

**HOUMA-TERREBONNE PUBLIC TRUST
FINANCING AUTHORITY**
Houma, Louisiana

Annual Financial Report

Year Ended March 31, 2020



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Independent Auditor's Report

The Board of Trustees
Houma-Terrebonne Public Trust Financing Authority
Houma, Louisiana

We have audited the accompanying financial statements of the Houma-Terrebonne Public Trust Financing Authority (the Authority), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 opinions 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 of the 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 fiduciary net position of the Houma-Terrebonne Public Trust Financing Authority as of March 31, 2020, and the changes in its fiduciary net 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 on pages 4 through 6 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 (GASB), 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 Authority's basic financial statements. The supplementary information on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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 information is 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 September 3, 2020 on our consideration of the Houma-Terrebonne Public Trust Financing Authority'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 solely to describe the scope of our testing of the Authority's internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Authority's 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 Houma-Terrebonne Public Trust Financing Authority's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
September 3, 2020

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Management's Discussion and Analysis
For the Year Ended March 31, 2020

This Management's Discussion and Analysis (MD&A) of the Houma-Terrebonne Public Trust Financing Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended March 31, 2020. The MD&A is designed to provide an objective and easy to read analysis of the Authority's financial activities based on currently known facts, decisions, or conditions. Please read this in conjunction with our financial statements, which begin on page 7.

Financial Highlights

- Total assets decreased by \$154,329. This is due to cash flows used for operating expenses and a grant made to Terrebonne Parish Consolidated Government.
- Total liabilities increased by \$13,852 due to the timing of accounts payable at year-end.
- Assets of the Authority exceeded total liabilities in the current year by \$226,263 (net position). The total net position is unrestricted and available for any purpose under the terms of the Trust Indenture.
- The Authority's gross revenues decreased by \$1,149 over the prior year due to a decrease in interest income.
- Total deductions increased by \$153,208. This increase is mainly attributed to a grant made to Terrebonne Parish Consolidated Government.

Overview of the Financial Statements

The statements of fiduciary net position and changes in fiduciary net position include assets, liabilities, revenues, and expenses using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Reading these two statements in conjunction with each other helps the user understand the composition of the Authority's net position and the driving forces that initiate the changes in the net position.

The statement of fiduciary net position presents information on all of the Authority's assets less liabilities which results in net position. This statement is designed to display the financial position of the Authority. The Authority's net position can be used to measure the Authority's financial health. Over time, increases or decreases in the Authority's net position are indicators of either improvements or deterioration in its financial health.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Management's Discussion and Analysis
For the Year Ended March 31, 2020

The statement of changes in fiduciary net position provides information which shows how the Authority's net position changed as a result of the current year's activities. This allows users of the financial statements to determine the major factors that affected the current financial statements and may have a significant impact on financial statements in the future.

Comparative Statements of Fiduciary Net Position

	<u>March 31,</u>		Increase
	2020	2019	(Decrease)
Assets			
Cash and Cash Equivalents	\$ 244,096	\$ 398,425	\$ (154,329)
Total Assets	244,096	398,425	(154,329)
Liabilities			
Accounts Payable	17,833	3,981	13,852
Total Liabilities	17,833	3,981	13,852
Net Position			
Unrestricted	226,263	394,444	(168,181)
Total Net Position	\$ 226,263	\$ 394,444	\$ (168,181)

Total assets decreased by \$154,329 from March 31, 2019 to March 31, 2020. This decrease is due to cash flows used for operating expenses and a grant made to Terrebonne Parish Consolidated Government.

Total liabilities increased by \$13,852 from March 31, 2019 to March 31, 2020. This increase is due to the timing of accounts payable at year-end.

At March 31, 2020, net position totaled \$226,263. The total net position is unrestricted and available for any valid purpose under the terms of the trust indenture.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Management's Discussion and Analysis
For the Year Ended March 31, 2020

Comparative Changes in Fiduciary Net Position

	<u>March 31,</u>		<u>Increase</u>
	<u>2020</u>	<u>2019</u>	<u>(Decrease)</u>
Total Revenue	\$ 4,702	\$ 5,851	\$ (1,149)
Total Deductions	172,883	19,675	153,208
Change in Net Position	<u>\$ (168,181)</u>	<u>\$ (13,824)</u>	<u>\$ (154,357)</u>

Total revenues decreased by \$1,149 due to a decrease in interest income. Total deductions increased by \$153,208 due primarily to a grant made to Terrebonne Parish Consolidated Government.

Contacting the Authority's Financial Management

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of the Authority's finances and to display the Authority's accountability for the funds it received. If you have questions about this report or need additional financial information, contact the Houma-Terrebonne Public Trust Financing Authority, 1054 West Tunnel Boulevard, Houma, LA 70360.

HOUMA-TERREBONE PUBLIC TRUST FINANCING AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Fund - Private-Purpose Trust
March 31, 2020

Assets	
Cash	<u>\$ 244,096</u>
Total Assets	<u>244,096</u>
Liabilities	
Accounts Payable	<u>17,833</u>
Total Liabilities	<u>17,833</u>
Net Position	
Unrestricted	<u>226,263</u>
Total Net Position	<u><u>\$ 226,263</u></u>

The accompanying notes are an integral part of these financial statements.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Private-Purpose Trust
For the Year Ended March 31, 2020

Additions	
Interest and Investment Income	<u>\$ 4,702</u>
Total Additions	<u>4,702</u>
Deductions	
Grant to Terrebonne Parish Consolidated Government	150,000
Professional Services	<u>22,883</u>
Total Deductions	<u>172,883</u>
Change in Net Position	(168,181)
Net Position, Beginning of Year	<u>394,444</u>
Net Position, End of Year	<u><u>\$ 226,263</u></u>

The accompanying notes are an integral part of these financial statements.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Houma-Terrebonne Public Trust Financing Authority (the Authority) is a public trust created by a Trust Indenture dated December 26, 1978, pursuant to Chapter 2A of Title 9 of the Louisiana Revised Statutes, as amended. The Authority was created to provide funds, through the issuance of bonds, to promote the development of residential housing in the Houma-Terrebonne area through low interest first mortgage loans and other purposes as specified by the Trust Indenture.

The Authority has a five-member appointed Board of Trustees, each member having a five-year term and having the power to designate management, the ability to significantly influence operations, and collectively having primary accountability for fiscal matters. This report includes all of the funds of the Authority.

Responsibility of indebtedness is solely the obligation of the Authority and is not the obligation of the Urban Services District (the District), the Terrebonne Parish Consolidated Government, or the State of Louisiana.

The Authority is classified as a component unit of the Terrebonne Parish Consolidated Government (the Parish) which is the beneficiary of the Trust on behalf of the Urban Services District.

Basis of Presentation

The accompanying basic financial statements of the Authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63 in June 2011.

Fund Type

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, net position, additions, and deductions. The fund type presented in the financial statements is described as follows:

Fiduciary Fund - Private-Purpose Trust: This fund is used to account for bond proceeds that were used to finance residential housing through low interest first mortgage loans and for other purposes as specified by the Trust Indenture.

Basis of Accounting. The Authority follows the accrual basis of accounting. Revenues are recognized when they are earned, and deductions are recognized when they are incurred.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Type (Continued)

Budgetary Data. The Authority is not required by Louisiana Revised Statute 39:1303 to adopt a budget for the Authority's fiduciary fund.

Interest Income. Interest income is recorded as revenue in the year the interest is earned.

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

Investments. Investments are recorded at fair value, based on quoted market prices for the investments as reported by the Trustee. Fluctuations in the fair value of investments are recorded as gains (losses) in the statement of changes in fiduciary net position.

Cash and Investments

Louisiana state law allows the Authority to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts, and investment grade commercial paper of domestic corporations.

State Law requires cash bank deposits (or the resulting bank balances) to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance and securities 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 with a trust company for the account of the political subdivision.

At March 31, 2020, the Authority had the following cash and cash equivalent balances:

	Book Balance	Bank Balance	Available Insurance Coverage	Pledged Securities
Cash				
Residual Fund	\$ 244,096	\$ 244,096	\$ 250,000	\$ -
Total	\$ 244,096	\$ 244,096	\$ 250,000	\$ -

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority may not recover its deposits or the securities pledged as collateral by a third-party custodian. Authority policy and State Law require all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At March 31, 2020, all deposits were covered by federal deposit insurance. The bank balances at March 31, 2020 totaled \$244,096.

Note 2. Unrestricted Net Position

Monies in the Residual Fund are not pledged as security for the bonds and are not subject to the lien of the bond indentures. These funds are available for any valid purpose under the terms of the Trust Indenture.

Note 3. Compensation of Board Members

The Trustees serve without compensation, but may be reimbursed for actual expenses incurred in the performance of their duties as Trustees. The Trustees did not receive any per diem, compensation, or reimbursement for actual expenses for the year ended March 31, 2020.

Note 4. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, September 3, 2020, and determined no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended March 31, 2020

The Authority has no employees, Bobbie Howard, Chairman, serves as oversight for the financial reporting process.

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

See independent auditor's report.

**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**

The Board of Trustees
Houma-Terrebonne Public Trust Financing Authority
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 Houma-Terrebonne Public Trust Financing Authority (Authority), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated September 3, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 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.



A Professional Accounting Corporation

Baton Rouge, LA
September 3, 2020

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Schedule of Findings and Responses
For the Year Ended March 31, 2020

Part I - Summary of Auditor's Reports

Financial Statements

- | | |
|--------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued on financial statement: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to financial statements noted? | No |

Federal Awards

Not applicable.

Part II - Financial Statement Findings

None.

Part III - Federal Award Findings and Questioned Costs

Not applicable.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
Schedule of Prior Year Findings and Responses
For the Year Ended March 31, 2020

Part I - Internal Control and Compliance Material to the Financial Statements

None.

Part II. - Internal Control and Compliance Material to Federal Awards

Not applicable.

Part III. - Management Letter

None.