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HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY

HOUMA, LOUISIANA

Comprehensive Annual Financial Report

Year Ended March 31, 2002

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2002

The following 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, 2002. 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 8.

Financial Highlights

- Total assets decreased by $232,808 compared to the prior year. Of this amount, $205,890 represented principal collections on real estate mortgage loans receivable. Mortgage loans will continue to decrease in future years as payments are received from homeowners.
- Assets exceeded total liabilities in the current year by $641,063 (net assets). Of this amount, $588,183 is restricted for bond trust indentures and the remaining $52,880 is unrestricted.
- The Authority's net assets decreased by $133,391 compared to the prior year. Of that amount, $124,918 represented a decrease in fair value of the Authority's investment in a Federal National Mortgage Association zero coupon security maturing July 5, 2014 for $4,200,000. The fair value of this investment fluctuates based on current market interest rates. Because of the long-term maturity of this security, changes in interest rates impacts the security's fair value much greater than short-term securities. The security is held in the 1992 Debt Service Reserve Account and accretes to $4,200,000 at maturity. Investment proceeds will be available to pay Series 1992 C bonds payable maturing July 10, 2014 in the amount of $4,000,000. The remaining $8,473 decrease represented the current year's operating loss.
- Total revenues, comprise of interest income on real estate mortgage loans and income on investments, decreased by $17,148 compared to the prior year. This decrease is mainly due to a decrease in mortgage loan interest income. Outstanding mortgage loans continue to decrease as homeowners make monthly mortgage payments to the Authority.
- Total expenses decreased by $9,923. Of that amount, $9,113 represented a decrease in interest expense on bonds payable.

Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets

The statements of fiduciary net assets and changes in fiduciary net assets 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 current year 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 assets and the driving forces that initiate the changes in the net assets.

The statement of fiduciary net assets presents information on all of the Authority's assets less liabilities which result in net assets. This statement is designed to display the financial position of the Authority. You can think of the Authority's net assets as one way to measure the Authority's financial health. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating.

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

Comparative Statements of Fiduciary Net Assets

	March 31		
	2002	2001	(Decrease)
Assets:			
Cash and cash equivalents	216,397	227,960	(11,563)
Accrued interest receivable	611	590	21
Real estate mortgage loans receivable	500,524	706,414	(205,890)
Investments, at fair value	1,866,354	1,870,302	(3,948)
Deferred charge - bond issuance costs	22,858	34,286	(11,428)
Total Assets	$ 2,606,744	$ 2,839,552	(232,808)
Liabilities:			
Accounts payable	4,530	10,600	(6,070)
Accrued interest payable	3,699	6,400	(2,701)
Revenue bonds payable, net of unamortized bond discounts	1,957,452	2,048,098	(90,646)
Total Liabilities	1,965,681	2,065,098	(99,417)
Net Assets:			
Restricted - bond trust indentures	588,183	713,944	(125,761)
Unrestricted	52,880	60,510	(7,630)
Total Net Assets	641,063	774,454	(133,391)
Total Liabilities and Net Assets	$ 2,606,744	$ 2,839,552	(232,808)

As detailed in the above comparative summary of the statement of fiduciary net assets, total assets at the close of the year 2002 decreased approximately 9 percent when compared to the prior year. The major contributor to this decrease is the collection of real estate mortgage loans receivable. Principal balances decreased by $205,890 because of payments received from homeowners. This balance will continue to decline as future loan payments are made. Cash and cash equivalents is the next line item to result in a decrease in total assets with a drop from prior year of approximately 5 percent. Cash and cash equivalents consists of U.S. Treasury Money Market Funds, interest income in the liquidity reserve account at year end, and $136,250 in the liquidity reserve account that is deposited under an Investment Agreement with Berkshire Hathaway, Inc. The entire 5 percent difference is due to a decrease in money market funds. Investments decreased by 2 percent from the prior year and ended with a fair value of $1,866,354 as of March 31, 2002. Of this value, $1,500,682 is accreted cost and the difference between these two amounts is an unrealized gain of $365,672.

Total liabilities decreased approximately 5 percent from 2001 due mainly to the decrease in the revenue bonds payable. Current maturities of revenue bonds payable are not separated from long-term amounts because maturities are not fixed and determinable on an annual basis for the Series 1992, Class B-1 bonds. Accounts payable decreased over 50 percent from the prior year. Accounts payables normally consist of administrative, accounting, and semi-annual trustee fees that are accrued at year-end. There were less outstanding bills at March 31, 2002 than in 2001. These expenses overall were only $338 less than prior year amounts.

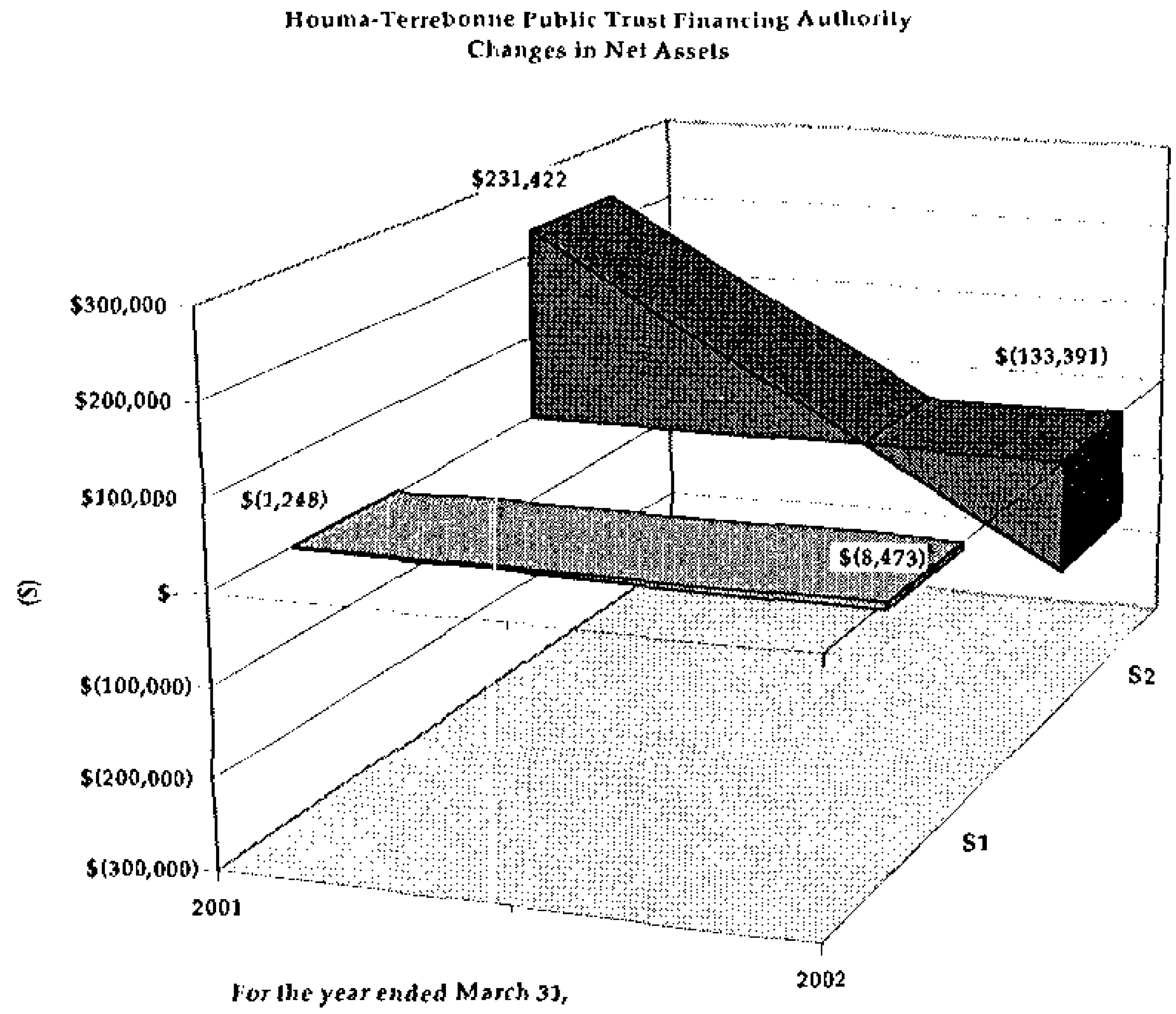
Looking at the section of the statement of fiduciary net assets entitled "Net Assets", we see that net assets are divided into two classifications: restricted for bond trust indentures and unrestricted net assets. The restricted for bond trust indentures amount to $588,183 and represents funds pledged to secure payment of Series 1992 bond issue. The unrestricted amount of $52,880 is composed of the net assets of the Program Subaccount and is available for any valid purpose under the terms of the Trust Indenture. The combination of these two categories makes up the total net assets of the Authority totaling $641,063.

Ending net assets decreased by approximately 21 percent over the prior year due largely to the decline in the fair value of investments which flows through the statement of changes in fiduciary net assets and is a component of the change in net assets. As reflected in the comparative statement of changes in fiduciary net assets, the net decrease in the fair value of investments was $124,918. This amount, when combined with an operating loss of $8,473, results in a $133,391 decrease in net assets. Comparing this change to the prior year's $231,422 increase in net assets, of which $232,670 is attributably to the increase in the fair value of investments, we can see how changes in market interest rates directly affects the fair value of long-term investments. These changes have a dramatic impact on the change in net assets. Generally, the longer a fixed rate debt security has to maturity, the greater the interest rate risk and the greater changes in value are impacted by changes in market interest rates.

Comparative Statements of Changes in Fiduciary Net Assets

	March 31 2002	March 31 2001	(Decrease)
Revenues:			
Interest on real estate mortgage loans	50,775	74,986	(24,211)
Income on investments	130,906	123,843	7,063
Total revenues	181,681	198,829	(17,148)
Expenses:			
Interest expense on bonds	157,669	166,782	(9,113)
Amortization of deferred bond issuance costs	11,429	11,429	-
Insurance	1,034	1,341	(307)
Loan servicer fees	3,938	4,103	(165)
Professional services	10,534	10,872	(338)
Trust, servicer and agent fees	5,550	5,550	-
Total expenses	190,154	200,077	(9,923)
Operating revenues (expenses) before net change in fair value of investments.	(8,473)	(1,248)	(7,225)
Net increase (decrease) in fair value of investments	(124,918)	232,670	(357,588)
Change in Net Assets	(133,391)	231,422	$ (364,813)
Net Assets at Beginning of Year	774,454	543,032	
Net Assets at End of Year	$ 641,063	$ 774,454	

We can visualize this swing even better by looking at a graphical picture of the change. Notice on the following graph that we have two planes, denoted S1 and S2. S1 plane depicts the change in net assets before taking into consideration the fair value of investments adjustment and S2 is the change in net assets after the adjustment is made. The lower plane shows what is called in the table above as the "operating revenues (expenses) before net change in fair value of investments." We can also think of this as the change in net assets before the fair value of investments adjustment. In 2001, this operating revenue (expense) figure was a loss of $1,248 and in 2002, this figure was a loss of $8,473. Now look at the second higher plane or S2. This line represents the change in net assets after the adjustment for the change in fair value of investments. We can see that the line was almost flat in the first scenario, but takes a dramatic swing in the second plane, varying from a positive amount of $231,422 in 2001 to a negative amount of $133,391 in 2002. This change in fair value is a non-cash adjustment that can have a very dramatic effect on the net assets of the Authority.



S1 = Change in net assets before fair value adjustment for investments
S2 = Change in net assets after fair value adjustment for investments

Total revenues, comprised of interest income on real estate mortgage loans and income on investments, decreased by $17,148. This decrease is mainly due to a decrease in mortgage loan interest income. Outstanding mortgage loans continue to decrease as homeowners make monthly mortgage payments to the Authority. Real estate mortgage loans receivable were $500,524 as if March 31, 2002 as compared to $706,414 as of March 31, 2001, a decrease of 29 percent.

Total expenses decreased by $9,923, or approximately 5 percent from the prior year. Of that amount, $9,113 represented a decrease in interest expense on bonds payable.

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 show the Authority's accountability for the money it receives. 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.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the basic financial statements of the Houma-Terrebonne Public Trust Financing Authority, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended March 31, 2002, as listed in the foregoing table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Houma-Terrebonne Public Trust Financing Authority as of March 31, 2002 and the changes in its net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1-a to the financial statements, the Houma-Terrebonne Public Trust Financing Authority adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements-and Management's Discussion and Analysis–for State and Local Governments, as of April 1, 2001.

In accordance with Government Auditing Standards, we have also issued our report dated June 10, 2002 on our consideration of the Houma-Terrebonne Public Trust Financing Authority's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Bergeron & Lanaux

June 10, 2002

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
HOUMA, LOUISIANA

Statement of Fiduciary Net Assets
Fiduciary Fund - Private-purpose Trust

March 31, 2002

ASSETS

Cash and cash equivalents		$ 216,397
Receivables:		
Accrued interest receivable	$ 611	
Real estate mortgage loans receivable	500,524	
Total receivables		501,135
Investments, at fair value		1,866,354
Deferred charge - bond issuance costs net of accumulated amortization		22,858
Total assets		$ 2,606,744

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	$ 4,530	
Accrued interest payable	3,699	
Revenue bonds payable, net of unamortized bond discounts	1,957,452	
Total liabilities		$ 1,965,681
Net assets:		
Restricted - bond trust indentures	588,183	
Unrestricted	52,880	
Total net assets		641,063
Total liabilities and net assets		$ 2,606,744

See notes to financial statements.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
HOUMA, LOUISIANA

Statement of Changes in Fiduciary Net Assets
Fiduciary Fund - Private-purpose Trust

Year Ended March 31, 2002

Additions:		
Interest on real estate mortgage loans		$ 50,775
Investment earnings:		
Net decrease in fair value of investments	(124,918)	
Interest	130,906	
Net investment earnings		5,988
Total Additions		56,763
Deductions:		
Interest expense on bonds		157,669
Amortization of deferred bond issuance costs		11,429
Other deductions:		
Insurance	1,034	
Loan servicer fees	3,938	
Professional services	10,534	
Trust, servicer and agent fees	5,550	
		21,056
Total deductions		190,154
Change in net assets		(133,391)
Net assets at beginning of the year		774,454
Net assets at end of the year		$ 641,063

See notes to financial statements.

Notes to Financial Statements

1) Reporting Entity

The Houma-Terrebonne Public Trust Financing Authority (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 beneficiary of the trust is the Terrebonne Parish Consolidated Government on behalf of the Urban Services District.

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 funds of the Authority.

Evidence of indebtedness are solely the obligations of the Authority and are not obligations of the Urban Services District, Terrebonne Parish Consolidated Government or the State of Louisiana.

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

2) Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

a) Basis of presentation. The accompanying basic financial statements have been prepared on the full accrual basis in accordance with 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 principles and financial reporting standards. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by GASB. The Authority applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, Basic Financial Statements-and Management's Discussions and Analysis-for State and Local Governments and related standards. The new standard provides for significant changes in terminology, financial statement presentation, and inclusion of a management discussion and analysis (MD&A) as required supplementary information. MD&A is a narrative introduction and analytical overview of the Authority's financial activities.

b) 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 assets, 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.

c) Basis of accounting. The Authority follows the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

d) Budgetary data. The Authority is not required by the Louisiana Revised Statutes 39:1303 to adopt a budget for the Authority's fiduciary fund.

e) Investments. Investments consist of debt securities and U.S. Government mutual trust funds and are carried at market value.

f) Mortgage loans receivable. Mortgage loans receivable are insured for losses by reason of a default by a mortgagor. Based on the coverages in effect, the Authority does not anticipate any significant losses; accordingly, an allowance for uncollectable accounts is not necessary.

g) Interest receivable. Interest receivable on investments and real estate mortgage loans is recorded as revenue in the year the interest is earned.

h) Bond issuance costs. The costs of issuing bonds are being amortized on a straight-line basis over the life of the issues. When bonds are redeemed prior to their regularly scheduled maturity, a proportionate part of the related unamortized bond issuance costs is charged to expense.

i) Real estate owned or acquired through foreclosure. Real estate owned is carried at the principal outstanding on the loan prior to acquisition by the Authority net of insurance proceeds received. The Authority was not holding any real estate acquired through foreclosure at March 31, 2002.

j) Trust indenture accounts. The trust indentures under which the bonds were issued created certain funds and accounts. See note 3 for accounts maintained by the Authority.

k) 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.

3) <u>Creation of Funds and Accounts</u>

Taxable Refunding Bonds Series 1992 A, Series 1992 B (class B-1 and B-2):

1. Collection Account. The trustee is required to deposit all payments of interest and principal on the Series B mortgage loans, all interest received on investments held in the Liquidity Reserve Account, and all amounts required to be transferred from the Debt Service Reserve Account into the Collection Account.

   The moneys in this account shall be used to pay interest and principal on bonds as it becomes due and maintain the Expense Account at a balance of no less than $15,000.

2. Expense Account. This account was initially funded with $45,000 from the initial issuance of the 1992 Series Bonds and is to be maintained at a balance of no less than $15,000 from funds available in the Collection Account. The moneys in this account are to be used to pay trustee fees, mortgage insurance premiums, and other program expenses.

3. Redemption Account. This account is to be used to pay principal and accrued interest on bonds called for redemption from amounts supplied by the Authority.

4. Liquidity Reserve Account. This account was initially funded with $136,250 from the initial issuance of the 1992 Series Bonds. Investment earnings on amounts deposited in this Account are transferred to the Collection Account. The moneys in this account shall be transferred to the Collection Account to pay bond interest and principal when due to the extent funds are insufficient in the Collection Account.

5. Debt Service Reserve Account. This account was initially funded with $654,281 from the initial issuance of the 1992 Series Bonds. The moneys in this account shall be transferred to the Collection Account to pay bond interest and principal when due to the extent funds are insufficient in the Collection Account and Liquidity Reserve Account.

6. Amounts Remaining in Accounts. Amounts remaining in any Account and payments received on the Series B mortgage loans after full payment of the Bonds and fees, charges, expenses or other amounts requires to be paid by the 1992 B accounts shall be transferred to the Debt Service Account under the Series C Indenture.

Residual Revenue Capital Appreciation Bonds - Series 1992 C:

1. Debt Service Account. Following payment in full of the Series B bonds, all payment on Series B mortgage loans and all amounts remaining under the Series B Indenture shall be deposited in the Debt Service Account. Amounts in the account shall be used to pay the maturity amount of the Bonds and reimburse the Expense Account for fees and expenses paid.

2. Expense Account. Moneys deposited in the account will pay insurance premiums on mortgage loans and other program expenses.

3. Amounts Remaining in Accounts. Any amounts remaining in any Account and any residual revenues received after full payment of the Bonds and all related fees, charges and expenses shall be released to the Authority by the Trustee.

4) Cash and Investment Securities

Cash and investment securities consist of the following amounts which are held by the Trustee or his designee in various accounts and funds established in accordance with the bond trust indenture:

Trust Indenture Accounts	Cash and Cash Equivalents	Investments Carrying Amount (Fair Value)
Program subaccount	$ 55,734	$ -
Series 1992:		
Collection Account	8,733	-
Expense Account	15,000	-
Liquidity Reserve Account	136,930	-
Debt Service Reserve Account	-	1,866,354
Series 1992 Total	160,663	1,866,354
	$ 216,397	$ 1,866,354

The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year end.

Category 1 Insured or registered, or securities held by the Authority or its agent in the Authority's name

Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name

Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name

The carrying amount and classification of securities at March 31, 2002 are summarized below:

	Cash and Cash Equivalents		Investments	
	Carrying Amount	Category	Carrying Amount	Category
Program Subcontract:				
U.S. Treasury Money Market Funds	$ 55,734	1	$ -	
Series 1992:				
Cash	680	1	-	
U. S. Treasury Money Market Funds	23,733	1	-	
Investment agreement - Berkshire Hathaway, Inc.	136,250	1	-	
Federal National Mortgage Association Discount Obligation	-		1,866,354	1
Series 1992 Total	160,663		1,866,354	
Total	$ 216,397		$ 1,866,354	

Amounts on deposit in U. S. Treasury Money Market Funds are secured by securities held by the Fund trustee and pledged to secure all deposits in the Funds. They are not federally insured by the Federal Deposit Insurance Corporation (FDIC).

Amounts on deposit in the investment agreement are invested pursuant to an Investment Agreement between the Trustee and Berkshire Hathaway, Inc. and bear interest at 5.80% per annum. These deposits are not insured by the FDIC.

At March 31, 2002, the Debt Service Reserve Account held an investment in a Federal National Mortgage Association zero coupon security with a face value of $4,200,000 originally dated July 5, 1984 and maturing July 5, 2014. This security was purchased June 16, 1992 for $654,281. The purchase discount will provide an estimated 8.8% effective annual yield over the security's remaining life. This security has a $365,672 unrealized gain that is included as a component of the investment's carrying amount at March 31, 2002.

5) Mortgage Loans Receivable

Mortgage loans receivable consist of single family residential first mortgages bearing interest at 8.25% annually over a term of 30 years. Mortgage loans receivable are pledged as security for the payment of principal and interest on the bonds payable. As of March 31, 2002, the remaining life of mortgage loans receivable is approximately 7 years.

6) Bond Issuance Costs

The costs of issuing bonds are being amortized on a straight-line basis over the life of the issue. When bonds are redeemed prior to their regularly scheduled maturity, a proportionate part of the related unamortized bond issuance costs is charged to expense. Amortization as of March 31, 2002 is as follows:

	Series 1992
Underwriting costs	$ 86,708
Less accumulated amortization	(63,850)
	$ 22,858

Amortization expense charged to operations is as follows:

Amortization of deferred bond issuance costs:	
1992 Series bonds	$ 11,429

7) Revenue Bonds Payable

Revenue bonds payable at March 31, 2002 consist of Taxable Refunding Bonds Series 1992 B, Class B-1 and B-2, and Residual Revenue Capital Appreciation Bonds Series 1992 C. Changes in bonded debt for the year ended March 31, 2002 are as follows:

	Series 1992 B (B-1) (Interest & Principal Payable Monthly)	Series 1992 B (B-2) (Discounted Bonds Accreted to Face Value At Maturity)	Series 1992 C (Discounted Bonds Accreted To Face Value At Maturity)	Total
Interest rate or yield	7.375%	9.25%	7.60%	
Bonds payable at March 31, 2001	$ 502,988	$ 60,230	$ 1,484,880	$ 2,048,098
Accretion of issue discount	6,536	5,700	115,100	127,336
Retired	(217,982)	-	-	(217,982)
Bonds payable at March 31, 2002	$ 291,542	$ 65,930	$ 1,599,980	$ 1,957,452

Revenue bonds payable at March 31, 2002 are comprised of the following issues:

Series	Bond Face Amount	Unamortized Bond Issue Discount	Net Bonds Outstanding
Series 1992 B, Class B-1	$ 298,684	$ 7,142	$ 291,542
Series 1992 B, Class B-2	200,000	134,070	65,930
Series 1992 C	4,000,000	2,400,020	1,599,980
Total	$ 4,498,684	$ 2,541,232	$ 1,957,452

Taxable Refunding Bonds, Series 1992 B, Class B-1 dated June 1, 1992 bear interest at 7.375%. Interest accrues monthly and is payable on the first business day of the second month following the month of accrual. Principal is payable on the first business day of each month only from funds available in the Collection Account after payment of interest and other fees and expenses with the remaining balance due April 1, 2011. The bonds are subject to optional redemption prior to maturity, in whole, on and after June 1, 2002 at 100% of the unpaid principal amount. The Series 1992 B bonds are secured by the real estate mortgage loans and cash, cash equivalents and investments held in the accounts established by the indenture.

Taxable Refunding Bonds, Series 1992 B, Class B-2 dated June 16, 1992 maturing July 10, 2014 at $200,000. Interest is not payable monthly but shall accrete value at an interest rate of 9.25% per annum compounded semiannually which will produce an aggregate maturity amount of $200,000. The Class B-2 bonds are not subject to redemption prior to July 10, 1998. In the event Bonds are retired prior to the maturity date due to an acceleration, the amount payable shall be the accreted value.

Residual Revenue Capital Appreciation Bonds, Series 1992 C dated June 16, 1992 maturing July 10, 2014 at $4,000,000. Interest is not payable monthly but shall accrete value at an interest rate 7.60% per annum compounded semiannually which will produce an aggregate maturity amount of $4,000,000. The Series 1992C bonds are secured by a residual interest in the trust estate created by the Series B trust indenture. Series 1992C bonds are subject to optional redemption as follows:

Redemption Period	Redemption Prices
June 1, 2002 through May 31, 2003	103%
June 1, 2003 through May 31, 2004	102%
June 1, 2004 through May 31, 2005	101%
June 1, 2005 and thereafter	100%

A combined schedule of maturities and interest requirements for all bonds for each of the next five years is not presented since the amount of maturities is not fixed and determinable on an annual basis for the Series 1992, Class B-1 bonds, as discussed above.

8) Extinguishment Through In-Substance Defeasance of Debt

1. 1979 Series A, Single Family Mortgage Revenue Bonds.

On June 16, 1992, the Authority defeased the 1979 Series A, Single Family Mortgage Revenue bonds by depositing approximately $8,997,000 from the issuance of the Series 1992 refunding bonds along with approximately $4,597,000 held in the 1979 Series A bond program accounts in an irrevocable trust account with an escrow agent to be invested in governmental obligations maturing at such times to provide for all future debt service payments on the 1979 Series A bonds. Accordingly, the 1979 Series A bonds are considered to be defeased and do not appear as a liability in the financial statements. At March 31, 2002, defeased 1979 Series A bonds of $11,860,000 remain outstanding.

2. 1980 Series A, Single Family Mortgage Revenue Bonds.

On May 12, 1988, the Authority defeased the 1980 Series A, Single Family Mortgage Revenue bonds by selling all of the program's assets and depositing the proceeds of $7,242,272 in an irrevocable trust account to be invested in governmental obligations maturing at such times so that sufficient moneys will be available to pay bond principal of $6,365,000 and interest as it becomes due. Additionally, by terms of the escrow deposit agreement and the related notice of defeasance, final maturity for all bonds not redeemed on or before November 1, 1999 will be redeemed on November 1, 2000 at par value. Accordingly, the 1980 Series A bonds are considered to be extinguished and do not appear as a liability in the accompanying balance sheet. As of March 31, 2002, defeased 1980 Series A bonds of $4,835,000 remain outstanding.

9) Unreserved and Undesignated Net Assets

Monies in the Program Subaccount 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.

10) Compensation of Board Members

The Authority did not pay per diem to any of the members of its Board of Trustees during the year ended March 31, 2002.

11) Supplemental Disclosures of Cash and Non-Cash Information

Cash paid for interest expense was $33,034 for the year ended March 31, 2002.

The Authority had the following non-cash transactions:

Accretion of discount on investments amounted to $120,970.
Change in fair value on investments amounted to an decrease of $124,918 during the year.
Accretion of original issue discount on bonds payable amounted to $127,336.

12) Condensed Operating Results

Condensed operating results for the Series 1992 bond program and the Program Subaccount (discussed in notes 8 and 9) follow:

	Series 1992	Program Subaccount	Total
Interest income	$ 180,042	$ 1,639	$ 181,681
Interest expense on bonds	157,669	-	157,669
Net interest income	22,373	1,639	24,012
Other expenses:			
Amortization of deferred bond issuance costs	11,429	-	11,429
Other expenses	12,286	8,770	21,056
	23,715	8,770	32,485
Income (expenses) before net change in fair value of investments	(1,342)	(7,131)	(8,473)
Net decrease in fair value of investments	(124,918)	-	(124,918)
Change in net assets	(126,260)	(7,131)	(133,391)
Net assets at beginning of year	714,443	60,011	774,454
Net assets at end of year	$ 588,183	$ 52,880	$ 641,063

SUPPLEMENTARY FINANCIAL REPORTS

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A PROFESSIONAL CORPORATION

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(RETIRED)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 the basic financial statements of the Houma-Terrebonne Public Trust Financing Authority (the Authority), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, for the year ended March 31, 2002, and have issued our report thereon dated June 10, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Authority for the year ended March 31, 2002, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Authority's Board of Trustees and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specific parties.

Bergeron & Lanaux

June 10, 2002

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2002

We have audited the financial statements of the Houma-Terrebonne Public Trust Financing Authority as of and for the year ended March 31, 2002, and have issued our report thereon dated June 10, 2002. 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. Our audit of the financial statements as of March 31, 2002 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control		
Material Weakness	____Yes	XX No
Reportable Conditions	____Yes	XX No
Compliance		
Compliance Material to Financial Statements	____Yes	XX No

b. Federal Awards - Not applicable, there were none.

c. Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster

Not applicable, there were none

Section II Financial Statement Findings

There were none.

Section III Federal Award Findings and Questioned Costs

Not Applicable.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended March 31, 2002

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were none for the year ended March 31, 2001.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the March 31, 2001 audit.

HOUMA-TERREBONNE PUBLIC TRUST FINANCING AUTHORITY
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended March 31, 2002

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

No findings were reported which require a response from management for the year ended March 31, 2002.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

No management letter was issued for the year ended March 31, 2002.