

**OKLAHOMA COUNTY HOME FINANCE
AUTHORITY**

Financial Statements
June 30, 2013

OKLAHOMA COUNTY HOME FINANCE AUTHORITY

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Oklahoma County Home Finance Authority
Management's Discussion and Analysis
June 30, 2013

Management of the Oklahoma County Home Finance Authority is providing this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2013 and should be read in conjunction with the audited financial statements and accompanying notes. This overview and analysis is required by generally accepted accounting principles in Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments" (GASB 34.) GASB 34 requires that this overview and analysis provide prior year comparative data.

Highlights during Fiscal Year 2013

Net assets as of June 30, 2013 were \$5,531,004, a decrease of \$978,686, or 15.3%, compared to net assets of \$6,509,690 as of June 30, 2012, decreasing the Authority's capital position. The decrease in net assets of \$978,686 in 2013 was partially due to the \$1,235,382 decrease in unrealized investment gains, as well as the retirement of bonds. Net assets as a percentage of total assets increased from 14.7% as of June 30, 2012 to 15.4% as of June 30, 2013.

As reflected in the Statement of Revenues, Expenses, and Changes in Net Assets, the decrease in net assets of \$978,686 for 2013 represents a \$506,865, or 58.9%, increase compared to the decrease in net assets for 2012 of \$471,821. This \$506,865 increase was primarily due to the change in unrealized gains. The increase in the decrease of net assets was reduced by the adoption of GASB 65 which required that the amortization of issuance costs and premiums be expensed in the period incurred. This required a prior period adjustment of 306,773, which increased the net assts.

Total investments as of June 30, 2013, were \$33,763,445 a decrease of \$8,146,954, or 19.4%, compared to the amount outstanding as of June 30, 2012. As mortgage-backed securities paid down, the proceeds were used to redeem bonds.

As of June 30, 2013, total bonds outstanding were \$30,207,307, a decrease of \$7,417,319, or 19.7%, compared to the balance outstanding as of June 30, 2012. Payments of mortgage-backed securities have been used to reduce bond balances.

In addition, during the 2013 fiscal year the Authority launched its Turnkey Mortgage Origination Program (Turnkey Program). The Turnkey Program is designed to continue and advance the Authority's affordable housing mission, as well as to generate net revenue. Through the Turnkey Program qualified low and moderate income families in communities throughout Oklahoma County are eligible to receive a competitively priced 30-year, fixed rate FHA, VA, or USDA-RHS mortgage loan, with an accompanying grant from the Authority for down payment and closing costs (DPA) equal to 3.50% of the mortgage amount.

The Authority launched reservations of mortgage loans under the Turnkey Program on January 14, 2013, and the resulting first GNMA Certificate delivery under the program occurred on May 10, 2013. Through June 30, 2013, the Authority had two GNMA deliveries totaling \$4,575,208 representing 42 mortgage loans. The Authority had advanced some \$160,132 to the mortgagors at the closing of such mortgage loans, representing the 3.50% DPA grants. Upon delivery of the related GNMA Certificates during 2013, the Authority recouped such DPA amounts advanced, and in addition realized \$3,786 in net revenue.

The Authority has entered into a Lender Agreement with each approved mortgage lender to offer the Turnkey Program to qualified homebuyer families in Oklahoma County. The eligible mortgage loans are originated by such mortgage lenders, and then purchased and pooled into GNMA Certificates by servicer US Bank National Association, pursuant to a Servicing Agreement with the Authority dated as of January

Oklahoma County Home Finance Authority
Management's Discussion and Analysis
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1, 2013. The GNMA Certificates in turn are sold by the servicer to the Authority's trustee/custodian, BancFirst. The trustee/custodian then sells such certificates on the same day of initial delivery to Raymond James & Associates, Inc., the Turnkey Program structuring agent and GNMA Certificate purchaser, pursuant to a GNMA Purchase Agreement with the Authority dated as of January 1, 2013.

Overview of the Authority

The Authority was created in 1980 as a public trust under applicable Oklahoma statutes. The Authority was established to provide a means of financing affordable housing and rental property for eligible low and moderate income persons residing within Oklahoma County, Oklahoma. The Authority is authorized to acquire mortgage loans on residential real property for eligible persons under the terms of the loan agreements, to make such funds available to various lenders for the purpose of making construction loans to developers for multifamily rental housing developments and to issue revenue bonds for such purposes.

Overview of the Financial Statements

The basic financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer information about the Authority's activities. The Statement of Net Assets includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities.) The assets and liabilities are presented in order of liquidity.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the activities of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through the services provided.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operating, investing, non-capital financing and financing activities and provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

Oklahoma County Home Finance Authority
Management's Discussion and Analysis
June 30, 2013

Condensed Financial Information

Statement of Net Assets

The following table presents condensed information about the net assets of the Authority as of June 30, 2013 and the change from prior year.

	2013	Change	2012
Assets			
Current assets:			
Cash and cash equivalents	1,246,420	(272,775)	1,519,195
Accrued interest receivable	1	(11)	12
Investments			
Unrestricted current assets	<u>1,246,421</u>	<u>(272,786)</u>	<u>1,519,207</u>
Restricted current assets:			
Cash and cash equivalents	884,785	(30,108)	914,893
Accrued interest receivable	56,001	(11,670)	67,671
Investments, net	<u>33,763,445</u>	<u>(8,146,954)</u>	<u>41,910,399</u>
Restricted current assets	<u>34,704,231</u>	<u>(8,188,732)</u>	<u>42,892,963</u>
Total assets	<u><u>35,950,652</u></u>	<u><u>(8,461,518)</u></u>	<u><u>44,412,170</u></u>
Liabilities			
Current Liabilities:			
Accrued Expenses	<u>2,823</u>	<u>(615)</u>	<u>3,438</u>
Total current liabilities	2,823	(615)	3,438
Liabilities payable from restricted assets			
Current Liabilities	209,516	(64,899)	274,415
Long term liabilities			
Accrued payable to residual interest owner			
Revenue bonds payable, net	<u>30,207,307</u>	<u>(7,417,319)</u>	<u>37,624,626</u>
Total liabilities payable from restricted assets	<u>30,416,823</u>	<u>(7,482,218)</u>	<u>37,899,041</u>
Total Liabilities	<u>30,419,646</u>	<u>(7,482,833)</u>	<u>37,902,479</u>
Net assets			
Restricted	4,287,404	(706,515)	4,993,919
Unrestricted	<u>1,243,600</u>	<u>(272,171)</u>	<u>1,515,771</u>
Total net assets	<u>5,531,004</u>	<u>(978,686)</u>	<u>6,509,690</u>
Total liabilities and net assets	<u><u>35,950,651</u></u>	<u><u>(8,461,519)</u></u>	<u><u>44,412,170</u></u>

Oklahoma County Home Finance Authority
Management's Discussion and Analysis
June 30, 2013

Condensed Financial Information

Statement of Revenues, Expenses and Changes in Net Assets

	2013	Change	2012
Operating revenues			
Investment income	2,205,868	(303,316)	2,509,184
Fees and other income	224,047	182,471	41,576
Total operating revenues	<u>2,429,915</u>	<u>(120,845)</u>	<u>2,550,760</u>
Operating expenditures			
Bond finance costs	2,232,677	(85,562)	2,318,239
Program expense	102,254	(80,744)	182,998
Loss on early retirement of bonds			
General and administrative	145,061	25,317	119,744
Total operating expenditures	<u>2,479,992</u>	<u>(140,989)</u>	<u>2,620,981</u>
Change in unrealized gain (loss)	(1,235,382)	(833,782)	(401,600)
Change in net assets	(50,077)		(70,221)
Net assets as of beginning of year	6,509,690	(471,821)	6,981,511
Prior Period Adjustment	306,773		
Net assets as of end of year	<u>5,531,004</u>	<u>(978,686)</u>	<u>6,509,690</u>

Debt Administration

The net outstanding bonds payable approximated \$31 million and \$41 million at June 30 2013 and 2011. Additional information regarding the Authority's outstanding bonds is disclosed in Note 4 to the financial statements.

Contacting the Authority's Financial Management

This financial report is designed to provide stakeholders in the Authority with a general overview of Authority's finances and to show the Authority's accountability for the funds that it receives, invests and expends. If you have questions about this report, or need additional information, contact Ed McGee, Executive Director at (405) 270-1388, or by email at emcgee@ochfa.org.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma County Home Finance Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma County Home Finance Authority (the Authority), as of and for the years ended June 30, 2013 and 2012, 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 audits 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Oklahoma County Home Finance Authority, as of June 30, 2013 and 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 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 opinions on the financial statements that collectively comprise the Oklahoma County Home Finance Authority's basic financial statements. The combining schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules as listed in the table of contents 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 combining schedules 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 January 10, 2014, on our consideration of the Oklahoma County Home Finance 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 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 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 Authority's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
January 10, 2014

Oklahoma County Home Finance Authority
Statement of Net Assets
June 30, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	1,246,420	1,519,195
Accrued interest receivable	<u>1</u>	<u>12</u>
Total current assets	1,246,421	1,519,207
Restricted assets		
Cash and cash equivalents	884,785	914,893
Accrued interest receivable	56,001	67,671
Investments, net	<u>33,763,445</u>	<u>41,910,399</u>
Total restricted assets	<u>34,704,231</u>	<u>42,892,963</u>
Total assets	<u><u>\$ 35,950,652</u></u>	<u><u>\$ 44,412,170</u></u>
 Liabilities		
Current Liabilities		
Accrued Expenses	2,823	3,438
Current portion of bonds payable	<u>0</u>	<u>120,000</u>
Total current liabilities	2,823	123,438
Liabilities payable from restricted assets		
Accrued interest payable	209,518	274,416
Revenue bonds payable, net	<u>30,207,307</u>	<u>37,504,626</u>
Total liabilities payable from restricted assets	<u>30,416,825</u>	<u>37,779,042</u>
Total Liabilities	30,419,648	37,902,480
 Net assets		
Restricted	4,287,404	4,993,919
Unrestricted	<u>1,243,600</u>	<u>1,515,771</u>
Total net assets	<u>5,531,004</u>	<u>6,509,690</u>
Total liabilities and net assets	<u><u>\$ 35,950,652</u></u>	<u><u>\$ 44,412,170</u></u>

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

Oklahoma County Home Finance Authority
Statement of Revenues, Expenses and Changes in Net Assets
Years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues		
Investment income	2,205,868	2,509,184
Fees and other income	224,047	41,576
Total operating revenues	<u>2,429,915</u>	<u>2,550,760</u>
Operating expenses		
Bond finance costs	2,232,677	2,318,239
Program expense	102,254	182,998
General and administrative	145,061	119,744
Total operating expenses	<u>2,479,992</u>	<u>2,620,981</u>
Revenues over (under) expenditures	(50,077)	(70,221)
Change in unrealized gain (loss)	<u>(1,235,382)</u>	<u>(401,600)</u>
Change in net assets	(1,285,459)	(471,821)
Net assets as of beginning of year	6,509,690	6,981,511
Prior Period Adjustment See Note	306,773	0
Net assets as of end of year	<u>\$ 5,531,004</u>	<u>\$ 6,509,690</u>

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

Oklahoma County Home Finance Authority
Statement of Cash Flows
Years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Receipts of fees and other income	224,040	41,577
Interest received on investments	2,217,538	2,523,256
Interest payments on bonds	(2,297,576)	(2,123,605)
Payment to suppliers for program expenses	(102,256)	(182,998)
Payments for general and administrative expenses	(92,428)	(69,557)
Payments to employees for services	(52,307)	(50,157)
Net cash used in operating activities	<u>(102,989)</u>	<u>138,516</u>
Cash flows from non-capital financing activities		
Proceeds from issuance of bonds		
Principal payments on bonds	(7,243,323)	(8,344,100)
Net cash provided by financing activities	<u>(7,243,323)</u>	<u>(8,344,100)</u>
Cash flows from investing activities		
Proceeds from maturity or sale of investments	7,043,429	8,007,391
Net cash provided by investing activities	<u>7,043,429</u>	<u>8,007,391</u>
Net change in cash and cash equivalents	(302,883)	(198,193)
Cash and cash equivalents as of beginning of year	<u>2,434,088</u>	<u>2,632,281</u>
Cash and cash equivalents as of end of year	<u>\$ 2,131,205</u>	<u>\$ 2,434,088</u>
Reconciliation of cash and cash equivalents to statement of net assets		
Current assets	1,246,420	1,519,195
Restricted assets	884,785	914,893
Total cash and cash equivalents	<u>\$ 2,131,205</u>	<u>\$ 2,434,088</u>
Reconciliation of change in net assets to net cash used in operating activities		
Change in net assets	(1,285,459)	(471,821)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in unrealized gains on investments	1,235,382	401,600
Accretion on capital appreciation bonds		347,056
Amortization of bond issuance costs		88,559
Amortization of bond premiums		(172,144)
Change in assets and liabilities which provided (used) cash:		
Accrued interest receivable	11,681	14,072
Accrued interest payable	(65,209)	(68,837)
Accrued expenses	616	31
Net cash provided (used) by operating activities:	<u>\$ (102,989)</u>	<u>\$ 138,516</u>

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

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Oklahoma County Home Finance Authority (the Authority) was created as a public trust under applicable Oklahoma statutes on May 5, 1980, with Oklahoma County (the County), named as the beneficiary thereof. The Authority is considered a related party of the County. The Authority is not included in the financial statements of the County, as the County has no significant influence over the management, budget or policies of the Authority. The purpose of the Authority is primarily to provide a means of financing housing and rental property for eligible low and moderate-income persons residing within Oklahoma County, Oklahoma. The provisions of the Trust Indenture creating the Authority basically provide that the Authority is authorized to acquire mortgage loans on residential real property for eligible persons, to loan funds to various lenders for the purpose of making mortgage loans to eligible persons under the terms of loan agreements, to loan funds to various lenders for the purpose of making construction loans to developers for multifamily rental housing developments, and to issue revenue bonds for such purposes. Residual funds from any bond or note program may be used for any legal purpose to benefit Oklahoma County. The Authority had no operations prior to July 1, 1980.

B. BASIS OF ACCOUNTING

For financial reporting purposes, the Authority is considered a special-purpose government engaged only in business-type activities. Accordingly, the Authority's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when incurred.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The objectives of Statement No. 34 are to establish a basic reporting model that will result in greater accountability by governments, while providing useful information to a wider range of users. The Authority has fully implemented Statement No. 34 beginning with its financial statements for the year ended June 30, 2003.

The Authority has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected not to apply FASB pronouncements issued after the applicable date.

C. FINANCIAL STATEMENT AMOUNTS

1 - CASH AND CASH EQUIVALENTS

Highly liquid investments with an original maturity of three months or less at the date of purchase are considered cash equivalents.

2 - INVESTMENTS

In accordance with GASB No. 31, investment securities other than non-participating investment contracts are recorded at market value and unrealized gains and losses are reported in the accompanying statements of revenues, expenses and changes in net assets. Non-participating guaranteed investment contracts are those that are non-negotiable, non-transferable and redeemable at contract or stated value, rather than market value based on current rates. All of the Authority's investment contracts are non-participating and are therefore reported at cost. The market value of investments in Government National Mortgage Association mortgage-backed securities, all of which are pledged as security for the certain bonds payable, is based on quoted market prices obtained from an independent financial news and information service, where available. If quoted market prices are not available, market values are based on quoted market prices of comparable investments.

3 - BONDS PAYABLE, NET

Bonds payable are shown net of (a) unamortized bond issuance costs, and (b) unamortized premiums. Bond issuance costs and premiums on bonds payable are deferred and amortized over the expected life of the respective bond issue using either the effective interest method or a method approximating effective interest.

4 - NET ASSETS

RESTRICTED NET ASSETS - Net assets classified as restricted in the statements of net assets are restricted by the applicable bond indentures and covenants for the purpose of providing collateral for the outstanding debt obligations and paying bond principal and interest when due.

UNRESTRICTED NET ASSETS - Unrestricted net assets are available to pay the ongoing operations of the Authority.

5 - REVENUE RECOGNITION

INVESTMENT INCOME - Investment income includes interest income, realized gains and losses, and unrealized changes in fair value of investments. Interest income is recognized as earned.

FEE INCOME - The Authority receives an upfront fee from the loan servicing company and the mortgage companies originating loans. The Authority initially reflects these upfront fees received as deferred revenue. Since the Authority does not directly own these loans, the Authority recognizes a proportionate amount of the upfront fees as GNMA's are purchased. At the conclusion of the loan origination period, any remaining deferred revenues are recognized as revenue.

6 - BOND FINANCE COSTS

Bond finance costs include interest and amortization of premium, discount and bond issuance costs.

7 - ARBITRAGE REBATE

The proceeds from the Authority's tax exempt bond issues are subject to arbitrage rebate laws under the Internal Revenue Code. This arbitrage rebate limits the earnings on investment of tax exempt proceeds in non-purpose investments. The Authority did not pay any arbitrage rebates to the Internal Revenue Service for the years ending June 30, 2013 or 2012.

10 - CLASSIFICATION OF REVENUES AND EXPENSES

Because the issuance of bonds and related investment of bonds proceeds constitute the Authority's principal ongoing operations, the Authority has classified the revenues and expenses associated with those activities as operating revenues and expenses.

11 - INCOME TAXES

As a public trust, the income of the Authority, which is derived from the exercise of any essential government function, is not subject to federal or state income taxes.

12 - USE OF ESTIMATES

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

Note 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority's cash equivalents and investments are restricted according to the bond indentures creating the various programs. All of the Authority's cash equivalents are investments in money market mutual funds held in the Bond Trustee's name on the Authority's behalf. The Authority is authorized by bond indentures to invest in repurchase and investment agreements, U.S. Treasury-based mutual funds and general obligations of the U.S. Government and its agencies.

At June 30, 2013 and 2012, the fair value of the Authority's investments was as follows:

	2013	2012
GIC	732,559	853,836
GNMA	29,017,177	35,295,169
FHLMC	3,660,661	5,321,955
FNMA	353,379	439,440
	<u>\$ 33,763,776</u>	<u>\$ 41,910,400</u>

Guaranteed Investment Contracts

The investment agreements are guaranteed investment contracts (GICs). GICs are direct contractual investments and are not investment securities.

At June 30, 2013 and 2012, the carrying values of the GICs were as follows:

Bond Issue	Interest Rate	Maturity	2013	2012
2006A	4.45%	Oct. 2038	\$ 854,559	\$ 853,836

Government National Mortgage Association Mortgage-Backed Securities

Government National Mortgage Association mortgage-backed securities (GNMAs) are backed by pools of single-family mortgage loans originated under the Authority's bond programs. GNMAs carry the full faith and credit of the U.S. Government.

The following is a listing of GNMAs owned during 2013 or 2012 and fair value at June 30, 2013 and 2012:

Bond Issue	Interest Rate	Maturity	2013	2012
1997ABC	6.375-7.10%	Jul 2027 - Sep 2027	919,621	1,147,141
1998A	6.13%	Jun 2028 - Sep 2029	1,742,607	2,077,643
1998CD	6.28%	Oct 2028 - Dec 2029	2,157,195	2,706,816
1999AB	6.10%	May 2029 - Jun 2030	2,429,913	3,225,968
1999C	6.95-8.77%	Dec 2029 - Jun 2032	897,619	1,041,855
2000AB	7.30%	Apr 2030 - Feb 2031	1,592,127	1,851,297
2001ABC	6.10-6.49%	May 2031 - Apr 2032	3,850,512	4,287,815
2002B	6.64%	Jun 2032 - Dec 2032	1,891,052	2,068,037
2002C	6.99%	Nov 2032	2,586,646	2,996,054
2003B	5.40%	Nov 2033	3,951,217	5,128,339
2005A	5.25-7.65%	Feb 2025 - Jan 2037	3,967,940	4,821,468
2006A	5.7-6.0%	Nov 2036 - Dec 2037	3,030,728	3,942,734
			<u>\$ 29,017,177</u>	<u>\$ 35,295,167</u>

Actual maturities may differ from contractual maturities as the issuer has the right to prepay their obligation without prepayment penalties.

Federal Home Loan Mortgage Corporation Securities

Federal Home Loan Mortgage Corporation mortgage-backed securities (FHLMCs) are backed by pools of single-family mortgage loans originated under the Authority's bond programs. FHLMCs are not backed by the United States Government. The market value is not guaranteed and will fluctuate. The following schedule lists the FHLMC investment and its market value and interest rate as of June 30, 2013:

Bond Issue	Interest Rate	Maturity	2013	2012
2006A	5.85-6.15%	Feb 2037 - Apr 2038	\$ 3,660,661	\$ 5,321,955

Fannie Mae Securities

Fannie Mae mortgage-backed securities (FNMA) are backed by pools of single-family mortgage loans originated under the Authority's bond programs. FNMA are backed by the

United States Government. The market value is not guaranteed and will fluctuate. The following schedule lists the FNMA investments and their market value and interest rates as of June 30, 2013:

Bond Issue	Interest Rate	Maturity	2013	2012
2006A	5.85-6.15%	Aug 2036 - Jul 2038	\$ 353,379	\$ 439,440

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturities of the Authority’s investments at June 30, 2013 are shown above.

Investments not subject to maturity dates include money market mutual funds.

Credit Risk

The bond indentures that create the various programs administered by the Authority restrict the types of investments that the Authority may carry. The Authority has no investment policy that would further limit or restrict its investment choices.

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer.

Investment Income

The composition of investment income by investment type for the years ended June 30, 2013 and 2012 includes:

	Interest Income	2013 Change in Unrealized Gains/(Losses)	Total	Interest Income	2012 Change in Unrealized Gains/(Losses)	Total
Cash & Cash Equivalents	156	-	156	156	-	156
GICs	-	-	-	-	-	-
GNMAs	1,750,372	(1,049,178)	701,194	2,149,244	(196,276)	1,952,968
Other Investments	378,364	(186,202)	192,162	357,179	(205,324)	151,855
	<u>2,128,892</u>	<u>(1,235,380)</u>	<u>893,512</u>	<u>2,506,579</u>	<u>(401,600)</u>	<u>2,104,979</u>

Note 3 - REVENUE BONDS PAYABLE

The Authority’s bond issues listed below were outstanding during the years ended June 30, 2013 or 2012. The bonds are special, limited obligations of the Authority, payable solely out of the revenue receipts and securities pledged under the indentures with the exception of the 2009A issuance which are secured by residual property from the trust estates of certain previously issued bonds. The bonds do not constitute a general obligation or indebtedness of the Authority, nor do they constitute a debt or obligation of the State of Oklahoma, or any political subdivision, agency or instrumentality thereof and shall not constitute a lien on or pledge of any property of the Authority except as provided in the indentures. The Authority has no taxing powers.

The following is a listing of bonds outstanding during 2013:

Bond Issue	Name	Maturity	Interest Rate
Single Family Mortgage Revenue Bonds			
Series 1997ABC	1997ABC	May 2030	6.25-12.67%
Series 1998A	1998A	Sep 2031	6.06%
Series 1998 CD	1998CD	Jan 2032	6.18%
Series 1999AB	1999AB	Sep 2032	6.00%
Series 1999C	1999C	Oct 2032	7.46%
Series 2000AB	2000AB	Sep 2033	7.25%
Series 2001 BCAB	2001BCAB	Sep 2034	0.00%
Series 2002B	2002B	Oct 2035	5.95-6.60%
Series 2002C	2002C	Dec 2035	5.85-6.96%
Series 2003B	2003B	Dec 2036	5.30-6.05%
Series 2005A	2005A	Oct 2011 - Apr 2037	3.75-5.70%
Series 2006A	2006A	Oct 2038	5.40%
Series 2009CAB	2009CAB	Oct 2030	7.28%

BONDS PAYABLE ACTIVITY

The following table summarizes the Authority's bonds payable activity for the year ended June 30, 2013:

Bond Issue	Balance at June 30, 2012	Capital Appreciation	Retirement	Premium Amortization	Issuance Cost Amortization	Balance at June 30, 2013
1997ABC	990,979	-	(192,718)	-	-	798,261
1998A	1,754,249	-	(287,075)	-	-	1,467,174
1998CD	2,041,859	-	(482,284)	-	-	1,559,575
1999AB	2,118,116	-	(679,930)	-	-	1,438,186
1999C	905,706	-	(152,407)	-	-	753,299
2000AB	1,358,451	-	(245,382)	-	-	1,113,069
2001ABC	3,878,835	36,020	(673,034)	-	-	3,241,821
2002B	1,730,000	-	(100,000)	-	-	1,630,000
2002C	2,688,737	-	(401,811)	-	-	2,286,926
2003B	4,642,962	-	(878,699)	191,058	(233,667)	3,721,654
2005A	4,443,207	-	(715,000)	109,356	(182,563)	3,655,000
2006A	9,691,141	-	(2,435,000)	105,169	(381,308)	6,980,002
2009CAB	1,380,388	7,364	-	-	74,572	1,462,324
	37,624,630	43,384	(7,243,340)	405,583	(722,966)	30,107,291

BONDS PAYABLE ACTIVITY

The following table summarizes the Authority's bonds payable activity for the year ended June 30, 2012:

Bond Issue	Balance at June 30, 2011	Capital Appreciation	Retirement	Premium Amortization	Issuance Cost Amortization	Balance at June 30, 2012
1997ABC	1,097,607	-	(106,628)	-	-	990,979
1998A	2,154,690	-	(400,441)	-	-	1,754,249
1998CD	2,551,921	-	(510,062)	-	-	2,041,859
1999AB	2,905,525	-	(787,409)	-	-	2,118,116
1999C	1,078,354	-	(172,648)	-	-	905,706
2000AB	1,626,980	-	(268,529)	-	-	1,358,451
2001ABC	4,638,650	296,161	(1,055,976)	-	-	3,878,835
2002B	2,240,000	-	(510,000)	-	-	1,730,000
2002C	2,984,531	-	(295,794)	-	-	2,688,737
2003B	5,310,402	-	(661,613)	26,337	(32,164)	4,642,962
2005A	5,510,605	-	(1,050,000)	25,989	(43,387)	4,443,207
2006A	12,286,096	-	(2,525,000)	26,638	(96,593)	9,691,141
2009CAB	1,319,899	50,895	-	-	9,594	1,380,388
	45,705,260	347,056	(8,344,100)	78,964	(162,550)	37,624,630

CAPITAL APPRECIATION BONDS

Two series of capital appreciation term bonds are included in the bonds payable listing above. The principal amounts of these bonds appreciate based upon semiannual compounding of the original principal balances at the interest rate specified. The appreciated balances of these bonds at maturity and as reflected in the accompanying statements of net assets at June 30, 2013 and 2012 are as follows:

Description	Effective Interest Rate	2013 Appreciated Balance	Face Amount	2012 Appreciated Balance
2001B, due 2034	6.28%	\$ 3,241,820	\$ 29,590,000	\$ 3,878,835
2009A, due 2030	7.28%	\$ 1,562,325	\$ 5,630,000	\$ 1,454,961

DEBT SERVICE REQUIREMENTS

Debt service requirements for fiscal years 2014 through 2018 and in five year increments thereafter to maturity for bonds payable (excluding the capital appreciation bonds above) as of June 30, 2013 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	-	1,743,825	1,743,825
2015	95,000	1,917,071	2,012,071
2016	-	1,959,760	1,959,760
2017	-	2,005,191	2,005,191
2018	-	2,053,782	2,053,782
2019-2023	540,000	11,048,546	11,588,546
2024-2028	-	12,450,230	12,450,230
2029-2033	13,427,179	13,398,642	26,825,821
2034-2038	15,386,625	6,491,631	21,878,256
2039-2041	6,980,000	-	6,980,000
	<u>\$ 36,428,804</u>	<u>\$ 53,068,678</u>	<u>\$ 89,497,482</u>

Actual maturities may differ from contractual maturities as the Authority has the right to call or prepay its obligations with or without call or prepayment penalties.

Note 5 - ADOPTION OF GASB STATEMENT 65

Items previously reported as assets and liabilities (Effective for financial statements with periods beginning after December 15, 2012)

The Organization adopted GASB Statement 65 which required the previous Costs of Issuance and Bond Premiums that were being amortized over the life of the bonds to be taken against the previous period net assets. This is noted in the financial statements as a prior period adjustment to net assets. The net effect of the change is an increase in net assets of \$317,382.

Note 6 - \$15,000,000 REVOLVING TURNKEY PROGRAM

The Authority accepted a recommendation from Raymond James/Morgan Keegan to adopt this program. This program does not require the Authority to issue bonds or carry the mortgage. The Authority transferred \$300,000 from the 1991 Program account to start the program during the year.

Note 7 - SUBSEQUENT EVENTS

The Authority has adopted FASB ASC 855-10-50, formerly SFAS No. 165, Subsequent Events, which is effective for periods ending after June 15, 2009. The new standard reflects the existing principles of current subsequent event accounting guidance and requires disclosure of the date through which subsequent events have been evaluated. Management performed an evaluation of the Authority's activity through January 8, 2014, and has concluded that there are no significant subsequent events requiring disclosure through that date

	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1997(A) and Series 1998A	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1998 C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1999A and B Series 1999C	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2000(A)(B) C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2001(A) and Series 2002B	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2002C	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2003B	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2005A	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2006(A)(C)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2009(C)(B)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2009(C)(A)	Oklahoma County Home Finance Authority Mortgage Backed Securities Program DFA	Total
Assets													
Current assets													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	1,246,420
Accrued interest receivable	10,381	26,075	165,714	9,874	29,245	18,739	158,458	346,148	2,596	19,577	13,394	884,783	
Total current assets	1,507	2,662	3,687	2,338	6,194	2,994	5,562	5,516	15,407	19,577	13,394	56,001	
Noncurrent assets													
GNMA	802,360	1,564,721	2,176,081	772,983	3,440,260	1,670,351	3,607,636	3,614,594	732,226	-	-	-	732,226
Other Mortgages	-	177,886	253,833	124,636	410,232	220,701	343,582	353,246	2,790,752	-	-	-	25,998,980
GNMA, unamortized gains (losses)	919,620	1,743,697	2,439,912	1,593,127	3,320,512	1,893,252	3,372,118	3,387,940	397,332	-	-	-	3,696,485
Investments, net	931,608	1,771,344	2,499,315	909,831	3,866,051	1,926,785	4,112,238	4,319,604	7,794,978	19,577	13,394	-	33,353,754
Total restricted assets	931,608	1,771,344	2,499,315	909,831	3,866,051	1,926,785	4,112,238	4,319,604	7,794,978	19,577	13,394	-	34,709,331
Total assets	1,246,423	2,433,966	4,182,996	1,812,169	7,306,311	3,819,739	8,217,806	8,639,120	15,590,385	39,154	26,788	-	35,950,854
Liabilities													
Current liabilities													
Accrued expenses	2,823	-	-	-	-	-	-	-	-	-	-	-	2,823
Total current liabilities	2,823	-	-	-	-	-	-	-	-	-	-	-	2,823
Liabilities payable from restricted assets													
Current liabilities													
Accrued interest payable	4,445	7,398	7,191	4,662	-	4,050	17,006	43,918	94,232.00	-	-	-	209,518
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue bonds payable, net	798,261	1,467,174	1,438,186	753,317	3,241,820	1,630,000	3,721,654	3,655,000	6,980,000	1,562,337	-	-	30,207,309
Total liabilities payable from restricted assets	802,706	1,474,572	1,445,377	757,979	3,241,820	1,634,050	3,738,660	3,698,918	7,074,232	1,562,337	-	-	30,207,309
Total liabilities	802,706	1,474,572	1,445,377	757,979	3,241,820	1,634,050	3,738,660	3,698,918	7,074,232	1,562,337	-	-	30,416,650
Net assets													
Restricted	128,802	298,772	494,008	151,852	644,231	292,735	316,578	620,686	720,766	(154,230.00)	13,394	4,287,404	
Unrestricted	1,243,620	2,135,194	3,688,988	1,660,317	6,661,980	3,526,974	7,899,128	7,998,434	14,869,618	1,716,567	13,394	1,241,600	
Total net assets	1,243,620	2,135,194	3,688,988	1,660,317	6,661,980	3,526,974	7,899,128	7,998,434	14,869,618	1,562,337	26,788	5,529,004	
Total liabilities and net assets	1,246,423	2,433,966	4,182,996	1,812,169	7,306,311	3,819,739	8,217,806	8,639,120	15,590,385	39,154	26,788	-	35,950,854

Oklahoma County Home Finance Authority
 Combining Statement of Revenues, Expenses and Changes in Net Assets
 Year ended June 30, 2013

	Administration	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 1997AB and C)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 1998A)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 1998 C)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 1999A and B)	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 1999C)	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 2000A&B)	Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Series 2001AB and C)	Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Series 2002B)	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Series 2002C)	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Series 2003B)	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Series 2005A)	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Series 2006 A)	Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Series 2009 CAB)	Oklahoma County Home Finance Turnkey Mortgage Origination Program DPA Grant	Total
Revenues																
Investment income	1,458	60,229	103,415	129,760	153,303	60,794	108,982	233,954	109,937	149,698	221,443	216,516	483,776	2	172,601	2,205,868
Fees and other income	212,786	-	-	-	-	-	-	-	-	401	-	-	8	-	10,852	224,047
Total operating revenues	214,244	60,229	103,415	129,760	153,303	60,794	108,982	233,954	109,937	150,099	221,443	216,516	483,784	2	183,453	2,429,915
Expenses																
Bond finance expense	-	59,343	96,581	105,210	100,739	60,865	91,234	36,020	101,569	147,826	221,162	195,286	450,428	107,364	459,050	2,232,677
Trustee fees	(941)	358	679	831	1,013	336	600	1,117	507	726	1,593	1,618	3,580	1,250	5,735	19,002
Program expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Down payment assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program expense	83,252	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,252
General and administrative	133,028	-	-	-	1	-	331	-	-	2,715	2,412	405	895	-	5,274	145,061
Total operating expenses	215,339	59,701	97,260	106,041	101,752	61,202	91,834	37,468	102,076	151,267	225,167	197,309	454,903	108,614	470,059	2,479,992
Change in net assets	(1,095)	528	6,155	23,719	51,551	(408)	17,148	196,486	7,861	(1,168)	(3,724)	19,207	28,881	(108,612)	(286,606)	(50,077)
Change in unrealized gain (loss)		(34,945)	(57,639)	(87,884)	(119,926)	(22,064)	(29,342)	(90,856)	(71,573)	(79,935)	(180,503)	(142,153)	(318,562)			(1,235,382)
Net transfers between bond issuances	(271,075)	1	2	-	-	2	-	1	(255)	4	(262)	(2,906)	(25,512)		300,000	-
Total net assets as of June 30, 2012	1,515,769	163,219	348,254	689,527	1,222,313	174,322	506,202	538,599	356,702	391,729	518,459	683,939	759,822	(1,359,166)	-	6,509,690
Prior Period Adjustment GIASB 65	-	-	-	-	-	-	-	-	-	-	42,608	62,599	276,138	(74,572)	-	306,773
Total net assets as of June 30, 2013	\$ 1,243,599	\$ 128,803	\$ 296,772	\$ 625,362	\$ 1,153,938	\$ 151,852	\$ 494,008	\$ 644,230	\$ 292,735	\$ 310,630	\$ 376,578	\$ 620,686	\$ 720,767	\$ (1,542,350)	\$ 13,394	\$ 5,531,004

Oklahoma County Home Finance Authority
 Combining Statement of Net Assets
 June 30, 2012

	Administration	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1997AB and C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1998A	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1998 C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1999A and B	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1999C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2000A&B	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2001AB and C	Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2002B	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2002C	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2003B	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2005A	Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) 2006 ABC	Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) 2009 CAB	Total
Assets															
Current assets:															
Cash and cash equivalents	1,519,195	-	-	-	-	-	-	-	-	-	-	-	-	-	1,519,195
Accrued interest receivable	14	-	-	-	-	-	-	-	-	-	-	-	-	-	14
Total current assets	1,519,209	-	-	-	-	-	-	-	-	-	-	-	-	-	1,519,209
Restricted assets:															
Current assets:															
Cash and cash equivalents	-	10,711	30,576	30,904	120,219	41,089	18,349	122,803	24,724	93,742	47,070	352,756	725	21,223	914,891
Accrued interest receivable	-	1,875	3,134	4,182	4,833	2,734	3,214	6,816	3,186	4,575	7,129	6,613	19,380	-	67,671
Noncurrent assets:															
GIC's	-	-	-	-	-	-	-	-	-	-	-	-	-	853,836	853,836
GNMA	-	994,936	1,842,118	2,396,997	2,852,209	895,156	1,585,037	3,786,707	1,775,764	2,638,247	4,604,255	4,325,969	3,530,398	-	31,227,793
Other Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	5,257,638	5,257,638
GNMA, unrealized gains (losses)	-	152,205	235,525	309,819	373,759	146,699	266,261	501,107	292,273	357,807	524,084	495,499	916,094	-	4,571,132
Investments, net	-	1,147,141	2,077,643	2,706,816	3,225,968	1,041,855	1,851,298	4,287,814	2,068,037	2,996,054	5,128,339	4,821,468	10,557,966	-	41,910,399
Total restricted assets	-	1,147,141	2,077,643	2,706,816	3,225,968	1,041,855	1,872,861	4,417,433	2,095,947	3,094,371	5,182,538	5,180,837	10,578,071	21,223	42,892,961
Total assets	\$ 1,519,209	\$ 1,159,727	\$ 2,111,353	\$ 2,741,902	\$ 3,351,020	\$ 1,085,678	\$ 1,872,861	\$ 4,417,433	\$ 2,095,947	\$ 3,094,371	\$ 5,182,538	\$ 5,180,837	\$ 10,578,071	\$ 21,223	\$ 44,412,170
Liabilities															
Current liabilities:															
Accrued expenses	3,438	-	-	-	-	-	-	-	-	-	-	-	-	-	3,438
Total current liabilities	3,438	-	-	-	-	-	-	-	-	-	-	-	-	-	3,438
Liabilities payable from restricted assets:															
Current liabilities:															
Accrued interest payable	-	5,529	8,859	10,516	10,591	5,650	8,208	-	9,245	13,905	21,118	53,691	127,104	-	274,416
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term liabilities:															
Revenue bonds payable, net	-	990,979	1,754,249	2,041,859	2,118,116	905,706	1,358,451	3,878,834	1,730,000	2,688,737	4,642,061	4,443,207	9,691,138	1,380,389	37,624,626
Total liabilities payable from restricted assets	-	990,979	1,754,249	2,041,859	2,118,116	905,706	1,358,451	3,878,834	1,730,000	2,688,737	4,642,061	4,443,207	9,691,138	1,380,389	37,624,626
Total liabilities	3,438	996,508	1,763,108	2,052,375	2,128,707	911,356	1,366,659	3,878,834	1,739,245	2,702,642	4,664,079	4,496,898	9,818,242	1,380,389	37,902,480
Net assets															
Restricted															
Restricted	-	163,219	348,245	689,527	1,222,313	174,322	506,202	538,599	356,702	391,729	518,459	683,939	759,829	(1,359,166)	4,993,919
Unrestricted															
Unrestricted	1,515,771	-	-	-	-	-	-	-	-	-	-	-	-	-	1,515,771
Total net assets	1,515,771	163,219	348,245	689,527	1,222,313	174,322	506,202	538,599	356,702	391,729	518,459	683,939	759,829	(1,359,166)	6,509,690
Total liabilities and net assets	\$ 1,519,209	\$ 1,159,727	\$ 2,111,353	\$ 2,741,902	\$ 3,351,020	\$ 1,085,678	\$ 1,872,861	\$ 4,417,433	\$ 2,095,947	\$ 3,094,371	\$ 5,182,538	\$ 5,180,837	\$ 10,578,071	\$ 21,223	\$ 44,412,170

Oklahoma County Home Finance Authority
 Combining Statement of Revenues, Expenses and Changes in Net Assets
 Year ended June 30, 2012

	Administration	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1997AB and C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1998A	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1998 C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1999A and B	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 1999C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2000A&B and C	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2001AB	Single Family Mortgage Revenue Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2002B	Taxable Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2002C	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2003B	Single Family Mortgage Revenue and Refunding Bonds (GNMA Mortgage-Backed Securities Program) Series 2005A	Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program) Series 2006 A	Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) Series 2009 CAB	Total
Revenues															
Investment income	97	70,324	124,599	168,432	202,245	75,636	125,570	269,025	126,533	174,356	278,725	264,818	628,822	2	2,509,184
Fees and other income	36,389	-	-	-	-	-	-	-	-	5,187	-	-	-	-	41,576
Total operating revenues	36,486	70,324	124,599	168,432	202,245	75,636	125,570	269,025	126,533	179,543	278,725	264,818	628,822	2	2,550,760
Expenses															
Bond finance expense	-	73,834	107,443	144,768	152,105	73,278	108,982	296,161	123,735	174,423	269,782	221,816	511,422	60,490	2,318,239
Trustee fees	1,000	416	818	1,078	1,335	401	691	1,252	590	838	2,010	1,971	-	1,248	13,648
Program expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Down payment assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program expense	169,348	-	-	-	-	-	-	-	-	-	-	-	-	-	169,348
General and administrative	111,134	2,000	-	-	1	-	-	417	-	-	-	493	5,699	-	119,744
Total operating expenses	281,482	76,250	108,261	145,846	153,440	73,680	109,673	297,830	124,325	175,261	271,792	224,280	517,121	61,738	2,620,979
Change in net assets	(244,996)	(5,926)	16,338	22,586	48,805	1,956	15,897	(28,805)	2,208	4,282	6,933	40,538	111,701	(61,736)	(70,219)
Change in unrealized gain (loss)	-	(213)	(10,624)	(14,488)	(41,482)	(42,784)	(36,925)	(3,557)	(18,865)	16,466	25,365	(43,805)	(230,688)	-	(401,600)
Net transfers between bond issuances	36,760	-	(10,608)	-	-	-	-	-	-	-	(1,273)	8,660	(33,537)	(2)	-
Total net assets as of June 30, 2011	1,724,007	169,359	353,139	681,429	1,214,990	215,150	527,230	570,960	373,359	370,981	487,434	678,546	912,353	(1,297,428)	6,981,509
Total net assets as of June 30, 2012	\$ 1,515,771	\$ 163,220	\$ 348,245	\$ 689,527	\$ 1,222,313	\$ 174,322	\$ 506,202	\$ 538,598	\$ 356,702	\$ 391,729	\$ 518,459	\$ 683,939	\$ 759,829	\$ (1,359,166)	\$ 6,509,690

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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
Oklahoma County Home Finance Authority

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 Oklahoma County Home Finance Authority (the Authority), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oklahoma County Home Finance 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 opinions 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 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 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 Oklahoma County Home Finance 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 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.



Oklahoma City, Oklahoma
January 10, 2014