



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.
TERRIL L. KITTO, C.P.A.

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.s

A.J. DUPLANTIER, JR., C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR., C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., C.P.A. (1920-1996)
JAMES MAHER, JR., C.P.A. (1921-1999)

January 28, 2014

New Orleans Firefighters Pension and Relief Fund
Mr. Thomas Meagher, Secretary-Treasurer
3520 General DeGaulle, Suite 3001
New Orleans, LA 70114

Dear Mr. Meagher:

Governmental Accounting Standards Board has implemented Statement (GASB) 67 -- Financial Reporting for Pension Plans -- an amendment of GASB 25 which is effective for fiscal years ending June 30, 2014 and calendar years ending December 31, 2014. GASB 67 addresses accounting and financial reporting for activities of pension plans that are administered through trusts. It establishes standards of financial reporting for financial reports and specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits provided through the pension plans. The statement also details the note disclosure requirements in addition to required supplementary information. In an effort to provide a smooth transition in the implementation of GASB 67 we wanted to provide you with information on how this standard will affect your audit and audit report. GASB 67 will require sweeping changes to your audit report in the way of eliminating some required footnotes disclosures and adding additional extensive footnotes and required supplementary schedules. The GASB does not require any changes to your financial statements. Following are the changes to your footnotes and required supplementary schedules and who will be able to provide you the information needed in order to comply with the standard. After each required disclosure and required supplementary schedule we will note who should provide the information for the required disclosure and schedule.

1615 Poydras St., Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • FAX (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940

247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833

5047 Highway 1, P.O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941

www.dhmcpcpa.com

INFORMATION NEEDED

INFORMATION PROVIDED BY

REQUIRED FOOTNOTES:

Investments:

- | | |
|--|---|
| 1. Investment policies, including:
a. Procedures and authority for establishing and amending investment policy decisions
b. Policies pertaining to asset allocation
c. Description of significant investment policy changes during the reporting period | Retirement System/Auditors |
| 2. A brief description of how the fair value of investments is determined, including the methods and significant assumptions used to estimate the fair value of investments if that fair value is based on other than quoted market prices. | Retirement System/Investment Consultant/Money manager |
| 3. Identification of investments (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represents 5% or more of the pension plan's fiduciary net position | Custodian |
| 4. The annual money-weighted rate of return on pension plan investments calculated as the internal rate of return on pension plan investments, net of pension plan investment expense and an explanation that a money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Pension plan investment expense should be measured on the accrual basis of accounting. | Investment Consultant/Auditors |

Receivables:

- | | |
|---|----------------------------|
| 1. The terms of any long-term contracts for contributions to the pension plan between (a) an employer or non-employer contributing entity and (b) the pension plan, and the balances outstanding on any such long-term contracts at the end of the pension plan's reporting period. | Retirement System/Auditors |
|---|----------------------------|

INFORMATION NEEDED
(Continued)

INFORMATION PROVIDED BY
(Continued)

REQUIRED FOOTNOTES - Continued:

Reserves:

In circumstances in which there is a policy of setting aside, for purposes such as benefit increases or reduced employer contributions, a portion of the pension plan's fiduciary net position that otherwise would be available for existing pensions or for pension plan administration - i.e. employer credit account

Retirement System/Actuary

1. A description of the policy related to such reserves
2. The authority under which the policy was established and may be amended
3. The purpose for and conditions under which the reserves are required or permitted to be used
4. The balances of the reserves

Retirement System/Actuary

Deferred Retirement Option Program:

1. A description of the DROP terms
2. The balance of the amounts held by the pension plan pursuant to the DROP

Components of Pension Liability:

1. Total pension liability
Actuary
2. Pension plan's net position
Retirement System/Auditor
3. Net pension liability
Actuary
4. Pension plan's net position as a percentage of the total pension liability
Retirement System/Auditor/Actuary

Significant assumptions and other inputs used to measure total pension liability such as:

1. Inflation
2. Salary changes
3. Ad hoc postemployment benefit changes
4. Mortality
 - a. Source of the assumption
 - b. Dates of experience studies
5. Discount rate
 - a. Discount rate applied in the measurement of the total pension liability and the change in discount rate since prior year, if any
 - b. Assumptions made about projected cash flows into and out of the pension plan

Actuary

Actuary

Retirement system/ Actuary

INFORMATION NEEDED
(Continued)

INFORMATION PROVIDED BY
(Continued)

REQUIRED FOOTNOTES - Continued:

- c. Long term expected rate of return on pension plan investments and a description of how it was determined including assumptions
- d. If discount rate incorporates a municipal bond rate, the municipal bond rate used and the source
- e. Periods of projected benefit payments to which the long-term expected rate of return and if used, the municipal bond rate applied to determine the discount rate
- f. Assumed asset allocation of pension plan's portfolio, long-term expected real rate of return for each major asset class, and whether the expected rates of return are presented as arithmetic or geometric means
- g. Measures of net pension liability calculated using discount rate that is 1% higher than the required and a discount rate that is 1% lower than the required

Retirement System/Investment Consultant/
Actuary/Auditor

Actuary

Actuary

Retirement System/Investment Consultant/
Auditor/Actuary to review

Retirement System/Actuary

Date of the actuarial valuation

Retirement System/Auditor

REQUIRED SUPPLEMENTARY INFORMATION:

Note: For each 10 year schedule, the current year is added until 10 years are accumulated. Once 10 years are accumulated, the earliest year is deleted.

Ten year schedule of changes in net pension liability

- 1. Beginning and ending balances of the total pension liability, pension plan's fiduciary net position and the net position
 - Actuary - current period only
- 2. Effects on those items during the year of the following:
 - a. Service cost
 - Actuary - current period only
 - b. Interest on the total pension liability
 - Actuary - current period only
 - c. Changes of benefit terms
 - Actuary- current period only

INFORMATION NEEDED
(Continued)

INFORMATION PROVIDED BY
(Continued)

REQUIRED SUPPLEMENTARY INFORMATION -
(Continued)

Ten year schedule for those whose employer contributions are determined actuarially:

- | | |
|--|---|
| 1. The actuarially determined contributions of employers | Actuary - current period only |
| 2. The contractually required employer contribution | N/A |
| 3. Difference between actuarially determined and the contributions reported | Retirement System/Auditor - current period only |
| 4. Covered employee payroll | Actuary - current period only |
| 5. Amount of contributions recognized by the pension plan in relation to the actuarially determined contribution as a percentage of covered-employee payroll | Retirement System/Auditor |

Ten year schedule presenting each fiscal year the annual money-weighted rate of return on pension plan investments

Retirement System/Investment Consultant/Auditor

NOTES TO THE REQUIRED SCHEDULES:

Significant methods and assumptions used in calculating the actuarially determined contributions, if any, should be presented as notes to the ten year schedule on actuarially required contributions.

Actuary

The above additional footnotes and supplementary information required in your audit report has significantly increased due to the GASB 67. We have met with your actuary to discuss the information needed from him in order to comply with the new standards. Please inform your investment consultant of the additional information needed from them in order to conform to the new standard. We are available to meet and discuss the implications of GASB 67 and its increased requirements at your convenience.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN AND MAHER, LLP



Michelle H. Cunningham
Partner

MHC/ct

cc: Mr. Mike Conefry
Conefry & Company, LLC