# Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit

**Statement of Changes in Fiduciary Net Position by Division with Supplemental Information**

**June 30, 2016**

# Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit

## Contents

plante moran

**Plante & Moran, PLLC**
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Trustees and Investment Committee
Legacy Pension Plan (Component II) of the
General Retirement System of the City of Detroit

## Report on the Financial Statement

We have audited the statement of changes in fiduciary net position by division (the "Statement") of the Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit (the "System") for the year ended June 30, 2016 and the related notes to the financial statement. We have also audited the changes in fiduciary net position of each individual division included in the accompanying statement.

### *Management's Responsibility for the Financial Statement*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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 statement referred to above presents fairly, in all material respects, the changes in fiduciary net position by division for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement referred to above presents fairly in all material respects, the changes in fiduciary net position of each individual division for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees and Investment Committee
Legacy Pension Plan (Component II) of the
General Retirement System of the City of Detroit

***Emphasis of Matter***

As explained in Note 1, the financial statement includes investment income derived from investments valued at approximately $372,000,000 (19 percent of net position) at June 30, 2016, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by investment managers, general partners, real estate advisors, and other means. Our opinion has not been modified with respect to this matter.

As explained in Note 1, the financial statement represents the Defined Benefit Fund of Component II, and does not include the Income Stabilization Fund of Component II. This statement also does not include Component I Plan. Our opinion has not been modified with respect to this matter.

***Other Matter***

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Combined Plan for the General Employees Retirement System of the City of Detroit, and our report thereon, dated December 19, 2016, expressed an unmodified opinion on those financial statements.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the statement of changes in fiduciary net position by division (the "Statement") of the Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit, including an opinion on each division individually within that statement. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statement. The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the financial statement as a whole.

***Restriction on Use***

Our report is intended solely for the information and use of the management of the System and each division, the board of trustees, and the investment committee of the System, and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

February 21, 2017

# Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit

## Statement of Changes in Fiduciary Net Position by Division
## For the Year Ended June 30, 2016

| | DWSD Subdivisions | | General Retirement Systems - Divisions | | | | |
|---|---|---|---|---|---|---|---|
| | GLWA | DWSD-R | DWSD - Division Total (all DWSD Subdivisions) | General Division | D.O.T | Library | Total - General Retirement System (all Divisions) |
| **Beginning Net Position** - July 1, 2015 | $ 395,229,321 | $ 166,974,550 | $ 562,203,871 | $ 1,215,711,504 | $ 268,003,925 | $ 85,358,911 | $ 2,131,278,211 |
| Additions: | | | | | | | |
| Investment income: | | | | | | | |
| Interest and dividends | 5,630,877 | 2,378,905 | 8,009,782 | 15,706,411 | 4,631,844 | 1,271,396 | 29,619,433 |
| Net decrease in fair value of investments | (6,149,994) | (2,598,219) | (8,748,213) | (18,917,165) | (4,170,294) | (1,328,233) | (33,163,905) |
| Net securities lending income | 59,936 | 25,322 | 85,258 | 184,363 | 40,643 | 12,945 | 323,209 |
| Less investment expense | (1,711,501) | (723,066) | (2,434,567) | (5,264,515) | (1,160,564) | (369,638) | (9,229,284) |
| Net investment income | (2,170,682) | (917,058) | (3,087,740) | (8,290,906) | (658,371) | (413,530) | (12,450,547) |
| Contributions: | | | | | | | |
| Employer contributions: | | | | | | | |
| Originating from DWSD: | | | | | | | |
| Regular pension contribution | 30,158,700 | 12,741,300 | 42,900,000 | - | - | - | 42,900,000 |
| Contribution for administrative expenses | 1,757,500 | 742,500 | 2,500,000 | - | - | - | 2,500,000 |
| DWSD transfer to General Division for administrative expenses | (1,757,500) | (742,500) | (2,500,000) | 2,500,000 | - | - | - |
| Total contributions originating from DWSD | 30,158,700 | 12,741,300 | 42,900,000 | 2,500,000 | - | - | 45,400,000 |
| Contributions from other divisions | - | - | - | 20,000,000 | - | 2,500,000 | 22,500,000 |
| Contributions from UTGO proceeds | - | - | - | 4,005,829 | - | - | 4,005,829 |
| Total employer contributions | 30,158,700 | 12,741,300 | 42,900,000 | 26,505,829 | - | 2,500,000 | 71,905,829 |
| Foundation | - | - | - | 23,894,164 | 8,992,664 | - | 32,886,828 |
| Total contributions | 30,158,700 | 12,741,300 | 42,900,000 | 50,399,993 | 8,992,664 | 2,500,000 | 104,792,657 |
| ASF recoupment interest | 858,706 | 362,782 | 1,221,488 | 2,398,490 | 841,513 | 123,962 | 4,585,453 |
| Other income | 252,263 | 106,575 | 358,838 | 775,952 | 171,059 | 54,482 | 1,360,331 |
| Total additions | 29,098,987 | 12,293,599 | 41,392,586 | 45,283,529 | 9,346,865 | 2,264,914 | 98,287,894 |
| Deductions: | | | | | | | |
| Member refunds and withdrawals | 24,628,603 | 10,404,971 | 35,033,574 | 10,133,273 | 3,862,500 | 782,381 | 49,811,728 |
| Retirees' pension and annuity benefits | 45,010,974 | 19,016,016 | 64,026,990 | 138,922,984 | 32,323,955 | 7,196,522 | 242,470,451 |
| General and administrative expenses | 694,040 | 293,215 | 987,255 | 2,134,843 | 470,627 | 149,894 | 3,742,619 |
| Transfer of general and administrative expenses to General Division | (694,040) | (293,215) | (987,255) | 987,255 | - | - | - |
| Total deductions | 69,639,577 | 29,420,987 | 99,060,564 | 152,178,355 | 36,657,082 | 8,128,797 | 296,024,798 |
| **Net Decrease in Net Position Held in Trust** | (40,540,590) | (17,127,388) | (57,667,978) | (106,894,826) | (27,310,217) | (5,863,883) | (197,736,904) |
| **End of Year Net Position Restricted for Pensions** - June 30, 2016 | **$ 354,688,731** | **$ 149,847,162** | **$ 504,535,893** | **$ 1,108,816,678** | **$ 240,693,708** | **$ 79,495,028** | **$ 1,933,541,307** |

### Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the statement of changes in fiduciary net position by division of the Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit (the "System").

**Reporting Entity**

The City of Detroit (the "City") sponsors the Combined Plan for the General Retirement System of the City of Detroit (the "Plan"), which consists of two contributory single-employer retirement plans, Component I and Component II.

Component II is the legacy plan which is the original defined benefit plan, which includes a defined benefit component and a defined contribution component. Component II generally applies to benefits accrued by members prior to July 1, 2014. On June 30, 2014, as a result of negotiations between the City and the public employee unions, the existing plan benefit formulas were frozen and no new employees were allowed to earn benefits under the existing plans. The emergency manager issued Order #30 (General Retirement System of the City of Detroit) on June 30, 2014, which put these changes into effect. Except as specifically provided in the combined plan, benefits provided under Component II are frozen effective June 30, 2014.

Component II also includes the Income Stabilization Fund (ISF). The fund, which is part of Component II only and established as a special plan of adjustment provision, was established for the sole purpose of paying the Income Stabilization Benefits and Income Stabilization Benefits Plus to eligible pensioners. Contributions to the ISF are a result of UTGO proceeds from the City of Detroit. The ISF cannot currently be used to pay anything other than the Income Stabilization Benefits or Benefits Plus under the plan of adjustment.

As of July 1, 2014, all current and future employees now participate in the new hybrid pension plan, known as Component I. Active city employees who participated in the legacy plan will receive the benefits they have earned under the retirement system through June 30, 2014, plus an additional benefit under the new hybrid plan formula, assuming all vesting requirements are met.

This financial statement only represents the statement of changes for the Defined Benefit Plan of Component II. This statement does not include the activity for the Income Stabilization Fund within Component II nor Component I of the Combined Plan for the General Employees Retirement System of the City of Detroit.

## Note 1 - Summary of Significant Accounting Policies (Continued)

The Plan is a separate and independent trust qualified under applicable provisions of the Internal Revenue Code and is an independent entity (separate and distinct from the employer/plan sponsor) as required by (1) state law and (2) Internal Revenue Code provisions setting forth qualified plan status. The trustees of the Plan have a fiduciary obligation and legal liability for any violations of fiduciary duties as independent trustees. The Plan provides retirement, disability, and survivor benefits to plan members and beneficiaries.

As of June 30, 2016, the Plan covers members who earned service credit through June 30, 2014 in accordance with the plan document. There are several participating divisions of the Plan which are outlined below:

1. Detroit Water and Sewage Department (DWSD) - This division accounts for the activity related to the operation and maintenance of the water and sewage treatment plants. Effective January 1, 2016, a regional water authority, the Great Lakes Water Authority, was launched. Accordingly, the prior DWSD division was split into two columns - one representing the ongoing DWSD department, now referenced as DWSD-Retail (DWSD-R) and another to represent the Great Lakes Water Authority (GLWA). In accordance with the pension reporting agreement (referenced below), the net position of DWSD was allocated to DWSD-R and GLWA in accordance with written directions received from DWSD-R and GLWA.
2. Department of Transportation (DOT) - This division provides mass transit in the City of Detroit and operates an administration building, which includes a heavy repair facility and plant maintenance building, as well as three other satellite terminals with light repair garages and storage bays.
3. Library - The division was created to provide reference materials, research information, and publications to residents of the City of Detroit and Wayne County.
4. General Division - This division covers all other city divisions except the three listed above and the police and fire departments.

The statement of changes in fiduciary net position (the "Statement") included in this report represents the legacy plan activity only. The complete audited financial statements and related notes for the Combined Plan for the General Retirement System of the City of Detroit dated December 19, 2016 is available at the offices of the Retirement Systems of the City of Detroit located at One Detroit Center, 500 Woodward Avenue, Suite 3000, Detroit, MI 48226.

## Note 1 - Summary of Significant Accounting Policies (Continued)

### Plan Sponsor Financial Condition - Impact on Plan

In the past, the City of Detroit (the "Plan Sponsor") had experienced significant financial difficulty and liquidity concerns. As of June 2013, the City had defaulted on approximately $36 million of pension contributions due to the System. During fiscal year 2014, the City did not pay any employer contributions into the System, despite the fact that there were actuarially required contributions.

In February 2013, the governor appointed a financial review team, which determined that a local government financial emergency existed in the City. This culminated in bankruptcy proceedings which the City initiated in July 2013. Part of the federal court's ruling in December 2013 indicated that the bankruptcy status abrogated whatever protections may be offered governmental pensions under the Michigan Constitution. On December 10, 2014, the City exited from bankruptcy through the Eight Amended Plan for the Adjustment of Debts of the City of Detroit (the "POA"). The POA specifies certain provisions pertinent to the legacy and hybrid plans, including contributions and benefits.

In fiscal year 2016, the contributions that were received by the System were made in accordance with the provisions of the POA.

### Pension Reporting Agreement

On September 9, 2014, a memorandum of understanding (MOU) was entered into by the emergency manager and mayor of the City of Detroit, county executive of each of the charter counties of Wayne and Macomb, the County of Oakland, and the governor of the State of Michigan. The purpose of the MOU was to establish a framework for the creation of a regional authority (known as Great Lakes Water Authority - GLWA) pursuant to Act 233 of 1955 to operate, control, and improve the regional assets of the water supply system and the sewage disposal system owned by the City.

Pursuant to the MOU, the City of Detroit and GLWA entered into two lease agreements: the Regional Water Supply System Lease dated June 12, 2015 and the Regional Sewage Supply System Lease dated June 12, 2015. Under the provisions of the lease agreements, GLWA leases the regional assets of the City for a period of at least 40 years.

### Note 1 - Summary of Significant Accounting Policies (Continued)

Pursuant to the lease agreements, on December 1, 2015, a tri-party agreement between the City of Detroit, General Retirement System of the City of Detroit (GRS), and GLWA was signed. Per the POA and Section 4.3 of the lease agreements, GLWA is required to pay a portion of the pension obligation that will be allocable to DWSD. The purpose of the pension reporting agreement is to set forth in determining the funding status for the DWSD pension pool, and for GRS to agree to provide GLWA with certain actuarial and other reports to enable GLWA to properly manage and pay its portion of the pension obligation that is allocable to DWSD.

**Accounting and Reporting Principles**

The Plan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

The financial statement is prepared in accordance with GAAP and the pension reporting agreement dated December 1, 2015.

**Basis of Accounting**

The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Specific Balances and Transactions**

**Investments** - Net investment income includes any changes to reflect investments at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments. The fair value of real estate is based on periodic appraisals, as well as the judgment of independent real estate advisors and management. Investments that do not have an established market value are reported at estimated fair value as determined by the System's management.

Approximately $372,000,000 or 19 percent of the System's net position as of June 30, 2016 is not publicly traded and therefore, does not always have a readily determinable market value.

## Note 1 - Summary of Significant Accounting Policies (Continued)

Investments for which market quotations are readily available are generally priced by the custodian using nationally recognized pricing services and practices. For investments that do not have readily observable market prices, including but not limited to private equity, public and private real estate, alternatives, and direct loans, management's estimate of their fair value is based on information provided by investment managers, general partners, real estate advisors, and other means. These sources are held to a standard of reasonable care in verifying that the valuations presented reasonably reflect the underlying fair value of the investments. A variety of factors is considered in the valuation process, including the nature of the investment, local market conditions, trading values on public exchanges for comparable investments, and current and projected operating performance. However, due to the inherent uncertainty and the degree of judgment involved in determining fair value for such investments, the values reflected in the financial statement may differ significantly from values that would have been used had a readily determinable market value for the investments existed, and the difference could be material.

**Contributions** - Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, in the past, the System had retained an independent actuary to determine the annual contribution. The actuarially determined rate was the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. However, until 2024, contributions are based on specific provisions in accordance with the Plan of Adjustment.

The City filed for bankruptcy in 2013 and on November 12, 2014, the United States Bankruptcy Court for the Eastern District of Michigan entered an order confirming the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit, which became effective on December 10, 2014. Going forward, the obligation for the City to contribute to the System will be determined by the provisions in the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit.

## Note 1 - Summary of Significant Accounting Policies (Continued)

**Employer Contributions** - During fiscal year 2016, employer contributions were not actuarially determined but determined by the provisions of the POA detailed under Exhibit II.B.3.r.ii.A. Included within contributions in Component II are contributions from the Foundation for Detroit's Future (the "Foundation") in the amount of $32.9 million, $4.0 million from Unlimited Tax General Obligation Bonds (UTGO), and approximately $67.9 million of contributions from the City and related entites. Of the $32.9 million from the Foundation, $32.5 million related to prepayment during fiscal year 2016 from the DIA. The POA allows for certain funding obligations to the System to be met by prepayment of the present value equivalent using a discount rate of 6.75 percent. The present value prepayment resulted in the System receiving the $32.5 million in fiscal year 2016.

In fiscal year 2016, DWSD-R and GLWA collectively paid $45,400,000 to the System. Of that amount, $2,500,000 was transferred and credited to the general division to pay administrative expenses in accordance with the POA and the Pension Reporting Agreement.

Subsequent to June 30, 2016, the City refunded all of its outstanding UTGO stub bonds. As a result, the payments to the System were accelerated with the System receiving $17,148,376 of the remaining $21,979,413 of principal in September 2016.

**Benefits Provided** - The System provides retirement, disability, and death benefits. Benefit terms had been established by negotiations between the City Council and the employees' collective bargaining unit and subject to amendment by the City Council. Further changes to benefits were provided for under the POA.

### Note 1 - Summary of Significant Accounting Policies (Continued)

**ASF Recoupment Revenue** - For members who elected to make employee contributions into the defined contribution style program, referred to as the annuity savings fund (ASF), between July 1, 2003 and June 30, 2013, the POA called for recoupment of amounts that the City calculated were "excess interest" credited to individual ASF accounts. In 2011, the City Council adopted an ordinance which limited ASF interest credits to the Plan's net investment return, with a cap of 7.9 percent and a floor of 0 percent. The POA calculation of "excess interest" applies the interest formula in the 2011 ordinance to the July 1, 2003 through June 30, 2013 recoupment period with a 20 percent cap on the highest ASF balance in this given period. The recoupment amount is also capped at 15.5 percent of the monthly pension check. The City offered both a limited lump sum or monthly payment option. Repayment of these excess interest amounts is not optional. As of June 30, 2016, the System has approximately $104.6 million to be collected. The receivable will be collected, with 6.75 percent interest, as a reduction to monthly pension benefits for those with recoupment balances outstanding. In fiscal year 2016, the System realized $4,585,453 in ASF recoupment interest.

**Use of Estimates** - The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### Note 2 - Allocation Between Divisions

The System's allocation methodology to allocate fiscal year 2016 activity between the four main divisions (General Division, DOT, DWSD, and Library) is dependent upon each revenue or expense type. Below is a description of the allocation methodology used by the System. Where applicable, the allocation methodology outlined in the Pension Reporting Agreement was utilized.

**Investment Income** - Investment income (including income from securities lending activity) and administrative expenses were allocated to the divisions, with the exception of the allocation between DWSD-R and GLWA, based on the net position of each division compared to total net position as of fiscal year ended June 30, 2015.

## Note 2 - Allocation Between Divisions (Continued)

**Administrative Expenses** - In accordance with Section 2.3 of the Pension Reporting Agreement, DWSD-R and GLWA's collective allocable share of administrative expenses of approximately $987,000 has been allocated to the General Division. Correspondingly, the expenses transferred to the General Division are offset by a $2.5 million contribution made by DWSD-R and GLWA, collectively, for administrative expenses, which was credited to the General Division. This will occur until 2023 at which point the City and GLWA will mutually determine and resolve whether any aggregate over or under payment will impact the obligation of DWSD-R and GLWA to make payments to GRS under the Pension Reporting Agreement.

**Contributions** - In fiscal year 2016, the System received contributions from the divisions, UTGO proceeds, and a large prepayment of approximately $32.5 million from the Foundation. The employer contributions were allocated between the divisions according to which division the contribution was received from, with the exception of DWSD-R and GLWA's collective payments of $45,400,00 which were allocated as outlined in the POA and/or the Pension Reporting Agreement (see below). Of the total payment of $45,400,000, $2,500,000 reflects DWSD-R and GLWA's agreed-upon share of administrative expenses which, per the Pension Reporting Agreement, is to be transferred to the credit of the General Division.

The contributions from the UTGO proceeds and the payment from the Foundation were allocated based on a common understanding from the bankruptcy proceedings, which was ultimately determined by the City of Detroit and agreed to by the other divisions. The UTGO proceeds support only the General Division, whereas the Foundation proceeds were allocated solely to the General Division and DOT in proportion to their respective net pension liability as determined by the City's actuary as of June 30, 2015.

**ASF Recoupment** - Revenue from the ASF recoupment was allocated between the divisions, other than between DWSD-R and GLWA, according to the division under which the individual's ASF earnings were originally accumulated and paid out.

**Member Refunds, Withdrawals, Retirees' Pension, and Annuity Benefits** - These deductions were allocated, other than the allocation between DWSD-R and GLWA, based on the original division from which benefits were being provided and withdrawals were being made.

## Note 2 - Allocation Between Divisions (Continued)

Allocation between DWSD-R and GLWA - Once the above activity was allocated to the divisions, the DWSD division was further subdivided between DWSD-R and GLWA in accordance with the Pension Reporting Agreement, which stipulated such allocation would be dictated to the System by DWSD-R and GLWA. Per those instructions, the System allocated the DWSD activity between GLWA (70.3 percent) and DWSD-R (29.7 percent).

# Other Supplemental Information

# Legacy Pension Plan (Component II) of the General Retirement System of the City of Detroit

## Schedule of DWSD/GLWA Contributions Toward Administrative Expenses as Compared to Actual DWSD/GLWA Allocable Administrative Expenses
## For the Year Ended June 30, 2016

| | DWSD Division Total | |
|---|---|---|
| | GLWA | DWSD-R |
| **Amount Paid in Excess of Administrative Expenses Otherwise Allocable** - June 30, 2015 | $ 375,494 | $ 158,637 |
| DWSD/GLWA contribution for administrative expenses in accordance with plan of adjustment and bankruptcy order | 1,757,500 | 742,500 |
| Administrative expenses otherwise allocable to DWSD/GLWA | (694,040) | (293,215) |
| **Cumulative Amount Paid in Excess of Administrative Expenses Otherwise Allocable** - June 30, 2016 | **$ 1,438,954** | **$ 607,922** |