



**TRABUCO CANYON PUBLIC FINANCING AUTHORITY
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT
For the Fiscal Year Ended June 30, 2021**

NIGRO & NIGRO^{PC}

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

For the Fiscal Year Ended June 30, 2021

Table of Contents

	<u>Page</u>
Independent Accountants' Compilation Report.....	1
Basic Financial Statements:	
Balance Sheet	2
Statement of Revenues, Expenses and Changes in Net Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5



INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Trabuco Canyon Public Financing Authority
Trabuco Canyon, California

Management is responsible for the accompanying financial statements of Trabuco Canyon Public Financing Authority) (Authority) which comprise the balance sheet as of June 30, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Murrieta, California
December 31, 2021

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Balance Sheet

June 30, 2021

ASSETS	2021
Current assets:	
Accrued interest receivable	\$ -
Installment sale agreement receivable	-
Total current assets	-
Non-current assets:	
Installment sale agreement receivable	-
Total non-current assets	-
Total assets	\$ -
LIABILITIES AND NET POSITION	
Current liabilities:	
Accrued interest payable	\$ -
Long-term liabilities – due within one year:	
Refunding revenue bonds	-
Total current liabilities	-
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Refunding revenue bonds	-
Total non-current liabilities	-
Total liabilities	-
Net position:	
Unrestricted	-
Total net position	-
Total liabilities and net position	\$ -

TRABUCO CANYON PUBLIC FINANCING AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	<u>2021</u>
Operating revenue:	
Interest earnings	\$ -
Total operating revenue	<u>-</u>
Operating expenses:	
Interest expense	-
Total operating expenses	<u>-</u>
Change in net position	-
Net position:	
Beginning of year	-
End of year	<u><u>\$ -</u></u>

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest paid on refunding revenue bonds	\$ -
Principal paid on refunding revenue bonds	-
Interest received on special assessment receivable	-
Principal received on special assessment receivable	-
	<hr/>
Net change in cash and cash equivalents	-
Cash and cash equivalents	
Beginning of year	<hr/> -
End of year	<hr/> <u>\$ -</u>

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Notes to the Financial Statements

June 30, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Trabuco Canyon Public Financing Authority (Authority) was formed on August 18, 1993, under a joint Exercise of Powers Agreement, by and between the Trabuco Canyon Water District (District) and Community Facilities District No. 7 of the District. The purpose of the agreement was to establish an authority for the purpose of acquiring, constructing, modifying, and rehabilitating facilities; undertaking a program of local agency bond pooled financing, refinancing and lending pursuant to the Marks-Roos Act; and to develop other powers to benefit the group to the extent permitted by the laws and regulations governing such operations.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The Authority is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Authority is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is to service the debt of the District through debt service payments received from the District. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values.

Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's enterprise fund.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities they also include disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Authority recognizes revenues from interest earnings when they are earned, operating activities generally result from providing services and producing and delivering goods. As such, the Authority considers interest earned to be operating revenue.

TRABUCO CANYON PUBLIC FINANCING AUTHORITY

Notes to the Financial Statements

June 30, 2021

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Economic Dependence

The Authority provides financial assistance to the District by financing the water improvement facilities for proposed future developments within the District. As such, all of the Authority's revenues and installment sale agreement receivables result from an installment sale agreement between the Authority and the District.

NOTE 2 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2021, have been evaluated through December 31, 2021, the date at which the Authority's compiled financial statements were available to be issued.