

COMANCHE COUNTY HOME
FINANCE AUTHORITY

Financial Statements
For the Year Ended December 31, 2015

ROBERT D. TURNER C.P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Comanche County Home Finance Authority

I have audited the accompanying statement of net position modified cash basis of the Comanche County Home Finance Authority (a component unit of Comanche County Oklahoma) as of December 31, 2015, and the related statements of revenues, expenses and changes in net position, and cash flows modified cash basis for the year then ended comprising the basic financial statements of the component unit.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Comanche County Home Finance Authority, as of December 31, 2015, and the changes in net position and cash flows thereof and for the year then ended in conformity with the modified cash basis described in note 1.

Other Matters

I have audited the basic financial statements of the Comanche County Home Finance Authority as of and for the year ended December 31, 2015. My audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions combined and for each bond issue is presented for the purpose of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 20, 2016, on my consideration of Comanche County Home Finance Authority's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Comanche County Home Finance Authority's internal control over financial reporting and compliance.

Robert D. Turner

Robert D. Turner, CPA
May 20, 2016

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Net Position – Modified Cash Basis
For the Year Ended December 31, 2015**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,509,775
Cash and Cash Equivalents (Restricted)	<u>182,627</u>
Total Cash and Cash Equivalents	<u>1,692,402</u>
 Total Assets	 <u>1,692,402</u>

LIABILITIES

0

Net Position Restricted	182,627
Net Position Unrestricted	<u>1,509,775</u>
 Total Net Position	 <u>\$ 1,692,402</u>

See the Accompanying Notes

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Revenues, Expenses and Changes in Net Position –
Modified Cash Basis
For the Year Ended December 31, 2015**

OPERATING REVENUES

Comanche County	\$ 14,600
Bond Issues	<u>3,151</u>
Total Revenues	<u>17,751</u>

OPERATING EXPENSES

Professional fees	14,600
Trustee fees	<u>1,000</u>
Total Expenses	<u>15,600</u>
Operating Income (Loss)	<u>2,151</u>

NONOPERATING REVENUES (EXPENSES)

Income on Investments	<u>3,741</u>
Total Nonoperating Revenues (Expenses)	3,741

Increase (Decrease) in Net Position 5,892

Net Position – beginning of year	<u>1,686,510</u>
Net Position – end of year	<u>\$ 1,692,402</u>

See the Accompanying Notes

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Cash Flows – Modified Cash Basis
For the Year Ended December 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from Comanche County	\$ 14,600
Bond issues	3,151
Cash paid for professional fees	(14,600)
Cash paid for trustee fees	<u>(1,000)</u>
Net cash provided (used) by operating activities	<u>2,151</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	<u>3,741</u>
Net cash provided (used) by investing activities	<u>3,741</u>
Net increase (decrease) in cash	5,892
Cash and cash equivalents, beginning	<u>1,686,510</u>
Cash and cash equivalents, ending	<u>\$ 1,692,402</u>

**RECONCILIATION OF INCREASE (DECREASE) IN NET POSITION
TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

Increase (decrease) Net Position from operating activities	\$ <u>2,151</u>
Net cash provided (used) by operating	<u>\$ 2,151</u>

See the accompanying Notes

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2015

Note 1 - Summary of Significant Accounting Policies

Creation of the Trust

The Comanche County Home Finance Authority was created as a public trust under applicable statutes on October 23, 1978 (amended March 23, 1979), with Comanche County, Oklahoma named as the beneficiary thereof. The purpose of the Authority is generally providing housing of every type for low to moderate income persons residing in Comanche County.

Comanche County Home Finance Authority is a component unit of Comanche County, Oklahoma. Trustees are appointed by the Board of Commissioners of the beneficiary and may be removed without cause by the Board of Commissioners of the beneficiary.

The Authority has issued several bond issues in its history. The purpose of these issues was to provide low to moderate-income persons residing in Comanche County with lower interest mortgage loans for purchasing homes. The Authority uses trustee banks to handle the operations and transactions of the bond programs. Bank of Oklahoma is the trustee on all of the Single Family and GNMA issues. See Supplemental Information.

Basis of Accounting

The Authority uses the cash receipts and disbursements modified for recording investments.

If the Authority prepared its financial statements in conformity with generally accepted accounting principles of state and local governments, as prescribed by the Governmental Accounting Standards Board, the financial statements would be prepared on the accrual basis of accounting.

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2015

Summary of Significant Accounting Policies

The Authority prepares its financial statements on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred.

GASB Statement No. 34 establishes standards for external financial reporting for all state and local governmental entities which include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The modified cash basis activities for the Authority are reported in the basic financial statements as a single enterprise fund.

Government –wide Financial Statements--The adopted GASB Statements require that the overall financial condition of the Authority be displayed in three entity-wide financial statements. These are the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These include all financial activity of the Authority.

GASB Statement No. 34 requires that the Statement of Net Position classify net position into three components: invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows.

Invested in Capital Assets, Net of Related Debt--This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds are not included in the calculation of investment in capital assets, net of related debt. Rather, that portion of the debt is included in the Net Position component as the unspent proceeds.

Restricted Net Position--This component of net position consists of constraints placed on net asset use through external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2015

Unrestricted Net Position--This component of net position consists of those net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Component Unit--Component units are legally separate organizations for which the officials of the primary entity are financially responsible. In addition, component units can be other organizations which the nature and significance of their relationship with the primary entity are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority is a component unit of Comanche County, Oklahoma.

Use of Estimates--Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities and net position, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents--the Authority considers cash on hand, demand deposits, interest bearing accounts to be cash and cash equivalents and highly liquid investments and time deposits with original maturities of ninety days or less.

Investments--All investments are recorded at fair value.

Statements of Cash Flows--In accordance with FASB Statement No. 95, *Statement of Cash Flows*, as amended by FASB Statement No. 117, the accompanying financial statements include a Statement of Cash Flows which is presented using the direct method.

Income Tax Status--The Authority qualifies as an organization exempt from income taxes. As a government instrumentality, no provision has been made for federal or state income taxes.

Budget – Title 60 requires public trusts to have budgets. This budget requirement does not set legal appropriations; therefore, a budget to actual statement is not required.

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Financial Statements
For the Twelve Months Ending December 31, 2015**

Cash and Investments

<u>Type</u>	<u>Fair Value</u>	<u>On Demand</u>	<u>Less Than One</u>	<u>1- 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Demand deposits	\$ 211,956	\$ 211,956				
Certificate of deposit	1,249,835		\$1,249,835			
U.S. Treasury Funds	<u>230,611</u>		<u>230,611</u>			
Total	<u>\$ 1,692,402</u>	<u>\$ 211,956</u>	<u>\$1,480,446</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Reconciliation to						
Statement of Net Position,						
Cash and cash equivalents	\$ 1,692,402					
Investments	<u>0</u>					
Total	<u>\$ 1,692,402</u>					

Custodian Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Deposits in financial institutions, reported as components of cash, cash equivalents, and investments were fully insured by depository insurance or secured with collateral held by the Authority’s Agent in its name.

Investment Credit Risk – The Authority has no investment policy that limits its investment choices. At December 31, 2015, the Authority had no investments in U.S. Agency obligations not directly guaranteed by the U.S. Government or insured by the FDIC.

Concentration of Credit Risk – The Authority places no limit on the amount it may invest in any one issuer.

Restricted Investments—The Authority has investments of \$182,627 invested in Morgan Stanley Treasury Funds. The use of these funds is restricted by the covenants of the bond indenture.

Conduit Debt and Related Secured Assets

The Authority’s bonds are secured in their entirety by the assignment of the proceeds of mortgage pools, loans, and investments with no further recourse to the Authority. As a result, the bonds are considered conduit debt and are not presented in the basic financial statements.

Note 2 - Subsequent Events

The Authority did not have any subsequent events through May 20, 2016 which is the date of the financial statements for the year ending December 31, 2015.

ROBERT D. TURNER C.P.A.

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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

The Board of Trustees of
Comanche County Home Finance Authority

I 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 statement of net position and the related statements of revenues, expenses and changes in net position and cash flows, modified cash basis, of Comanche County Home Finance Authority as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise Comanche County Home Finance Authority's basic financial statement and issued my report thereon dated May 20, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Comanche County Home Finance Authority's control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Comanche County Home Finance Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Comanche County Home Finance Authority's internal control over financial reporting.

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Comanche County Home Finance Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters 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 my audit, and accordingly, I do not express such an opinion. The results of my test 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 my 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.

Robert D. Turner

Robert D. Turner, C.P.A.
May 20, 2016

SUPPLEMENTAL INFORMATION

Comanche County Home Finance Authority
Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions
For the Twelve Months Ended December 31, 2015

ALL BOND ISSUES

	GNMA 1997	GNMA 1999 C&D	GNMA 2000AB&C	SINGLE FAMILY 2004	TOTAL
Cash 1/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	233,764	18,958	435,259	362,603	1,050,584
Income on Investments					
Mortgage Loan Proceeds					
Principal	75,128	4,314	181,640	143,703	404,785
Interest	40,388	5,166	35,758	36,044	117,356
Other					
Total Receipts	349,280	28,438	652,657	542,350	1,572,725
DISBURSEMENTS					
Bonds Mature/Called	75,380	5,269	183,063	144,254	407,966
Bond Interest	39,567	4,175	34,603	35,802	114,147
Professional Fees			194		194
Trustee Fees	236	33		326	595
Other	3,151				3,151
Investment Purchases	230,946	18,961	434,797	361,968	1,046,672
Total Disbursements	349,280	28,438	652,657	542,350	1,572,725
Transfers(to)From Other					
Net Transfers	-	-	-	-	-
Cash, 12/31/2015	-	-	-	-	-
Investments 1/1/2015	17,147	3,600	7,530	6,809	35,086
Purchases	230,946	18,961	434,797	361,968	1,046,672
Sales	233,764	18,958	435,259	362,603	1,050,584
Investments 12/31/2015	14,329	3,603	7,068	6,174	31,174
TOTAL FUNDS	\$ 14,329	\$ 3,603	\$ 7,068	\$ 6,174	\$ 31,174

See Notes to Supplemental Information.

Comanche County Home Finance Authority
Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions
For the Twelve Months Ended December 31, 2015

GNMA REVENUE BONDS-1997 SERIES AB

	BOND FUND	REVENUE A FUND	REVENUE B FUND	EXPENSE FUND	TOTAL
Cash 1/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	114,946	109,257	6,173	3,388	233,764
Income on Investments	-				-
Mortgage Loan Proceeds	-				-
Principal	-	72,414	2,714		75,128
Interest	-	36,843	3,545		40,388
Other	-				-
Total Receipts	114,946	218,514	12,432	3,388	349,280
DISBURSEMENTS					
Bonds Mature/Called	75,380				75,380
Bond Interest	39,567				39,567
Professional Fees	-				-
Trustee Fees	-			236	236
Other	-			3,151	3,151
Investment Purchases	114,600	109,257	6,260	829	230,946
Total Disbursements	229,547	109,257	6,260	4,216	349,280
Transfers(to)From	-				-
Other	114,601	(109,257)	(6,172)	828	-
Net Transfers	114,601	(109,257)	(6,172)	828	-
Cash, 12/31/2015	-	-	-	-	-
Investments 1/1/2015	6,248	5,000	336	5,563	17,147
Purchases	114,600	109,257	6,260	829	230,946
Sales	114,946	109,257	6,173	3,388	233,764
Investments 12/31/2015	5,902	5,000	423	3,004	14,329
TOTAL FUNDS	\$ 5,902	\$ 5,000	\$ 423	\$ 3,004	\$ 14,329

See Notes to Supplemental Information.

Comanche County Home Finance Authority
Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions
For the Twelve Months Ended December 31, 2015

GNMA REVENUE BONDS-1999 SERIES C D

	BOND FUND	REVENUE C&D FUND	REBATE FUND	EXPENSE FUND	TOTAL
Cash 1/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	9,445	9,480		33	18,958
Income on Investments	-				-
Mortgage Loan Proceeds	-				-
Principal	-	4,314			4,314
Interest	-	5,166			5,166
Other	-				-
Total Receipts	9,445	18,960	-	33	28,438
DISBURSEMENTS					
Bonds Mature/Called	5,269				5,269
Bond Interest	4,175				4,175
Professional Fees	-				-
Trustee Fees	-			33	33
Other	-				-
Investment Purchases	9,448	9,480		33	18,961
Total Disbursements	18,892	9,480	-	66	28,438
Transfers(to)From	-				-
Other	9,447	(9,480)		33	-
Net Transfers	9,447	(9,480)	-	33	-
Cash, 12/31/2015	-	-	-	-	-
Investments 1/1/2015	783	2,500		317	3,600
Purchases	9,448	9,480	-	33	18,961
Sales	9,445	9,480	-	33	18,958
Investments 12/31/2015	786	2,500	-	317	3,603
TOTAL FUNDS	\$ 786	\$ 2,500	\$ -	\$ 317	\$ 3,603

See Notes to Supplemental Information.

Comanche County Home Finance Authority
Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions
For the Twelve Months Ended December 31, 2015

GNMA REVENUE BONDS-2000 SERIES A B C

	BOND FUND	REVENUE AB&C FUND	REBATE FUND	EXPENSE FUND	TOTAL
Cash 1/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	217,666	217,398		195	435,259
Income on Investments	-				-
Mortgage Loan Proceeds	-				-
Principal	-	181,640			181,640
Interest	-	35,758			35,758
Other	-				-
Total Receipts	217,666	434,796	-	195	652,657
DISBURSEMENTS					
Bonds Mature/Called	183,063				183,063
Bond Interest	34,603				34,603
Professional Fees	-			194	194
Trustee Fees	-				-
Other	-				-
Investment Purchases	217,154	217,398		245	434,797
Total Disbursements	434,820	217,398	-	439	652,657
Transfers(to)From Other	- 217,154	 (217,398)			 244
Net Transfers	217,154	(217,398)	-	244	-
Cash, 12/31/2015	-	-	-	-	-
Investments 1/1/2015	5,280	1,000		1,250	7,530
Purchases	217,154	217,398	-	245	434,797
Sales	217,666	217,398	-	195	435,259
Investments 12/31/2015	4,768	1,000	-	1,300	7,068
TOTAL FUNDS	\$ 4,768	\$ 1,000	\$ -	\$ 1,300	\$ 7,068

See Notes to Supplemental Information.

Comanche County Home Finance Authority
 Schedule of Increases or Decreases in Funds Available Arising from Cash Transactions
 For the Twelve Months Ended December 31, 2015

GNMA REVENUE BONDS-2004 SERIES ABCDE

	BOND FUND	REVENUE IB		REVENUE IC		REVENUE ID		REVENUE IE		EXPENSE		TOTAL
		FUND	\$	FUND	\$	FUND	\$	FUND	\$	FUND	\$	
Cash 1/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS												
Sales Investments	180,333	14,543	9,782	128,734	28,884					327		362,603
Income on Investments	-											-
Mortgage Loan Proceeds	-	4,949	3,241	127,577	7,936							143,703
Principal	-	9,594	6,541	1,157	18,752							36,044
Interest	-											-
Other	-											-
Total Receipts	180,333	29,086	19,564	257,468	55,572					327		542,350
DISBURSEMENTS												
Bonds Mature/Called	144,254											144,254
Bond Interest	35,802											35,802
Professional Fees	-									326		-
Trustee Fees	-											326
Other	-											-
Investment Purchases	179,698	14,543	9,782	128,734	28,884					327		361,968
Total Disbursements	359,754	14,543	9,782	128,734	28,884					653		542,350
Transfers(to)From	179,421	(14,543)	(9,782)	(128,734)	(26,688)					326		-
Net Transfers	179,421	(14,543)	(9,782)	(128,734)	(26,688)					326		-
Cash, 12/31/2015	-	-	-	-	-	-	-	-	-	-	-	-
Investments 1/1/2015	6,014									795		6,809
Purchases	179,698	14,543	9,782	128,734	28,884					327		361,968
Sales	180,333	14,543	9,782	128,734	28,884					327		362,603
Investments 12/31/2015	5,379	-	-	-	-	-	-	-	-	795		6,174
TOTAL FUNDS	\$ 5,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795	\$ -	\$ 6,174

See Notes to Supplemental Information.

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ending December 31, 2015**

Bond Issues

The Authority's bond accounts are organized on the basis of the bond programs. The bond indenture details the structure of the funds and accounts to be used for each bond issue. Below is a general description of each fund/account. On page 19 there is a schedule of each bond issue and the related funds used in that bond issue. The user of these financial statements should refer to the bond indenture for a complete description of funds.

Acquisition Account - The Trustee shall purchase GNMA Certificates from the servicer with amounts available in the Acquisition Account. The Trustee will transfer the designated amount of the outstanding principal amount of the GNMA Certificates to the Revenue Fund and Redemption Fund as designated in the bond indenture.

Bond Fund - Monies in the bond fund are used solely for the payment of the principal and interest on the bonds. Bond Fund receives sums from income, revenues, and receipts derived from the mortgage loans and other funds and accounts.

Cost of Issuance Fund - Amounts deposited into this account will be disbursed pursuant to the written instructions of the Issuer to pay cost of issuance.

Expense Fund - The expense fund will receive deposits from other funds to be used solely to pay designated expenses of the issue as the same becomes due and payable.

Interest Fund - The Interest Fund will receive transfers from the Revenue Fund to be used solely for the purpose of paying interest on bonds.

Principal Fund - The fund receives monies from the Revenue Fund to pay principal on the bonds and pay monies to sinking funds when required by the bond indenture.

Program Fund - GNMA Certificates are purchased with the monies available in the fund. The accrued interest component of the GNMA Certificates will be paid from monies in the Capitalized Interest Fund. Any amounts remaining in the Program Fund unexpended on the last day of the purchase period shall be transferred to the Redemption Fund. Investment earnings on the Program Fund shall be deposited into the Revenue Fund.

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ending December 31, 2015**

Rebate Fund - The Rebate Fund will receive funds equal to the rebate amount and pay these funds to the United States as designated in the trust indenture.

Redemption Funds - Amounts on deposit in the Redemption Fund shall be applied to the redemption of the bonds pursuant to the bond indenture.

Revenue Fund - All pledged revenues which are derived from GNMA Certificates purchased with funds on deposit in the Acquisition Account or which are derived from the investment of the related funds and accounts as set forth in the bond indenture are deposited in this Revenue Fund. Funds will be transferred from the Revenue Fund to the Rebate Fund, Expense Fund, and Redemption Account in the Bond Fund and other funds as designated by the bond indenture.

Comanche County Home Finance Authority

Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ended December 31, 2015

FUND NAME	GNMA 1997	GNMA 1999 C&D	GNMA 2000AB&C	SINGLE FAMILY 2004
Acquisition Fund	x	x	x	x
Bond Fund	x	x	x	x
Cost of Issuance Fund	x	x	x	x
Expense Fund	x	x	x	x
Interest Fund	x	x	x	x
Principal Fund	x	x	x	x
Program Fund	x	x	x	x
Rebate Fund	x	x	x	x
Redemption Fund	x	x	x	x
Revenue Fund	x	x	x	x

See Notes to Supplemental Information.

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ending December 31, 2015**

Note 3 - Investments

At December 31, 2015, investments, which are recorded at cost, were comprised of the following:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>
<u>Single Family GNMA1997 A,B, & C:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 5,902	\$ 5,902
Total	<u>5,902</u>	<u>5,902</u>
Revenue Fund A:		
Caval Hill U.S. Treasury	5,000	5,000
Total	<u>5,000</u>	<u>5,000</u>
Revenue Fund B:		
Caval Hill U.S. Treasury	423	423
Total	<u>423</u>	<u>423</u>
Expense Fund:		
Caval Hill U.S. Treasury	\$ 3,004	\$ 3,004
Total	<u>3,004</u>	<u>3,004</u>
TOTAL ALL FUNDS	<u>\$ 14,329</u>	<u>\$ 14,329</u>
<u>Single Family GNMA 1999 C & D:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 786	\$ 786
Total	<u>786</u>	<u>786</u>
Revenue Fund C:		
Caval Hill U.S. Treasury	2,500	2,500
Total	<u>2,500</u>	<u>2,500</u>
Expense Fund:		
Caval Hill U.S. Treasury	317	317
Total	<u>317</u>	<u>317</u>
TOTAL ALL FUNDS	<u>\$ 3,603</u>	<u>\$ 3,603</u>

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ending December 31, 2015**

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>
<u>Single Family 2000 GNMA A,B, & C:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 4,768	\$ 4,768
Total	<u>4,768</u>	<u>4,768</u>
Revenue Fund:		
Caval Hill U. S. Treasury	<u>1,000</u>	<u>1,000</u>
Total	<u>1,000</u>	<u>1,000</u>
Expense Fund:		
Caval Hill U. S. Treasury	<u>1,300</u>	<u>1,300</u>
Total	<u>1,300</u>	<u>1,300</u>
TOTAL ALL FUNDS	<u>\$ 7,068</u>	<u>\$ 7,068</u>
<u>Single Family Revenue 2004 A & GNMA B:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 5,379	\$ 5,379
Total	<u>5,379</u>	<u>5,379</u>
Expense Fund:		
Caval Hill U.S. Treasury	<u>795</u>	<u>795</u>
Total	<u>795</u>	<u>795</u>
TOTAL ALL FUNDS	<u>\$ 6,174</u>	<u>\$ 6,174</u>

Note 4 - Mortgage and Loan and GNMA Pools

Each bond issue has mortgage loans or GNMA pools from which the payment of interest and principal will be used to retire the bonds for the particular issue. See Footnote 1 on basis of

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions
For the Twelve Months Ending December 31, 2015**

presentation regarding the mortgage pool and loans. Below is listed each bond issue and the related mortgage loans or GNMA pools at cost at December 31, 2015:

GNMA 1997 A	\$ 498,648
GNMA 1997 B	50,649
GNMA 1999 C & D	79,641
GNMA 2000 A,B,C	376,361
GNMA 2004 1 B	172,047
GNMA 2004 1C	117,289
GNMA 2004 1E	333,877
	<u>\$ 1,628,512</u>

Note 4 - Bond Payable - Conduit Debt

There are several bond issues in the Authority's name. These bonds will be paid off with the proceeds of the loans associated with the bond issue. Monies are paid on mortgage loans to the trustee bank and the trustee bank pays bond interest and bond principal as designated in the bond indenture. Each bond issue is independent of the other bond issues and the Authority. Below is listed the outstanding bonds by issue for this Authority at December 31, 2015:

GNMA 1997 A	\$ 484,290
GNMA 1997B	49,881
GNMA 1999 C	63,917
GNMA 2000 A	350,119
Single Family 2004 B (1B)	171,795
Single Family 2004 B (1C)	115,788
Single Family 2004 B (1E)	330,987
	<u>330,987</u>
TOTAL	<u>\$ 1,566,777</u>