

COMANCHE COUNTY HOME
FINANCE AUTHORITY

Financial Statements
For the Year Ended December 31, 2014

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, 2014, 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, 2014, 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, 2014. 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 June 1, 2015, 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
June 1, 2015

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Net Position – Modified Cash Basis
For the Year Ended December 31, 2014**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,503,885
Cash and Cash Equivalents (Restricted)	<u>182,625</u>
Total Cash and Cash Equivalents	<u>1,686,510</u>

Total Assets	<u>1,686,510</u>
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LIABILITIES

0

Net Position Restricted	182,625
Net Position Unrestricted	<u>1,503,885</u>
Total Net Position	<u>\$ 1,686,510</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, 2014**

OPERATING REVENUES

Comanche County	\$ 14,600
Total Revenues	<u>14,600</u>

OPERATING EXPENSES

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

NONOPERATING REVENUES (EXPENSES)

Income on Investments	<u>3,687</u>
Total Nonoperating Revenues (Expenses)	3,687

Increase (Decrease) in Net Position 2,687

Net Position – beginning of year	<u>1,683,823</u>
Net Position – end of year	<u>\$ 1,686,510</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, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

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

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	<u>3,687</u>
Net cash provided (used) by investing activities	<u>3,687</u>
Net increase (decrease) in cash	2,687
Cash and cash equivalents, beginning	<u>1,683,823</u>
Cash and cash equivalents, ending	<u>\$ 1,686,510</u>

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

Increase (decrease) Net Position from operating activities	\$ <u>(1,000)</u>
Net cash provided (used) by operating	<u>\$ (1,000)</u>

See the accompanying Notes

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2014

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, 2014

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, 2014

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, 2014**

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	\$ 211,816	\$ 211,816				
Certificate of deposit	1,250,000		\$1,250,000			
U.S. Treasury Funds	<u>224,694</u>		<u>224,694</u>			
Total	<u>\$ 1,686,510</u>	<u>\$ 211,816</u>	<u>\$1,474,694</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Reconciliation to						
Statement of Net Position,						
Cash and cash equivalents	\$ 1,686,510					
Investments	<u>0</u>					
Total	<u>\$ 1,686,510</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, 2014, 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 \$182,625 invested in JPM US Treasury Institute. 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 June 1, 2015 which is the date of the financial statements for the year ending December 31, 2014.

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, 2014 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 June 1, 2015.

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.
June 1, 2015

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, 2014

ALL BOND ISSUES

	GNMA 1997	GNMA 1999 C&D	GNMA 2000AB&C	SINGLE FAMILY 2004	TOTAL
Cash 1/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	307,367	222,183	511,937	127,723	1,169,210
Income on Investments					
Mortgage Loan Proceeds					
Principal	93,306	101,555	174,546	18,685	388,092
Interest	46,065	7,927	47,830	42,820	144,642
Other					
Total Receipts	446,738	331,665	734,313	189,228	1,701,944
DISBURSEMENTS					
Bonds Mature/Called	93,814	102,818	226,040	18,536	441,208
Bond Interest	45,125	7,482	46,994	41,881	141,482
Professional Fees					-
Trustee Fees	270	50	261	389	970
Other					
Investment Purchases	307,529	221,315	461,018	128,422	1,118,284
Total Disbursements	446,738	331,665	734,313	189,228	1,701,944
Transfers(to)From Other					
Net Transfers	-	-	-	-	-
Cash, 12/31/2014	-	-	-	-	-
Investments 1/1/2014	16,985	4,468	58,449	6,110	86,012
Purchases	307,529	221,315	461,018	128,422	1,118,284
Sales	307,367	222,183	511,937	127,723	1,169,210
Investments 12/31/2014	17,147	3,600	7,530	6,809	35,086
TOTAL FUNDS	\$ 17,147	\$ 3,600	\$ 7,530	\$ 6,809	\$ 35,086

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, 2014

GNMA REVENUE BONDS-1997 SERIES AB

	BOND FUND	REVENUE A FUND	REVENUE B FUND	EXPENSE FUND	TOTAL
Cash 1/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	162,407	138,125	6,490	345	307,367
Income on Investments	-	-	-	-	-
Mortgage Loan Proceeds	-	-	-	-	-
Principal	-	90,783	2,523	-	93,306
Interest	-	42,342	3,723	-	46,065
Other	-	-	-	-	-
Total Receipts	162,407	271,250	12,736	345	446,738
DISBURSEMENTS					
Bonds Mature/Called	93,814	-	-	-	93,814
Bond Interest	45,125	-	-	-	45,125
Professional Fees	-	-	-	-	-
Trustee Fees	-	-	-	270	270
Other	-	-	-	-	-
Investment Purchases	161,823	138,125	6,563	1,018	307,529
Total Disbursements	300,762	138,125	6,563	1,288	446,738
Transfers(to)From	-	-	-	-	-
Other	138,355	(133,125)	(6,173)	943	-
Net Transfers	138,355	(133,125)	(6,173)	943	-
Cash, 12/31/2014	-	-	-	-	-
Investments 1/1/2014	6,832	5,000	263	4,890	16,985
Purchases	161,823	138,125	6,563	1,018	307,529
Sales	162,407	138,125	6,490	345	307,367
Investments 12/31/2014	6,248	5,000	336	5,563	17,147
TOTAL FUNDS	\$ 6,248	\$ 5,000	\$ 336	\$ 5,563	\$ 17,147

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, 2014

GNMA REVENUE BONDS-1999 SERIES C D

	BOND FUND	REVENUE C&D FUND	REBATE FUND	EXPENSE FUND	TOTAL
Cash 1/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	111,502	110,626		55	222,183
Income on Investments	-				-
Mortgage Loan Proceeds	-				-
Principal	-	101,555			101,555
Interest	-	7,927			7,927
Other	-				-
Total Receipts	111,502	220,108	-	55	331,665
DISBURSEMENTS					
Bonds Mature/Called	102,818				102,818
Bond Interest	7,482				7,482
Professional Fees	-				-
Trustee Fees	-			50	50
Other	-				-
Investment Purchases	110,562	110,698		55	221,315
Total Disbursements	220,862	110,698	-	105	331,665
Transfers(to)From	-				-
Other	109,360	(109,410)		50	-
Net Transfers	109,360	(109,410)	-	50	-
Cash, 12/31/2014	-	-	-	-	-
Investments 1/1/2014	1,723	2,428		317	4,468
Purchases	110,562	110,698	-	55	221,315
Sales	111,502	110,626	-	55	222,183
Investments 12/31/2014	783	2,500	-	317	3,600
TOTAL FUNDS	\$ 783	\$ 2,500	\$ -	\$ 317	\$ 3,600

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, 2014

GNMA REVENUE BONDS-2000 SERIES A B C

	BOND FUND	REVENUE AB&C FUND	REBATE FUND	EXPENSE FUND	TOTAL
Cash 1/1/2014	\$ -	\$ -	\$ -	\$ -	\$ -
RECEIPTS					
Sales Investments	287,619	224,033		285	511,937
Income on Investments	-				-
Mortgage Loan Proceeds	-				-
Principal	-	174,546			174,546
Interest	-	47,830			47,830
Other	-				-
Total Receipts	287,619	446,409	-	285	734,313
DISBURSEMENTS					
Bonds Mature/Called	226,040				226,040
Bond Interest	46,994				46,994
Professional Fees	-				-
Trustee Fees	-			261	261
Other	-				-
Investment Purchases	236,463	224,205		350	461,018
Total Disbursements	509,497	224,205	-	611	734,313
Transfers(to)From	-				-
Other	221,878	(222,204)		326	-
Net Transfers	221,878	(222,204)	-	326	-
Cash, 12/31/2014	-	-	-	-	-
Investments 1/1/2014	56,436	828		1,185	58,449
Purchases	236,463	224,205	-	350	461,018
Sales	287,619	224,033	-	285	511,937
Investments 12/31/2014	5,280	1,000	-	1,250	7,530
TOTAL FUNDS	\$ 5,280	\$ 1,000	\$ -	\$ 1,250	\$ 7,530

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, 2014

GNMA REVENUE BONDS-2004 SERIES ABCDE

	BOND FUND	REVENUE IB FUND	REVENUE IC FUND	REVENUE ID FUND	REVENUE IE FUND	REBATE FUND	EXPENSE FUND	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Cash 1/1/2014	-	-	-	-	-	-	-	-
RECEIPTS								
Sales Investments	65,767	14,504	9,660	10,361	27,010	-	421	127,723
Income on Investments	-	-	-	-	-	-	-	-
Mortgage Loan Proceeds	-	-	-	-	-	-	-	-
Principal	-	4,647	2,949	3,287	7,802	-	-	18,685
Interest	-	9,857	6,712	7,044	19,207	-	-	42,820
Other	-	-	-	-	-	-	-	-
Total Receipts	65,767	29,008	19,321	20,692	54,019	-	421	189,228
DISBURSEMENTS								
Bonds Mature/Called	18,536	-	-	-	-	-	-	18,536
Bond Interest	41,881	-	-	-	-	-	-	41,881
Professional Fees	-	-	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	389	389
Other	-	-	-	-	-	-	-	-
Investment Purchases	66,466	14,504	9,660	10,361	27,010	-	421	128,422
Total Disbursements	126,883	14,504	9,660	10,361	27,010	-	810	189,228
Transfers(to)From	61,116	(14,504)	(9,661)	(10,331)	(27,009)	-	389	-
Net Transfers	61,116	(14,504)	(9,661)	(10,331)	(27,009)	-	389	-
Cash, 12/31/2014	-	-	-	-	-	-	-	-
Investments 1/1/2014	5,315	-	-	-	-	-	795	6,110
Purchases	66,466	14,504	9,660	10,361	27,010	-	421	128,422
Sales	65,767	14,504	9,660	10,361	27,010	-	421	127,723
Investments 12/31/2014	6,014	-	-	-	-	-	795	6,809
TOTAL FUNDS	\$ 6,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795	\$ 6,809

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, 2014

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, 2014**

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, 2014**

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, 2014**

Note 3 - Investments

At December 31, 2014, 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	\$ 6,248	\$ 6,248
Total	<u>6,248</u>	<u>6,248</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	336	336
Total	<u>336</u>	<u>336</u>
Expense Fund:		
Caval Hill U.S. Treasury	\$ 5,563	\$ 5,563
Total	<u>5,563</u>	<u>5,563</u>
TOTAL ALL FUNDS	<u>\$ 17,147</u>	<u>\$ 17,147</u>
<u>Single Family GNMA 1999 C & D:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 783	\$ 783
Total	<u>783</u>	<u>783</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>\$ 3,600</u>	<u>\$ 3,600</u>

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
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<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	\$ 5,280	\$ 5,280
Total	<u>5,280</u>	<u>5,280</u>
Revenue Fund:		
Caval Hill U. S. Treasury	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>
Expense Fund:		
Caval Hill U. S. Treasury	1,250	1,250
Total	<u>1,250</u>	<u>1,250</u>
TOTAL ALL FUNDS	<u>\$ 7,530</u>	<u>\$ 7,530</u>
<u>Single Family Revenue 2004 A & GNMA B:</u>		
Bond Fund:		
Caval Hill U.S. Treasury	\$ 6,014	\$ 6,014
Total	<u>6,014</u>	<u>6,014</u>
Expense Fund:		
Caval Hill U.S. Treasury	795	795
Total	<u>795</u>	<u>795</u>
TOTAL ALL FUNDS	<u>\$ 6,809</u>	<u>\$ 6,809</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
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presentation regarding the mortgage pool and loans. Below is listed each bond issue and the related mortgage loans or GNMA pools at December 31, 2014:

GNMA 1997 A	\$ 571,062
GNMA 1997 B	53,363
GNMA 1999 C & D	215,521
GNMA 2000 A,B,C	1,046,221
GNMA 2004 1 B	209,641
GNMA 2004 1C	133,545
GNMA 2004 1D	133,692
GNMA 2004 1E	<u>379,984</u>
	<u>\$ 2,743,029</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, 2014:

GNMA 1997 A	\$ 557,058
GNMA 1997B	52,582
GNMA 1999 C	69,187
GNMA 2000 A	533,182
Single Family 2004 B (1B)	176,759
Single Family 2004 B (1C)	119,165
Single Family 2004 B (1D)	126,973
Single Family 2004 B (1E)	<u>339,928</u>
 TOTAL	 <u>\$ 1,974,834</u>