



**March Joint Powers Commission
of the
March Joint Powers Authority**

City of Moreno Valley ♦ City of Perris ♦ City of Riverside ♦ County of Riverside

Memorandum

Date: October 2, 2024
From: Cindy Camargo
Subject: **Matter(s) Subsequent to Posting Agenda –
JPC Agenda Item 9(3)**

The attached Independent Auditor's Report letter is provided as part of the audit report.

Thank you.

Independent Auditor's Report

To the Board of Commissioners
March Joint Powers Authority
Riverside, California

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of March Joint Powers Authority (the Authority), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Meridian LLMD No. 1	Unmodified
March Lifecare Campus CFD 2013-1	Unmodified
March Inland Port Airport Authority	Qualified
Green Acres	Unmodified
Golf Course	Unmodified
Utilities Authority	Unmodified

Unmodified Opinions on General Fund, Meridian LLMD No. 1 Fund, March Lifecare Campus CFD 2013-1 Fund, Green Acres Fund, Golf Course Fund, and Utility Authority Fund

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund, Meridian LLMD No. 1 Fund, March Lifecare Campus CFD 2013-1 Fund, Green Acres Fund, Golf Course Fund, and the Utility Authority Fund, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions on Governmental Activities, Business-Type Activities, March Inland Port Airport Authority Fund, and Utilities Authority Fund

In our opinion, except for the effects, of the matter described in the Basis for Qualified and Unmodified Opinions section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, the March Inland Port Airport Authority Fund, and the Utilities Authority Fund of the Authority as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinions on Governmental Activities, Business-Type Activities and March Inland Port Airport Authority Fund

We were unable to obtain sufficient appropriate audit evidence to support the amounts recorded as Land in the financial statements. Management does not have sufficient detail in its accounting records to support the balance of Land recorded in the financial statements. Accounting principles generally accepted in the United States of America require that capital assets are recorded at historical cost. A detailed list of land parcels was available, however, a detail of historical value estimates was not available for review for the land parcels.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No.96, Subscription-Based Information Technology Arrangements, for the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability and related ratios as of the measurement date, the schedule of pension plan contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of OPEB plan contributions and budgetary comparison schedules for the General Fund and major special revenue funds as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to

our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September XX, 2024, on our consideration of the Authority'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 solely 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 the effectiveness of 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 Authority's internal control over financial reporting and compliance.

Irvine, California
September XX, 2024