

COMANCHE COUNTY HOME
FINANCE AUTHORITY

Financial Statements
For the Year Ended December 31, 2022

ROBERT D. TURNER
CERTIFIED PUBLIC ACCOUNTANT

LAWTON, OKLAHOMA 73501

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Basic Financial Statements	
Statement of Net Position – Modified Cash Basis	4
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis	5
Statement of Cash Flows – Modified Cash Basis	6
Notes to the Financial Statement	7
 <u>Supplemental Information</u>	
Schedule of Increases or Decreases in Funds	
Available Arising from Cash Transactions:	
Combined - All Bond Issues	12
Single Family GNMA Revenue Bonds 1997 Series A & B	13
Single Family GNMA Revenue Bonds 1999 C	14
Single Family GNMA Revenue Bonds 2000 A	15
Single Family GNMA Bonds 2004 B	16
Notes to Supplemental Information	17-21
 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	 22-23

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Comanche County Home Finance Authority
Lawton, Oklahoma

Opinion

I have audited the accompanying financial statements of Comanche County Home Finance Authority (a component unit of Comanche County), which comprise the statement of financial position (modified cash basis) as of December 31, 2022 and the related statements of activities (modified cash basis) and cash flows (modified cash basis) for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comanche County Home Finance Authority as of December 31, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis as described in note 1.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Comanche County Home Finance Authority and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County Home Finance Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Comanche County Home Finance Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Comanche County Home Finance Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 10, 2023, 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 10, 2023

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Net Position – Modified Cash Basis
For the Year Ended December 31, 2022**

ASSETS

Current Assets:

Cash and Cash Equivalents \$ 219,217

Investments 1,578,349

Total Assets \$ 1,797,566

LIABILITIES

\$ 0

Net Position Unrestricted 1,797,566

Total Net Position \$ 1,797,566

See Notes to Financial Statements

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, 2022

OPERATING REVENUES

Comanche County	\$ 14,600
Fees from Bond Issues	<u>39,268</u>
Total Revenues	<u>53,868</u>

OPERATING EXPENSES

Professional fees	16,150
Trustee fees	<u>1,000</u>
Total Expenses	<u>17,150</u>
Operating Income (Loss)	<u>36,718</u>

NONOPERATING REVENUES (EXPENSES)

Unrealized Gain (Loss) on Investments	<u>(18,458)</u>
Income on Investments	<u>10,724</u>
Total Nonoperating Revenues (Expenses)	<u>(7,734)</u>

Increase (Decrease) in Net Position	28,984
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Net Position – beginning of year	<u>1,768,582</u>
Net Position – end of year	<u>\$ 1,797,566</u>

See Notes to Financial Statements

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Cash Flows – Modified Cash Basis
For the Year Ended December 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from Comanche County	\$ 14,600
Cash received from Bond Issues	39,268
Cash paid for professional fees	(16,150)
Cash paid for trustee fees	<u>(1,000)</u>
Net cash provided (used) by operating activities	<u>36,718</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	10,724
Unrealized Gain (Loss)	(18,458)
Purchase of Investments	<u>(1,578,349)</u>
Net cash provided (used) by investing activities	<u>(1,586,083)</u>
Net increase (decrease) in cash	1,549,365
Cash and cash equivalents, beginning	<u>1,768,582</u>
Cash and cash equivalents, ending	<u>\$ 219,217</u>

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

Increase (decrease) Net Position from operating activities	<u>\$ 36,718</u>
Net cash provided (used) by operating	<u>\$ 36,718</u>

See Notes to Financial Statements

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements

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 a trustee bank 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

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: net investment in capital; restricted, and unrestricted. These classifications are defined as follows.

Net Investment in Capital--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 is not included in the calculation of investment in capital assets, net of related debt. Rather, that portion of the debt is included in the same Net Position 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

Unrestricted Net Position--This component of net position consists of those net positions 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

Cash and Investments

<u>Type</u>	<u>Fair Value</u>	<u>On Demand</u>	<u>Less Than One Year</u>	<u>More Than One Year</u>
Demand deposits	\$ 219,217	\$ 219,217		
Investments	<u>\$ 1,578,349</u>	<u>\$</u>	<u>\$ 1,578,349</u>	
Total	<u>\$ 1,797,566</u>	<u>\$ 219,217</u>	<u>\$ 1,578,349</u>	
Reconciliation to Statement of Net Position, Cash and cash equivalents	\$ 219,217			
Investments	<u>1,578,349</u>			
Total	<u>\$ 1,797,566</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. At the date of this report 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 the date of this report 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.

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.

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements

Note 2 - Subsequent Events

The Authority has evaluated subsequent events through June 10, 2023 which is the date of the financial statements for the year ending December 31, 2022.

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, 2022**

ALL BOND ISSUES

	<u>GNMA 1997 A&B</u>	<u>GNMA 1999 C</u>	<u>GNMA 2000 A</u>	<u>GNMA 2004 B</u>	<u>TOTAL</u>
Cash 1/1/2022	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
RECEIPTS					
Sales Investments	101,222	5,782	28,318	24,141	159,463
Income on Investments	51		18	7	
Mortgage Loan Proceeds					
Principal	37,681		13,387	5,979	57,047
Interest	10,015		3,728	6,215	19,958
Total Receipts	<u>148,969</u>	<u>5,782</u>	<u>45,451</u>	<u>36,342</u>	<u>236,468</u>
DISBURSEMENTS					
Bonds Mature/Called	37,663		13,689	6,276	57,628
Bond Interest	10,294		448	5,882	16,624
Trustee Fees	60		30	57	147
Other		5,782			5,782
Investment Purchases	100,952		31,284	24,127	156,363
Total Disbursements	<u>148,969</u>	<u>5,782</u>	<u>45,451</u>	<u>36,342</u>	<u>236,544</u>
Transfers (to) From					
Cash, 12/31/2022					
Investments 1/1/2022	8,171	5,782	2,226	1,302	17,481
Purchases	100,952		31,284	24,127	156,363
Sales	(101,222)	(5,782)	(28,318)	(24,141)	(159,463)
Investments 12/31/2022	<u>7,901</u>		<u>5,192</u>	<u>1,288</u>	<u>14,381</u>
TOTAL FUNDS	<u>\$ 7,901</u>	<u>\$</u>	<u>\$ 5,192</u>	<u>\$ 1,288</u>	<u>\$ 14,381</u>

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, 2022**

GNMA REVENUE BONDS-1997 SERIES A

	<u>BOND FUND</u>	<u>REVENUE A FUND</u>	<u>REVENUE B FUND</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Cash 1/1/2022	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
RECEIPTS					
Sales Investments	47,988	46,548	6,383	303	101,222
Income on Investments	3	47	1		51
Mortgage Loan Proceeds					
Principal		33,162	4,519		37,681
Interest		8,151	1,864		10,015
Total Receipts	<u>47,991</u>	<u>87,908</u>	<u>12,767</u>	<u>303</u>	<u>148,969</u>
DISBURSEMENTS					
Bonds Mature/Called	37,663				37,663
Bond Interest	10,294				10,294
Trustee Fees				60	60
Other					
Investment Purchases	<u>47,764</u>	<u>46,548</u>	<u>6,383</u>	<u>257</u>	<u>100,952</u>
Total Disbursements	<u>95,721</u>	<u>46,548</u>	<u>6,383</u>	<u>317</u>	<u>148,969</u>
Transfers (to) From	<u>47,730</u>	<u>(41,360)</u>	<u>(6,384)</u>	<u>14</u>	
Cash, 12/31/2022					
Investments 1/1/2022	2,989	5,000		182	8,171
Purchases	47,764	46,548	6,383	257	100,952
Sales	(47,988)	(46,548)	(6,383)	(303)	(101,222)
Investments 12/31/2022	<u>2,765</u>	<u>5,000</u>		<u>136</u>	<u>7,901</u>
TOTAL FUNDS	<u>\$ 2,765</u>	<u>\$ 5,000</u>	<u>\$</u>	<u>\$ 136</u>	<u>\$ 7,901</u>

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, 2022

GNMA REVENUE BONDS-1999 SERIES C

	<u>BOND FUND</u>	<u>REVENUE C FUND</u>	<u>REBATE FUND</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Cash 1/1/2022	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
RECEIPTS					
Sales Investments	2,476	3,306			5,782
Income on Investments					
Mortgage Loan Proceeds					
Principal					
Interest					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Receipts	<u>2,476</u>	<u>3,306</u>	<u> </u>	<u> </u>	<u>5,782</u>
DISBURSEMENTS					
Bonds Mature/Called					
Bond Interest					
Trustee Fees					
Other		5,782			5,782
Investment Purchases					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Disbursements	<u> </u>	<u>5,782</u>	<u> </u>	<u> </u>	<u>5,782</u>
Transfers (to) From	<u>(2,476)</u>	<u>2,476</u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash, 12/31/2022	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments 1/1/2022	2,476	3,306			5,782
Purchases					
Sales	(2,476)	(3,306)			(5,782)
Investments 12/31/2022	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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, 2022**

GNMA REVENUE BONDS-2000 SERIES A

	<u>BOND FUND</u>	<u>REVENUE A FUND</u>	<u>REBATE FUND</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Cash 1/1/2022	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
RECEIPTS					
Sales Investments	14,146	14,150		22	28,318
Income on Investments	2	16			18
Mortgage Loan Proceeds					
Principal		13,387			13,387
Interest		3,728			3,728
Total Receipts	<u>14,148</u>	<u>31,281</u>		<u>22</u>	<u>45,451</u>
DISBURSEMENTS					
Bonds Mature/Called	13,689				13,689
Bond Interest	448				448
Trustee Fees				30	30
Other					
Investment Purchases	<u>13,151</u>	<u>18,119</u>		<u>14</u>	<u>31,284</u>
Total Disbursements	<u>27,288</u>	<u>18,119</u>		<u>44</u>	<u>45,451</u>
Transfers(to)From	<u>13,140</u>	<u>(13,162)</u>		<u>22</u>	
Cash, 12/31/2022					
Investments 1/1/2022	1,227	991		8	2,226
Purchases	13,151	18,119		14	31,284
Sales	(14,146)	(14,150)		(22)	(28,318)
Investments 12/31/2022	<u>232</u>	<u>4,960</u>			<u>5,192</u>
TOTAL FUNDS	<u>\$ 232</u>	<u>\$ 4,960</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,192</u>

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, 2022

GNMA REVENUE BONDS-2004 SERIES B

	BOND FUND	REVENUE B (1B) FUND	REVENUE B (1C) FUND	REVENUE B (1E) FUND	EXPENSE FUND	TOTAL
Cash 1/1/2022	\$	\$	\$	\$	\$	\$
RECEIPTS						
Sales Investments	11,947	7,630	4,564			24,141
Income on Investments	5	2				7
Mortgage Loan Proceeds						
Principal		3,825	2,154			5,979
Interest		3,805	2,410			6,215
Total Receipts	11,952	15,262	9,128			36,342
DISBURSEMENTS						
Bonds Mature/Called	6,276					6,276
Bond Interest	5,882					5,882
Trustee Fees					57	57
Other						
Investment Purchases	11,933	7,630	4,564			24,127
Total Disbursements	24,091	7,630	4,564		57	36,342
Transfers(to)From	12,139	(7,632)	(4,564)		57	
Cash, 12/31/2022						
Investments 1/1/2022	1,302					1,302
Purchases	11,933	7,630	4,564			24,127
Sales	(11,947)	(7,630)	(4,564)			(24,141)
Investments 12/31/2022	1,288					1,288
TOTAL FUNDS	\$ 1,288	\$	\$	\$	\$	\$ 1,288

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

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**

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 Increase and Decreases in Funds
Available Arising from Cash Transactions**

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

Note 3 - Investments

At December 31, 2022, 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</u>		
Bond Fund:		
GS Fin Sq Treasury	\$ 2,765	\$ 2,765
Total	<u>2,765</u>	<u>2,765</u>
Revenue Fund A:		
GS Fin Sq Treasury	<u>5,000</u>	<u>5,000</u>
Total	<u>5,000</u>	<u>5,000</u>
Expense Fund:		
GS Fin Sq Treasury	\$ 136	\$ 136
Total	<u>136</u>	<u>136</u>
TOTAL ALL FUNDS	<u>\$ 7,901</u>	<u>\$ 7,901</u>
<u>Single Family 2000 GNMA A</u>		
Bond Fund:		
GS Fin Sq Treasury	\$ 232	\$ 232
Total	<u>232</u>	<u>232</u>
Revenue Fund :		
GS Fin Sq Treasury	<u>4,960</u>	<u>4,960</u>
Total	<u>4,960</u>	<u>4,960</u>
TOTAL ALL FUNDS	<u>\$ 5,192</u>	<u>\$ 5,192</u>

COMANCHE COUNTY HOME FINANCE AUTHORITY

**Notes to Supplemental Information
Notes to Schedule of Increases or Decreases in Funds
Available Arising from Cash Transactions**

<u>Description</u>	<u>Cost</u>	<u>Value</u>
<u>Single Family 2004 GNMA B</u>		
Bond Fund:		
GS Fin Sq Treasury	\$ 1,288	\$ 1,288
Total	<u>1,288</u>	<u>1,288</u>
 TOTAL ALL FUNDS	 \$ <u>1,288</u>	 \$ <u>1,288</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 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, 2022:

GNMA 1997 A	\$ 101,747
GNMA 1997 B	24,932
GNMA 2004 (1 B)	67,212
GNMA 2004 (1C)	<u>42,721</u>
	<u>\$ 236,612</u>

Note 5 - 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, 2022:

GNMA 1997 A	\$ 87,673
GNMA 1997B	24,290
Single Family 2004 B (1B)	65,554
Single Family 2004 B (1C)	<u>40,035</u>
 TOTAL	 \$ <u>217,552</u>

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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, 2022 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 10, 2023.

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 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 of 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 10, 2023