

**CITY OF JOPLIN, MISSOURI
POLICEMEN'S AND FIREMEN'S PENSION PLAN**

Financial Statements
and Required Supplementary Information

For the Years Ended
October 31, 2017 and 2016

(With Independent Auditor's Report Thereon)

**CITY OF JOPLIN, MISSOURI
POLICEMEN'S AND FIREMEN'S PENSION PLAN**

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COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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The Board of Trustees of the
City of Joplin, Missouri Policemen's
and Firemen's Pension Plan:

We have audited the accompanying financial statements of the City of Joplin, Missouri Policemen's and Firemen's Pension Plan (the Plan), which comprise the statements of plan net position, statements of changes in plan net position, and the related notes to the financial statements as of and for the years ended October 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective plan net position and changes in plan net position of the City of Joplin, Missouri Policemen's and Firemen's Pension Plan as of and for the years ended October 31, 2017 and 2016, and the respective notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Plan are intended to present the financial position, and changes in financial position of only that portion of the aggregate remaining fund information of the City of Joplin, Missouri (the City) that is attributable to the transactions of the Plan. They do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in the Employer Net Pension Liability and Related Ratios, Schedules of Employer Contributions and Schedules of Investment Returns on pages 12-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Cochran Head Vick & Co., P.C.

Kansas City, Missouri
April 13, 2018

**CITY OF JOPLIN, MISSOURI
POLICEMEN'S AND FIREMEN'S PENSION PLAN**

STATEMENTS OF PLAN NET POSITION

OCTOBER 31, 2017 AND 2016

	2017	2016
Assets:		
Short-term investments	\$ 554,556	\$ 774,380
Receivables:		
Interest and dividends	302	169
Investments, at fair value:		
Real estate fund	5,416,043	4,125,739
Mutual funds	34,171,826	31,228,978
Total investments, at fair value	39,587,869	35,354,717
Total assets	40,142,727	36,129,266
Net Position:		
Total net position restricted for pension benefits	\$ 40,142,727	\$ 36,129,266

See accompanying notes to the financial statements.

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STATEMENTS OF CHANGES IN PLAN NET POSITION

FOR THE YEARS ENDED OCTOBER 31, 2017 AND 2016

	2017	2016
Additions:		
Contributions:		
Employer	\$ 2,601,983	\$ 2,619,993
Plan members	1,254,486	1,281,360
Total contributions	3,856,469	3,901,353
Investment income:		
Net appreciation in fair value of investments	4,174,172	288,630
Interest and dividends	828,136	761,359
Investment expenses	(57,382)	(56,529)
Net investment income	4,944,926	993,460
Total additions	8,801,395	4,894,813
Deductions:		
Benefits	3,297,920	3,125,625
Refunds of contributions	1,461,183	1,667,821
Administrative and other expenses	28,831	41,366
Total deductions	4,787,934	4,834,812
Net increase	4,013,461	60,001
Net position restricted for pension benefits:		
Beginning of year	36,129,266	36,069,265
End of year	\$ 40,142,727	\$ 36,129,266

See accompanying notes to the financial statements.

**CITY OF JOPLIN, MISSOURI
POLICEMEN'S AND FIREMEN'S PENSION PLAN**

NOTES TO THE FINANCIAL STATEMENTS

OCTOBER 31, 2017 AND 2016

1. Description of the Plan

The following brief description of the City of Joplin, Missouri Policemen's and Firemen's Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the establishing ordinance and plan documents for more complete information.

General

The Plan is a single employer defined benefit plan that covers all full-time police officers and firefighters serving the City of Joplin, Missouri (the City). Coverage begins on the date of their employment and provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan is administered by the Board of Trustees of the Policemen's and Firemen's Pension Plan. Contributions to the Plan are made by the City in amounts authorized by the City Council of the City of Joplin and by participants in amounts established by ordinance.

The Plan is considered part of the City's financial reporting entity and is included in the City's financial reports as a Pension Trust Fund.

Termination Benefits

At any point prior to their normal retirement date, covered employees are entitled to a return of their accumulated contributions, without interest, upon termination, death or disability.

Retirement Benefits

Retirement benefits accrue to members of the Plan according to the formula prescribed by the Plan and based upon earning levels and years of service. For all members who were hired on or before January 31, 2009, the benefits which accrue to members become 100% vested after twenty (20) years of service or upon reaching the age of sixty (60). In addition, upon retirement, such members are entitled to a lump sum distribution of all employee contributions. For all members who were hired on or after February 1, 2009, the benefits which accrue to members become 100% vested after twenty-five (25) years of service or upon reaching the age of sixty (60). Upon retirement, the contributions of these members remain with the plan.

Retirement benefits shall be paid to participants as monthly annuity payments for their lifetime, beginning in the month in which their retirement date falls. Benefits are to be paid for a period not longer than the lives (or, if applicable, the joint life expectancies) of the participant and their beneficiary. In the event of the death of a participant, benefits are to be paid to the participant's eligible spouse, qualified child or other designated beneficiary if no eligible spouse or qualified child exists. The amount of benefits to be received is determined based upon whether the participant is actively employed or retired and whether their death was related to the performance of their duties.

Plan Termination

In the event of the termination or partial termination of the Plan, the benefits of all affected Participants determined as of the date of such termination or partial termination, to the extent funded as of such date, shall be non-forfeitable. No such action shall alter the Plan or its operation with respect to Participants who have previously retired under this Plan. Although the City has not expressed any intent to terminate the Plan Agreement, it may do so at any time.

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NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accounting and reporting policies of the Plan conform to accounting principles generally accepted in the United States of America applicable to governments. The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy and Plan Membership

The actuarial determined employee contribution rates for the plan years 2017 and 2016 were 18.08% of the current year covered payroll for all members hired on or before January 31, 2009, and 10% for all members hired after January 31, 2009. Actual employee contributions equaled the actuarial determined amounts for the plan years 2017 and 2016.

The actuarial determined City contribution rates for the plan years 2017 and 2016 were 28.53% and 29.07% of covered compensation, respectively. The plan document specifies that for the plan year 2012 and all subsequent years, the City will contribute the actuarial determined rate, and accordingly, the City contributed the actuarial determined rate during 2017 and 2016.

Membership of the Plan consisted of the following as of the October 31, 2017 and October 31, 2016 actuarial valuation dates for the Plan:

	2017	2016
Retirees and beneficiaries	162	160
Active plan members:		
Vested	6	4
Nonvested	185	195
Total	353	359

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reporting of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Investments

The Custodian and Investment Manager(s) chosen by the Trustees have discretionary authority concerning purchases of investments in the Plan subject to the overall investment policy guidelines as approved by the Board of Trustees and adopted by the City Council. The investment policy follows Sections 86.590 and 105.688 of the Missouri Revised Statutes regarding constraints on the deposit and investment of Plan assets.

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The Plan's investment policy permits investments in fixed income securities, equity securities, and alternative investments. Under the policy, the investment manager is responsible for the diversification of their portfolio in order to minimize the risk of a large loss from a single security.

Investments are reported at fair value based on quoted market values. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investments of the Plan at October 31, 2017 and 2016 consisted of the following:

	2017	2016
Real estate fund	\$ 5,416,043	\$ 4,125,739
Mutual Funds:		
Equity	22,069,820	19,281,564
Fixed Income	12,102,006	11,947,414
	\$ 39,587,869	\$ 35,354,717

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan has no specific policy regarding interest rate risk. For the years ended October 31, 2017 and 2016, approximately 85% of the Plan's fixed income mutual funds had maturities of 5 to 11 years. As a result, the Plan is exposed to the risk of fair value losses arising from increasing interest rates.

The Plan has elected to use the segmented time distribution method of disclosure for its fixed income mutual funds. The following table summarizes these investments at October 31, 2017:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 - 5	5 - 11
Fixed Income Mutual Funds	\$ 12,102,006	\$ -	\$ 1,906,897	\$ 10,195,109

The following table summarizes investments at October 31, 2016:

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 - 5	5 - 11
Fixed Income Mutual Funds	\$ 11,947,414	\$ -	\$ 1,767,086	\$ 10,180,328

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OCTOBER 31, 2017 AND 2016

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan has no specific policy regarding credit risk. The Plan uses the credit ratings issued by Standard and Poor's for disclosure of credit risk. The following table summarizes the average credit rating of each fund's holdings for Plan investments subject to credit risk at October 31, 2017:

<u>Fund Name</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Metropolitan West Total Return Bond Fund	\$ 5,443,527	BBB
Vanguard Intermediate Term Treasury Fund	4,751,582	AAA
Templeton Global Bond Advisor Fund	1,906,897	BB
	<u>\$ 12,102,006</u>	

The following table summarizes the average credit rating of each fund's holdings for Plan investments subject to credit risk at October 31, 2016:

<u>Fund Name</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Metropolitan West Total Return Bond Fund	\$ 5,392,427	BBB
Vanguard Intermediate Term Treasury Fund	4,787,901	AA
Templeton Global Bond Advisor Fund	1,767,086	BB
	<u>\$ 11,947,414</u>	

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty to the investment, the Plan will not be able to recover the value of investments that are in the possession of an outside party. The Plan's investments are held by its investment custodian in the Fund's name, and accordingly, the Plan had no investments subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Plan's investment in a single issue. The Plan has no specific policy regarding the amount that may be invested in any one issuer. At October 31, 2017 and 2016, the Plan's investments in mutual funds, are designed, in part, to provide diversification and therefore reduce this risk. The real estate fund exceeds 5% of the Plan's total investment balance at October 31, 2017 and 2016.

Rate of Return

For the years ended October 31, 2017 and 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.21% and 2.99% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Fair Value Measurements –

The Plan's categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The Plan has the following recurring fair value measurements as of October 31, 2017:

Investments	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 34,171,826	\$ 34,171,826	\$ -	\$ -
Real estate funds	5,416,043	-		5,416,043
Total investments	\$ 39,587,869	\$ 34,171,826	\$ -	\$ 5,416,043

The Plan has the following recurring fair value measurements as of October 31, 2016:

Investments	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 31,228,978	\$ 31,228,978	\$ -	\$ -
Real estate funds	4,125,739	-		4,125,739
Total investments	\$ 35,354,717	\$ 31,228,978	\$ -	\$ 4,125,739

Mutual funds classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Real estate funds are classified in Level 3 as they are valued using the net asset value per share of the Plan's investment in a limited partnership formed as an open-end investment fund (the Fund). The Fund was created with the purpose of allowing various different retirement plans and foundations to pool their resources together to make investments in office, retail, industrial and multi-family residential properties. The Fund is audited annually and obtains appraisals on all real estate investments quarterly. The fair value of the real estate funds reported in the Plan's financial statement is calculated by multiplying the number of shares in the Fund that the Plan owns times the net asset value per share of the Fund as of September 30, 2017, which is the last valuation performed before the Plan's year end.

4. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, the values of investment securities may change in the near term and such changes could materially affect the amounts reported in the statements of plan net position.

The Plan has purchased insurance to cover disability payments to eligible beneficiaries. Insurance premiums in the amount of \$25,331 and \$18,390 were included in benefit payments for the years ended October 31, 2017 and 2016, respectively. The Plan currently has one beneficiary receiving benefits as a result of this insurance policy.

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5. Net Pension Liability of the City

	2017	2016
Total pension liability	\$ 64,303,992	\$ 60,897,987
Plan fiduciary net position	(40,142,727)	(36,129,266)
City's net pension liability	\$ 24,161,265	\$ 24,768,721
 Plan fiduciary net position as a percentage of the total pension liability	62.43%	59.33%

Actuarial Valuation Information

The total pension liability amounts were determined by actuarial valuations as of October 31, 2017 and 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	20 years
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Inflation	2.5%
Salary Increases	Police: 2.5% to 7.625% including inflation Fire: 2.5% to 7.01125% including inflation
Investment Rate of Return	7.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Active members age 60 and over are assumed to retire immediately.
Mortality	The standard mortality table used in this valuation is the RP 2000 projected to the valuation date. There is no margin for future mortality improvements. The projection of this table is reset each year to the valuation date. 25% of active deaths are assumed to be duty related, and 75% of active deaths are assumed to be non-duty related. The disabled mortality table used in this valuation is the RP 2000 disabled table.

**Other Information:
Notes**

The Employer Contribution for FY Ending October 31, 2017 was determined in the October 31, 2015 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a

**CITY OF JOPLIN, MISSOURI
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of October 31, 2017 are summarized in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	41.18%	7.5%
International equity	17.65%	8.5%
Domestic Bonds	35.29%	2.5%
International Bonds	5.88%	3.5%
Real Estate Fund	0.00%	4.5%

Discount rate

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the City calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's net pension liability	\$ 31,949,453	\$ 24,161,266	\$ 17,732,730

6. Subsequent Events

The Plan evaluated subsequent events through April 13, 2018, the date the financial statements were available to be issued. No subsequent events were identified that required recognition or disclosure in the financial statements.

Required Supplementary Information

**CITY OF JOPLIN, MISSOURI
POLICEMEN'S AND FIREMEN'S PENSION PLAN
Required Supplementary Information**

Schedules of Changes in the Employer Net Pension Liability
and Related Ratios

	2017	2016	2015	2014
Total Pension Liability				
Service costs	\$ 1,980,873	\$ 2,089,862	\$ 2,054,031	\$ 2,067,978
Interest	4,166,508	4,110,293	3,992,441	3,823,752
Difference between expected and actual experience	284,357	(648,907)	-	197,958
Assumption changes	1,708,040	60,721	-	56,769
Benefit payments	(3,272,590)	(3,107,235)	(2,895,811)	(2,780,780)
Refunds	(1,461,183)	(1,667,821)	(1,090,704)	(691,968)
Net change in pension liability	3,406,005	836,913	2,059,957	2,673,709
Total pension liability - beginning of year	60,897,987	60,061,074	58,001,117	55,327,408
Total pension liability - end of year (a)	<u>\$ 64,303,992</u>	<u>\$ 60,897,987</u>	<u>\$ 60,061,074</u>	<u>\$ 58,001,117</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 2,601,983	\$ 2,619,993	\$ 2,662,321	\$ 2,919,863
Employee contributions	1,254,486	1,281,360	1,334,923	1,404,265
Net investment income (loss)	4,944,926	993,460	(90,410)	2,100,141
Benefit payments	(3,297,920)	(3,125,625)	(2,925,904)	(2,780,780)
Refunds	(1,461,183)	(1,667,821)	(1,090,704)	(691,968)
Administrative expenses	(28,831)	(41,366)	(23,497)	(36,615)
Net change in plan fiduciary net position	4,013,461	60,001	(133,271)	2,914,906
Plan fiduciary net position - beginning of year	36,129,266	36,069,265	36,202,536	33,287,630
Plan fiduciary net position - end of year (b)	<u>\$ 40,142,727</u>	<u>\$ 36,129,266</u>	<u>\$ 36,069,265</u>	<u>\$ 36,202,536</u>
Employer's net pension liability (a) - (b)	<u>\$ 24,161,265</u>	<u>\$ 24,768,721</u>	<u>\$ 23,991,809</u>	<u>\$ 21,798,581</u>
Plan net position as a percentage of the total pension liability	62.43%	59.33%	60.05%	62.42%
Covered employee payroll	\$ 9,119,704	\$ 9,042,460	\$ 9,056,584	\$ 8,868,033
City's net pension liability as a percentage of covered payroll	264.93%	273.92%	264.91%	245.81%

Note: 10 years of data will be displayed once it is available. GASB statement 67 was implemented in the 2014 fiscal year.

CITY OF JOPLIN, MISSOURI
Required Supplementary Information
Schedules of Employer Contributions

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation to Actuarially Determined Contributions	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage of Covered Employee Payroll
2014	\$ 2,919,863	\$ 2,919,863	\$ -	\$ 9,109,859	32.05%
2015	2,662,321	2,662,321	-	9,056,584	29.40%
2016	2,619,993	2,619,993	-	9,042,460	28.97%
2017	2,601,983	2,601,983	-	9,119,704	28.53%

Note: 10 years of data will be displayed once it is available. GASB statement 67 was implemented in the 2014 fiscal year.

Notes to Schedules of Employer Contributions

Notes: Actuarially determined contribution rates are calculated as of October 31, twelve months prior to the end of the fiscal year in which contributions are reported

Methods and Assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary increases	Police: 2.5 % to 7.625% including inflation Fire: 2.5% to 7.01125% including inflation
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Active members age 60 and over are assumed to retire immediately.
Mortality	The standard mortality table used in the valuation is the RP 2000 projected to the valuation date. There is no margin for future mortality improvements. The projection of this table is reset each year to the valuation date. 25% of active deaths are assumed to be duty related, and 75% of active deaths are assumed to be non-duty related. The disabled mortality table used in this valuation is the RP 2000 disabled table.

Other Information:
Notes

The Employer Contribution for FY Ending October 31, 2017 was determined in the October 31, 2015 actuarial valuation report.

City of Joplin, Missouri
Required Supplementary Information
Schedules of Investment Returns

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual money -weighted rate of return, net of investment expense	6.47%	0.04%	2.99%	14.21%

Note: 10 years of data will be displayed once it is available. GASB statement 67 was implemented in the 2014 fiscal year.