

COMANCHE COUNTY HOME
FINANCE AUTHORITY

Financial Statements
For the Year Ended December 31, 2012

ROBERT D. TURNER C.P.A.

808 WEST GORE BLVD. • LAWTON, OK 73501 • (580) 248-7738 • fax (877) 366-0330

INDEPENDENT AUDITOR'S REPORT

May 25, 2013

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, 2012, 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, 2012, and the changes in net position and cash flows thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2012. 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.

Robert D. Turner

Robert D. Turner, CPA

COMANCHE COUNTY HOME FINANCE AUTHORITY

**(A Component Unit of Comanche County)
Statement of Net Position – Modified Cash Basis
For the Year Ended December 31, 2012**

ASSETS

Current Assets:

| | |
|--|------------------|
| Cash and Cash Equivalents | \$ 1,460,227 |
| Cash and Cash Equivalents (Restricted) | <u>182,544</u> |
| Total Cash and Cash Equivalents | <u>1,642,771</u> |

Total Assets 1,642,771

LIABILITIES

0

| | |
|---------------------------|---------------------|
| Net Position Restricted | 182,544 |
| Net Position Unrestricted | <u>1,460,227</u> |
| Total Net Position | <u>\$ 1,642,771</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, 2012**

OPERATING REVENUES

| | |
|-----------------|---------------|
| Comanche County | \$ 17,400 |
| Total Revenues | <u>17,400</u> |

OPERATING EXPENSES

| | |
|-------------------------|----------------|
| Professional fees | 17,400 |
| Trustee fees | <u>1,000</u> |
| Total Expenses | <u>18,400</u> |
| Operating Income (Loss) | <u>(1,000)</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|--|------------|
| Settlement | 11,643 |
| Income on Investments | <u>596</u> |
| Total Nonoperating Revenues (Expenses) | 12,239 |

Increase (Decrease) in Net Position 11,239

| | |
|----------------------------------|---------------------|
| Net Position – beginning of year | <u>1,631,232</u> |
| Net Position – end of year | <u>\$ 1,642,771</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, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|----------------|
| Cash received from Comanche County | \$ 17,400 |
| Cash paid for professional fees | (17,400) |
| 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

| | |
|--|---------------|
| Settlement | 11,643 |
| Investment Income | <u>596</u> |
| Net cash provided (used) by investing activities | <u>12,239</u> |

Net increase (decrease) in cash 11,239

Cash and cash equivalents, beginning 1,631,532
Cash and cash equivalents, ending \$ 1,642,771

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

Increase (decrease) Net Position from operating activities \$ (1,000)

Net cash provided (used) by operating \$ (1,000)

See the accompanying Notes

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2012

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, 2012

Basis of Presentation

Except for omitting Management Discussion and Analysis, the Authority has implemented a financial reporting model in conformity with U. S. Generally accepted Accounting Principles (GAAP) and the provisions of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. 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

COMANCHE COUNTY HOME FINANCE AUTHORITY

Notes to Financial Statements For the Twelve Months Ending December 31, 2012

regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

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, 2012**

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 | \$ 170,560 | \$ 170,560 | | | | |
| U.S. Treasury Funds | <u>1,472,211</u> | | 1,472,211 | | | |
| Total | <u>\$ 1,642,771</u> | <u>\$ 170,560</u> | <u>\$ 1,472,211</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Reconciliation to Statement of Net Position, Cash and cash equivalents | \$ 1,642,771 | | | | | |
| Investments | <u>0</u> | | | | | |
| Total | <u>\$ 1,642,771</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, 2012, the Authority had no investments in U.S. Agency obligations not directly guaranteed by the U.S. Government.

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 \$182,544 invested in Invesco 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 May 25, 2013 which is the date of the financial statements for the year ending December 31, 2012.

ROBERT D. TURNER C.P.A.

808 WEST GORE BLVD. • LAWTON, OK 73501 • (580) 248-7738 • fax (877) 366-0330

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*

May 25, 2013

The Board of Trustees of
Comanche County Home Finance Authority

I have audited the financial statements of Comanche County Home Finance Authority as of and for the year ended December 31, 2012 and issued my report thereon dated May 25, 2013, which was an unqualified report. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Comanche County Home Finance Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Comanche County Home Finance Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify an deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees of Comanche County Home Finance Authority and the State of Oklahoma Office Auditor and Inspector and is not intended to be and should not be used by anyone other than the specified parties.

Robert D. Turner

Robert D. Turner, CPA

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, 2012

ALL BOND ISSUES

| | GNMA 1997 | GNMA 1999 C&D | GNMA 2000AB&C | SINGLE FAMILY 2004 | TOTAL |
|-------------------------------|------------------|------------------|------------------|-----------------------|------------------|
| Cash 1/1/2012 | \$ - | \$ - | \$ - | \$ - | \$ - |
| RECEIPTS | | | | | |
| Sales Investments | 669,130 | 50,977 | 275,237 | 703,360 | 1,698,704 |
| Income on Investments | | | | | |
| Mortgage Loan Proceeds | | | | | |
| Principal | 271,122 | 9,118 | 49,967 | 282,567 | 612,774 |
| Interest | 61,916 | 16,360 | 61,463 | 68,329 | 208,068 |
| Other | | | | | |
| Total Receipts | 1,002,168 | 76,455 | 386,667 | 1,054,256 | 2,519,546 |
| DISBURSEMENTS | | | | | |
| Bonds Mature/Called | 273,151 | 9,920 | 103,428 | 283,574 | 670,073 |
| Bond Interest | 60,626 | 15,473 | 60,044 | 68,271 | 204,414 |
| Professional Fees | 2,000 | | | | 2,000 |
| Trustee Fees | 363 | 104 | 335 | 620 | 1,422 |
| Other | | | | | |
| Investment Purchases | 666,028 | 50,958 | 222,860 | 701,791 | 1,641,637 |
| Total Disbursements | 1,002,168 | 76,455 | 386,667 | 1,054,256 | 2,519,546 |
| Transfers(to)From Other | | | | | |
| Net Transfers | - | - | - | - | - |
| Cash, 12/31/2012 | - | - | - | - | - |
| Investments 1/1/2012 | 19,577 | 4,940 | 61,627 | 9,055 | 95,199 |
| Purchases | 666,028 | 35,535 | 163,443 | 701,791 | 1,566,797 |
| Sales | 669,130 | 35,503 | 215,193 | 703,360 | 1,623,186 |
| Investments 12/31/2012 | 16,475 | 4,972 | 9,877 | 7,486 | 38,810 |
| TOTAL FUNDS | \$ 16,475 | \$ 4,972 | \$ 9,877 | \$ 7,486 | \$ 38,810 |

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, 2012

GNMA REVENUE BONDS-1997 SERIES AB

| | BOND FUND | REVENUE A FUND | REVENUE B FUND | EXPENSE FUND | TOTAL |
|----------------------------|-----------------|-------------------|-------------------|-----------------|------------------|
| Cash 1/1/2012 | \$ - | \$ - | \$ - | \$ - | \$ - |
| RECEIPTS | | | | | |
| Sales Investments | 333,778 | 326,816 | 6,173 | 2,363 | 669,130 |
| Income on Investments | - | | | | - |
| Mortgage Loan Proceeds | - | | | | - |
| Principal | - | 268,942 | 2,180 | | 271,122 |
| Interest | - | 57,874 | 4,042 | | 61,916 |
| | | | | | - |
| Other | - | | | | - |
| Total Receipts | 333,778 | 653,632 | 12,395 | 2,363 | 1,002,168 |
| DISBURSEMENTS | | | | | |
| Bonds Mature/Called | 273,151 | | | | 273,151 |
| Bond Interest | 60,626 | | | | 60,626 |
| Professional Fees | - | | | 2,000 | 2,000 |
| Trustee Fees | - | | | 363 | 363 |
| Other | - | | | | - |
| Investment Purchases | 331,719 | 326,816 | 6,222 | 1,271 | 666,028 |
| Total Disbursements | 665,496 | 326,816 | 6,222 | 3,634 | 1,002,168 |
| Transfers(to)From | - | | | | - |
| Other | 331,718 | (326,816) | (6,173) | 1,271 | - |
| Net Transfers | 331,718 | (326,816) | (6,173) | 1,271 | - |
| Cash, 12/31/2012 | - | - | - | - | - |
| Investments 1/1/2012 | 9,204 | 5,000 | 136 | 5,237 | 19,577 |
| Purchases | 331,719 | 326,816 | 6,222 | 1,271 | 666,028 |
| Sales | 333,778 | 326,816 | 6,173 | 2,363 | 669,130 |
| Investments 12/31/2012 | 7,145 | 5,000 | 185 | 4,145 | 16,475 |
| TOTAL FUNDS | \$ 7,145 | \$ 5,000 | \$ 185 | \$ 4,145 | \$ 16,475 |

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, 2012

GNMA REVENUE BONDS-1999 SERIES C D

| | BOND FUND | REVENUE C&D FUND | REBATE FUND | EXPENSE FUND | TOTAL |
|-------------------------------|-----------------|---------------------|----------------|-----------------|-----------------|
| Cash 1/1/2012 | \$ - | \$ - | \$ - | \$ - | \$ - |
| RECEIPTS | | | | | |
| Sales Investments | 25,394 | 25,479 | | 104 | 50,977 |
| Income on Investments | - | | | | - |
| Mortgage Loan Proceeds | - | | | | - |
| Principal | - | 9,118 | | | 9,118 |
| Interest | - | 16,360 | | | 16,360 |
| Other | - | | | | - |
| Total Receipts | 25,394 | 50,957 | - | 104 | 76,455 |
| DISBURSEMENTS | | | | | |
| Bonds Mature/Called | 9,920 | | | | 9,920 |
| Bond Interest | 15,473 | | | | 15,473 |
| Professional Fees | - | | | | - |
| Trustee Fees | - | | | 104 | 104 |
| Other | - | | | | - |
| Investment Purchases | 25,375 | 25,479 | | 104 | 50,958 |
| Total Disbursements | 50,768 | 25,479 | - | 208 | 76,455 |
| Transfers(to)From | - | | | | - |
| Other | 25,374 | (25,478) | | 104 | - |
| Net Transfers | 25,374 | (25,478) | - | 104 | - |
| Cash, 12/31/2012 | - | - | - | - | - |
| Investments 1/1/2012 | 2,195 | 2,428 | | 317 | 4,940 |
| Purchases | 9,952 | 25,479 | - | 104 | 35,535 |
| Sales | 9,920 | 25,479 | - | 104 | 35,503 |
| Investments 12/31/2012 | 2,227 | 2,428 | - | 317 | 4,972 |
| TOTAL FUNDS | \$ 2,227 | \$ 2,428 | \$ - | \$ 317 | \$ 4,972 |

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, 2012

GNMA REVENUE BONDS-2000 SERIES A B C

| | BOND FUND | REVENUE AB&C FUND | REBATE FUND | EXPENSE FUND | TOTAL |
|-------------------------------|-----------------|----------------------|----------------|-----------------|-----------------|
| Cash 1/1/2012 | \$ - | \$ - | \$ - | \$ - | \$ - |
| RECEIPTS | | | | | |
| Sales Investments | 163,472 | 111,430 | | 335 | 275,237 |
| Income on Investments | - | | | | - |
| Mortgage Loan Proceeds | - | | | | - |
| Principal | - | 49,967 | | | 49,967 |
| Interest | - | 61,463 | | | 61,463 |
| Other | - | | | | - |
| Total Receipts | 163,472 | 222,860 | - | 335 | 386,667 |
| DISBURSEMENTS | | | | | |
| Bonds Mature/Called | 103,428 | | | | 103,428 |
| Bond Interest | 60,044 | | | | 60,044 |
| Professional Fees | - | | | | - |
| Trustee Fees | - | | | 335 | 335 |
| Other | - | | | | - |
| Investment Purchases | 111,011 | 111,430 | | 419 | 222,860 |
| Total Disbursements | 274,483 | 111,430 | - | 754 | 386,667 |
| Transfers(to)From | - | | | | - |
| Other | 111,011 | (111,430) | | 419 | - |
| Net Transfers | 111,011 | (111,430) | - | 419 | - |
| Cash, 12/31/2012 | - | - | - | - | - |
| Investments 1/1/2012 | 59,777 | 828 | | 1,022 | 61,627 |
| Purchases | 51,594 | 111,430 | - | 419 | 163,443 |
| Sales | 103,428 | 111,430 | - | 335 | 215,193 |
| Investments 12/31/2012 | 7,943 | 828 | - | 1,106 | 9,877 |
| TOTAL FUNDS | \$ 7,943 | \$ 828 | \$ - | \$ 1,106 | \$ 9,877 |

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, 2012

GNMA REVENUE BONDS-2004 SERIES ABCDE

| | BOND FUND | REVENUE 1B FUND | REVENUE 1C FUND | REVENUE 1D FUND | REVENUE 1E FUND | REBATE | EXPENSE FUND | TOTAL |
|-------------------------------|-----------------|--------------------|--------------------|--------------------|--------------------|-------------|-----------------|------------------|
| Cash 1/1/2012 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| RECEIPTS | | | | | | | | |
| Sales Investments | 351,845 | 24,545 | 56,125 | 10,858 | 259,367 | | 620 | 703,360 |
| Income on Investments | - | | | | | | | - |
| Mortgage Loan Proceeds | - | | | | | | | - |
| Principal | - | 7,095 | 47,086 | 3,440 | 224,946 | | | 282,567 |
| Interest | - | 17,450 | 9,039 | 7,419 | 34,421 | | | 68,329 |
| Other | - | | | | | | | - |
| Total Receipts | 351,845 | 49,090 | 112,250 | 21,717 | 518,734 | - | 620 | 1,054,256 |
| DISBURSEMENTS | | | | | | | | |
| Bonds Mature/Called | 283,574 | | | | | | | 283,574 |
| Bond Interest | 68,271 | | | | | | | 68,271 |
| Professional Fees | - | | | | | | | - |
| Trustee Fees | - | | | | | | 620 | 620 |
| Other | - | | | | | | | - |
| Investment Purchases | 350,276 | 24,545 | 56,125 | 10,858 | 259,367 | | 620 | 701,791 |
| Total Disbursements | 702,121 | 24,545 | 56,125 | 10,858 | 259,367 | - | 1,240 | 1,054,256 |
| Transfers(to)From | 350,276 | (24,545) | (56,125) | (10,859) | (259,367) | | 620 | - |
| Net Transfers | 350,276 | (24,545) | (56,125) | (10,859) | (259,367) | - | 620 | - |
| Cash, 12/31/2012 | - | - | - | - | - | - | - | - |
| Investments 1/1/2012 | 8,260 | | | | | | 795 | 9,055 |
| Purchases | 350,276 | 24,545 | 56,125 | 10,858 | 259,367 | - | 620 | 701,791 |
| Sales | 351,845 | 24,545 | 56,125 | 10,858 | 259,367 | - | 620 | 703,360 |
| Investments 12/31/2012 | 6,691 | - | - | - | - | - | 795 | 7,486 |
| TOTAL FUNDS | \$ 6,691 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 795 | \$ 7,486 |

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, 2012**

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, 2012**

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, 2012

| 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, 2012**

Note 3 - Investments

At December 31, 2012, investments, which are recorded at cost, were comprised of the following:

| <u>Description</u> | <u>Cost</u> | <u>Market Value</u> |
|--|-------------------------|-------------------------|
| <u>Single Family GNMA1997 A,B, & C:</u> | | |
| Bond Fund: | | |
| Caval Hill U.S. Treasury | \$ 7,145 | \$ 7,145 |
| Total | <u>7,145</u> | <u>7,145</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 | 185 | 185 |
| Total | <u>185</u> | <u>185</u> |
| Expense Fund: | | |
| Caval Hill U.S. Treasury | \$ 4,145 | \$ 4,145 |
| Total | <u>4,145</u> | <u>4,145</u> |
| TOTAL ALL FUNDS | <u>\$ 16,475</u> | <u>\$ 16,475</u> |
| <u>Single Family GNMA 1999 C & D:</u> | | |
| Bond Fund: | | |
| Caval Hill U.S. Treasury | \$ 2,227 | \$ 2,227 |
| Total | <u>2,227</u> | <u>2,227</u> |
| Revenue Fund C: | | |
| Caval Hill U.S. Treasury | 2,428 | 2,428 |
| Total | <u>2,428</u> | <u>2,428</u> |
| Expense Fund: | | |
| Caval Hill U.S. Treasury | 317 | 317 |
| Total | <u>317</u> | <u>317</u> |
| TOTAL ALL FUNDS | <u>\$ 4,972</u> | <u>\$ 4,972</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, 2012**

| <u>Description</u> | <u>Cost</u> | <u>Market Value</u> |
|---|-----------------|-------------------------|
| <u>Single Family 2000 GNMA A,B, & C:</u> | | |
| Bond Fund: | | |
| Caval Hill U.S. Treasury | \$ 7,943 | \$ 7,943 |
| Total | <u>7,943</u> | <u>7,943</u> |
| Revenue Fund: | | |
| Caval Hill U. S. Treasury | 828 | 828 |
| Total | <u>828</u> | <u>828</u> |
| Expense Fund: | | |
| Caval Hill U. S. Treasury | 1,106 | 1,106 |
| Total | <u>1,106</u> | <u>1,106</u> |
| TOTAL ALL FUNDS | <u>\$ 9,877</u> | <u>\$ 9,877</u> |
| <u>Single Family Revenue 2004 A & GNMA B:</u> | | |
| Bond Fund: | | |
| Caval Hill U.S. Treasury | \$ 6,691 | \$ 6,691 |
| Total | <u>6,691</u> | <u>6,691</u> |
| Expense Fund: | | |
| Caval Hill U.S. Treasury | 795 | 795 |
| Total | <u>795</u> | <u>795</u> |
| TOTAL ALL FUNDS | <u>\$ 7,486</u> | <u>\$ 7,486</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, 2012**

presentation regarding the mortgage pool and loans. Below is listed each bond issue and the related mortgage loans or GNMA pools at December 31, 2012:

| | |
|-----------------|---------------------|
| GNMA 1997 A | \$ 729,395 |
| GNMA 1997 B | 58,249 |
| GNMA 1999 C & D | 427,191 |
| GNMA 2000 A,B,C | 1,299,357 |
| GNMA 2004 1 B | 346,618 |
| GNMA 2004 1C | 139,294 |
| GNMA 2004 1D | 140,549 |
| GNMA 2004 1E | <u>486,228</u> |
| | <u>\$ 3,626,881</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, 2012:

| | |
|---------------------------|-------------------------|
| GNMA 1997 A | \$ 717,639 |
| GNMA 1997B | 57,289 |
| GNMA 1999 C | 242,202 |
| GNMA 2000 A | 790,253 |
| Single Family 2004 B (1B) | 314,008 |
| Single Family 2004 B (1C) | 125,187 |
| Single Family 2004 B (1D) | 134,052 |
| Single Family 2004 B (1E) | <u>446,181</u> |
| TOTAL | <u>\$ 2,826,811</u> |

In addition, the Authority has two outstanding revenue notes. The Authority is not liable for any of the debt on these revenue notes. The bank purchasing the note issued by the

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, 2012**

Authority will absorb any loss from this project. Revenue notes outstanding as of December 31, 2012 are:

| <u>PROJECT</u> | <u>DATE ISSUED</u> | <u>ORIGINAL AMOUNT</u> | <u>PRINCIPAL BALANCE</u> |
|-----------------------|------------------------|----------------------------|------------------------------|
| Richard's Enterprises | 8/13/85 | \$ 530,000 | \$ 151,652 |
| | 5/13/85 | <u>546,000</u> | <u>175,257</u> |
| | | <u>\$ 1,076,000</u> | <u>\$ 326,909</u> |