



**NOTICE AND CALL OF ANNUAL MEETING  
OF THE BOARD OF DIRECTORS'  
MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION  
27500 La Paz Road, Laguna Niguel  
December 17, 2015  
6:00 PM  
Approximate Meeting Time: 30 minutes**

**NOTICE IS HEREBY GIVEN** that an Annual Meeting of the Board of Directors' of the Moulton Niguel Water District ("MNWD") Public Facilities Corporation has been called by the Chairman of the Board of Directors' to be held on December 17, 2015, at 6:00 PM, at MNWD's Administrative Offices located at the address above. The following business will be transacted and is the Agenda for this annual meeting:

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE DECEMBER 18, 2014 PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS' MEETING
3. PUBLIC COMMENTS  
*Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.*

*Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.*

**ACTION ITEMS**

4. MNWD PUBLIC FACILITIES CORPORATION AUDITED FINANCIAL STATEMENTS AND TAX RETURN FOR FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that the Board of Directors receive and file the financial statements and tax return and authorize the General Manager or designee to retain an auditor to examine the financial statements for the Corporation for fiscal year ending June 30, 2016.

**INFORMATION ITEMS**

5. Late Items (Appropriate Findings to be Made)
  - a. Need to take immediate action; and
  - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

## **ADJOURNMENT**

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than twenty-four (24) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at [www.mnwd.com](http://www.mnwd.com).



**DRAFT**  
**MINUTES OF THE ANNUAL MEETING OF THE**  
**PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS OF THE**  
**MOULTON NIGUEL WATER DISTRICT**

**December 18, 2014**

An Annual Meeting of the Public Facilities Corporation Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 5:30 PM on December 18, 2014. There were present and participating:

**DIRECTORS**

Duane Cave	Director
Scott Colton	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Brian Probolsky	President

Also present and participating were:

**STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC**

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Kelly Winsor	Assistant to the General Manager
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary
Drew Atwater	MNWD
Megan Schneider	MNWD
Ruth Zintzun	MNWD
Michael Bell	PFM
Brian Thomas	PFM

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Brian Probolsky at 7:49 p.m.*

## #2.

2. APPROVE THE MINUTES OF THE DECEMBER 19, 2013 PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS' MEETING

*MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY GARY KURTZ, MINUTES OF THE DECEMBER 19, 2013 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR DUANE CAVE ABSTAINED. DIRECTOR LARRY LIZOTTE WAS ABSENT.*

3. PUBLIC COMMENTS

*None.*

### **ACTION ITEMS**

4. MNWD PUBLIC FACILITIES CORPORATION AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2014

It is recommended that the Board of Directors receive and file the financial statements and authorize the General Manager or designee to retain an auditor to examine the financial statements for the Corporation for fiscal year ending June 30, 2015.

*MOTION DULY MADE BY GARY KURTZ AND SECONDED BY DONALD FROELICH, ITEM NUMBER 4 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, DONALD FROELICH, GARY KURTZ, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. DIRECTOR LARRY LIZOTTE WAS ABSENT.*

### **INFORMATION ITEMS**

*Staff has none.*

### **ADJOURNMENT**

*The meeting was adjourned by Brian Probolsky at 7:54 p.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary



# Moulton Niguel Water District

## STAFF REPORT

**TO:** Board of Directors **MEETING DATE:** December 17, 2015

**FROM:** Trevor Agrelius, Controller

**SUBJECT:** MNWD Public Facilities Corporation Audited Financial Statements and Tax Return for Fiscal Year Ended June 30, 2015

**DIVISION:** District-wide

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### **SUMMARY:**

Issue: Review the MNWD Public Facilities Corporation Audited Financial Statements and Tax Return for Fiscal Year Ended June 30, 2015.

Recommendation: It is recommended that the Board of Directors receive and file the financial statements and tax return and authorize the General Manager or designee to retain an auditor to examine the financial statements for the Corporation for fiscal year ending June 30, 2016.

Fiscal Impact: No fiscal impact to the District.

### **BACKGROUND:**

The Moulton Niguel Water District Public Facilities Corporation (the “Corporation”) was incorporated as a California Nonprofit Public Facilities Corporation on October 12, 1993, and has received exempt-from-tax status from the Internal Revenue Service and California Franchise Tax Board. The Corporation was formed to provide public facility financial assistance to the District in financing public facilities and improvements necessary to provide water and sewer service to existing and future customers within the District.

### **DISCUSSION:**

The Corporation prepares its financial statements to record any debt issued through the Corporation utilizing Certificates of Participation (“COP”). Currently, the District has two outstanding COPs, including the 2010 Refunding Bonds and 2009 Build America Bonds. The Corporation’s financial activities in the attached financial statements include interest expense of \$5.0M and principal payments on the outstanding bonds of \$1.7M. The 2003 COPs were defeased during fiscal year ended June 30, 2015 for \$14.5M.

## #4.

MNWD Public Facilities Corporation Audited Financial Statements and Tax Return for Fiscal Year Ended June 30, 2015  
December 17, 2015  
Page 2 of 2

It is also recommended that the Board of Directors authorize the General Manager or designee to retain an auditor to examine the financial statements for the Corporation for fiscal year ending June 30, 2016.

### Attachments:

PFC Audited Financial Statements for Fiscal Year Ended June 30, 2015  
PFC Audit Communication letter  
PFC Tax Return for Fiscal Year Ended June 30, 2015

**MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2015**

**#4.**

MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2015



MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

FOR THE YEAR ENDED  
JUNE 30, 2015

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Moulton Niguel Water District Public Facilities Corporation, a nonprofit entity, (the Corporation) (a component unit of the Moulton Niguel Water District) as of June 30, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### ***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***

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Board of Directors  
Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Corporation's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Corporation's internal control over financial reporting and compliance.

*Lance, Solt & Lughard, LLP*

Brea, California  
December 3, 2015

**#4.****MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION****STATEMENT OF NET POSITION  
JUNE 30, 2015**

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**Assets:**

## Current:

Accrued Interest Receivable from Moulton Niguel Water District	\$ 1,440,458
Installment Receivable from Moulton Niguel Water District, Current (Note 3 & 4)	<u>1,780,000</u>

**Total Current Assets** **3,220,458**

## Noncurrent:

Installment Receivable from Moulton Niguel Water District, Noncurrent (Note 3 & 4)	<u>64,056,049</u>
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**Total Noncurrent Assets** **64,056,049**

**Total Assets** **67,276,507**

**Liabilities:**

## Current:

Accrued Interest Payable	1,440,458
2010 Certificates of Participation Payable, Current (Note 3)	<u>1,780,000</u>

**Total Current Liabilities** **3,220,458**

## Long-Term Liabilities

2010 Certificates of Participation Payable, Noncurrent (Note 3)	4,056,049
2009 Certificates of Participation Payable, Noncurrent (Note 4)	<u>60,000,000</u>

**Total Long-Term Liabilities** **64,056,049**

**Total Liabilities** **67,276,507**

**Net Position:**

**Total Net Position** **-**

**Total Liabilities and Net Position** **\$ 67,276,507**

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2015

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**Revenues:**

Interest Income - Installment Sale Receivable \$ 5,018,475

**Total Revenues** 5,018,475

**Expenses:**

Interest Expense - Certificates of Participation Payable 5,018,475

**Total Expenses** 5,018,475

Change in Net Position -

**Net Position:**

Beginning of Fiscal Year -

**End of Fiscal Year** \$ -

**#4.****MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION****STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2015**

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**Cash Flows from Operating Activities:**

Net Cash Provided (Used) by Operating Activities

\$ -

**Cash Flows from Capital****and Related Financing Activities:**

Interest Paid on Certificates of Participation

(5,410,750)

Principal Paid on Certificates of Participation

(16,362,408)**Net Cash Provided (Used) by****Capital and Related Financing Activities****(21,773,158)****Cash Flows from Investing Activities:**

Interest Received on Installment Sale Agreement

5,410,750

Repayment of Installment Agreement

16,362,408**Net Cash Provided by****Investing Activities****21,773,158****Net Increase (Decrease) in Cash**

-

Cash at Beginning of Year

-**Cash at End of Year****\$ -****Non-Cash Investing and Financing Activities:**

Amortization of COP premium

\$ 127,408

**MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION****NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies**

The Moulton Niguel Water District Public Facilities Corporation (the "Corporation") was incorporated as a California Nonprofit Public Facilities Corporation on October 12, 1993 and has received exempt-from-tax status from the Internal Revenue Service and California Franchise Tax Board. The Corporation was formed to provide public facility financial assistance to the Moulton Niguel Water District (the "District") in financing public facilities and improvements necessary to provide water service to existing and future customers within the District.

The accounting policies of the Corporation conform to generally accepted accounting principles. The following is a summary of the more significant policies.

**a. Basis of Accounting**

The Corporation prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred.

**Note 2: 2003 Refunding Certificates of Participation (COP)**

On August 1, 2003, the Corporation sold \$25,145,000 of 2003 Refunding Certificates of Participation to refund a portion of its 1993 Certificates of Participation to fund a debt service reserve fund and pay for delivery costs related to the COPs. They will remain under the 1993 Indenture \$12,625,000 aggregate principal amount of Moulton Niguel Water District 1993 Certificates of Participation. The serial certificates accrue interest at rates between 3% and 5%. Interest is payable on March 1 and September 1 of each year. Principal is repaid annually on September 1, from 2004 and 2008, and then in 2012 and 2013, and finally between 2018 and 2023.

The COP was fully defeased during the fiscal year.

**Note 3: 2010 Refunding Certificates of Participation (COP)**

On November 1, 2010, the Corporation sold \$8,965,000 of 2010 Refunding Certificates of Participation to refund the remaining portion of the 1993 COPs, to refinance the 1993 Installment Payments and 1993 Certificates; to fund a debt service reserve fund for the Certificates; and pay certain costs of executing and delivering the Certificates. The interest for the Certificates will be calculated from November 1, 2010 at rates from 2%-4%. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2011, and ending on the date of maturity or prepayment, whichever is earlier.

**a. Reserve Fund**

The Reserve Fund is established under the Trust Indenture and will be funded from proceeds of the Certificates in an equal amount to the Reserve Requirement. Monies in the Reserve Fund are to be used for the payment of Installment Payments to the extent amounts in the Installment Payment Fund are insufficient therefore. To the extent the monies in the Reserve Fund exceed the Reserve Requirement; such excess amount will be transferred annually to the Installment Payment Fund. Any money remaining in the Reserve Fund after all of the principal and interest due with respect to the Certificates has been paid will be transferred to the District.

## MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**Note 3: 2010 Refunding Certificates of Participation (COP) (Continued)**

The term "Reserve Requirement" is defined in the Trust Indenture to mean, as of any date of calculation, the lesser of (a) 10% of the outstanding principal amount of the Certificates, less original issue discount, if any, (b) Maximum Annual Debt Service on the Certificates, or (c) 125% of Average Annual Debt Service on the Certificates.

As of June 30, 2015, the Reserve Requirement for the Certificates was \$556,000. At June 30, 2015, the District had \$896,059 in the reserve account.

**b. Continuing Disclosure Covenant**

The District covenants and agrees that it shall comply with and carry out all of its obligations under the Continuing Disclosure Agreement (CDA). Notwithstanding any other provision of the Trust Indenture, failure of the District to comply with its obligation under the CDA shall not be considered an event of Default under the Trust Indenture, and the sole remedy, in the event of any failure of the District to comply with the CDA, shall be an action to compel performance thereof.

Installment payments are secured by a first pledge; charge and lien first on tax revenue and second to the extent tax revenues are insufficient to pay all required amounts, on net revenues, in amounts sufficient to pay installment payments as they become due and payable by the District.

The certificates for the Certificates are being executed and delivered pursuant to the provisions of a Trust Indenture, dated November 1, 2010, among the District, the Corporation, and US Bank National Association, as trustee.

Funds held by the Trustee are recorded as an asset, income, and expense in the books and on the financial statements of the District.

The annual requirements to repay the Certificates as of June 30, 2015 are as follows:

**2010 Refunding Certificates of Participation**

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,780,000	\$ 186,800	\$ 1,966,800
2017	1,855,000	114,100	1,969,100
2018	1,925,000	38,500	1,963,500
Totals	<u>\$ 5,560,000</u>	<u>\$ 339,400</u>	<u>\$ 5,899,400</u>



## MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015

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**Note 4: 2009 Certificates of Participation (Build America Bonds)**2009 Certificates of Participation (COP)

In December 2009, the District issued \$60,000,000 of Certificates of Participation federally taxable "Build America Bonds" to construct projects that provide greater water supply reliability for the distribution of potable and recycled water. The District has adopted a resolution which states the intention to develop adequate capacity to sustain at least a 31-day average potable water supply outage and be able to sustain a 7-day interruption in Metropolitan Water District deliveries. The serial certificates accrue interest at rates between 5.982% and 6.332%. Interest is payable on March 1 and September 1 of each year. Under Section 54AA(g)(2) of the Tax Code, the District is eligible for a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Certificates. The subsidy, when received, is recorded as intergovernmental revenue. Principal is repaid annually on September 1 from 2024 through 2039. The COPs were issued as a level debt service with the District's other outstanding debt. Level debt service reduces large fluctuations in annual debt obligations by delaying the payment of the principal portion until other debt service principal portions are paid.

**a. Optional Prepayment**

The COPs maturing on or after September 1, 2020 are subject to prepayment at the option of the District in whole or in part in integral multiples of \$5,000 on any date on or after September 1, 2019 at a prepayment price equal to the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium, from any source of funds, including, but not limited to, the prepayment of the principal component of the Installment Payments.

**b. Reserve Fund**

The Reserve Fund is established under the Trust Indenture and will be funded from proceeds of the Certificates in an amount equal to the Reserve Requirement. Monies in the Reserve Fund are to be used for the payment of Installment Payments to the extent amounts in the Installment Payment Fund are insufficient therefore. To the extent that monies in the Reserve Fund exceed the Reserve Requirement, such excess amount will be transferred annually to the Installment Payment Fund. Any money remaining in the Reserve Fund after all of the principal and interest due with respect to the Certificates has been paid will be transferred to the District.

The term "Reserve Requirement" is defined in the Trust Indenture to mean, as of any date of calculation, the lesser of (a) 10% of the outstanding principal amount of the Certificates, less original issue discount, if any, (b) Maximum Annual Debt Service on the Certificates, or (c) 125% of Average Annual Debt Service on the Certificates.

As of June 30, 2015, the Reserve Requirement for the 2009 COPs is \$6,000,000. At June 30, 2015, the District had \$6,023,356 in the reserve account.

**#4.****MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION****NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015****Note 4: 2009 Certificates of Participation (Build America Bonds) (Continued)****c. Mandatory Sinking Fund Prepayment**

The COPs maturing on September 1, 2029 and September 1, 2039 are also subject to mandatory sinking fund prepayment on September 1 of each year, on or after September 1, 2027, and September 1, 2030, respectively. Prepayments are in integral multiples of \$5,000, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Installment Payments to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment date as follows:

**\$9,395,000 Certificates Maturing September 1, 2029**

Year (September 1)	Principal Amount of Certificates to be Prepaid
2027	\$ 2,995,000
2028	3,130,000
2029 (maturity)	3,270,000

**\$42,340,000 Certificates Maturing September 1, 2039**

Year (September 1)	Principal Amount of Certificates to be Prepaid
2030	\$ 3,425,000
2031	3,580,000
2032	3,750,000
2033	3,920,000
2034	4,105,000
2035	4,295,000
2036	4,495,000
2037	4,700,000
2038	4,920,000
2039 (maturity)	5,150,000

In the event that the Trustee prepays the COPs maturing on September 1, 2029 or September 1, 2039 in part but not in whole pursuant to a prepayment prescribed in "Optional Prepayment," the amount of the COPs to be prepaid on each prepayment dated identified above will be modified at the written direction of the District to correspond to the modified principal component of the Installment Payment due on such prepayment date.

**d. Tax Covenants**

The District hereby irrevocably elects to apply the provisions of the Section 54AA(d) of the Code to the Installment Sale Agreement and the Certificates and intends that the Installment Sales Agreement and the Certificates be treated as Build America Bonds ("BABs"). In addition, the District hereby irrevocably elects to treat the Installment Sales Agreement and the Certificates as "Qualified Bonds" within the meaning of Section 54AA(d) of the Code such that the Installment Sale Agreement and the Certificates will be eligible for direct payment by the federal government of a refundable credit equal to 35 percent (35%) of interest payable with respect to the Installment Sale Agreement and the Certificates (the "Refundable Credit Payment"). The Refundable Credit Payment is recorded as Intergovernmental Revenue on the part of the District.

## MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**Note 4: 2009 Certificates of Participation (Build America Bonds) (Continued)**

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the Federal Government pursued certain automatic reductions that took place starting March 1, 2013. This sequester reduction affected the Build America Bonds refundable credit payments under Internal Revenue Code section 6531. As determined by the Office of Management and Budget, payments to issuers of Build America Bonds are subject to a 7.3% reduction as of October 1, 2014, through September 30, 2015, resulting in a refundable credit equal to 32.45%.

**e. Summary**

Pursuant to the Installment Sale Agreement, the District covenants agree that the payment of the Installment Payments and Parity Debt Service is secured by a first pledge, charge and lien upon, first, the Tax Revenues and, second, Net Revenues, and Tax Revenues and/or Net Revenues sufficient to pay the Installment Payments and Parity Debt Service as they become due and payable are pledged by the District for the purpose of securing payment of the Installment Payments and Parity Debt Service. The Tax Revenues and Net Revenues constitute a trust fund for the security and payment of the Prior Parity Obligations, any Additional Obligations and the Installment Payments.

The COPs are being executed and delivered pursuant to a trust indenture by and among the District, the Corporation, and US National Association, Los Angeles, California as Trustee, Registrar and Paying Agent (the "Trustee") dated as of December 1, 2009. Funds held by the Trustee are recorded as assets, income and expense in the books and on the financial statements of the District. Detailed information regarding the issuance of these COPs can be found in the Official Statement for the 2009 COP.

The annual requirements to repay the Certificates of Participation as of June 30, 2015, are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ -	\$ 4,098,976	\$ 4,098,976
2017	-	4,098,976	4,098,976
2018	-	4,098,976	4,098,976
2019	-	4,098,976	4,098,976
2020	-	4,098,976	4,098,976
2021-2025	2,645,000	20,415,767	23,060,767
2026-2030	15,015,000	17,364,479	32,379,479
2031-2035	18,780,000	11,601,565	30,381,565
2036-2040	23,560,000	4,254,140	27,814,140
Totals	<u>\$ 60,000,000</u>	<u>\$ 74,130,831</u>	<u>\$ 134,130,831</u>

**#4.****MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION****NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015****Note 5: Long-Term Liabilities**

The changes in long-term liabilities for the year ended June 30, 2015 are as follows:

	Balance at July 1, 2014	Defeasance	Additions	Deletions	Balance at June 30, 2015	Due Within One Year
2003 COPs	\$ 14,520,000	\$ (14,520,000)	\$ -	\$ -	\$ -	\$ -
2009 COPs	60,000,000	-	-	-	60,000,000	-
2010 COPs	7,275,000	-	-	(1,715,000)	5,560,000	1,780,000
2010 Unamortized Premium	403,457	-	-	(127,408)	276,049	-
Total Certificates	<u>\$ 82,198,457</u>	<u>\$ (14,520,000)</u>	<u>\$ -</u>	<u>\$ (1,842,408)</u>	<u>\$ 65,836,049</u>	<u>\$ 1,780,000</u>

**Note 6: Subsequent Event**

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This event continues to effect the refundable credit of the Build America Bonds of the District. As of October 1, 2015 through September 30, 2016 this sequester rate adjustment will be 6.8%, resulting a refundable credit equal to 32.62%.

INDEPENDENT AUDITORS' 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*

Board of Directors  
Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

We 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 financial statements of the Moulton Niguel Water District Public Facilities Corporation, a nonprofit entity, (the Corporation) (a component unit of the Moulton Niguel Water District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's financial statements, and have issued our report thereon dated December 3, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*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. *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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we 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 were not an objective of our audit, and accordingly, we do not express such an

#4.



Board of Directors

Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

opinion. The results of our tests 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Solt & Lughard, LLP*

Brea, California  
December 3, 2015

December 3, 2015

Board of Directors  
Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

We have audited the financial statements of the of the Moulton Niguel Water District Public Facilities Corporation (the Corporation) (a component unit of the Moulton Niguel Water District) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 3, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practice***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.



Board of Directors  
Moulton Niguel Water District Public Facilities Corporation  
Laguna Niguel, California

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 3, 2015.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2014-2015 audit:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement no. 27.*

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB Statement No. 68.*

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2015-2016

GASB Statement No. 72, *Fair Value Measurement and Application.*

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68.*





CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Moulton Niguel Water District Public Facilities Corporation

Laguna Niguel, California

*GASB Statement No. 76, The Hierarchy of Generally accepted Accounting Principles for State and Local Governments.*

Fiscal year 2016-2017

*GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

Fiscal year 2017-2018

*GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

**Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California



2014 TAX RETURN

CLIENT COPY

**Client:** 3663A

**Prepared for:** MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION  
27500 LA PAZ ROAD  
LAGUNA NIGUEL, CA 92677-3402  
949-448-4032

**Prepared by:** DEBORAH A. HARPER, CPA  
LANCE, SOLL & LUNGHARD, LLP  
203 N. BREA BLVD. STE 203  
BREA, CA 92821-4056  
714-672-0022

**Date:** DECEMBER 7, 2015

**Comments:**

**Route to:** \_\_\_\_\_

#4.

Form **8879-EO**

### IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2014, or fiscal year beginning 7/01, 2014, and ending 6/30, 2015.

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at [www.irs.gov/form8879eo](http://www.irs.gov/form8879eo).

**2014**

Department of the Treasury  
Internal Revenue Service

Name of exempt organization

**MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION**

Employer identification number

**33-0601459**

Name and title of officer

**MATT COLLINGS**

**TREASURER**

#### Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1 a	Form 990 check here . . . . .	▶	<input checked="" type="checkbox"/>	b	Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . . . .	1 b	<u>5,018,475.</u>
2 a	Form 990-EZ check here . . . . .	▶	<input type="checkbox"/>	b	Total revenue, if any (Form 990-EZ, line 9) . . . . .	2 b	_____
3 a	Form 1120-POL check here . . . . .	▶	<input type="checkbox"/>	b	Total tax (Form 1120-POL, line 22) . . . . .	3 b	_____
4 a	Form 990-PF check here . . . . .	▶	<input type="checkbox"/>	b	Tax based on investment income (Form 990-PF, Part VI, line 5) . . . . .	4 b	_____
5 a	Form 8868 check here . . . . .	▶	<input type="checkbox"/>	b	Balance Due (Form 8868, Part I, line 3c or Part II, line 8c) . . . . .	5 b	_____

#### Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2014 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

#### Officer's PIN: check one box only

I authorize LANCE, SOLL & LUNGHARD, LLP to enter my PIN 36631 as my signature  
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

#### Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN . . . . . 33424698765  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2014 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ DEBORAH A. HARPER, CPA Date ▶ \_\_\_\_\_

**ERO Must Retain This Form – See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2014)

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

2014

Open to Public Inspection

Department of the Treasury Internal Revenue Service

A For the 2014 calendar year, or tax year beginning 7/01, 2014, and ending 6/30, 2015

B Check if applicable: Address change, Name change, Initial return, Final return/terminated, Amended return, Application pending. C MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677-3402. D Employer identification number 33-0601459. E Telephone number 949-448-4032. G Gross receipts \$ 5,018,475.

F Name and address of principal officer: BRIAN S. PROBOLSKY SAME AS C ABOVE. H(a) Is this a group return for subordinates? Yes No. H(b) Are all subordinates included? Yes No.

I Tax-exempt status 501(c)(3) 501(c) ( 4 ) (insert no.) 4947(a)(1) or 527. J Website: WWW.MNWD.COM. H(c) Group exemption number

K Form of organization: X Corporation, Trust, Association, Other. L Year of formation: 1993. M State of legal domicile: CA

Part I Summary

Table with 2 columns: Description and Amount. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3 Number of voting members... 4 Number of independent voting members... 5 Total number of individuals employed... 6 Total number of volunteers... 7a Total unrelated business revenue... 7b Net unrelated business taxable income...

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 8 Contributions and grants... 9 Program service revenue... 10 Investment income... 11 Other revenue... 12 Total revenue - add lines 8 through 11...

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 13 Grants and similar amounts paid... 14 Benefits paid to or for members... 15 Salaries, other compensation... 16a Professional fundraising fees... 16b Total fundraising expenses... 17 Other expenses... 18 Total expenses... 19 Revenue less expenses...

Table with 3 columns: Description, Beginning of Current Year, End of Year. Rows include: 20 Total assets... 21 Total liabilities... 22 Net assets or fund balances...

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer MATT COLLINGS, Date, Title TREASURER

Paid Preparer Use Only: Print/Type preparer's name DEBORAH A. HARPER, CPA, Preparer's signature DEBORAH A. HARPER, CPA, Date, Check self-employed, PTIN P01608708, Firm's name LANCE, SOLL & LUNGHARD, LLP, Firm's address 203 N. BREA BLVD. STE 203 BREA, CA 92821-4056, Firm's EIN 95-2700123, Phone no. 714-672-0022

May the IRS discuss this return with the preparer shown above? (see instructions) X Yes No

#4.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

THE ORGANIZATION WAS ESTABLISHED TO FINANCE THE ACQUISITION AND CONSTRUCTION OF WATER FACILITIES IN ORDER TO PROVIDE SERVICE IN AN EFFICIENT AND COST EFFECTIVE MANNER TO EXISTING AND FUTURE CONSUMERS WITHIN THE BOUNDARIES OF THE CORPORATION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 5,018,475. including grants of \$ ) (Revenue \$ )

DEBT SERVICE PAYMENT ON CERTIFICATES OF PARTICIPATION

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 5,018,475.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i> .....		X
<b>23</b> Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i> .....		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i> .....	X	
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?.....		X
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?.....		X
<b>24d</b> Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?.....	X	
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i> .....		X
<b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> .....		X
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i> .....		X
<b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?.....		X
<b>35b</b> If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> .....		
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O. ....	X	

BAA

Form 990 (2014)



Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No columns. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members included... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets?... 6 Did the organization have members or stockholders?... 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?... 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?... 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body?... 8b Each committee with authority to act on behalf of the governing body?... 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?... 10b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?... 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?... 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O... 12a Did the organization have a written conflict of interest policy? If 'No,' go to line 13... 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?... 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done... SEE SCHEDULE O... 13 Did the organization have a written whistleblower policy?... 14 Did the organization have a written document retention and destruction policy?... 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official... 15b Other officers or key employees of the organization. If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions)... 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?... 16b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?...

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [ ] Own website [ ] Another's website [X] Upon request [ ] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O
20 State the name, address, and telephone number of the person who possesses the organization's books and records: MATT COLLINGS 27500 LA PAZ ROAD LAGUNA NIGUEL CA 92677-3402 949-448-4032

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RICHARD S. FIORE DIRECTOR	1 0	X						0.	0.	0.
(2) SCOTT COLTON DIRECTOR	0 0	X						0.	0.	0.
(3) DONALD FROELICH VICE PRESIDENT	1 0	X		X				0.	0.	0.
(4) LARRY R. LIZOTTE DIRECTOR	1 0	X						0.	0.	0.
(5) BRIAN S. PROBOLSKY PRESIDENT	1 0	X		X				0.	0.	0.
(6) DUANE D. CAVE DIRECTOR	1 0	X						0.	0.	0.
(7) GARY R. KURTZ DIRECTOR	1 0	X						0.	0.	0.
(8) -----										
(9) -----										
(10) -----										
(11) -----										
(12) -----										
(13) -----										
(14) -----										

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) -----									
(16) -----									
(17) -----									
(18) -----									
(19) -----									
(20) -----									
(21) -----									
(22) -----									
(23) -----									
(24) -----									
(25) -----									
<b>1 b Sub-total</b> .....						0.	0.	0.	
<b>c Total from continuation sheets to Part VII, Section A</b> .....						0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b> .....						0.	0.	0.	
2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 0									

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i> .....	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes' complete Schedule J for such individual.</i> .....	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i> .....	5	X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 0

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1 a</b>				
	<b>b</b> Membership dues	<b>1 b</b>				
	<b>c</b> Fundraising events	<b>1 c</b>				
	<b>d</b> Related organizations	<b>1 d</b>				
	<b>e</b> Government grants (contributions)	<b>1 e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1 f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$					
	<b>h Total.</b> Add lines 1a-1f					
<b>Program Service Revenue</b>	<b>Business Code</b>					
	<b>2 a</b> -----					
	<b>b</b> -----					
	<b>c</b> -----					
	<b>d</b> -----					
	<b>e</b> -----					
	<b>f</b> All other program service revenue					
<b>g Total.</b> Add lines 2a-2f						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)					
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6 a</b> Gross rents	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses				
		<b>c</b> Rental income or (loss)				
	<b>d</b> Net rental income or (loss)					
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses				
		<b>c</b> Gain or (loss)				
	<b>d</b> Net gain or (loss)					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>				
	<b>b</b> Less: direct expenses	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
<b>b</b> Less: direct expenses	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
<b>b</b> Less: cost of goods sold	<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory						
Miscellaneous Revenue		<b>Business Code</b>				
<b>11 a</b> COP INTEREST INCOME		5,018,475.	5,018,475.			
<b>b</b> -----						
<b>c</b> -----						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d		5,018,475.				
<b>12 Total revenue.</b> See instructions		5,018,475.	5,018,475.	0.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX.

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.....				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.....				
4 Benefits paid to or for members.....				
5 Compensation of current officers, directors, trustees, and key employees.....	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).....	0.	0.	0.	0.
7 Other salaries and wages.....				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).....				
9 Other employee benefits.....				
10 Payroll taxes.....				
11 Fees for services (non-employees):				
a Management.....				
b Legal.....				
c Accounting.....				
d Lobbying.....				
e Professional fundraising services. See Part IV, line 17.....				
f Investment management fees.....				
g Other. (If line 11g amt exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).....				
12 Advertising and promotion.....				
13 Office expenses.....				
14 Information technology.....				
15 Royalties.....				
16 Occupancy.....				
17 Travel.....				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.....				
19 Conferences, conventions, and meetings.....				
20 Interest.....	5,018,475.	5,018,475.		
21 Payments to affiliates.....				
22 Depreciation, depletion, and amortization.....				
23 Insurance.....				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.).....				
a.....				
b.....				
c.....				
d.....				
e All other expenses.....				
25 Total functional expenses. Add lines 1 through 24e. ....	5,018,475.	5,018,475.	0.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).....				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X.

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash – non-interest-bearing.....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments.....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net.....		<b>3</b>	
	<b>4</b> Accounts receivable, net.....	1,705,325.	<b>4</b>	1,440,458.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net.....	82,198,457.	<b>7</b>	65,836,049.
	<b>8</b> Inventories for sale or use.....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges.....		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.....	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation.....	<b>10b</b>		<b>10c</b>
	<b>11</b> Investments – publicly traded securities.....		<b>11</b>	
	<b>12</b> Investments – other securities. See Part IV, line 11.....		<b>12</b>	
	<b>13</b> Investments – program-related. See Part IV, line 11.....		<b>13</b>	
	<b>14</b> Intangible assets.....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11.....		<b>15</b>	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34).....	83,903,782.	<b>16</b>	67,276,507.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses.....	1,705,325.	<b>17</b>	1,440,458.
	<b>18</b> Grants payable.....		<b>18</b>	
	<b>19</b> Deferred revenue.....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities.....	82,198,457.	<b>20</b>	65,836,049.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D.....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties.....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties.....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.....		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25.....	83,903,782.	<b>26</b>	67,276,507.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets.....		<b>27</b>	
	<b>28</b> Temporarily restricted net assets.....		<b>28</b>	
	<b>29</b> Permanently restricted net assets.....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds.....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund.....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds.....		<b>32</b>	
	<b>33</b> Total net assets or fund balances.....	0.	<b>33</b>	0.
<b>34</b> Total liabilities and net assets/fund balances.....	83,903,782.	<b>34</b>	67,276,507.	

BAA

Form 990 (2014)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,018,475.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,018,475.
3	Revenue less expenses. Subtract line 2 from line 1	3	0.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	0.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

BAA

Form 990 (2014)



SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2014

Department of the Treasury Internal Revenue Service

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Open to Public Inspection

Name of the organization

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Employer identification number

33-0601459

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for total number, aggregate value of contributions, aggregate value of grants, and aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows 2a, 2b, 2c, 2d for total number, total acreage, number of easements on historic structure, and number of easements acquired after 8/17/06.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

- 1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

#4.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1 c
d Additions during the year	1 d
e Distributions during the year	1 e
f Ending balance	1 f

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

**Part V Endowment Funds.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Temporarily restricted endowment  \_\_\_\_\_ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  0.

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Rows include (1) Financial derivatives, (2) Closely-held equity interests, (3) Other, (A) through (I), and Total.

Part VIII Investments – Program Related.

N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation. Rows include (1) through (10) and Total.

Part IX Other Assets.

N/A

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value. Rows include (1) through (10) and Total.

Part X Other Liabilities.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

Table with 2 columns: (a) Description of liability, (b) Book value. Rows include (1) Federal income taxes, (2) through (11), and Total.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. [ ]

# #4.

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	5,018,475.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	<b>a</b> Net unrealized gains (losses) on investments	<b>2a</b>		
	<b>b</b> Donated services and use of facilities	<b>2b</b>		
	<b>c</b> Recoveries of prior year grants	<b>2c</b>		
	<b>d</b> Other (Describe in Part XIII.)	<b>2d</b>		
	<b>e</b> Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	5,018,475.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	<b>a</b> Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
	<b>b</b> Other (Describe in Part XIII.)	<b>4b</b>		
	<b>c</b> Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	5,018,475.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	5,018,475.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	<b>a</b> Donated services and use of facilities	<b>2a</b>		
	<b>b</b> Prior year adjustments	<b>2b</b>		
	<b>c</b> Other losses	<b>2c</b>		
	<b>d</b> Other (Describe in Part XIII.)	<b>2d</b>		
	<b>e</b> Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	5,018,475.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	<b>a</b> Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
	<b>b</b> Other (Describe in Part XIII.)	<b>4b</b>		
	<b>c</b> Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	5,018,475.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**  
▶ **Attach to Form 990.**  
▶ **Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2014**

**Open to Public Inspection**

Name of the organization

MOULTON NIGUEL WATER DISTRICT

Employer identification number

33-0601459

**Part I Bond Issues**

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MNWD PFC	33-0601459	31845V302	12/22/2009	60,000,000.	FINANCE ACQ OF CAPACITY RGHTS		X	X			X
B MNWD PFC	33-0601459	9AMMF05B2	11/01/2010	8,965,000.	REFUND/REFI 1993 COP & DS FUND		X	X			X
C											
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		60,000,000.		8,965,000.				
4 Gross proceeds in reserve funds		6,023,356.		896,059.				
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		552,850.		123,760.				
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion								
14 Were the bonds issued as part of a current refunding issue?		X		X				
15 Were the bonds issued as part of an advance refunding issue?		X	X					
16 Has the final allocation of proceeds been made?		X		X				
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule K (Form 990) 2014

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X		X				
<b>b</b> If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? .....								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X		X				
<b>d</b> If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? .....								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....		%		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....		%		%		%		%
<b>6</b> Total of lines 4 and 5 .....		%		%		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X				
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? .....		X		X				
<b>b</b> If 'Yes', to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If 'Yes' to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....		X		X				

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X		X				
<b>2</b> If 'No' to line 1, did the following apply?								
<b>a</b> Rebate not due yet? .....		X		X				
<b>b</b> Exception to rebate? .....		X		X				
<b>c</b> No rebate due? .....		X		X				
If 'Yes' to line 2c, provide in Part VI the date the rebate computation was performed.								
<b>3</b> Is the bond issue a variable rate issue? .....		X		X				
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X				
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the hedge terminated? .....								

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**Part IV Arbitrage (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>5 a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)?.....		X		X				
<b>b</b> Name of provider.....								
<b>c</b> Term of GIC.....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?....								
<b>6</b> Were any gross proceeds invested beyond an available temporary period?.....		X		X				
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148?.....		X		X				

**Part V Procedures To Undertake Corrective Action**

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?.....	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
	X		X					

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

**#4.****SCHEDULE O  
(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is  
at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014****Open to Public  
Inspection**MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

Employer identification number

33-0601459

**FORM 990, PART VI, LINE 3 - DESCRIPTION OF DELEGATED DUTIES TO MANAGEMENT COMPANY**

EMPLOYEES OF THE MOULTON NIGUEL WATER DISTRICT PROVIDE ADMINISTRATIVE SERVICES TO THE ORGANIZATION AT NO CHARGE.

**FORM 990, PART VI, LINE 7A - HOW MEMBERS OR SHAREHOLDERS ELECT GOVERNING BODY**

THE MOULTON NIGUEL WATER DISTRICT GOVERNING BOARD IS AUTOMATICALLY THE MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION BOARD UNDER THE BYLAWS.

**FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS**

THE TAX RETURN IS PREPARED BASED ON THE AUDITED FINANCIAL STATEMENTS THAT ARE REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS. THE TAX RETURN IS REVIEWED AND APPROVED BY SENIOR MANAGEMENT BEFORE FILING.

**FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS**

EACH YEAR, THE BOARD OF DIRECTORS IS PRESENTED WITH A CONFLICT OF INTEREST STATEMENT AND MUST SIGN THE STATEMENT ASSERTING THAT THEY HAVE NO CONFLICT OF INTERESTS IN WORKING AS A BOARD MEMBER. IN THE EVENT THAT THEY DO COME ACROSS A CONFLICT OF INTEREST, THE POLICY CALLS FOR THE BOARD MEMBER TO FORMALLY NOTIFY THE BOARD AND TO ABSTAIN FROM ANY DIRECT INFLUENCE OF VOTING ON MOTIONS REGARDING THE RELATED PARTY.

**FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE**

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.



**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

- ▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

**Open to Public Inspection**

Name of the organization

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Employer identification number

33-0601459

**Part I Identification of Disregarded Entities** Complete if the organization answered 'Yes' on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ----- ----- -----					
(2) ----- ----- -----					
(3) ----- ----- -----					

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) MOULTON NIGUEL WATER DISTRICT 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677 95-2377983	WATER DISTRICT	CA	115		N/A		X
(2) ----- ----- -----							
(3) ----- ----- -----							
(4) ----- ----- -----							

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ----- ----- -----												
(2) ----- ----- -----												
(3) ----- ----- -----												

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**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity?	
								Yes	No
(1) ----- ----- -----									
(2) ----- ----- -----									
(3) ----- ----- -----									

**Part V Transactions With Related Organizations** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity.....
- b** Gift, grant, or capital contribution to related organization(s).....
- c** Gift, grant, or capital contribution from related organization(s).....
- d** Loans or loan guarantees to or for related organization(s).....
- e** Loans or loan guarantees by related organization(s).....
  
- f** Dividends from related organization(s).....
- g** Sale of assets to related organization(s).....
- h** Purchase of assets from related organization(s).....
- i** Exchange of assets with related organization(s).....
- j** Lease of facilities, equipment, or other assets to related organization(s).....
  
- k** Lease of facilities, equipment, or other assets from related organization(s).....
- l** Performance of services or membership or fundraising solicitations for related organization(s).....
- m** Performance of services or membership or fundraising solicitations by related organization(s).....
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s).....
- o** Sharing of paid employees with related organization(s).....
  
- p** Reimbursement paid to related organization(s) for expenses.....
- q** Reimbursement paid by related organization(s) for expenses.....
  
- r** Other transfer of cash or property to related organization(s).....
- s** Other transfer of cash or property from related organization(s).....

	Yes	No
<b>1 a</b>	X	
<b>1 b</b>		X
<b>1 c</b>		X
<b>1 d</b>		X
<b>1 e</b>		X
<b>1 f</b>		X
<b>1 g</b>		X
<b>1 h</b>		X
<b>1 i</b>		X
<b>1 j</b>		X
<b>1 k</b>		X
<b>1 l</b>		X
<b>1 m</b>		X
<b>1 n</b>		X
<b>1 o</b>		X
<b>1 p</b>	X	
<b>1 q</b>		X
<b>1 r</b>		X
<b>1 s</b>		X

**2** If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MOULTON NIGUEL WATER DISTRICT	A	5,018,475.	CASH
(2) MOULTON NIGUEL WATER DISTRICT	P	5,018,475.	CASH
(3)			
(4)			
(5)			
(6)			

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**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 Form (1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) ----- ----- -----													
(2) ----- ----- -----													
(3) ----- ----- -----													
(4) ----- ----- -----													
(5) ----- ----- -----													
(6) ----- ----- -----													
(7) ----- ----- -----													
(8) ----- ----- -----													

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**Part VII** Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

---

Voucher at bottom of page. ■

DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.  
If the amount of payment is zero, do not mail this voucher.

**WHERE TO FILE:** Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the corporation number or FEIN and '2014 FTB 3586' on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:

**FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

**WHEN TO FILE:** Fiscal Year – See instructions.  
Calendar Year – File and Pay by March 16, 2015.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

**ONLINE SERVICES:** Corporations can make payments online with Web Pay for Businesses. After a one-time online registration, corporations can make an immediate payment or schedule payments up to a year in advance. Go to [ftb.ca.gov](http://ftb.ca.gov) for more information.

--- DETACH HERE --- IF NO PAYMENT IS DUE OR PAID ELECTRONICALLY, DO NOT MAIL THIS VOUCHER

--- DETACH HERE ---

**CAUTION:** You may be required to pay electronically, see instructions.

TAXABLE YEAR

**2014**

**Payment Voucher for Corps and Exempt Orgs e-filed Returns**

CALIFORNIA FORM

**3586 (e-file)**

1844749 MOUL 33-0601459 000000000000 14 FORM 3  
TYB 07-01-14 TYE 06-30-15  
MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION  
MATT COLLINGS  
27500 LA PAZ ROAD  
LAGUNA NIGUEL CA 92677-3402

949-448-4032

TOTAL PAYMENT AMT 10.

TAXABLE YEAR

2014

California Exempt Organization Annual Information Return

FORM

199

Calendar Year 2014 or fiscal year beginning (mm/dd/yyyy) 7/01/2014, and ending (mm/dd/yyyy) 6/30/2015

Corporation/Organization name MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION California corporation number 1844749

Additional information. See instructions. FEIN 33-0601459

Street address (suite or room) 27500 LA PAZ ROAD PMB no.

City LAGUNA NIGUEL State CA ZIP code 92677-3402

Foreign country name Foreign province/state/county Foreign postal code

Form sections A through P with checkboxes for 'Yes' and 'No' regarding filing status, amendments, and organizational details.

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Table with columns for Receipts and Revenues, Expenses, and Filing Fee, listing various items and their corresponding amounts.

Sign Here and Paid Preparer's Use Only sections, including signature lines for the officer and preparer, and contact information.

**Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts – complete Part II or furnish substitute information.**

<b>Receipts from Other Sources</b>	1	Gross sales or receipts from all business activities. See instructions . . . . .	●	1	
	2	Interest . . . . .	●	2	
	3	Dividends . . . . .	●	3	
	4	Gross rents . . . . .	●	4	
	5	Gross royalties . . . . .	●	5	
	6	Gross amount received from sale of assets (See instructions) . . . . .	●	6	
	7	Other income. Attach schedule . . . . . <b>SEE STATEMENT 1</b>	●	7	5,018,475.
8	<b>Total</b> gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1 . . . . .		8	5,018,475.	
<b>Expenses and Disbursements</b>	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule . . . . .	●	9	
	10	Disbursements to or for members . . . . .	●	10	
	11	Compensation of officers, directors, and trustees. Attach schedule <b>SEE STATEMENT 2</b>	●	11	0.
	12	Other salaries and wages . . . . .	●	12	
	13	Interest . . . . .	●	13	5,018,475.
	14	Taxes . . . . .	●	14	
	15	Rents . . . . .	●	15	
	16	Depreciation and depletion (See instructions) . . . . .	●	16	
	17	Other Expenses and Disbursements. Attach schedule . . . . .	●	17	
	18	<b>Total</b> expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9 . . . . .		18	5,018,475.

Schedule L Balance Sheets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash . . . . .				●
2 Net accounts receivable . . . . .		1,705,325.		● 1,440,458.
3 Net notes receivable . . . . .		82,198,457.		● 65,836,049.
4 Inventories . . . . .				●
5 Federal and state government obligations . . . . .				●
6 Investments in other bonds . . . . .				●
7 Investments in stock . . . . .				●
8 Mortgage loans . . . . .				●
9 Other investments. Attach schedule . . . . .				●
10 a Depreciable assets . . . . .				
b Less accumulated depreciation . . . . .				
11 Land . . . . .				●
12 Other assets. Attach schedule . . . . .				●
13 <b>Total assets</b> . . . . .		83,903,782.		67,276,507.
<b>Liabilities and net worth</b>				
14 Accounts payable . . . . .		1,705,325.		● 1,440,458.
15 Contributions, gifts, or grants payable . . . . .				●
16 Bonds and notes payable . . . . .		82,198,457.		● 65,836,049.
17 Mortgages payable . . . . .				●
18 Other liabilities. Attach schedule . . . . .				
19 Capital stock or principal fund . . . . .				●
20 Paid-in or capital surplus. Attach reconciliation . . . . .				●
21 Retained earnings or income fund . . . . .				●
22 <b>Total liabilities and net worth</b> . . . . .		83,903,782.		67,276,507.

**Schedule M-1 Reconciliation of income per books with income per return**  
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

1 Net income per books . . . . .	●	7 Income recorded on books this year not included in this return. Attach schedule . . . . .	●
2 Federal income tax . . . . .	●	8 Deductions in this return not charged against book income this year. Attach schedule . . . . .	●
3 Excess of capital losses over capital gains . . . . .	●	9 Total. Add line 7 and line 8 . . . . .	
4 Income not recorded on books this year. Attach schedule . . . . .	●	10 Net income per return. Subtract line 9 from line 6 . . . . .	
5 Expenses recorded on books this year not deducted in this return. Attach schedule . . . . .	●		
6 Total. Add line 1 through line 5 . . . . .			



2014

CALIFORNIA STATEMENTS

PAGE 1

MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

33-0601459

STATEMENT 1  
FORM 199, PART II, LINE 7  
OTHER INCOME

COP INTEREST INCOME.....	\$ 5,018,475.
TOTAL	<u>\$ 5,018,475.</u>

STATEMENT 2  
FORM 199, PART II, LINE 11  
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

CURRENT OFFICERS:

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
RICHARD S. FIORE 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	DIRECTOR 1.00	\$ 0.	\$ 0.	\$ 0.
SCOTT COLTON 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	DIRECTOR 0	0.	0.	0.
DONALD FROELICH 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	VICE PRESIDENT 1.00	0.	0.	0.
LARRY R. LIZOTTE 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	DIRECTOR 1.00	0.	0.	0.
BRIAN S. PROBOLSKY 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	PRESIDENT 1.00	0.	0.	0.
DUANE D. CAVE 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	DIRECTOR 1.00	0.	0.	0.
GARY R. KURTZ 27500 LA PAZ ROAD LAGUNA NIGUEL, CA 92677	DIRECTOR 1.00	0.	0.	0.
TOTAL		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

THE ENTITY'S CALIFORNIA TAX RETURN IS NOT FINISHED UNTIL YOU COMPLETE THE FOLLOWING INSTRUCTIONS.

### PRIOR TO TRANSMISSION OF THE RETURN

**FORM 199**

THE ENTITY SHOULD REVIEW THEIR CALIFORNIA EXEMPT INCOME TAX RETURN ALONG WITH ANY ACCOMPANYING SCHEDULES AND STATEMENTS.

**FORM 8453-EO**

THE ENTITY SHOULD REVIEW, SIGN AND DATE FORM 8453-EO PRIOR TO YOU E-FILEING THE RETURN.

**BALANCE DUE**

THERE IS A BALANCE DUE IN THE AMOUNT OF \$10.

### AFTER TRANSMISSION OF THE RETURN

**RECEIVE ACKNOWLEDGEMENT OF YOUR E-FILE TRANSMISSION STATUS.**

WITHIN SEVERAL HOURS, CONNECT WITH LACERTE AND GET YOUR FIRST ACKNOWLEDGEMENT (ACK) THAT LACERTE HAS RECEIVED YOUR TRANSMISSION FILE.

CONNECT WITH LACERTE AGAIN AFTER 24 AND THEN 48 HOURS TO RECEIVE YOUR CALIFORNIA ACKNOWLEDGEMENTS.

**KEEP A SIGNED COPY OF FORM 8453-EO IN YOUR FILES FOR 4 YEARS.**

**DO NOT MAIL:**

FORM 8453-EO

**MAIL FORM 3586 AND PAYMENT TO:**

FRANCHISE TAX BOARD, PO BOX 942857, SACRAMENTO CA 94257-0531

**CAUTION**

DO NOT MAIL FORM 3586 UNTIL THE FRANCHISE TAX BOARD HAS ACCEPTED FORM 199.

EXCEPTION: MAIL FORM 3586 WITH PAYMENT BY THE DUE DATE, EVEN IF THE RETURN IS STILL PENDING, TO AVOID LATE PAYMENT PENALTIES AND INTEREST CHARGES.

IN  
MAIL TO:  
Registry of Charitable Trusts  
P.O. Box 903447  
Sacramento, CA 94203-4470  
Telephone: (916) 445-2021

**ANNUAL  
REGISTRATION RENEWAL FEE REPORT  
TO ATTORNEY GENERAL OF CALIFORNIA**

Sections 12586 and 12587, California Government Code  
11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code Section 12586.1. IRS extensions will be honored.



WEBSITE ADDRESS:  
<http://ag.ca.gov/charities/>

State Charity Registration Number <u>092061</u>	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report
MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION <small>Name of Organization</small>	
<u>27500 LA PAZ ROAD</u> <small>Address (Number and Street)</small>	Corporate or Organization No. <u>1844749</u>
<u>LAGUNA NIGUEL, CA 92677-3402</u> <small>City or Town State ZIP Code</small>	Federal Employer I.D. No. <u>33-0601459</u>

**ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)**  
Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

**PART A – ACTIVITIES**

For your most recent full accounting period (beginning 7/01/14 ending 6/30/15) list:  
 Gross annual revenue \$ 5,018,475. Total assets \$ 67,276,507.

**PART B – STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT**

Note: If you answer 'yes' to any of the questions below, you must attach a separate sheet providing an explanation and details for each 'yes' response. Please review RRF-1 instructions for information required.

	Yes	No
1 During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If 'yes,' provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number. <b>SEE STATEMENT 1</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7 During this reporting period, did the organization hold a raffle for charitable purposes? If 'yes,' provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Does the organization conduct a vehicle donation program? If 'yes,' provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Organization's area code and telephone number 949-448-4032  
 Organization's e-mail address MCOLLINGS@MNWD.COM

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

MATT COLLINGS TREASURER  
Signature of authorized officer Printed Name Title Date

#4.

2014

**CALIFORNIA STATEMENTS**

**PAGE 1**

**MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION**

33-0601459

**STATEMENT 1  
FORM RRF-1, PART B, LINE 6  
GOVERNMENT AGENCY THAT PROVIDED FUNDING**

MOULTON NIGUEL WATER DISTRICT  
27500 LA PAZ ROAD  
LAGUNA NIGUEL, CA 92677

Date Accepted \_\_\_\_\_

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

# California e-file Return Authorization for Exempt Organizations

FORM

2014

8453-EO

Exempt Organization name

Identifying number

MOULTON NIGUEL WATER DISTRICT

33-0601459

### Part I Electronic Return Information (whole dollars only)

1	Total gross receipts (Form 199, line 4)	1	5,018,475.
2	Total gross income (Form 199, line 8)	2	5,018,475.
3	Total expenses and disbursements (Form 199, Line 9)	3	5,018,475.

### Part II Settle Your Account Electronically for Taxable Year 2014

4  Electronic funds withdrawal    4a Amount \_\_\_\_\_    4b Withdrawal date (mm/dd/yyyy) \_\_\_\_\_

### Part III Banking Information (Have you verified the exempt organization's banking information?)

5 Routing number \_\_\_\_\_  
6 Account number \_\_\_\_\_    7 Type of account:  Checking     Savings

### Part IV Declaration of Officer

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, Box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2014 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider, the reason(s) for the delay.**

Sign Here    Signature of Officer \_\_\_\_\_    Date \_\_\_\_\_    Title TREASURER

### Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer. See instructions.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2014 e-file Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

<b>ERO Must Sign</b>	ERO's signature	DEBORAH A. HARPER, CPA	Date	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input checked="" type="checkbox"/>	ERO's PTIN	P01608708
	Firm's name (or yours if self-employed) and address	LANCE, SOLL & LUNGHARD, LLP 203 N. BREA BLVD. STE 203 BREA CA			FEIN	95-2700123	
					ZIP Code	92821-4056	

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

<b>Paid Preparer Must Sign</b>	Paid preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN
	Firm's name (or yours if self-employed) and address			FEIN
				ZIP Code

For Privacy Notice, get FTB 1131 ENG/SP.

FTB 8453-EO 2014

2014

## FEDERAL EXEMPT ORGANIZATION TAX SUMMARY

PAGE 1

MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

33-0601459

	2014	2013	DIFF
<b>REVENUE</b>			
OTHER REVENUE.....	5,018,475	5,254,817	-236,342
TOTAL REVENUE.....	5,018,475	5,254,817	-236,342
<b>EXPENSES</b>			
OTHER EXPENSES.....	5,018,475	5,254,817	-236,342
TOTAL EXPENSES.....	5,018,475	5,254,817	-236,342
<b>NET ASSETS OR FUND BALANCES</b>			
REVENUE LESS EXPENSES.....	0	0	0
TOTAL ASSETS AT END OF YEAR.....	67,276,507	83,903,782	-16,627,275
TOTAL LIABILITIES AT END OF YEAR.....	67,276,507	83,903,782	-16,627,275
NET ASSETS/FUND BALANCES AT END OF YEAR.....	0	0	0

2014

**CALIFORNIA 199 TAX SUMMARY**  
MOULTON NIGUEL WATER DISTRICT  
PUBLIC FACILITIES CORPORATION

PAGE 1

33-0601459

	2014	2013	DIFF
<b>REVENUE</b>			
OTHER INCOME.....	5,018,475	5,254,817	-236,342
TOTAL INCOME.....	5,018,475	5,254,817	-236,342
<b>EXPENSES AND DISBURSEMENTS</b>			
INTEREST.....	5,018,475	5,254,817	-236,342
TOTAL DEDUCTIONS.....	5,018,475	5,254,817	-236,342
EXCESS OF RECEIPTS OVER DISBURSEMENTS....	0	0	0
<b>FILING FEE</b>			
FILING FEE.....	10	10	0
BALANCE DUE.....	10	10	0
<b>SCHEDULE L</b>			
BEGINNING ASSETS.....	83,903,782	85,263,191	-1,359,409
BEGINNING LIABILITIES & NET WORTH.....	83,903,782	85,263,191	-1,359,409
ENDING ASSETS.....	67,276,507	83,903,782	-16,627,275
ENDING LIABILITIES & NET WORTH.....	67,276,507	83,903,782	-16,627,275

