



moulton niguel water district

AMENDED

**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 21, 2017

6:00 PM

Approximate Meeting Time: 30 Minutes

**THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE FOLLOWING
LOCATION: 5117 DOWDELL AVENUE APT#51, ROHNERT PARK, CALIFORNIA**

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 21, 2017, 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 15, 2016 PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS' MEETING (ROLL CALL VOTE)**

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 FORMS FOR FISCAL YEAR ENDED JUNE 30, 2017 (ROLL CALL VOTE)**

It is recommended that the Board of Directors receive and file the financial statements and tax forms 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, 2018

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.



moulton niguel water district

DRAFT

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

December 15, 2016

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 6:00 PM on December 15, 2016. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Drew Atwater	Director of Planning
Jake Vollebregt	Director of Regional & Legal Affairs
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Johnathan Cruz	MNWD
Tracy Ingebrigtsen	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD
Rod Woods	MNWD

#2.

Carol Gamble
Roger Faubel

Member of the Public
Faubel Public Affairs

1. CALL MEETING TO ORDER

The meeting was called to order by Brian Probolsky at 6:34 p.m.

2. APPROVE THE MINUTES OF THE DECEMBER 17, 2015 PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY DUANE CAVE, MINUTES OF THE DECEMBER 17, 2015 PUBLIC FACILITIES CORPORATION BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

3. PUBLIC COMMENTS

None.

ACTION ITEMS

4. MNWD PUBLIC FACILITIES CORPORATION AUDITED FINANCIAL STATEMENTS AND TAX RETURN FOR FISCAL YEAR ENDED JUNE 30, 2016

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, 2017.

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

INFORMATION ITEMS

5. Late Items (Appropriate Findings to be Made)

None.

ADJOURNMENT

The meeting was adjourned at 6:26 p.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

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moulton niguel water district

STAFF REPORT

TO: Board of Directors MEETING DATE: December 21, 2017

FROM: Trevor Agrelus, Controller

**SUBJECT: MNWD Public Facilities Corporation Audited Financial Statements
and Tax Forms for Fiscal Year Ended June 30, 2017**

SUMMARY:

Issue: Review the MNWD Public Facilities Corporation Audited Financial Statements and Tax Forms for Fiscal Year Ended June 30, 2017

Recommendation: It is recommended that the Board of Directors receive and file the financial statements and tax forms 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, 2018.

Fiscal Impact: No fiscal impact to the District.

Reviewed by Legal: N/A

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.

Per the Corporation Bylaws, the financial condition of the Corporation shall be audited annually by an independent certified public accountant. Due to the exempt-from-tax status granted, the Corporation is required to annually file Federal Form 990 and California Form 199.

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MNWD Public Facilities Corporation Audited Financial Statements and Tax Forms for
Fiscal Year Ended June 30, 2017

December 21, 2017

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DISCUSSION:

The external audit firm, Vavrinek, Trine, Day & Co., LLP, have conducted the independent audit and have issued an unmodified (clean) opinion for the Corporation's financial statements for fiscal year ended June 30, 2017. The letter on internal control contained no significant deficiencies or material weaknesses.

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; the 2010 Refunding Bonds and 2009 Build America Bonds. The Corporation's financial activities in the attached financial statements include interest expense of \$4.1M, including \$0.1M in amortized premiums, and principal payments on the outstanding bonds of \$2.0M.

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, 2018.

Attachments:

1. PFC Audited Financial Statements for Fiscal Year Ended June 30, 2017
2. PFC Audit Communication letter
3. PFC Form 990 and 199 for Fiscal Year Ended June 30, 2017

**MOULTON NIGUEL WATER DISTRICT
PUBLIC FACILITIES CORPORATION**

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

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Moulton Niguel Water District
Public Facilities Corporation

Basic Financial Statements

Year Ended June 30, 2017

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Moulton Niguel Water District
Public Facilities Corporation

Year Ended June 30, 2017

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Moulton Niguel Water District Public Facilities Corporation (Corporation), a component unit of the Moulton Niguel Water District, as of and for the year ended June 30, 2017, 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.

Auditors' 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 and 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 auditors' 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.

#4.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2017, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2017, 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.



Laguna Hills, California
December 8, 2017

Statement of Net Position
June 30, 2017

Assets:

Current:

Accrued interest receivable from Moulton Niguel Water District	\$ 1,391,992
Installment receivable from Moulton Niguel Water District (Notes 2 & 3)	1,925,000

Total Current Assets	3,316,992
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Noncurrent:

Installment receivable from Moulton Niguel Water District (Notes 2 & 3)	60,021,234
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Total Noncurrent Assets	60,021,234
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Total Assets	63,338,226
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Liabilities:

Current:

Accrued interest payable	1,391,992
2010 certificates of participation payable, current (Note 2)	1,925,000

Total Current Liabilities	3,316,992
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Long-Term Liabilities:

2010 certificates of participation payable, non-current (Note 2)	21,234
2009 certificates of participation payable, non-current (Note 3)	60,000,000

Total Long-Term Liabilities	60,021,234
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Total Liabilities	63,338,226
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Net Position:

Total Net Position	-
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Total Liabilities and Net Position	\$ 63,338,226
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**Moulton Niguel Water District Public Facilities Corporation
Statement of Revenues, Expenses,
and Changes in Net Position
Year Ended June 30, 2017**

Nonoperating Revenues:

Interest income - installment sale receivable \$ 4,086,450

Total Nonoperating Revenues 4,086,450

Nonoperating Expenses

Interest expense - certificates of participation payable 4,086,450

Total Nonoperating Expenses 4,086,450

Change in Net Position -

Net Position:

Beginning of fiscal year -

End of Fiscal Year \$ -

Statement of Cash Flows
Year Ended June 30, 2017

Cash Flows from Capital and Related Financing Activities:

Interest paid on certificates of participation	\$ (4,061,717)
Principal paid on certificates of participation	<u>(1,982,408)</u>

**Net Cash Provided By (Used For) Capital and
Related Financing Activities**

(6,044,125)

Cash Flows from Investing Activities:

Interest received on installment sale agreement	4,061,717
Repayment of installment agreement	<u>1,982,408</u>

Net Cash Provided By (Used For) Investing Activities

6,044,125

Net Increase (Decrease) in Cash and Cash Equivalents

-

Cash and Cash Equivalents, Beginning of Year

-

Cash and Cash Equivalents, End of Year

\$ -

Non-cash Investing, Capital, and Financing Activities:

Amortization of (premiums) discounts	\$ 127,408
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Moulton Niguel Water District Public Facilities Corporation**Notes to Financial Statements
Year Ended June 30, 2017****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. As such, the Corporation is considered a blended component unit in the District's financial statements. The District's financial statements can be obtained from the District's website at www.mnwd.com.

The accounting policies of the Corporation conform to generally accepted accounting principles ("GAAP"). 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.

The Corporation records the outstanding obligations related to Certificates of Participation issued by the District pursuant to an installment sale agreement between the Corporation and the District, in which the District covenants to pay the debt service obligations on behalf of the Corporation. As such, the Corporation records the corresponding receivables related to these debt service obligations that are expected to be contributed by the District.

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

Moulton Niguel Water District Public Facilities Corporation**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)****Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)****b. Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. Investments held by fiscal agent (excluding money market funds) are classified as long-term assets regardless of the maturity date. These investments are typically held as a covenant for long-term debt service and, therefore, continually re-invested and held until the maturity of the debt service obligation.

According to the bond indentures, the District is obligated to maintain the reserve requirements, so the Corporation does not hold title to the monies deposited with the trustee, and does not report those funds on the Statement of Net Position.

c. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: 2010 Refunding Certificates of Participation (COP)

On November 1, 2010, the District issued \$8,965,000 of 2010 Refunding Certificates of Participation pursuant to an installment sale agreement with the Corporation 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 is calculated at rates from 2%-4%, payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2011, and end 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. 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
Year Ended June 30, 2017 (Continued)**

Note 2: 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, 2017, the Reserve Requirement for the Certificates was \$192,500. At June 30, 2017, the District had \$378,971 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 were 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, 2017 are as follows:

2010 Refunding Certificates of Participation

Year Ending June 30	Principal	Interest	Total
2018	\$ 1,925,000	\$ 38,500	\$ 1,963,500
Totals	\$ 1,925,000	\$ 38,500	\$ 1,963,500

Moulton Niguel Water District Public Facilities Corporation**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)****Note 3: 2009 Certificates of Participation (Build America Bonds)**2009 Certificates of Participation (COP)

On December 1, 2009, the District issued \$60,000,000 of Certificates of Participation federally taxable "Build America Bonds" pursuant to an installment sale agreement with the Corporation to construct projects that provide greater water supply reliability for the distribution of potable and recycled water. The District adopted a resolution declaring 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 certificates accrue interest at rates between 5.982% and 6.970%. Interest is payable on March 1 and September 1 of each year, commencing March 10, 2010.

Under Section 54AA(g)(2) of the Internal Revenue Code of 1986 ("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 by the District. Principal is repaid annually on September 1 from 2024 through 2039. The Certificates 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 Certificates 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. 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.

Moulton Niguel Water District Public Facilities Corporation

**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)**

Note 3: 2009 Certificates of Participation (Build America Bonds) (Continued)

As of June 30, 2017, the Reserve Requirement for the Certificates is \$6,000,000. At June 30, 2017, the District had \$6,116,159 in the reserve account.

c. Mandatory Sinking Fund Prepayment

The Certificates 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 Certificates 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 Certificates to be prepaid on each prepayment date 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.

Moulton Niguel Water District Public Facilities Corporation**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)****Note 3: 2009 Certificates of Participation (Build America Bonds) (Continued)****d. Tax Covenants**

The District irrevocably elected to apply the provisions of the Section 54AA(d) of the Tax 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 irrevocably elected to treat the Installment Sales Agreement and the Certificates as "Qualified Bonds" within the meaning of Section 54AA(d) of the Tax 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.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the Federal Government pursued certain automatic sequester 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 6.9% reduction as of October 1, 2016, through September 30, 2017, resulting in a refundable credit equal to 32.59%.

e. Summary

Pursuant to the Installment Sale Agreement, the District covenants and agrees 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 Certificates 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 Certificates can be found in the Official Statement for the 2009 Certificates.

Moulton Niguel Water District Public Facilities Corporation

**Notes to Financial Statements
Year Ended June 30, 2017 (Continued)**

Note 3: 2009 Certificates of Participation (Build America Bonds) (Continued)

The annual requirements to repay the Certificates as of June 30, 2017, are as follows:

2009 Certificates of Participation (Build America Bonds)

Year Ending June 30	Principal	Interest	Total
2018	\$ -	\$ 4,098,976	\$ 4,098,976
2019	-	4,098,976	4,098,976
2020	-	4,098,976	4,098,976
2021	-	4,098,976	4,098,976
2022	-	4,098,976	4,098,976
2023-2027	8,265,000	19,753,448	28,018,448
2028-2032	16,400,000	15,248,197	31,648,197
2033-2037	20,565,000	8,860,787	29,425,787
3038-2042	14,770,000	1,575,568	16,345,568
Totals	<u>\$ 60,000,000</u>	<u>\$ 65,932,880</u>	<u>\$ 125,932,880</u>

Note 4: Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2017 are as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Due Within One Year
2010 COPs	\$ 3,780,000	\$ -	\$ (1,855,000)	\$ 1,925,000	\$ 1,925,000
2010 Unamortized Premium	148,642	-	(127,408)	21,234	-
2009 COPs	60,000,000	-	-	60,000,000	-
Total Certificates	<u>\$ 63,928,642</u>	<u>\$ -</u>	<u>\$ (1,982,408)</u>	<u>\$ 61,946,234</u>	<u>\$ 1,925,000</u>

Note 5: 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 Tax 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, 2017 through September 30, 2018 this sequester rate adjustment will be 6.6%, resulting a refundable credit equal to 32.69%.

#4.

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VAVRINEK, TRINE, DAY & CO., LLP
 Certified Public Accountants

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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 (Corporation), a component unit of the Moulton Niguel Water District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated December 8, 2017. Our report included an explanatory paragraph stating that the financial statements do not include management's discussion and analysis.

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 opinion 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.

#4.

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 was not an objective of our audit, and accordingly, we do not express such an 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinch, Train, Day & Co., LLP

Laguna Hills, California
December 8, 2017



VAVRINEK, TRINE, DAY & CO., LLP
 Certified Public Accountants

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

We have audited the financial statements of the Moulton Niguel Water District Public Facilities Corporation (Corporation), a component unit of the Moulton Niguel Water District, for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *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 March 15, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. 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.

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.

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 8, 2017.

#4.

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 Corporation’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.

Restriction on Use

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



Laguna Hills, California

December 8, 2017

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 9.x products and later products, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

GOVERNMENT COPY

DRAFT

IRS e-file Signature Authorization for an Exempt Organization

Form 8879-EO

For calendar year 2016, or fiscal year beginning JUL 1, 2016, and ending JUN 30, 2017

2016

Department of the Treasury Internal Revenue Service

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

Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

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.

Table with 5 rows (1a-5a) and 2 columns (b Total revenue/tax/balance due) and 2 columns (1b-5b) for amounts. Row 1a is checked with amount 4,086,450.

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 2016 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete.

Officer's PIN: check one box only

[X] I authorize VAVRINEK, TRINE, DAY & CO., LLP to enter my PIN 14567. ERO firm name. Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2016 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 2016 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 ***** THIS IS NOT A FILEABLE COPY *** 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.

33565600050 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 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 Date

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

EXTENDED TO MAY 15, 2018

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2016
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

A For the 2016 calendar year, or tax year beginning **JUL 1, 2016** and ending **JUN 30, 2017**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION		D Employer identification number 33-0601459
	Doing business as		E Telephone number 949-448-4032
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	27500 LA PAZ RD		G Gross receipts \$ 4,086,450.
	City or town, state or province, country, and ZIP or foreign postal code LAGUNA NIGUEL, CA 92677-3402		
F Name and address of principal officer: MATT COLLINGS SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	

I Tax-exempt status: 501(c)(3) 501(c) (**4**) (insert no.) 4947(a)(1) or 527

J Website: ▶ **WWW.MNWD.COM**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **1993** **M** State of legal domicile: **CA**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION WAS ESTABLISHED TO FINANCE THE ACQUISITION AND CONSTRUCTION OF WATER FACILITIES IN		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,995,523.	4,086,450.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,995,523.	4,086,450.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,995,523.	4,086,450.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,995,523.	4,086,450.
19 Revenue less expenses. Subtract line 18 from line 12	0.	0.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	65,345,367.	63,338,226.
	22 Net assets or fund balances. Subtract line 21 from line 20	0.	0.

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	Date
	▶ MATT COLLINGS, TREASURER Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name CATHERINE L. GRAY	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P01294460
	Firm's name ▶ VAVRINEK, TRINE, DAY & CO., LLP	Firm's EIN ▶ 95-2648289		Phone no. 909-466-4410	

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

#4.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

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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 BOUNDRIES 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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

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.

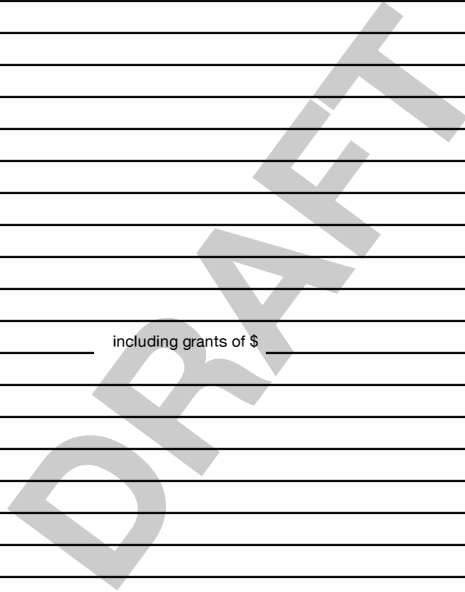
4a (Code:) (Expenses \$ 4,086,450. including grants of \$) (Revenue \$ 4,086,450.) DEBT SERVICE PAYMENT ON CERTIFICATES OF PARTICIPATION.

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 4,086,450.



MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows 1-19 detailing various organizational requirements and their completion status.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 20a through 38, covering topics like hospital facilities, financial statements, grants, compensation, tax-exempt bonds, and controlled entities.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

33-0601459 Page 5

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

Input box for Schedule O

Table with columns for line numbers (1a-14b), descriptions, and Yes/No checkboxes. Includes questions about Form 1096, Form W-2G, Form W-3, and various tax compliance items.

Form 990 (2016)

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 of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 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: a The governing body? b 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.; 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; 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; 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.
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.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: MATT COLLINGS - 909-448-4032 27500 LA PAZ RD, LAGUNA NIGUEL, CA 92677-3402

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

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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

1a 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... List all of the organization's current key employees... List the organization's five current highest compensated employees... List all of the organization's former officers, key employees... List all of the organization's former directors or trustees...

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.

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Rows include Richard S Fiore, Scott F Colton, Donald Froelich, Larry R Lizotte, Brian S Probolsky, Duane D Cave, and Gary R Kurtz.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes sub-totals for lines 1b, 1c, and 1d.

1b Sub-total 0. 218,315. 0.
1c Total from continuation sheets to Part VII, Section A 0. 0. 0.
1d Total (add lines 1b and 1c) 0. 218,315. 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

Table with 3 columns: Question, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

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.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. All entries are currently blank.

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

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

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Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f						
Program Service Revenue			Business Code					
	2 a							
	b							
	c							
	d							
	e							
	f	All other program service revenue						
g	Total. Add lines 2a-2f							
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)						
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real					
			(ii) Personal					
			b	Less: rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
			b	Less: cost or other basis and sales expenses				
			c	Gain or (loss)				
	d	Net gain or (loss)						
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
			b	Less: direct expenses				
c			Net income or (loss) from fundraising events					
9 a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less: direct expenses					
		c	Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a						
		b	Less: cost of goods sold					
		c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code						
11 a	COP INTEREST INCOME	900099	4,086,450.	4,086,450.				
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		4,086,450.					
12	Total revenue. See instructions.		4,086,450.	4,086,450.	0.	0.		

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) 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				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
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 amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch 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	4,086,450.	4,086,450.		
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	4,086,450.	4,086,450.	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 if following SOP 98-2 (ASC 958-720)

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

33-0601459 Page 11

Part X Balance Sheet

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

		(A)		(B)	
		Beginning of year		End of year	
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	1,416,725.	4	1,391,992.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	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 instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	63,928,642.	7	61,946,234.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b	Less: accumulated depreciation	10b	10c	
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	65,345,367.	16	63,338,226.	
Liabilities	17	Accounts payable and accrued expenses	1,416,725.	17	1,391,992.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	63,928,642.	20	61,946,234.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	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		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	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		25	
	26	Total liabilities. Add lines 17 through 25	65,345,367.	26	63,338,226.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds	0.	30	0.
	31	Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32	Retained earnings, endowment, accumulated income, or other funds	0.	32	0.
33	Total net assets or fund balances	0.	33	0.	
34	Total liabilities and net assets/fund balances	65,345,367.	34	63,338,226.	

Form 990 (2016)

Part XI Reconciliation of Net Assets

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

Table with 10 rows for reconciliation of net assets. Line 1: Total revenue 4,086,450. Line 2: Total expenses 4,086,450. Line 3: Revenue less expenses 0. Line 4: Net assets at beginning of year 0. Line 5: Net unrealized gains 0. Line 6: Donated services 0. Line 7: Investment expenses 0. Line 8: Prior period adjustments 0. Line 9: Other changes 0. Line 10: Net assets at end of year 0.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: [X] Accrual
2a Were the organization's financial statements compiled or reviewed by an independent accountant?
b Were the organization's financial statements audited by an independent accountant?
c 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?
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?
b 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

Table with 3 columns: Question, Yes, No. Contains 'X' marks for questions 2a, 2b, 2c, 3a, and 3b.

Form 990 (2016)

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2016

Open to Public Inspection

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

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" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number and acreage, number of easements on historic structures, and monitoring details.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include reporting requirements for art and historical treasures.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIII and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?
b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g (Balance, Contributions, Net investment earnings, Grants, Other expenditures, Administrative expenses, 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 on lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations
(ii) related organizations

Table with 3 columns: Question, Yes, No. Rows: 3a(i), 3a(ii), 3b.

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Table with 5 columns: Description of property, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other.

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

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Schedule D (Form 990) 2016

33-0601459 Page 3

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on 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 Financial derivatives, Closely-held equity interests, and Other (A-H).

Part VIII Investments - Program Related.

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

Table with 3 columns: (a) Description of investment, (b) Book value, (c) Method of valuation. Rows numbered 1-9.

Part IX Other Assets.

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

Table with 2 columns: (a) Description, (b) Book value. Rows numbered 1-9.

Part X Other Liabilities.

Complete if the organization answered "Yes" on 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. Row 1 includes Federal income taxes and other liabilities.

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

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total revenue reported as 4,086,450.

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total expenses reported as 4,086,450.

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.

Multiple horizontal lines provided for entering supplemental information.

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.

Name of the organization **MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION** 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	12/22/09	60000000.	FINANCE ACQ OF CAPACITY RIGHTS		X	X			X
B MNWD PFC	33-0601459	9AMMF05B2	11/01/10	8,965,000.	REFUND/REFI 1993 COP & DS FUND		X	X			X
C											
D											

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired		7,040,000.		
2 Amount of bonds legally defeased				
3 Total proceeds of issue	60,000,000.	8,965,000.		
4 Gross proceeds in reserve funds	6,116,159.	378,971.		
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				
	Yes	No	Yes	No
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		
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				

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Schedule K (Form 990) 2016

33-0601459

Part III Private Business Use (Continued)

Table with 9 rows and 8 columns (A, B, C, D). Rows include questions about management contracts, research agreements, and percentages of bond-financed property used in private business.

Part IV Arbitrage

Table with 7 rows and 8 columns (A, B, C, D). Rows include questions about Form 8038-T, arbitrage rebates, and qualified hedges.

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**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

Schedule K (Form 990) 2016

33-0601459

Page 3

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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 isn't available under applicable regulations?	X		X					

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

Multiple horizontal lines for supplemental information.

#4.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2016

Open to Public
Inspection

Name of the organization	MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION	Employer identification number	33-0601459
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FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ORDER TO PROVIDE SERVICE IN AN EFFICIENT AND COST EFFECTIVE MANNER TO
EXISTING AND FUTURE CONSUMERS WITHIN THE BOUNDRIES OF THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 3:

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

FORM 990, PART VI, SECTION A, LINE 7A:

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, SECTION B, LINE 11B:

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, SECTION B, LINE 12C:

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 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.

Name of the organization MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Employer identification number 33-0601459

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE BUSINESS ADDRESS DURING NORMAL BUSINESS HOURS.

DRAFT

**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.

OMB No. 1545-0047

2016

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

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) Section 512(b)(13) controlled entity?	
						Yes	No
MOULTON NIGUEL WATER DISTRICT - 95-2377983 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677	WATER DISTRICT	CALIFORNIA	115				X

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

Schedule R (Form 990) 2016

**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

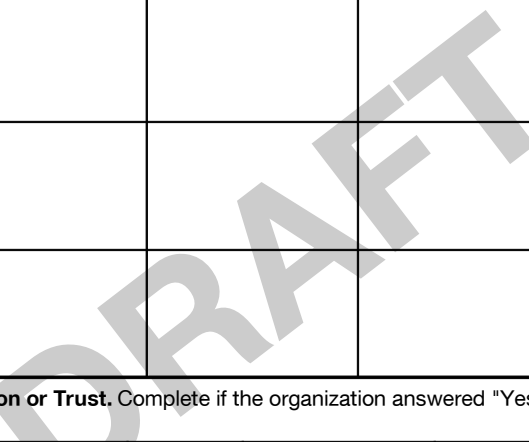
Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(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	

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) Section 512(b)(13) controlled entity?	
								Yes	No

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**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		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	4,086,450.	ACTUAL AMOUNT
(2) MOULTON NIGUEL WATER DISTRICT	P	4,086,450.	ACTUAL AMOUNT
(3)			
(4)			
(5)			
(6)			

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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 sections 512-514)	(e) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

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#4.

MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION

Schedule R (Form 990) 2016

33-0601459 Page 5

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Lined area for supplemental information with a large diagonal 'DRAFT' watermark.

Form **8868**
(Rev. January 2017)

Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

► **File a separate application for each return.**

► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION	Employer identification number (EIN) or 33-0601459
	Number, street, and room or suite no. If a P.O. box, see instructions. 27500 LA PAZ RD	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LAGUNA NIGUEL, CA 92677-3402	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

MATT COLLINGS

• The books are in the care of ► **27500 LA PAZ RD - LAGUNA NIGUEL, CA 92677-3402**
Telephone No. ► **909-448-4032** Fax No. ► _____

• If the organization does not have an office or place of business in the United States, check this box
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **MAY 15, 2018**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► calendar year _____ or
► tax year beginning **JUL 1, 2016**, and ending **JUN 30, 2017**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 1-2017)

#4.

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 9.x products and later products, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

STATE COPY

DRAFT

TAXABLE YEAR

2016

California Exempt Organization Annual Information Return

199

Calendar Year 2016 or fiscal year beginning (mm/dd/yyyy) **07/01/2016**, and ending (mm/dd/yyyy) **06/30/2017**

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 RD

PMB no.

City
LAGUNA NIGUEL

State
CA ZIP code
92677-3402

Foreign country name

Foreign province/state/country

Foreign postal code

- A** First Return Yes No
- B** Amended Return Yes No
- C** IRC Section 4947(a)(1) trust Yes No
- D** Final Information Return?
 - Dissolved Surrendered (Withdrawn) Merged/Reorganized
 - Enter date: (mm/dd/yyyy)
- E** Check accounting method: (1) Cash (2) Accrual (3) Other
- F** Federal return filed? (1) 990T (2) 990-PF (3) Sch H (990) (4) Other 990 series
- G** Is this a group filing? See instructions Yes No
- H** Is this organization in a group exemption Yes No
If "Yes," what is the parent's name?
- I** Did the organization have any changes to its guidelines not reported to the FTB? See instructions Yes No

- J** If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. Yes No
- K** Is the organization exempt under R&TC Section 23701g? Yes No
If "Yes," enter the gross receipts from nonmember sources \$ _____
- L** If organization is exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required.
- M** Is the organization a Limited Liability Company? Yes No
- N** Did the organization file Form 100 or Form 109 to report taxable income? Yes No
- O** Is the organization under audit by the IRS or has the IRS audited in a prior year? Yes No
- P** Is a federal Form 1023/1024 pending? Yes No
Date filed with IRS _____

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

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	4,086,450.00
	2	Gross dues and assessments from members and affiliates	2	00
	3	Gross contributions, gifts, grants, and similar amounts received	3	00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Instruction B	4	4,086,450.00
	5	Cost of goods sold	5	00
	6	Cost or other basis, and sales expenses of assets sold	6	00
	7	Total costs. Add line 5 and line 6	7	00
	8	Total gross income. Subtract line 7 from line 4	8	4,086,450.00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	4,086,450.00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	00
Filing Fee	11	Total payments	11	00
	12	Use tax. See General Instruction K	12	00
	13	Payment balance. If line 11 is more than line 12, subtract line 12 from line 11	13	00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14	00
	15	Filing fee \$10 or \$25. See General Instruction F	15	10.00
	16	Penalties and Interest. See General Instruction J	16	00
	17	Balance due. Add line 12, line 15, and line 16. Then subtract line 11 from the result	17	10.00

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
Signature of officer **TREASURER** Title Date **909-448-4032** Telephone

Paid Preparer's Use Only
Preparer's signature Date Check if self-employed **P01294460** PTIN

Firm's name (or yours, if self-employed) and address **VAVRINEK, TRINE, DAY & CO., LLP** Telephone **95-2648289**
10681 FOOTHILL BLVD SUITE 300
RANCHO CUCAMONGA, CA 91730 Telephone **909-466-4410**

May the FTB discuss this return with the preparer shown above? See instructions Yes No

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.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1	00	
	2	Interest	•	2	00	
	3	Dividends	•	3	00	
	4	Gross rents	•	4	00	
	5	Gross royalties	•	5	00	
	6	Gross amount received from sale of assets (See Instructions)	•	6	00	
	7	Other income	•	7	4,086,450.00	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	4,086,450.00	
	9	Contributions, gifts, grants, and similar amounts paid	•	9	00	
	10	Disbursements to or for members	•	10	00	
	11	Compensation of officers, directors, and trustees	•	11	0.00	
	12	Other salaries and wages	•	12	00	
	Expenses and Disbursements	13	Interest	•	13	4,086,450.00
		14	Taxes	•	14	00
		15	Rents	•	15	00
		16	Depreciation and depletion (See instructions)	•	16	00
		17	Other Expenses and Disbursements	•	17	00
		18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	4,086,450.00

Schedule L Balance Sheet	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				•
2 Net accounts receivable		1,416,725.		• 1,391,992.
3 Net notes receivable STMT 3		63,928,642.		• 61,946,234.
4 Inventories				•
5 Federal and state government obligations				•
6 Investments in other bonds				•
7 Investments in stock				•
8 Mortgage loans				•
9 Other investments				•
10 a Depreciable assets				
b Less accumulated depreciation	()		()	
11 Land				•
12 Other assets				•
13 Total assets		65,345,367.		63,338,226.
Liabilities and net worth				
14 Accounts payable		1,416,725.		• 1,391,992.
15 Contributions, gifts, or grants payable				•
16 Bonds and notes payable STMT 4		63,928,642.		• 61,946,234.
17 Mortgages payable				•
18 Other liabilities				•
19 Capital stock or principal fund				•
20 Paid-in or capital surplus. Attach reconciliation				•
21 Retained earnings or income fund				•
22 Total liabilities and net worth		65,345,367.		63,338,226.

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

FORM 199	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
COP INTEREST INCOME		4,086,450.	
TOTAL TO FORM 199, PART II, LINE 7		4,086,450.	

FORM 199	COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES	STATEMENT	2
----------	--	-----------	---

NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
RICHARD S FIORE 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	DIRECTOR 1.00	0.
SCOTT F COLTON 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	DIRECTOR 1.00	0.
DONALD FROELICH 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	VICE PRESIDENT 1.00	0.
LARRY R LIZOTTE 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	DIRECTOR 1.00	0.
BRIAN S PROBOLSKY 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	PRESIDENT 1.00	0.
DUANE D CAVE 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	DIRECTOR 1.00	0.
GARY R KURTZ 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677-3402	DIRECTOR 1.00	0.
TOTAL TO FORM 199, PART II, LINE 11		0.

FORM 199	NET NOTES RECEIVABLE	STATEMENT	3
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
NOTES AND LOANS RECEIVABLE, NET	63,928,642.	61,946,234.	
TOTAL TO FORM 199, SCHEDULE L, LINE 3	63,928,642.	61,946,234.	

FORM 199	BONDS AND NOTES PAYABLE	STATEMENT	4
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
TAX-EXEMPT BONDS LIABILITIES	63,928,642.	61,946,234.	
TOTAL TO FORM 199, SCHEDULE L, LINE 16	63,928,642.	61,946,234.	

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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 "2016 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: **Corporations - File and Pay by the 15th day of the 4th month following the close of the taxable year.**
S corporations - File and Pay by the 15th day of the 3rd month following the close of the taxable year.
Exempt organizations - File and Pay by the 15th day of the 5th month following the close of the taxable year.
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.
Due to the federal Emancipation Day holiday observed on April 17, 2017, tax returns filed and payments mailed or submitted on April 18, 2017, will be considered timely.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

639035 12-08-16

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

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

TAXABLE YEAR **2016** **Payment Voucher for Corporations and Exempt Organizations e-filed Returns**

CALIFORNIA FORM **3586 (e-file)**

0000000 MOUL 33-0601459 1844749 16 FORM 3
TYB 07-01-2016 TYE 06-30-2017
MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

27500 LA PAZ RD
LAGUNA NIGUEL CA 92677-3402

(949) 448-4032

Amount of Payment 10.

TAXABLE YEAR
2016

California e-file Return Authorization for Exempt Organizations

FORM
8453-EO

Exempt Organization name MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION	Identifying number 33-0601459
--	---

Part I Electronic Return Information (whole dollars only)

1 Total gross receipts (Form 199, line 4)	1	4,086,450.00
2 Total gross income (Form 199, line 8)	2	4,086,450.00
3 Total expenses and disbursements (Form 199, line 9)	3	4,086,450.00

Part II Settle Your Account Electronically for Taxable Year 2016

4 <input type="checkbox"/> 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 _____	7 Type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
6 Account number _____	

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 2016 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 _____	TREASURER	Title _____
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Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer.

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, 2016 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.

ERO Must Sign	ERO's signature _____	Date _____	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN _____
	Firm's name (or yours if self-employed) and address	VAVRINEK, TRINE, DAY & CO., LLP			FEIN 95-2648289
		10681 FOOTHILL BLVD SUITE 300			ZIP code 91730
		RANCHO CUCAMONGA, CA			

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.

Paid Preparer Must Sign	Paid preparer's signature _____	Date _____	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN P01294460
	Firm's name (or yours if self-employed) and address	VAVRINEK, TRINE, DAY & CO., LLP		
		10681 FOOTHILL BLVD SUITE 300		
		RANCHO CUCAMONGA, CA		
			FEIN 95-2648289	
			ZIP code 91730	

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

WEB SITE ADDRESS:
http://ag.ca.gov/charities/

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.

State Charity Registration Number: CT 092061
MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION
27500 LA PAZ RD
LAGUNA NIGUEL, CA 92677-3402
Check if:
Change of address
Amended report
Corporate or Organization No. 1844749
Federal Employer I.D. No. 33-0601459

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

Table with 6 columns: Gross Annual Revenue, Fee, Gross Annual Revenue, Fee, Gross Annual Revenue, Fee. Rows include categories like 'Less than \$25,000', 'Between \$25,000 and \$100,000', etc.

PART A - ACTIVITIES
For your most recent full accounting period (beginning 07/01/2016 ending 06/30/2017) list:
Gross annual revenue \$ 4,086,450. Total assets \$ 63,338,226.

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.

Table with 3 columns: Question, Yes, No. Contains 9 numbered questions regarding financial transactions, theft, expenditures, penalties, fundraisers, government funding, raffles, and vehicle donation programs.

Organization's area code and telephone number 949-448-4032
Organization's e-mail address

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

FORM RRF-1

INFORMATION REGARDING GOVERNMENT FUNDING
PART B, LINE 6

STATEMENT 5

MOULTON NIGUEL WATER DISTRICT
27500 LA PAZ RD
LAGUNA NIGUEL, CA 92677-3402

DRAFT

Form 8868 (Rev. January 2017)

Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury Internal Revenue Service

File a separate application for each return.

Information about Form 8868 and its instructions is at www.irs.gov/form8868 .

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Form with fields for Type or print, Name of exempt organization (MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION), Employer identification number (EIN) (33-0601459), Number, street, and room or suite no. (27500 LA PAZ RD), Social security number (SSN), and City, town or post office, state, and ZIP code (LAGUNA NIGUEL, CA 92677-3402).

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Table with 4 columns: Application Is For, Return Code, Application Is For, Return Code. Rows include Form 990 or Form 990-EZ, Form 990-BL, Form 4720 (individual), Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), and Form 990-T (trust other than above).

MATT COLLINGS

The books are in the care of 27500 LA PAZ RD - LAGUNA NIGUEL, CA 92677-3402 Telephone No. 909-448-4032 Fax No.

- If the organization does not have an office or place of business in the United States, check this box. If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN).

1 I request an automatic 6-month extension of time until MAY 15, 2018, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

calendar year or tax year beginning JUL 1, 2016, and ending JUN 30, 2017.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

Table with 3 columns: Description, 3a, 3b, 3c. Rows include tentative tax, refundable credits, and balance due.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2017)

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2016

Department of the Treasury
Internal Revenue Service

- ▶ 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.

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning **JUL 1, 2016** and ending **JUN 30, 2017**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION		D Employer identification number 33-0601459
	Doing business as		E Telephone number 949-448-4032
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	27500 LA PAZ RD		G Gross receipts \$ 4,086,450.
	City or town, state or province, country, and ZIP or foreign postal code LAGUNA NIGUEL, CA 92677-3402		
F Name and address of principal officer: MATT COLLINGS SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (4) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.MNWD.COM		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
		L Year of formation: 1993	M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION WAS ESTABLISHED TO FINANCE THE ACQUISITION AND CONSTRUCTION OF WATER FACILITIES IN		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,995,523.	4,086,450.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,995,523.	4,086,450.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,995,523.	4,086,450.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,995,523.	4,086,450.	
19 Revenue less expenses. Subtract line 18 from line 12	0.	0.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	65,345,367.	63,338,226.
	22 Net assets or fund balances. Subtract line 21 from line 20	65,345,367.	63,338,226.

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		Date	
	MATT COLLINGS, TREASURER Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name CATHERINE L. GRAY	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN P01294460
	Firm's name ▶ VAVRINEK, TRINE, DAY & CO., LLP	Firm's EIN ▶ 95-2648289		Phone no. 909-466-4410
Firm's address ▶ 10681 FOOTHILL BLVD SUITE 300 RANCHO CUCAMONGA, CA 91730				

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

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

33-0601459 Page 2

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 BOUNDRIES 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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

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 \$ 4,086,450. including grants of \$) (Revenue \$ 4,086,450.) 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 4,086,450.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 1-19 contain various questions about organizational status and reporting requirements.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Part IV Checklist of Required Schedules (continued)

Table with columns for question ID, question text, Yes, and No. Rows include questions 20a through 38, covering topics like hospital facilities, financial statements, grants, compensation, tax-exempt bonds, and controlled entities.

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 question number, description, and Yes/No boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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 of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 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: a The governing body? b 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.; 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; 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; 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.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: MATT COLLINGS - 909-448-4032 27500 LA PAZ RD, LAGUNA NIGUEL, CA 92677-3402

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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

1a 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... List all of the organization's current key employees... List the organization's five current highest compensated employees... List all of the organization's former officers... List all of the organization's former directors or trustees...

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.

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes entries for RICHARD S FIORE, SCOTT F COLTON, DONALD FROELICH, LARRY R LIZOTTE, BRIAN S PROBOLSKY, DUANE D CAVE, and GARY R KURTZ.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Includes sub-totals for lines 1b, 1c, and 1d.

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

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

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.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Includes a 'NONE' entry in column A.

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

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f					
Program Service Revenue			Business Code				
	2 a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
g	Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)					
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real	(ii) Personal			
		Less: rental expenses					
		Rental income or (loss)					
		Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		Less: cost or other basis and sales expenses					
		Gain or (loss)					
		Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		Less: direct expenses	b				
		Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
Less: direct expenses		b					
Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	a					
	Less: cost of goods sold	b					
	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a	COP INTEREST INCOME	900099	4,086,450.	4,086,450.			
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		4,086,450.				
12	Total revenue. See instructions.		4,086,450.	4,086,450.	0.	0.	

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

33-0601459 Page 10

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

Table with 5 columns: (A) Total expenses, (B) Program service expenses, (C) Management and general expenses, (D) Fundraising expenses. Rows include categories like Grants, Salaries, and Total functional expenses.

MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,416,725.	4	1,391,992.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	63,928,642.	7	61,946,234.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b	10c	
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	65,345,367.	16	63,338,226.	
Liabilities	17 Accounts payable and accrued expenses	1,416,725.	17	1,391,992.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	63,928,642.	20	61,946,234.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 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		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 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		25	
	26 Total liabilities. Add lines 17 through 25	65,345,367.	26	63,338,226.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	0.	32	0.
33 Total net assets or fund balances	0.	33	0.	
34 Total liabilities and net assets/fund balances	65,345,367.	34	63,338,226.	

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Form 990 (2016)

33-0601459 Page 12

Part XI Reconciliation of Net Assets

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

Table with 10 rows for reconciliation of net assets. Line 1: Total revenue 4,086,450. Line 2: Total expenses 4,086,450. Line 3: Revenue less expenses 0. Line 4: Net assets at beginning of year 0. Line 5: Net unrealized gains 0. Line 6: Donated services 0. Line 7: Investment expenses 0. Line 8: Prior period adjustments 0. Line 9: Other changes 0. Line 10: Net assets at end of year 0.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: [X] Accrual
2a Were the organization's financial statements compiled or reviewed by an independent accountant? [X]
b Were the organization's financial statements audited by an independent accountant? [X]
c 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]
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]
b 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

Table with 3 columns: Question, Yes, No. Rows 2a, 2b, 2c, 3a, 3b with 'X' marks in the Yes or No columns.

Form 990 (2016)

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2016

Open to Public Inspection

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

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" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number and acreage, number of easements on historic structures, and monitoring details.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include reporting requirements for art and historical treasures.

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Schedule D (Form 990) 2016

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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?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

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

Table with columns for Amount and rows for 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

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

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

Table with columns (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back and rows 1a-1g for various endowment fund metrics.

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 on lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations, (ii) related organizations

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

Small table with columns Yes, No and rows 3a(i), 3a(ii), 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Table with columns (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value and rows 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other.

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

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on 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 (H), and Total.

Part VIII Investments - Program Related.

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

Table with 3 columns: (a) Description of investment, (b) Book value, (c) Method of valuation. Rows include (1) through (9) and Total.

Part IX Other Assets.

Complete if the organization answered "Yes" on 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 (9) and Total.

Part X Other Liabilities.

Complete if the organization answered "Yes" on 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. Row 1 includes (1) Federal income taxes, (2) through (9), 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

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total revenue reported as 4,086,450.

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

Table with 5 main rows and sub-rows (a-e) for adjustments. Total expenses reported as 4,086,450.

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.

Multiple horizontal lines provided for entering supplemental 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.

OMB No. 1545-0047

2016 Open to Public Inspection

Name of the organization MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION Employer identification number 33-0601459

Table with 11 columns: (a) Issuer name, (b) Issuer EIN, (c) CUSIP #, (d) Date issued, (e) Issue price, (f) Description of purpose, (g) Defeased (Yes/No), (h) On behalf of issuer (Yes/No), (i) Pooled financing (Yes/No). Rows include A MNWD PFC and B MNWD PFC.

Table with 13 rows and 8 columns (A-D) for proceeds. Rows include 1 Amount of bonds retired, 2 Amount of bonds legally defeased, 3 Total proceeds of issue, 4 Gross proceeds in reserve funds, 5 Capitalized interest from proceeds, 6 Proceeds in refunding escrows, 7 Issuance costs from proceeds, 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, 14-17 questions about bond issuance and record keeping.

Table with 2 rows and 8 columns (A-D) for private business use. Row 1: Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? Row 2: Are there any lease arrangements that may result in private business use of bond-financed property?

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**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
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?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d 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?								
4 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		%		%		%		%
5 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		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 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
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X				
b Exception to rebate?		X		X				
c No rebate due?		X		X				
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

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MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Part IV Arbitrage (Continued)

Table with 4 main columns (A, B, C, D) and 2 sub-columns (Yes, No). Rows include questions about guaranteed investment contracts (GIC) and gross proceeds.

Part V Procedures To Undertake Corrective Action

Table with 4 main columns (A, B, C, D) and 2 sub-columns (Yes, No). Row asks about written procedures to ensure timely identification and correction of federal tax requirements.

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

Multiple horizontal lines for providing supplemental information.

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Employer identification number
33-0601459

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ORDER TO PROVIDE SERVICE IN AN EFFICIENT AND COST EFFECTIVE MANNER TO EXISTING AND FUTURE CONSUMERS WITHIN THE BOUNDRIES OF THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 3:

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

FORM 990, PART VI, SECTION A, LINE 7A:

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, SECTION B, LINE 11B:

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, SECTION B, LINE 12C:

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 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.

#4.

Name of the organization MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

Employer identification number 33-0601459

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE BUSINESS ADDRESS DURING NORMAL BUSINESS HOURS.

DRAFT

**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.

OMB No. 1545-0047

2016

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

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) Section 512(b)(13) controlled entity?	
						Yes	No
MOULTON NIGUEL WATER DISTRICT - 95-2377983 27500 LA PAZ RD LAGUNA NIGUEL, CA 92677	WATER DISTRICT	CALIFORNIA	115				X

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

Schedule R (Form 990) 2016

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**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

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	

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) Section 512(b)(13) controlled entity?	
								Yes	No

**MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION**

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?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		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	4,086,450.	ACTUAL AMOUNT
(2) MOULTON NIGUEL WATER DISTRICT	P	4,086,450.	ACTUAL AMOUNT
(3)			
(4)			
(5)			
(6)			

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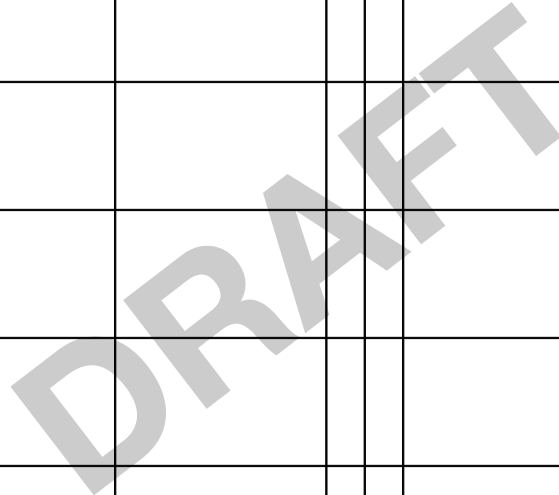
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MOULTON NIGUEL WATER DISTRICT PUBLIC FACILITIES CORPORATION

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.

Table with 11 main columns: (a) Name, address, and EIN of entity; (b) Primary activity; (c) Legal domicile; (d) Predominant income; (e) Are all partners sec. 501(c)(3) orgs.?; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations?; (i) Code V-UBI amount; (j) General or managing partner?; (k) Percentage ownership.



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MOULTON NIGUEL WATER DISTRICT PUBLIC
FACILITIES CORPORATION

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

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