

**Firemen's Pension and Relief Fund
City of Houma, Louisiana**

Annual Financial Report
As of and for the
Year Ended December 31, 2016

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Annual Financial Report
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Firemen's Pension and Relief Fund
City of Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the fiduciary activities of the Firemen's Pension and Relief Fund (the Pension Fund), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Pension Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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

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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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary activities of the Firemen's Pension and Relief Fund, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Investment Returns, the Schedule of Funding Progress, the Schedule of Employer Contributions, and the Actuarial Methods and Assumptions on pages 4-6 and 17-21 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.

Other Information

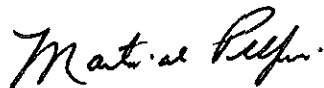
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Firemen's Pension and Relief Fund's basic financial statements. The Schedule of Additions and Deductions on page 22 and the Schedule of Compensation, Benefits and Other Payments to Fund Board Chairman on page 23 are presented for purposes of additional analysis and are not a required part of the financial statements.

To the Board of Trustees of the
Firemen's Pension and Relief Fund
City of Houma, Louisiana

The Schedule of Additions and Deductions and the Schedule of Compensation, Benefits and Other Payments to Fund Board Chairman are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Additions and Deductions and the Schedule of Compensation, Benefits and Other Payments to Fund Board Chairman are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2017, on our consideration of the Pension Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pension Fund's internal control over financial reporting and compliance.



Houma, Louisiana
April 19, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Management's Discussion and Analysis
December 31, 2016

As management of the Firemen's Pension and Relief Fund (the Pension Fund), we offer readers of the Pension Fund's financial statements this narrative overview and analysis of the financial activities of the Pension Fund for the year ended December 31, 2016.

FINANCIAL HIGHLIGHTS

- The Pension Fund's assets exceeded its liabilities by \$1,837,066 (net position) as of December 31, 2016.
- The Pension Fund's total net position decreased by \$3,852.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Pension Fund's basic financial statements. The Firemen's Pension and Relief Fund's basic financial statements consist of three components: 1) Statement of Fiduciary Net Position 2) Statement of Changes in Fiduciary Net Position, and 3) Notes to Financial Statements.

Statement of Fiduciary Net Position. This statement presents the Firemen's Pension and Relief Fund's assets and liabilities, with the difference of assets and liabilities reported as net position. The fluctuation in net position can be used as an indication of whether the financial position of the Pension Fund is improving or deteriorating.

Statement of Changes in Fiduciary Net Position. Consistent with the full accrual basis method of accounting, this statement accounts for current year additions and deductions regardless of when cash is received or paid. The statement also exhibits the relationship of revenues and expenses with the changes in net position.

Notes to Financial Statements. The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Management's Discussion and Analysis
December 31, 2016

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Pension Fund, assets exceeded liabilities by \$1,837,066 at the close of the most recent year, December 31, 2016. The largest portion of the Pension Fund's total assets is investments (96.3%).

The Pension Fund's Net Position

	December 31,	
	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 68,460	\$ 70,970
Investments	1,768,606	1,769,794
Other	-	154
	1,837,066	1,840,918
Total Assets	1,837,066	1,840,918
Liabilities	-	-
Net Position	\$ 1,837,066	\$ 1,840,918

- Total assets decreased by \$3,852 from prior year.

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Management's Discussion and Analysis
December 31, 2016

During the year, the Pension Fund's net position decreased by \$3,852. The elements of the decrease are as follows:

The Pension Fund's Changes in Net Position

	Year Ended December 31,	
	2016	2015
Additions		
Contributions - Terrebonne Parish Consolidated Government	\$ 136,262	\$ 154,246
Interest earned	10,261	9,174
Total Additions	146,523	163,420
Deductions		
Benefits paid	146,650	149,568
Administrative expenses:		
Actuarial fees	-	3,000
Professional	3,000	2,500
Other	725	74
Total Deductions	150,375	155,142
Change in Net Position	(3,852)	8,278
Net Position:		
Beginning of year	1,840,918	1,832,640
End of year	\$ 1,837,066	\$ 1,840,918

As indicated above, net position decreased by \$3,852. This decrease is primarily due to the benefits paid exceeding the contributions made to the Pension Fund.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Pension Fund's finances for all those with such an interest. Call the Terrebonne Parish Consolidated Government office (985-873-6448) and ask for Debbie Bourg, Accountant, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

FINANCIAL STATEMENTS

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Statement of Fiduciary Net Position
December 31, 2016

Assets	
Current assets	
Cash and cash equivalents	\$ 68,460
Investments	<u>1,768,606</u>
Total Assets	1,837,066
Liabilities	
	<u>0</u>
Net Position Restricted For Pensions	<u><u>\$ 1,837,066</u></u>

See accompanying notes.

Firemen's Pension and Relief Fund
City of Houma, Louisiana

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2016

Additions

Contributions - Terrebonne Parish Consolidated Government	\$ 136,262
Interest earned	<u>10,261</u>

Total Additions 146,523

Deductions

Benefits paid	146,650
Administrative expenses:	
Professional	3,000
Other	<u>725</u>

Total Deductions 150,375

Decrease in Net Position (3,852)

Net Position Restricted for Pensions

Beginning of year 1,840,918

End of year \$ 1,837,066

See accompanying notes.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following brief description of the City of Houma Firemen's Pension and Relief Fund (the Pension Fund) is provided for general information purposes only. Participants should refer to the applicable state statutes for more complete information.

A. PLAN HISTORY

The Pension Fund was established for members of the City of Houma Fire Department in 1973 under the provisions of Act 139 of the Louisiana Legislature. Effective January 1, 1980, new firemen of the City of Houma are covered under the Firefighter's Retirement System (FRS) of the State of Louisiana. The Pension Fund covers firemen hired prior to January 1, 1980. On March 26, 1996, the Pension Fund entered into a merger agreement with the Firefighter's Retirement System of the State of Louisiana. The merger was effective July 1, 1995. The Pension Fund has been closed to new participants since January 1, 1980.

B. GENERAL

The Pension Fund (a defined benefit pension plan) is a single-employer Public Employee Retirement System (PERS) administered by a Board of Trustees (the Board). The Board of Trustees shall be composed of seven members, consisting of the president of the Terrebonne Parish Consolidated Government, or his appointee, who shall be chairman of the Board, a representative of the parish accounting department, a representative of the parish council to be appointed by said council, and four active members of the department, who shall not be above the rank of district chief when elected or reelected and who shall be elected by the active fire department personnel.

C. PLAN MEMBERSHIP

As of December 31, 2016, employee membership consisted of eighteen retirees and beneficiaries currently receiving benefits.

D. ELIGIBILITY REQUIREMENTS

Regular retirement – The Firefighter's Retirement System shall be obligated to pay the retirement benefit of the active members hired prior to January 1, 1980.

E. PLAN BENEFITS

Pension Benefits – Members retiring after twenty years will receive 66 2/3% of the greater of (a) the member's highest consecutive thirty-six months of compensation, or (b) the total monthly compensation of someone in the position held by the member at the time of retirement. An additional 3% is due for each year of service in excess of twenty years,

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 1 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (Cont.)

up to a total benefit of 96 2/3% of such compensation.

As members reach the age of 50, the Firefighters' Retirement System assumes benefits according to the State's standards. However, as part of the agreement of the merger, the firemen in the City of Houma Pension Fund could not lose any benefits by agreeing to merge with the State. Therefore, the City of Houma continues to pay the difference between the amount the city previously paid in benefits and the amount the State pays now.

Death and Disability Benefits – These benefits are assumed by FRS and the difference is assumed by the City of Houma.

F. EMPLOYER CONTRIBUTIONS

Funding Policy – The Parish contributions are established by an actuary in the valuation report (performed every two years) for the City of Houma Firemen's Pension and Relief Fund.

The Aggregate Actuarial Cost Method was used and the actuarial accrued liability is equal to the actuarial value of assets; therefore, there is no unfunded actuarial accrued liability. It was determined that there was an unfunded present value of contingent benefits in excess of assets in the amount of \$569,394 based on the December 31, 2016 actuarial valuation report. Administrative costs are financed through investment earnings.

Annual Pension Cost – The annual required contribution for the current year was determined to range from \$35,276 to \$37,039 as part of the December 31, 2016 actuarial valuation using the Unit Credit Cost Method with Level Dollar Amortization of Unfunded Actuarial Liability. The actuarial assumptions included 5.00% investment rate of return (net of expenses). The amortization information was not made available by the actuary.

No new employees have entered into the Pension Fund since the merger with FRS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Because members of the Terrebonne Parish Consolidated Government sit on the Pension Fund's governing board and thusly can impose their will, the Pension Fund was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the Pension Fund and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The accounting policies of the Pension Fund conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

The Pension Fund is a component unit of the Parish and, as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2016. The Pension Fund has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

B. FUND ACCOUNTING

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accounts of the Pension Fund are organized on the basis of a Trust Fund. Trust Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

C. BASIS OF ACCOUNTING

Trust Funds are accounted for using the accrual method of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. CASH AND CASH EQUIVALENTS

The Pension Fund considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

E. METHOD USED TO VALUE INVESTMENTS

Investments are reported at fair value except for the Louisiana Asset Management Pool (LAMP). Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Investments during the year consisted of certificates of deposit, a Federal Home Loan Mortgage Corporation Note, and LAMP. LAMP is an external pool, which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – DEPOSITS AND INVESTMENTS

Bank Deposits:

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions.

The year-end balance of deposits is as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 68,460	\$ 68,460
Certificates of deposit	1,500,000	1,500,000
Totals	<u>\$ 1,568,460</u>	<u>\$ 1,568,460</u>

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund has a policy for custodial credit risk. As of December 31, 2016, none of the Fund's deposits of \$1,568,460 were exposed to credit risk. These deposits were insured with FDIC coverage.

As of December 31, 2016, cash was adequately collateralized in accordance with state law.

Investments:

State statutes authorize the Pension Fund to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP). According to Louisiana Revised Statue 11:3228, the Board of Trustees may at any time, after considering the probable current demands upon such fund, determine what portion of said fund may be safely withdrawn from the current cash account for investment for revenue purposes, and having so determined, invest the same in the manner

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 3 – DEPOSITS AND INVESTMENTS (Cont.)

hereinafter authorized, and all proceedings of the Board of Trustees relating thereto shall be entered upon its records. In no case shall more than twenty percent of the total investments of the system assets consist of any stock, including common and preferred, or corporate shares of any kind. All income from such investments shall be and become a part of said Pension Fund. All such securities or instruments of investment shall be deposited with the Secretary/Treasurer of the Board of Trustees and the receipt therefore filed in the record books.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Pension Fund's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a-7 like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAAM by Standard & Poor's.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 3 – DEPOSITS AND INVESTMENTS (Cont.)

- Custodial credit risk: LAMP participant's investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirements.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is \$1,210,578,422 as of December 31, 2016.
- Foreign currency risk: Not applicable to 2a-7 like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in LAMP as of December 31, 2016 amounted to \$264,724 and are classified on the Statement of Net Position as "Investments."

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The FHLMC note is guaranteed as to principal and interest by the full faith and credit of the United States. The FHLMC note totaling \$3,882 as of December 31, 2016 is held in trust by a third-party bank in the Pension Fund's name (Category 2).

A reconciliation of deposits and investments as shown on the Statement of Plan Net Assets is as follows:

Reported amount of deposits	\$ 1,568,460
Reported amount of investments	268,606
Total	\$ 1,837,066
Cash	\$ 68,460
Investments	1,768,606
Total	\$ 1,837,066

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 4 – NET PENSION LIABILITY

The components of the net pension liability of the Fund, at December 31, 2016 were as follows:

Total pension liability	\$ 2,406,460
Plan fiduciary net position	1,837,066
Net pension liability	\$ 569,394

Plan fiduciary net position as a percentage of total pension liability: 76.34%

Actual Assumptions: The Total Pension Liability as stated in this report is based on the Aggregate Actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of December 31, 2016 and were based on December 31, 2016 data. The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2016 actuarial funding valuation, which were based on the 1983 Group Annuity Mortality Table. The investment rate of return, net of investment expense, including inflation actuarial assumption used was 5.0%

Discount Rate: The discount rate used to measure the total pension liability was 5.0%. GASB 67 requires that the discount rate to be used in determining the total pension liability is the long-term expected return on pension plan investments to the extent that the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the system calculated using the discount rate of 5.0%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.0%) or one percentage point higher (6.0%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (4.0%)	Current Discount Rate (5.0%)	1% Increase (6.0%)
Net Pension Liability	\$ 842,457	\$ 569,394	\$ 338,818

NOTE 5 – REQUIRED SUPPLEMENTARY INFORMATION

In accordance with Statement No. 67, required supplementary information can be found in the attached schedules.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2016

NOTE 6 – COMPENSATION OF BOARD MEMBERS

Members of the Pension Fund Board serve without compensation.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through April 19, 2017, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
1. Service Cost	\$ -	\$ -	\$ -
2. Interest Cost at 4.00%	101,576	103,069	99,105
3. Changes of benefit terms	-	-	-
4. Difference between expected and actual experience	(91,586)	3,590	146,583
5. Changes of assumptions	-	-	-
6. Benefit payments and net transfers	<u>142,924</u>	<u>143,994</u>	<u>146,583</u>
7. Net change in total pension liability: [1] + [2] + [3] + [4] + [5] - [6]	(132,934)	(37,335)	99,105
8. Total pension liability - beginning	2,539,394	2,576,729	2,477,624
9. Total pension liability - ending	2,406,460	2,539,394	2,576,729
Plan Fiduciary net position			
10. Contributions - employer	136,262	154,246	135,442
11. Contributions - member	-	-	-
12. Net investment income	6,690	3,446	1,965
13. Benefit payments and net transfers	142,924	143,994	146,583
14. Administrative expenses	<u>3,726</u>	<u>5,574</u>	<u>2,985</u>
15. Net change in plan fiduciary net position: [10] + [11] + [12] - [13] - [14]	(3,698)	8,124	(12,161)
16. Plan fiduciary net position - beginning	1,840,764	1,832,640	1,844,801
17. Plan fiduciary net position - ending	1,837,066	1,840,764	1,832,640
18. Net position liability - ending: [9] - [17]	\$ 569,394	\$ 698,630	\$ 744,089
19. Plan fiduciary net position as a percentage of the total pension liability: [17]/[9]	76.34%	72.49%	71.12%
20. Covered - employee payroll in year	-	-	-
21. Net pension liability as a percentage of covered- employee payroll: [18]/[20]	0.00%	0.00%	0.00%

Notes to Schedule:

The above schedule is presented to show trend information for 10 years. However, until a full 10-year trend is compiled, this schedule presents information for those years for which information is available.

See Independent Auditor's Report.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Investment Returns
December 31, 2016

Annual money-weighted rate of return, net of investment expense	<u>2016</u> 0.50%	<u>2014</u> 0.26%
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Note to Schedule:

This schedule is presented to show trend information for 10 years. However, until a full 10-year trend is compiled, this schedule presents information for those years for which information is available. 2015 information is not presentable because the Fund is only required to update the actuarial study every other year.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Funding Progress (Unaudited)
For the Year Ended December 31, 2016

Funding progress information for the Fund for 2011, 2013, and 2015 is unavailable because the Fund is only required to update the actuarial study every other year.

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Annual Covered Payroll	Unfunded AAL as a % of Covered Payroll
12/31/10	\$ 1,905,488	\$ 2,777,919	\$ 872,431	68.6%	\$ --	N/A
12/31/12	\$ 1,854,608	\$ 2,644,968	\$ 790,360	70.1%	\$ --	N/A
12/31/14	\$ 1,832,640	\$ 2,576,729	\$ 744,089	71.1%	\$ --	N/A
12/31/16	\$ 1,837,066	\$ 2,406,460	\$ 569,394	76.3%	\$ --	N/A

See Independent Auditor's Report.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Employer Contributions
For the Year Ended December 31, 2016

As mentioned in Note 1A, the merger with the Firefighters' Retirement System became effective July 1, 1995, and funds in the plan were considered to be sufficient. Therefore, no contributions were required for 1996.

Year Ended December 31,	Annual Required Contribution	Actual Contributions	Percentage Contributed
1997	\$ 36,820	\$ 36,820	100%
1998	35,595	35,595	100%
1999	68,569	68,569	100%
2000	68,569	68,569	100%
2001	56,503	66,288	117%
2002	56,503	56,503	100%
2003	228,200	228,200	100%
2004	213,271	213,271	100%
2005	213,271	213,271	100%
2006	40,171	175,514	436%
2007	40,171	175,514	436%
2008	6,442	175,514	436%
2009	6,442	109,500	1700%
2010	56,753	113,335	200%
2011	56,753	110,421	195%
2012	51,414	124,559	242%
2013	51,414	135,983	264%
2014	48,404	135,441	280%
2015	48,404	154,246	319%
2016	37,039	136,262	368%

See Independent Auditor's Report.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Actuarial Methods and Assumptions
For the Year Ended December 31, 2016

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2016.
Actuarial cost method	Unit Credit Cost Method.
Amortization method	Level Dollar Amortization of Unfunded Actuarial Accrued Liability.
Asset valuation method	Market value.
Actuarial assumptions:	
Investment rate of return	5% per year compounded annually.
Mortality	Based on the 1983 Group Annuity Mortality Table for Males and Females.
Termination, disability, and retirement	Not applicable.
Salary increases	Not applicable.
Cost-of-living adjustments	None.

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Additions and Deductions
For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Additions				
Contributions	\$ 136,262	\$ 154,246	\$ 135,441	\$ 135,983
Investment income	10,261	9,174	4,860	9,364
Total additions	<u>\$ 146,523</u>	<u>\$ 163,420</u>	<u>\$ 140,301</u>	<u>\$ 145,347</u>
 Deductions				
Benefits paid	\$ 146,650	\$ 149,568	\$ 149,568	\$ 149,568
Other	3,725	5,574	2,894	5,586
Total deductions	<u>\$ 150,375</u>	<u>\$ 155,142</u>	<u>\$ 152,462</u>	<u>\$ 155,154</u>

See Independent Auditor's Report.

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Compensation, Benefits and Other Payments
To Fund Board Chairman
For the Year Ended December 31, 2016

Fund Board Chairman: Mr. Gordon Dove, Parish President

Purpose	Amount
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of the
Firemen's Pension and Relief Fund
City of Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the fiduciary activities of the Firemen's Pension and Relief Fund (the Pension Fund) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Pension Fund's basic financial statements, and have issued our report thereon dated April 19, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pension Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pension Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

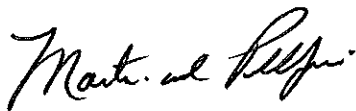
Firemen's Pension and Relief Fund
City of Houma, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pension Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Trustees, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
April 19, 2017

Firemen's Pension and Relief Fund
City of Houma, Louisiana
Schedule of Findings and Responses
As of and for the Year Ended December 31, 2016

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Firemen's Pension and Relief Fund.
2. No deficiencies in internal control over financial reporting were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were disclosed during the audit of the financial statements.
5. A management letter was not issued.
6. The Fund did not receive or expend federal funds during the year.

Section II – Financial Statement Findings

No findings related to the Firemen's Pension and Relief Fund, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section III – Federal Awards

No federal awards were received during the year.

Firemen's Pension and Relief Fund

Schedule of Prior Findings and Responses As of and for the Year Ended December 31, 2016

Note: All prior findings relate to the December 31, 2015 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

No findings related to the Firemen's Pension and Relief Fund's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit. No compliance findings material to the basic financial statements were noted during the audit.

Section II – Internal Control and Compliance Material to Federal Awards

The Firemen's Pension and Relief Fund did not receive federal awards during the year ended December 31, 2015.

Section III – Management Letter

A management letter was not issued.