitoring wells on the site for 30 years after closure. Closure/post closure costs include managements' best estimates of what those costs will be, based on input from engineers on staff. Some costs are projected at an inflation rate of .1%. All costs are discounted using a rate of 6%.

The liability for closure/post closure has been fully funded.

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

12. Municipal Fund Balances

a) The current fund balance is comprised of the following:

	<u>2018</u>	<u>2017</u>
Long term liabilities issued to fund Hospital	\$ (792,472)	\$ (822,488)
Long term liabilities issued to fund Sportsplex	(2,599,013)	(2,741,836)
Unfunded pension liability	(1,396,884)	(1,063,256)
Landfill liability funded by reserves	(228,565)	(285,236)
	<u>\$ (5,016,934)</u>	<u>\$ (4,912,816)</u>
Water utility operation	962,975	908,490
	<u>\$ (4,053,959)</u>	<u>\$ (4,004,326)</u>

b) The capital asset fund balance is comprised of the following:

	<u>2018</u>	<u>2017</u>
Tangible capital assets	\$ 72,276,659	\$ 75,098,580
Work in progress	6,407,201	1,275,973
Funds yet to be provided from long term debt	(340,480)	(327,459)
Long term liabilities capital	(20,984,319)	(22,530,967)
	<u>\$ 57,359,061</u>	<u>\$ 53,516,127</u>

c) Reserves and reserve funds set aside for specific purposes by Council or required by legislation are comprised of the following:

	<u>2018</u>	<u>2017</u>
Working funds	\$ 13,425,667	\$ 12,199,210
Replacement of equipment/assets	7,756,784	6,627,528
Landfill closure/post closure liability	228,565	285,236
	<u>\$ 21,411,016</u>	<u>\$ 19,111,974</u>

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

12. Municipal Fund Balances (Continued)

d) Consolidated Accumulated Surplus:

	<u>2018</u>	<u>2017</u>
Current funds	\$ (4,053,959)	\$ (4,004,326)
Capital asset funds	57,359,061	53,516,127
Reserve funds	21,411,016	19,111,974
	<u>\$ 74,716,118</u>	<u>\$ 68,623,775</u>

13. Taxation

	<u>2018</u>	<u>2017</u>
Taxation from real property	\$ 26,104,755	\$ 25,636,758
Less: Taxation collected to pay mandatory provincial taxes for:		
Education Services	(4,953,756)	(4,861,500)
Social Services	(59,788)	(63,130)
Corrections	(286,763)	(285,881)
Net taxes available for municipal purposes	<u>\$ 20,804,448</u>	<u>\$ 20,426,247</u>

Municipality of the District of East Hants
Notes to the Consolidated Financial Statements
Year Ended March 31, 2018

14. **Remuneration and Expenses Paid to Council Members and the CAO**

Council	<u>Stipend/Salary</u>	<u>Expenses</u>	<u>Total</u>
Warden James D. Smith	\$ 39,069	\$ 5,187	\$ 44,256
Cecil Dixon	20,063	544	20,607
Stephen King	20,063	779	20,842
Eldon Hebb	20,063	1,423	21,486
Pam Macinnis	20,574	2,794	23,368
Keith Rhyno	20,802	1,493	22,295
Wayne Greene	21,266	773	22,039
Heather A. Smith	20,063	3,206	23,269
Cyril McDonald	21,540	1,884	23,424
Elie Moussa	21,540	3,320	24,860
Eleanor Roulston	25,630	544	26,174
Chief Administrative Officer*	218,894	4,449	223,343
	<u>\$ 469,567</u>	<u>\$ 26,396</u>	<u>\$ 495,963</u>

* CAO remuneration includes the value of retirement benefits

15. **Contingency**

The Municipality has guaranteed a loan on behalf of the Lantz Fire Department totaling \$247,865 (2017 - \$264,320).

16. **Budget Figures**

The Municipality's Operating, Water Utility, and Capital Budgets are approved by Council. The budget figures are not subject to audit procedures.

17. **Subsequent Event**

In June 2018, the Municipality will be finalizing a construction contract for approximately \$15 million for the East Hants Aquatics Centre, construction to be complete in Fall 2019.

Council has authorized the financing of this obligation.

Municipality of the District of East Hants
Schedule of Current Fund Operations - Municipal Operations
Year Ended March 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Revenue			
Property taxes	\$ 26,133,806	\$ 26,104,755	\$ 25,636,758
Grants in lieu of taxes	188,114	178,010	188,129
Sale of services	989,004	1,063,209	943,658
Other revenue from own sources	1,674,445	1,718,194	1,653,781
Unconditional transfers from other governments	191,593	447,646	461,305
Conditional transfers from federal or provincial government agencies	133,381	163,352	162,850
Development and other contributions applied	-	-	3,457
Other transfers	275,000	275,000	178,756
	<u>29,585,343</u>	<u>29,950,166</u>	<u>29,228,694</u>
Expenses			
General government services	5,850,540	5,672,800	5,729,520
Protective services	7,486,948	7,827,206	7,282,570
Education	4,953,751	4,953,756	4,861,500
Social services	65,550	59,788	63,130
Transportation services	1,098,155	949,360	1,191,327
Environmental health services	4,326,223	4,088,826	4,132,955
Environmental development services	1,498,577	1,270,499	1,290,751
Landfill closure/post closure costs (recovery)	-	(56,671)	8,610
Recreation and cultural services	1,857,849	1,966,365	1,962,676
	<u>27,137,593</u>	<u>26,731,929</u>	<u>26,523,039</u>
Net Revenue	<u>2,447,750</u>	<u>3,218,237</u>	<u>2,705,655</u>
Financing and Transfers			
Debt principal repayment	1,528,123	1,499,062	1,315,336
(Decrease) increase in amounts to be recovered	-	(276,957)	(292,844)
Transfer to capital fund	115,000	111,419	273,605
Transfer to capital reserves	209,160	204,856	305,505
Transfer to operating reserves	595,467	1,679,857	1,104,053
	<u>2,447,750</u>	<u>3,218,237</u>	<u>2,705,655</u>
Change in Fund Balance	-	-	-
Opening Fund Balance	(4,912,816)	(4,912,816)	(4,785,752)
Change in Long-Term Liabilities	172,836	172,839	165,781
Change in Unfunded Pension Liability	-	(333,628)	(284,235)
Change in Landfill Liability	-	56,671	(8,610)
Closing Fund Balance (Note 12)	<u>\$ (4,739,980)</u>	<u>\$ (5,016,934)</u>	<u>(4,912,816)</u>

Municipality of the District of East Hants
 Schedule of Financial Position - Municipal Operations
 Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 3,958,221	\$ 4,243,691
Taxes and rates receivable	1,876,063	1,932,070
Accounts receivable	1,085,973	1,009,611
	<u>6,920,257</u>	<u>7,185,372</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,670,934	1,591,805
Deferred revenue - general	1,495,995	1,501,492
Deferred revenue - obligatory reserve	3,553,916	3,660,644
Employee benefits and other obligations	1,621,968	1,264,565
Tax sale surplus	337,122	377,356
Long term liabilities	3,746,154	3,948,043
	<u>12,426,089</u>	<u>12,343,905</u>
NET DEBT	<u>(5,505,832)</u>	<u>(5,158,533)</u>
NON FINANCIAL ASSETS		
Inventory and prepaid expenses	488,898	245,717
ACCUMULATED SURPLUS	<u>\$ (5,016,934)</u>	<u>\$ (4,912,816)</u>

Municipality of the District of East Hants
 Schedule of Current Fund Operations - Water Utility
 Year Ended March 31, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
Revenue	<u>\$ 2,373,947</u>	<u>\$ 2,360,398</u>	<u>\$ 2,323,428</u>
Expenses			
Operating	2,038,615	1,490,597	1,617,908
Interest on debt	208,128	208,127	218,082
Amortization expense	363,896	356,023	354,329
	<u>2,610,639</u>	<u>2,054,747</u>	<u>2,190,319</u>
Net Revenue	<u>(236,692)</u>	<u>305,651</u>	<u>133,109</u>
Transfers and Financing			
Principal debt payment	220,424	220,424	212,114
Transfer from Obligatory Water Reserve	(425,000)	-	(105,295)
Transfer to capital	30,500	30,742	-
	<u>(174,076)</u>	<u>251,166</u>	<u>106,819</u>
Change in Fund Balance	<u>(62,616)</u>	<u>54,485</u>	<u>26,290</u>
Opening Fund Balance	<u>882,200</u>	<u>908,490</u>	<u>882,200</u>
Closing Fund Balance	<u>\$ 819,584</u>	<u>\$ 962,975</u>	<u>\$ 908,490</u>

Municipality of the District of East Hants
 Schedule of Financial Position - Water Utility
 Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 381,910	\$ 394,028
Water rates receivable	630,313	587,527
Accounts receivable	25,974	36,540
	<u>1,038,197</u>	<u>1,018,095</u>
LIABILITIES		
Accounts payable and accrued liabilities	50,492	88,815
Deferred revenue - general	40,071	35,447
	<u>90,563</u>	<u>124,262</u>
NET ASSETS	<u>947,634</u>	<u>893,833</u>
NON FINANCIAL ASSETS		
Inventory and prepaid expenses	15,341	14,657
ACCUMULATED SURPLUS	<u>\$ 962,975</u>	<u>\$ 908,490</u>

Municipality of the District of East Hants
 Schedule of Capital Fund Operations - Municipal Operations
 Year Ended March 31, 2018

	2018 Actual	2017 Actual
Revenue		
Government grants	\$ 2,541,136	\$ 229,293
Development and other contributions applied	454,178	394,841
	<u>2,995,314</u>	<u>624,134</u>
Expenses		
General government services	(425,442)	275,572
Protective services	25,823	62,394
Transportation services	1,037,755	1,032,140
Environmental health services	858,877	795,468
Environmental development services	(45,094)	(293,632)
Recreation and cultural services	94,333	49,291
	<u>1,546,252</u>	<u>1,921,233</u>
Net	1,449,062	(1,297,099)
Financing and Transfers		
Principal payments	(1,546,648)	(1,361,669)
Transfers from reserves	(705,063)	(460,261)
Transfers from operations	(142,161)	(273,605)
	<u>(2,393,872)</u>	<u>(2,095,535)</u>
Change in Fund Balance	3,842,934	798,436
Opening Fund Balance	53,516,127	52,717,691
Closing Fund Balance (Note 12)	<u>\$ 57,359,061</u>	<u>\$ 53,516,127</u>

Municipality of the District of East Hants
 Schedule of Financial Position - Municipal Capital Fund
 Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 153,086	\$ -
Accounts receivable	389,293	129,556
	<u>542,379</u>	<u>129,556</u>
LIABILITIES		
Bank Indebtedness	-	288,137
Accounts payable and accrued liabilities	864,687	157,632
Deferred revenue - general	18,169	11,246
Net long term liabilities	20,984,322	22,530,967
	<u>21,867,178</u>	<u>22,987,982</u>
NET DEBT	<u>(21,324,799)</u>	<u>(22,858,426)</u>
NON FINANCIAL ASSETS		
Tangible capital assets	72,276,659	75,098,580
Work in progress	6,407,201	1,275,973
	<u>78,683,860</u>	<u>76,374,553</u>
ACCUMULATED SURPLUS	<u>\$ 57,359,061</u>	<u>\$ 53,516,127</u>

Municipality of the District of East Hants
 Schedule of Reserve Operations
 Year Ended March 31, 2018

	2018 Actual	2017 Actual
Revenue		
Investment income	\$ 272,281	\$ 156,231
Government grants	847,111	783,553
	<u>1,119,392</u>	<u>939,784</u>
Net Transfers From/To Other Funds		
Transfers from Current Fund	(1,884,713)	(1,409,558)
Transfers to Capital Fund	705,063	460,261
	<u>(1,179,650)</u>	<u>(949,297)</u>
Net Change in Reserve Funds	2,299,042	1,889,080
Opening Reserve Fund Balance	19,111,974	17,222,894
Closing Reserve Fund Balance (Note 12)	<u>\$ 21,411,016</u>	<u>\$ 19,111,974</u>
Analyzed as follows:		
Reserves set aside for specific purposes		
Operating Contingencies/Surplus	\$ 3,660,824	\$ 3,308,689
Solid Waste Diversion Operations	-	13,445
General Government	2,137,401	942,871
Solid Waste Management Facilities/Equipment	2,019,032	1,589,613
Office Equipment	281,982	272,019
Computer Hardware/Software	380,452	298,908
Pool Building and Equipment	240,873	446,841
Transportation and Equipment	1,191,840	1,040,046
Recreation and Open Space	73,946	71,351
Emergency Measures	217,628	194,899
Passenger Vehicles	178,896	156,702
Gas Tax Excess	2,575,595	1,823,067
Resource Center	182,100	160,000
Business Park Land Development (fr Sales)	1,375,213	1,087,553
Landfill Closure/Post Closure Costs	228,565	285,236
District Beautification Funds	18,287	12,106
Emergency Grant Fund-Fire Departments	311,364	541,943
Tourism Grant Fund/Capital	142,891	127,113
Economic Development Operations	167,987	151,040
District Recreation Grant Fund	271,453	263,917
Tourism Economic Development Fund	126,834	120,000
Rural Economic Development Fund	237,787	207,787
CSR Contingencies	1,662,009	1,588,482
Lights Communities	144,964	146,126
Lights Other Surplus	141,667	128,335
Corridor Fire Protection System	-	1,230,873
Sportsplex	116,654	67,889
Sewer System	236,080	119,056
Sidewalks Excess Debenture/Operations	474,117	286,890
East Hants Water system	2,614,575	2,429,177
	<u>\$ 21,411,016</u>	<u>\$ 19,111,974</u>

Municipality of the District of East Hants
Schedule of Financial Position - Reserves Fund
Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	<u>\$ 21,411,016</u>	<u>\$ 19,111,974</u>
	<u>21,411,016</u>	<u>19,111,974</u>
ACCUMULATED SURPLUS	<u>\$ 21,411,016</u>	<u>\$ 19,111,974</u>

Municipality of the District of East Hants

Reconciliation of the Financial Plan to the PSAS Budget

Year Ended March 31, 2018

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Financial Plan Capital	Transfers Reserves	Debt Charges Principal	Elimination Entries	PSAS Budget
REVENUE								
Taxes	\$ 26,133,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,133,806
Water utility	-	2,373,947	-	-	-	-	(508,179)	1,865,768
Grants in lieu of taxes	188,114	-	-	-	-	-	-	188,114
Sale of services	989,004	-	-	-	-	-	-	989,004
Other revenue from own sources	1,674,445	-	-	-	-	-	(836,503)	837,942
Unconditional transfers from other	191,593	-	-	-	-	-	-	191,593
Conditional transfers from government	133,381	-	-	-	-	-	-	133,381
Government grants	-	-	-	3,388,247	-	-	-	3,388,247
Development and other contributions applied	-	425,000	-	454,178	-	-	-	879,178
Other transfers	275,000	-	-	-	-	-	(275,000)	-
Transfers from reserves (capital/operating)	-	-	-	-	-	-	-	-
Total revenue	<u>29,585,343</u>	<u>2,798,947</u>	<u>-</u>	<u>3,842,425</u>	<u>-</u>	<u>-</u>	<u>(1,619,682)</u>	<u>34,607,033</u>
EXPENSES								
General government services	5,850,540	-	275,826	-	-	-	(500,600)	5,625,766
Protective services	7,486,948	-	28,119	-	-	-	(508,179)	7,006,888
Education services	4,953,751	-	-	-	-	-	-	4,953,751
Social Services	65,550	-	-	-	-	-	-	65,550
Transportation services	1,098,155	-	1,037,755	-	-	-	-	2,135,910
Environmental health services	4,326,223	-	812,336	-	-	-	(380,667)	4,757,892
Water utility	-	2,610,639	-	-	-	-	(117,732)	2,492,907
Environmental development services	1,498,577	-	171,119	-	-	-	-	1,669,696
Landfill closure/post closure costs	-	-	-	-	-	-	-	-
Recreation and cultural services	1,857,849	-	94,333	-	-	-	(112,504)	1,839,678
Transfer to capital	115,000	30,500	-	-	(145,500)	-	-	-
Debt charges - principal payment	1,528,123	220,424	-	(1,546,648)	-	(201,899)	-	-
Transfer to reserves (capital/operating)	804,627	-	-	-	(804,627)	-	-	-
Total expenses	<u>29,585,343</u>	<u>2,861,563</u>	<u>2,419,488</u>	<u>(1,546,648)</u>	<u>(950,127)</u>	<u>(201,899)</u>	<u>(1,619,682)</u>	<u>30,548,038</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (62,616)</u>	<u>\$ (2,419,488)</u>	<u>\$ 5,389,073</u>	<u>\$ 950,127</u>	<u>\$ 201,899</u>	<u>\$ -</u>	<u>\$ 4,058,995</u>

Municipality of the District of East Hants
Consolidated Schedule of Operations by Function
Year Ended March 31, 2018

	*General Government	Protective Services	Transportation Services	Env. Health Services	Env. Developmnt Services	Other
REVENUE						
Property taxes	\$ 20,900,629	2,556,833	\$ 84,156	\$ 2,256,386	\$ -	\$ -
Grants in lieu of taxes	166,853	-	-	11,157	-	-
Sale of services	322,099	-	-	518,950	14,610	-
Other revenue from own sources	1,247,946	117,419	-	188,604	88,342	272,280
Unconditional transfers from other governments	111,049	-	-	98,473	-	-
Conditional transfers from federal or provincial government	13,483	-	-	91,957	7,517	-
Government grants	-	-	-	-	-	3,388,247
Development and other contributions applied	-	-	-	-	-	454,178
Other transfers	-	-	-	275,000	-	-
Water utility	-	-	-	-	-	-
Elimination Entries	(805,879)	-	-	(275,000)	-	-
Total revenue	\$ 21,956,180	\$ 2,674,252	\$ 84,156	\$ 3,165,527	\$ 110,469	\$ 4,114,705
EXPENSES						
Salaries, wages and benefits	\$ 2,449,855	\$ 303,697	\$ -	\$ 1,096,245	\$ 967,851	\$ -
Operating costs	2,947,001	7,489,127	705,507	2,814,085	174,002	5,013,544
Elimination Entries	(508,689)	(510,359)	-	(361,526)	-	-
Amortization	275,826	28,119	1,037,755	812,336	171,119	-
Interest on long term debt	275,945	34,382	243,854	121,824	128,646	-
Total expenses	\$ 5,439,938	\$ 7,344,966	\$ 1,987,116	\$ 4,482,964	\$ 1,441,618	\$ 5,013,544
Net gain on sale of TCA	701,269	2,296	-	-	216,213	-
Surplus (Deficit)	\$ 16,516,242	\$ (4,670,714)	\$ (1,902,960)	\$ (1,317,437)	\$ (1,331,149)	\$ (898,839)

* General government includes revenues and expenses that cannot be attributed to a particular sector.

Municipality of the District of East Hants
Consolidated Schedule of Operations by Function
Year Ended March 31, 2018

	Recreation and Cultural Services	Water Utility	2018 Total	2017 Total
REVENUE				
Property taxes	\$ 306,751	\$ -	26,104,755	\$ 25,636,758
Grants in lieu of taxes	-	-	178,010	188,129
Sale of services	207,550	-	1,063,209	943,658
Other revenue from own sources	75,884	-	1,990,475	1,810,012
Unconditional transfers from other governments	-	-	209,522	186,721
Conditional transfers from federal or provincial government	50,395	-	163,352	162,850
Government grants	238,124	-	3,626,371	1,287,429
Development and other contributions applied	-	-	454,178	398,298
Other transfers	-	-	275,000	178,756
Water utility	-	2,360,399	2,360,399	2,428,725
Elimination entries	-	(510,359)	(1,591,238)	(1,553,111)
Total revenue	\$ 878,704	\$ 1,850,040	\$34,834,033	\$ 31,668,226
EXPENSES				
Salaries, wages and benefits	\$ 772,350	\$ 529,285	\$ 6,119,283	\$ 6,104,029
Operating costs	1,069,729	961,311	\$21,174,306	21,054,748
Elimination entries	(114,389)	(96,275)	\$ (1,591,238)	(1,553,111)
Amortization	94,333	356,023	\$ 2,775,511	2,740,805
Interest on long term debt	124,286	208,127	\$ 1,137,064	1,200,254
Total expenses	\$ 1,946,309	\$ 1,958,471	\$29,614,926	\$ 29,546,725
Net gain on sale of TCA	-	(46,541)	873,237	465,242
Surplus (Deficit)	\$ (1,067,605)	\$ (108,432)	\$ 6,092,343	\$ 2,586,742