MARCH JOINT POWERS AUTHORITY

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2023

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MARCH JOINT POWERS AUTHORITY
ANNUAL FINANCIAL REPORT

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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

Opinion Unit	***Type of Opinion***
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
Aggregate Remaining	Unmodified

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

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 October 4, 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.

Davis Farr LLP

Irvine, California
October 4, 2024

As management of the March Joint Powers Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here.

Financial Highlights

- The assets and the deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $200,933,560 (net position). Of this amount, $40,089,420 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- The Authority's total net position decreased by $9,461,427. This is mostly due to a $13,866,179 land transfer to developers.

- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of $34,918,521, an increase of $997,231 in comparison with the prior year. Approximately 68% of this amount ($23,846,029) is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was $23,846,029 or approximately 494% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. *The government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the Authority include only general government activities. The business-type activities of the Authority include the March Inland Port Airport Authority, Green Acres, Golf Course and the Utilities Authority operations.

The government-wide financial statements include not only the Authority (known as the primary government), but also two legally separate entities, the March Inland Port Airport Authority and the March Joint Powers Utilities Authority. The Authority is financially accountable for these entities and therefore has been included as an integral part of the primary government as blended component units.

Please see the table of contents for the location of the government-wide financial statements within this document.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Meridian LLMD No. 1 Fund, and the March Lifecare Campus CFD 2013-1 Fund, which are presented as major funds.

The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Please see the table of contents for the location of the governmental fund financial statements within this document.

Proprietary Funds. The Authority maintains only one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses enterprise funds to account for its March Inland Port Airport Authority, Green Acres, Golf Course and March Joint Powers Utilities Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the March Inland Port Airport Authority, Green Acres, Golf Course and March Joint Powers Utilities Authority, all of which are considered are presented as major funds of the Authority.

Please see the table of contents for the location of the proprietary fund financial statements within this document.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Authority maintains one type of fiduciary fund. The Private-purpose trust fund is used to report resources held in trust for the Successor Agency of the former Redevelopment Agency.

Please see the table of contents for the location of the fiduciary fund financial statements within this document.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Please see the table of contents for the location of the notes to financial statements within this document.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's proportionate share of the net pension liability, schedule of pension plan contributions, schedule of changes in the net OPEB liability and related ratios, schedule of OPEB plan contributions and budget to actual schedules of the General Fund and major special revenue funds. Please see the table of contents for the location of the required supplementary information within this document.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $200,933,560 at the close of the most recent fiscal year.

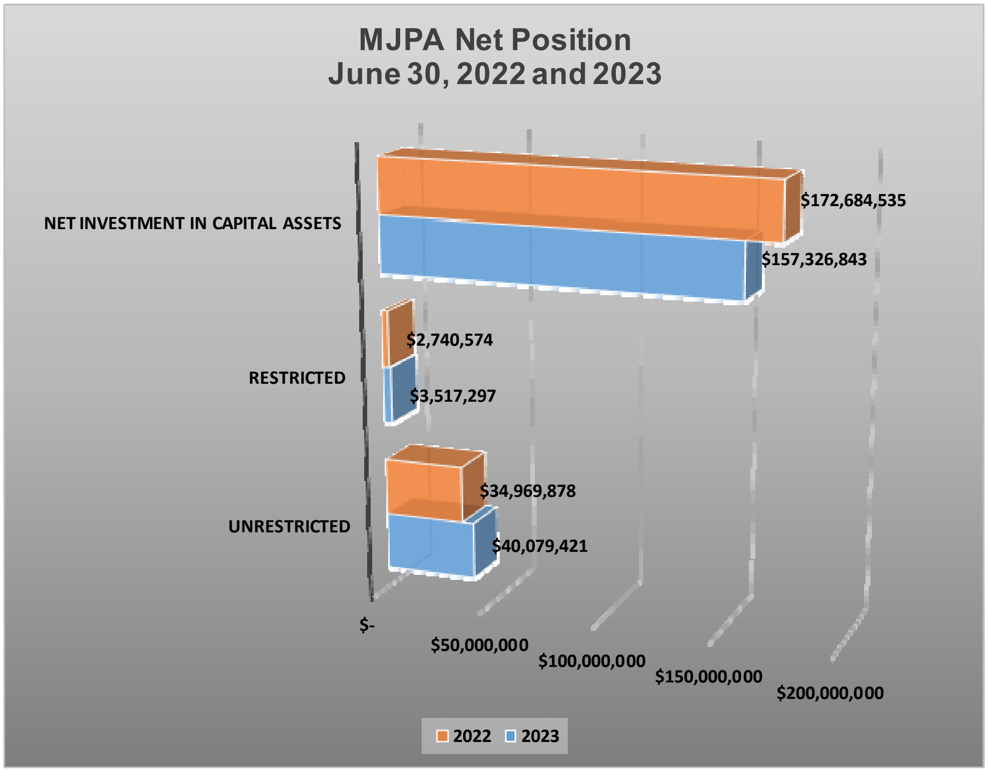
The Authority's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 54,636,540	$ 42,823,653	$ 90,963,207	$ 17,945,612	$ 145,599,747	$ 60,769,265
Internal balances	6,824,190	3,137,896	(6,824,190)	(3,137,896)	-	-
Capital assets	92,321,222	106,588,830	65,005,621	66,095,705	157,326,843	172,684,535
Total assets	153,781,952	152,550,379	149,144,638	80,903,421	302,926,590	233,453,800
Total deferred outflows of resources	973,819	505,286	553,398	318,180	1,527,217	823,466
Long-term liabilities	1,814,991	725,715	1,049,053	2,494,213	2,864,044	3,219,928
Other liabilities	21,631,981	10,034,843	940,968	2,218,179	22,572,949	12,253,022
Total liabilities	23,446,972	10,760,558	1,990,021	4,712,392	25,436,993	15,472,950
Total deferred inflows of resources	1,533,278	2,347,973	76,559,975	6,027,399	78,093,253	8,375,372
Net position:						
Net investment in capital assets	92,321,222	106,588,830	65,005,621	66,095,705	157,326,843	172,684,535
Restricted	3,517,297	2,740,574	-	-	3,517,297	2,740,574
Unrestricted	33,937,002	30,617,730	6,142,419	4,352,148	40,079,421	34,969,878
Total net position	$ 129,775,521	$ 139,947,134	$ 71,148,040	$ 70,447,853	$ 200,923,561	$ 210,394,987

By far the largest portion of the Authority's net position (78.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment, vehicles, and infrastructure), less any related debt that was used to acquire those assets. The Authority uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position (1.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $40,089,420 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, except for the business-type activities unrestricted net position. The same situation held true for the prior fiscal year.



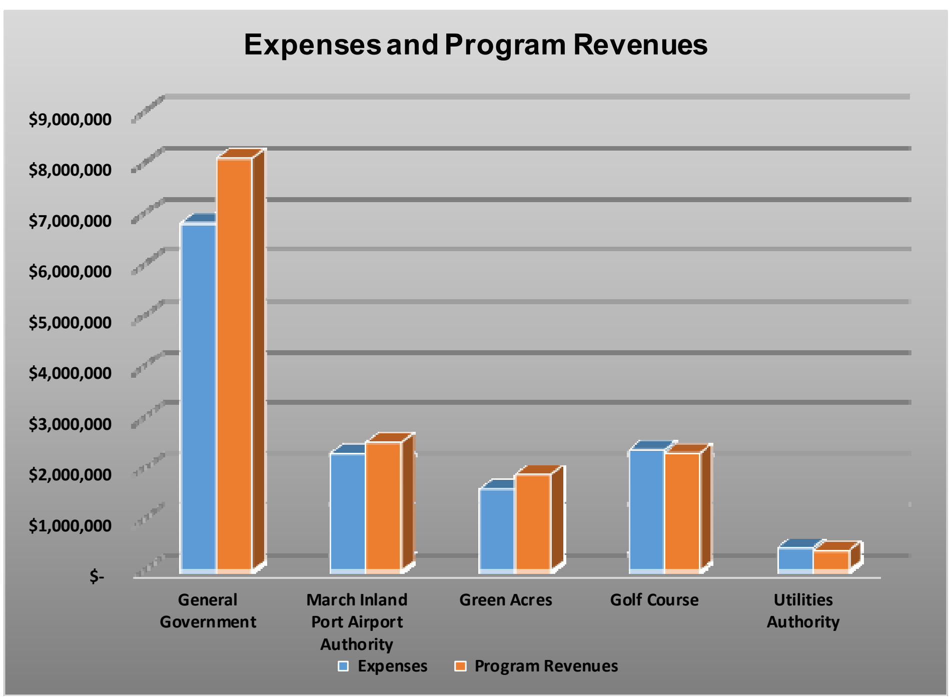
The Authority's overall net position decreased $9,461,427 from the prior fiscal year. The reasons for this overall decrease is discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased $10,161,613 from the prior fiscal year for an ending balance of $129,785,521. This is mostly due to a $13,866,179 transfer of land to developers.

Business-type Activities. For the Authority's business-type activities, the results for the current fiscal year were positive in that overall net position had an ending balance of $71,148,039. The total increase in net position for business-type activities was $700,186 or .99% from the prior fiscal year. The Airport Authority had an increase in net position of $543,938 mostly due to new grant revenue. Green Acres also increased $271,727 due to lower utility and repairs and maintenance costs ($98,301 and $82,241, respectively) and an increase in investment earnings of $92,323. The Golf Course had a decrease in net position of $58,512 due to a $36,171 decrease in charges for services and an increase in operating costs of $184,556. The Utility Authority had a decrease in net position of $56,967 similar to prior years.

The Authority's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 8,094,767	$ 4,719,116	$ 6,162,298	$ 5,933,045	$ 14,257,065	$ 10,652,161
Capital grants and contributions	-	278,179	883,576	512,271	883,576	790,450
General revenues:						
Taxes	1,624,316	600,000	-	-	1,624,316	600,000
Investment earnings	382,833	35,993	331,648	16,240	714,481	52,233
Gain on sale of capital assets	-	-	-	2,000,000	-	2,000,000
Other	2,045,056	576,388	-	-	2,045,056	576,388
Total revenues	12,146,972	6,209,676	7,377,522	8,461,556	19,524,494	14,671,232
Expenses:						
General government	6,818,585	5,536,717	-	-	6,818,585	5,536,717
March Inland Port Airport Authority	-	-	2,294,425	2,271,040	2,294,425	2,271,040
Green Acres	-	-	1,596,625	1,754,531	1,596,625	1,754,531
Golf Course	-	-	2,360,433	2,175,877	2,360,433	2,175,877
Utilities Authority	-	-	425,852	231,820	425,852	231,820
Total expenses	6,818,585	5,536,717	6,677,335	6,433,268	13,495,920	11,969,985
Increase (decrease) in net position before transfers	5,328,387	672,959	700,187	2,028,288	6,028,574	2,701,247
Contributions to members	(15,500,000)	-	-	-	(15,500,000)	-
Increase (decrease) in net position	(10,171,613)	672,959	700,187	2,028,288	(9,471,426)	2,701,247
Net position, beginning	139,947,134	139,274,175	70,447,853	68,419,565	210,394,987	207,693,740
Net position, ending	$ 129,775,521	$ 139,947,134	$ 71,148,040	$ 70,447,853	$ 200,923,561	$ 210,394,987

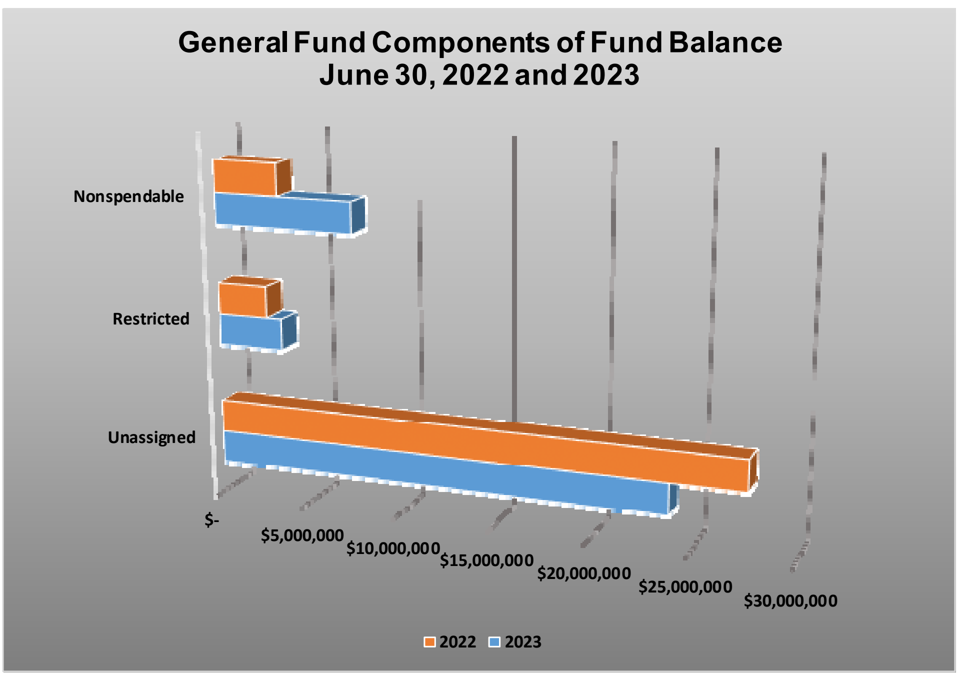


Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Authority itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Authority's Board of Commissioners.

As of June 30, 2023, the Authority's governmental funds reported combined fund balances of $34,918,521, an increase of $997,231 in comparison with the prior year. Approximately 68% of this amount ($23,846,029) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form ($7,555,195) or 2) restricted for particular purposes ($3,517,297).



The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was $23,846,029, while total fund balance increased to $31,401,224. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 494% of total General Fund expenditures, while total fund balance represents approximately 650% of that same amount.

The fund balance of the Authority's General Fund increased by $220,508 during the current fiscal year. This is primarily due to an increase in Taxes revenue of $1,024,316. In addition, total expenditures increased by $574,360.

The Meridian LLMD No. 1 Fund, a major fund, had a $788,781 increase in fund balance during the current fiscal year to bring the year end fund balance to $3,337,930. This is mostly due to the District receiving more Special Assessments ($212,750 increase over prior year). Also, expenditures increased by $336,596.

The March Lifecare Campus CFD 2013-1 Fund had a slight decrease in fund balance during the current year of $12,058 to bring the year end fund balance to $179,367. This is mostly due to higher expenditures.

Proprietary Funds. The Authority's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the March Inland Port Airport Authority at the end of the year was $4,145,657, Green Acres was $4,072,120, the Golf Course was ($1,792,797) and the Utilities Authority was ($282,562). The total increase, (decrease) in net position from operations for March Inland Port Airport Authority was $543,938 (primarily from grant revenue), Green Acres $271,727, Golf Course ($58,512) and Utilities Authority ($56,967).

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. The Authority adopts budgets that cover two fiscal years. For the 2023 fiscal year, there were amendments to the expenditure budget, increasing budgeted expenditures by $47,833.

Taxes came in $354,316 higher than expected while licenses, permits and fees were lower than estimated. These revenues are based solely on the amount of redevelopment activity in the given year. Investment earnings were more than estimated due to investments performing better than expected throughout the fiscal year.

A review of actual expenditures compared to the appropriations in the final budget had significant variances. Appropriations of $531,630 for administration were exceeded by the actual expenditures by $774,169. Planning appropriations of $1,528,500 were higher than actual costs by $702,201, the this is due to the timing of development activity being less than what is forecasted at the time the budget was made.

Capital Asset and Debt Administration

Capital Assets. The Authority's investment in capital assets for its governmental and business type activities as of June 30, 2023, amounts to $157,326,843 (net of accumulated depreciation). This investment in capital assets includes land, beverage rights, construction in progress, vehicles, office furniture and equipment, building and improvements, and infrastructure. The total decrease in capital assets for the current fiscal year was approximately 13.38% and was due to a transfer of land to developers ($13,866,179).

The Authority's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 86,366,661	$ 100,232,840	$ 37,480,265	$ 37,480,265	$ 123,846,926	$ 137,713,105
Beverage rights	-	-	17,518	17,518	17,518	17,518
Construction in progress	-	46,118	-	-	-	46,118
Vehicles	6,614	11,022	20,342	36,352	26,956	47,374
Office furniture and equipment	24,204	28,952	66,730	71,141	90,934	100,093
Building and improvements	5,653,999	5,910,277	25,873,301	26,912,987	31,527,300	32,823,264
Infrastructure	269,744	359,621	1,547,465	1,582,635	1,817,209	1,942,256
Total	$ 92,321,222	$ 106,588,830	$ 65,005,621	$ 66,100,898	$ 157,326,843	$ 172,689,728

Other Long-term obligations.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Compensated absences	$ 155,721	$ 83,114	$ 125,087	$ 142,848	$ 280,808	$ 225,962
Net pension liability	1,638,901	652,216	921,882	366,871	2,560,783	1,019,087
Net OPEB liability/(asset)	59,299	11,164	33,356	6,280	92,655	17,444
Total	$ 1,853,921	$ 746,494	$ 1,080,325	$ 515,999	$ 2,934,246	$ 1,262,493

Other long-term obligations increased by $1,671,753, primarily due to an increase of $1,541,696 for the net pension liability.

Economic Factors and Next Year's Budgets and Rates:

The following economic factors currently affect the Authority and were considered in developing the 2023-24 fiscal year budget:

- Upcoming land use sunsetting.
- West March planning and permitting.
- Airport master planning and capital improvement projects.
- Full occupancy of Airport parcel D-2.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

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MARCH JOINT POWERS AUTHORITY
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 43,872,312	$ 14,134,608	$ 58,006,920
Restricted cash and investments	4,139,775	-	4,139,775
Receivables:			
Accounts	4,461,827	163,225	4,625,052
Grants	-	134,307	134,307
Loans	81,180	-	81,180
Interest	-	-	-
Leases	1,349,158	76,456,408	77,805,566
Deposits	1,283	-	1,283
Due from Successor Agency	731,005	-	731,005
Internal balances	6,824,190	(6,824,190)	-
Inventory	-	74,659	74,659
Capital assets, not being depreciated	86,366,661	37,497,783	123,864,444
Capital assets, net of depreciation	5,954,561	27,507,838	33,462,399
Total assets	153,781,952	149,144,638	302,926,590
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	822,381	462,589	1,284,970
OPEB related items	151,438	90,809	242,247
Total deferred outflows of resources	973,819	553,398	1,527,217
LIABILITIES			
Accounts payable and accrued liabilities	16,778,568	515,317	17,293,885
Interest payable	-	-	-
Deposits and other liabilities	973,302	184,798	1,158,100
Unearned revenues	-	209,581	209,581
Liabilities payable from restricted assets:			
Other payables	3,841,181	-	3,841,181
Long-term liabilities:			
Due in one year	38,930	31,272	70,202
Due in more than one year	116,791	93,815	210,606
Net pension liability	1,638,901	921,882	2,560,783
Net OPEB liability	59,299	33,356	92,655
Total liabilities	23,446,972	1,990,021	25,436,993
DEFERRED INFLOWS OF RESOURCES			
Leases receivable related	1,349,158	76,456,408	77,805,566
Pension related items	106,141	59,704	165,845
OPEB related items	77,979	43,863	121,842
Total deferred inflows of resources	1,533,278	76,559,975	78,093,253
NET POSITION			
Net investment in capital assets	92,321,222	65,005,621	157,326,843
Restricted for maintenance and landscaping	3,517,297	-	3,517,297
Unrestricted	33,937,002	6,142,419	40,079,421
Total net position	$ 129,775,521	$ 71,148,040	$ 200,923,561

The accompanying notes are an integral part of the financial statements.

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MARCH JOINT POWERS AUTHORITY
Statement of Activities
Year Ended June 30, 2023

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
General government	$ 6,818,585	$ 8,094,767	$ -	$ -
Total governmental activities	6,818,585	8,094,767	-	-
Business-type activities:				
March Inland Port Airport Authority	2,294,425	1,620,611	-	883,576
Green Acres	1,596,625	1,870,881	-	-
Golf Course	2,360,433	2,301,921	-	-
Utilities Authority	425,852	368,885	-	-
Total business-type activities	6,677,335	6,162,298	-	883,576
Total primary government	$ 13,495,920	$ 14,257,065	$ -	$ 883,576

General revenues (expenses):
Taxes
Investment earnings
Other
Contributions to member agencies
Gain on sale of land

Total general revenues and transfers

Change in net position

Net Position
Beginning of year

End of year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ 1,276,182	$ -	$ 1,276,182
1,276,182	-	1,276,182
-	209,762	209,762
-	274,256	274,256
-	(58,512)	(58,512)
-	(56,967)	(56,967)
-	368,539	368,539
1,276,182	368,539	1,644,721
1,624,316	-	1,624,316
382,833	331,648	714,481
411,235	-	411,235
(15,500,000)	-	(15,500,000)
1,633,821	-	1,633,821
(11,447,795)	331,648	(11,116,147)
(10,171,613)	700,187	(9,471,426)
139,947,134	70,447,853	210,394,987
$ 129,775,521	$ 71,148,040	$ 200,923,561

MARCH JOINT POWERS AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue: Meridian LLMD No. 1	Special Revenue: March Lifecare Campus CFD 2013-1	Total
ASSETS				
Cash and investments	$ 40,084,826	$ 3,613,085	$ 174,401	$ 43,872,312
Restricted cash and investments	4,139,775	-	-	4,139,775
Receivables:				
Accounts	4,379,839	63,478	18,510	4,461,827
Loans	81,180	-	-	81,180
Interest	-	-	-	-
Leases	1,349,158	-	-	1,349,158
Deposits	1,283	-	-	1,283
Due from Successor Agency	731,005	-	-	731,005
Advances to other funds	6,824,190	-	-	6,824,190
Total assets	$ 57,591,256	$ 3,676,563	$ 192,911	$ 61,460,730
LIABILITIES				
Accounts payable and accrued liabilities	$ 16,433,765	$ 331,259	$ 13,544	$ 16,778,568
Deposits payable	965,928	7,374	-	973,302
Liabilities payable from restricted assets:				
Other payables	3,841,181	-	-	3,841,181
Total liabilities	21,240,874	338,633	13,544	21,593,051
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - intergovernmental	3,600,000	-	-	3,600,000
Leases receivable	1,349,158	-	-	1,349,158
Total deferred inflows of resources	4,949,158	-	-	4,949,158
FUND BALANCE				
Nonspendable:				
Long-term successor agency loans	731,005	-	-	731,005
Long-term advances to other funds	6,824,190	-	-	6,824,190
Restricted:				
Maintenance and landscaping	-	3,337,930	179,367	3,517,297
Unassigned	23,846,029	-	-	23,846,029
Total fund balances	31,401,224	3,337,930	179,367	34,918,521
Total liabilities, deferred inflows of resources and fund balances	$ 57,591,256	$ 3,676,563	$ 192,911	$ 61,460,730

The accompanying notes are an integral part of the financial statements.

MARCH JOINT POWERS AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds	$ 34,918,521
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.	92,321,222
Liabilities that are not due and payable in the current period and are not reported in the funds.	
Compensated absences	(155,721)
Net pension liability	(1,638,901)
Net OPEB liability	(59,299)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	3,600,000
Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.	
Pension related deferred outflows of resources	822,381
OPEB related deferred outflows of resources	151,438
Pension related deferred inflows of resources	(106,141)
OPEB related deferred inflows of resources	(77,979)
Net position of governmental activities	$ 129,775,521

The accompanying notes are an integral part of the financial statements.

MARCH JOINT POWERS AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General Fund	Special Revenue: Meridian LLMD No. 1	Special Revenue: March Lifecare Campus CFD 2013-1	Total
REVENUES				
Taxes	$ 1,624,316	$ -	$ -	$ 1,624,316
Licenses, permits and fees	2,438,792	-	-	2,438,792
Investment earnings	382,833	-	-	382,833
Lease revenue	194,740	-	-	194,740
Special assessments	-	2,222,885	52,217	2,275,102
Other revenue	411,235	-	-	411,235
Total revenues	5,051,916	2,222,885	52,217	7,327,018
EXPENDITURES				
Current:				
Administration	1,305,799	35,968	3,206	1,344,973
Salaries and benefits	1,163,962	101,258	17,136	1,282,356
Police patrols/security	252,535	-	-	252,535
Contractual/professional services	902,081	101,252	3,750	1,007,083
Project improvement costs	-	143,327	-	143,327
Legal	216,152	-	-	216,152
Planning	826,299	-	-	826,299
Maintenance and repairs	69,924	107,059	21,110	198,093
Buildings and grounds maintenance	94,656	945,240	19,073	1,058,969
Total expenditures	4,831,408	1,434,104	64,275	6,329,787
Excess of revenues over expenditures	220,508	788,781	(12,058)	997,231
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of land	15,500,000	-	-	15,500,000
Contributions to member agencies	(15,500,000)	-	-	(15,500,000)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	220,508	788,781	(12,058)	997,231
FUND BALANCES				
Beginning of year	31,180,716	2,549,149	191,425	33,921,290
End of year	$ 31,401,224	$ 3,337,930	$ 179,367	$ 34,918,521

The accompanying notes are an integral part of the financial statements.

MARCH JOINT POWERS AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds	$ 997,231
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	
Intergovernmental revenues	3,186,133
Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.	
Disposals of capital assets	(13,912,297)
Depreciation expense	(355,311)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.	
Net change in compensated absences	(72,607)
Net change in net OPEB liability expenses	5,857
Net change in net pension liability expenses	(20,619)
Change in net position of governmental activities	$ (10,171,613)

The accompanying notes are an integral part of the financial statements.

MARCH JOINT POWERS AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2023

	March Inland Port Airport Authority	Green Acres	Golf Course
ASSETS			
Current assets:			
Cash and cash equivalents	$ 9,072,204	$ 4,618,253	$ 201,271
Receivables, net:			
Accounts	85,183	-	5,724
Grants	134,307	-	-
Leases	2,458,393	-	-
Inventory	-	-	74,659
Total current assets	11,750,087	4,618,253	281,654
Noncurrent assets:			
Leases receivable	73,998,015	-	-
Capital assets, not being depreciated	36,221,477	1,258,788	17,518
Capital assets, net of depreciation	21,621,901	5,833,861	52,076
Total noncurrent assets	131,841,393	7,092,649	69,594
Total assets	143,591,480	11,710,902	351,248
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	295,543	167,046	-
OPEB related items	58,017	32,792	-
Total deferred outflows of resources	353,560	199,838	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	224,054	84,679	58,824
Interest payable	-	-	-
Deposits	-	183,098	1,700
Compensated absences - current portion	15,955	15,317	-
Total current liabilities	240,009	283,094	60,524
Noncurrent liabilities:			
Loan payable	-	-	-
Compensated absences	47,865	45,950	-
Unearned revenue	175,000	34,581	-
Net pension liability	588,980	332,902	-
Net OPEB liability	21,311	12,045	-
Advances from other funds	4,360,263	-	2,013,927
Total noncurrent liabilities	5,193,419	425,478	2,013,927
Total liabilities	5,433,428	708,572	2,074,451
DEFERRED INFLOWS OF RESOURCES			
Leases receivable related	76,456,408	-	-
Pension related items	38,144	21,560	-
OPEB related items	28,024	15,839	-
Total deferred inflows of resources	76,522,576	37,399	-
NET POSITION (DEFICIT)			
Net investment in capital assets	57,843,378	7,092,649	69,594
Unrestricted	4,145,658	4,072,120	(1,792,797)
Total net position	$ 61,989,036	$ 11,164,769	$ (1,723,203)

The accompanying notes are an integral part of the financial statements.

Utilities Authority	Total
$ 242,880	$ 14,134,608
72,318	163,225
-	134,307
-	2,458,393
-	74,659
315,198	16,965,192
-	73,998,015
-	37,497,783
-	27,507,838
-	139,003,636
315,198	155,968,828
-	462,589
-	90,809
-	553,398
147,760	515,317
-	-
-	184,798
-	31,272
147,760	731,387
-	-
-	93,815
-	209,581
-	921,882
-	33,356
450,000	6,824,190
450,000	8,082,824
597,760	8,814,211
-	76,456,408
-	59,704
-	43,863
-	76,559,975
-	65,005,621
(282,562)	6,142,419
$ (282,562)	$ 71,148,040

MARCH JOINT POWERS AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023

	March Inland Port Airport Authority	Green Acres	Golf Course
OPERATING REVENUES			
Charges for services	$ 1,023,739	$ 56,200	$ 2,301,921
Rental income	-	1,812,687	-
Lease income	593,372	-	-
Permit fees	3,500	-	-
Other	-	1,994	-
Total operating revenues	1,620,611	1,870,881	2,301,921
OPERATING EXPENSES			
Administrative	273,245	49,934	-
Professional services	148,455	-	2,345,720
Salaries and employee benefits	602,033	318,134	-
Purchased water/utilities	-	516,106	-
Insurance/claims	-	56,399	-
Repairs and maintenance	44,342	330,261	-
Project improvement costs	295,954	21,605	-
Services and fees	35,232	-	-
Depreciation	789,421	301,077	14,713
Total operating expenses	2,188,682	1,593,516	2,360,433
Operating income (loss)	(568,071)	277,365	(58,512)
NONOPERATING REVENUES (EXPENSES)			
Loss on disposal of capital assets	(1,243)	(3,109)	-
Intergovernmental revenue - grants	883,576	-	-
Interest income - leases	334,177	-	-
Investment earnings	-	(2,529)	-
Interest expense	(104,500)	-	-
Total nonoperating revenues (expenses)	1,112,010	(5,638)	-
Change in net position	543,939	271,727	(58,512)
NET POSITION (DEFICIT)			
Beginning of year	61,445,097	10,893,042	(1,664,691)
End of year	$ 61,989,036	$ 11,164,769	$ (1,723,203)

The accompanying notes are an integral part of the financial statements.

Utilities Authority	Total
$ 368,885	$ 3,750,745
-	1,812,687
-	593,372
-	3,500
-	1,994
368,885	6,162,298
6,689	329,868
-	2,494,175
-	920,167
418,683	934,789
-	56,399
480	375,083
-	317,559
-	35,232
-	1,105,211
425,852	6,568,483
(56,967)	(406,185)
-	(4,352)
-	883,576
-	334,177
-	(2,529)
-	(104,500)
-	1,106,372
(56,967)	700,187
(225,595)	70,447,853
$ (282,562)	$ 71,148,040

MARCH JOINT POWERS AUTHORITY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	March Inland Port Airport Authority	Green Acres	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 1,845,408	$ 1,905,462	$ 2,300,387
Cash payments for employee services (salaries)	(675,600)	(269,989)	-
Cash payments to suppliers for goods and services	(777,929)	(984,868)	(2,388,962)
Net cash provided by (used for) operating activities	391,879	650,605	(88,575)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(19,480)	-
Capital contributions	897,776	-	-
Net cash provided by (used for) capital and related financing activities	793,276	(19,480)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	334,177	(2,529)	-
Net cash provided by (used for) investing activities	334,177	(2,529)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,519,332	628,596	(88,575)
Cash and cash equivalents, beginning of year	7,448,372	3,989,657	289,846
Cash and cash equivalents, end of year	$ 8,967,704	$ 4,618,253	$ 201,271
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	$ (568,071)	$ 277,365	$ (58,512)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	789,421	301,077	14,713
(Increase) decrease in accounts receivable	51,247	-	(1,534)
(Increase) decrease in inventory	-	-	(1,586)
(Increase) decrease in pension/OPEB related deferred outflows	(171,973)	(97,202)	-
Increase (decrease) in accounts payable and accrued liabilities	11,978	(17,062)	(43,356)
(Increase) decrease in compensated absences	(67,958)	50,197	-
Increase (decrease) in unearned revenue	173,550	34,581	-
Increase (decrease) in deposits	-	3,480	1,700
Increase (decrease) in net pension liability	354,590	200,421	-
Increase (decrease) in net OPEB liability	17,299	9,777	-
Increase (decrease) in pension/OPEB related deferred inflows	(198,204)	(112,029)	-
Total cash provided by (used for) operating activities	$ 391,879	$ 650,605	$ (88,575)

The accompanying notes are an integral part of the financial statements.

Utilities Authority	Total
$ 374,402	$ 6,425,659
-	(945,589)
(295,626)	(4,447,385)
78,776	1,032,685
-	(19,480)
-	897,776
-	773,796
-	331,648
-	331,648
78,776	2,138,129
164,104	11,891,979
$ 242,880	$ 14,030,108
$ (56,967)	$ (406,185)
-	1,105,211
5,517	55,230
-	(1,586)
-	(269,175)
130,226	81,786
-	(17,761)
-	208,131
-	5,180
-	555,011
-	27,076
-	(310,233)
$ 78,776	$ 1,032,685

MARCH JOINT POWERS AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

		Successor Agency Private-purpose Trust Fund
ASSETS		
Cash and investments	$	2,938,589
Cash and investments with fiscal agent		414
Due from other governments		15,050
Prepaid items		222,568
Total assets		3,176,621
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		6,591,876
Total deferred outflows of resources		6,591,876
LIABILITIES		
Accounts payable		725
Interest payable		464,060
Due to other governments		731,005
Loans payable - due in one year		81,180
Bonds payable - due in one year		995,000
Bonds payable - due in more than one year		29,776,495
Total liabilities		32,048,465
NET POSITION (DEFICIT)		
Net position held in trust for redevelopment	$	(22,279,968)

The accompanying notes are an integral part of the financial statements.

MARCH JOINT POWERS AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	$ 2,464,252
Investment earnings	633
Loan forgiveness	794,872
Total additions	3,259,757
DEDUCTIONS	
Administration	249,978
Contractual/professional services	5,000
Interest expense	1,314,995
Total deductions	1,569,973
Change in net position	1,689,784
NET POSITION (DEFICIT)	
Beginning of year	(23,969,752)
End of year	$ (22,279,968)

The accompanying notes are an integral part of the financial statements.

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1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of the Reporting Entity

The March Joint Powers Authority (the "Authority") was formed on November 14, 1993, under a joint exercise of powers agreement among the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of the property formerly known as March Air Force Base.

The Authority's office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

The Authority Commissioners are as follows:

Name	Title	Representing
Chuck Conder	Commissioner	City of Riverside
Edward Delgado	Chairman	City of Moreno Valley
Jim Perry	Commissioner	City of Riverside
Ulisses Cabrera	Commissioner	City of Moreno Valley
Michael Vargas	Vice Chair	City of Perris
Rita Rogers	Commissioner	City of Perris
Kevin Jeffries	Commissioner	County of Riverside
Dr. Yxstian Gutierrez	Commissioner	County of Riverside

The Joint Powers Commission meets on the second and fourth Wednesday of each month.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies reflected in the financial statements are summarized as follows:

The financial statements of the March Joint Powers Authority include the financial activities of the Authority, the March Inland Port Airport Authority and the March Joint Powers Utilities Authority. In accordance with GASB, the basic criteria for including an agency, institution, authority or other organization in a governmental unit's financial reporting entity is financial accountability. Financial accountability includes, but is not limited to: 1) selection of the governing body, 2) imposition of will, 3) ability to provide a financial benefit to or impose a financial burden on and 4) fiscal dependency.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A) Description of the Reporting Entity (continued)

Based upon the application of these criteria, an agency, institution, authority or other organization may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no discretely presented component units in these financial statements. Each blended component unit presented has a June 30 year end.

The following is a brief review of each component unit included in the primary government's reporting entity.

March Inland Port Airport Authority

The March Inland Port Airport Authority (the “Airport Authority”) was formed on June 18, 1997 under a joint exercise of powers agreement between the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of March Air Force Base. The March Inland Port Airport Authority will be used to market and promote the economic development opportunity associated with the creation of the joint use airport and for the associated development or redevelopment of adjacent and nearby vacant properties. The March Inland Port Airport Authority’s activities are blended with those of the Authority in these financial statements and are reported as an enterprise fund. Separate component financial statements can be obtained from the Authority’s office.

March Joint Powers Utilities Authority

The March Joint Powers Utilities Authority (the “Utilities Authority”) was formed on August 8, 2002 by the City of Moreno Valley, a general law city of the State of California, the City of Perris, a general law city of the State of California and the City of Riverside, a charter city and municipal corporation of the State of California. The purpose of the Utility Authority is to provide construction, completion, reconstruction, extension, change, enlargement, acquisition, leasing, operation, maintenance, repair and control of facilities for the generation, transmission, distribution and sale of utilities and utilities service. The sale and service of Utilities will be to municipalities, public utility districts, corporations, businesses or persons located at the property formerly known as March Air Force Base. Separate component financial statements can be obtained from the Authority’s office.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) Basis of Presentation

Generally accepted accounting principles in the United States of America (GAAP) require that the financial statements described below be presented:

Government-wide Statements: The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Authority include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes. Property taxes are recognized in the year for which they are levied. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental funds:

The *General Fund* is used to account for all financial resources of the Authority, except those required to be accounted for in another fund.

The *Meridian LLMD No. 1 Special Revenue Fund* is used to account for special assessments through property tax collections and the expenditures for the maintenance and landscaping of the Meridian Business Park.

The *March Lifecare Campus CFD 2013-1 Special Revenue Fund* is used to account for special assessments through property tax collection and the expenditures for the maintenance of the March Lifecare Campus.

The Authority reports the following major proprietary funds:

The *March Inland Port Airport Authority Fund* accounts for the activities of the Airport Authority, a blended component unit of the Authority. The Authority operates the joint use of the airport as well as development of the airport and adjacent properties.

The *Green Acres Fund* accounts for the activities of the Green Acres Housing Area.

The *Golf Course Fund* accounts for the activities of the Authority’s golf course operations.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *Utilities Authority Fund* accounts for the activities of the Authority's utility operations.

The *Enterprise Funds* are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Revenues are fully accrued to include unbilled services at year end.

Additionally, the Authority reports the following fund types:

The *Fiduciary Funds* are used to account for resources held in the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used by the fiduciary funds are much like that used for proprietary funds.

The Authority reports the following fiduciary activities:

The *Private-purpose Trust Fund* is used to report resources held in trust for the Successor Agency of the former Redevelopment Agency.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grant and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Encumbrances

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

E) Cash and Cash Equivalents

In accordance with generally accepted accounting principles, for purposes of the Statement of Cash Flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents. For financial statement presentation purposes cash and cash equivalents are shown as cash in the Proprietary Funds.

F) Cash and Investments

As a governmental entity other than an external investment pool in accordance with generally accepted accounting principles, the Authority's investments are stated at fair value except for interest-earning investment contracts.

Restricted cash and investments consist of $2,377,979 for Meridian drainage fee deposits, and $1,761,796 for fire department impact fees.

G) Uncollectible Accounts

The Authority uses the allowance method of recording uncollectible accounts. Allowance for uncollectible accounts at June 30, 2023 was $38,721.

H) Inventory and Prepaid Items

Inventory is valued at cost, using the first-in, and first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I) Capital Assets

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated or transferred capital assets are valued at their estimated acquisition value at the date of donation or transfer.

Capital assets, with an initial cost of $5,000, used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings and improvements	7 – 50 years
Vehicles	5 years
Office equipment and furniture	5 years
Infrastructure	30 – 100 years

J) Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets consist of the following: $1,824,540 for County fire facilities, $1,934,398 for the Meridian drainage fee deposits and $82,243 for Lifecare Campus Drainage Fees.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority has deferred outflows related to pensions and other post-employment benefits (OPEB).

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority has several types of deferred inflows of resources. One item arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L) Compensated Absences

In accordance with generally accepted accounting principles, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

All leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported if they have matured, for example, as result of employee resignations and retirements. Leave benefits are generally liquidated by the General Fund, March Inland Port Airport Authority and Green Acres funds.

M) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M) Pensions (continued)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

O) Net Position

Generally accepted accounting principles requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P) Fund Balance

Fund balance in governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (though constitutional provisions or enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority. The Joint Powers Commission is the highest level of decision-making authority for the Authority that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance - Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned Fund Balance - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

Q) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses/expenditures, as appropriate, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R) Property Tax

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1		
Levy Date	July 1 to June 30		
Due Date	November 1	-	1st installment
	February 1	-	2nd installment
Delinquent Date	December 10	-	1st installment
	April 10	-	2nd installment

Under California law, property taxes are assessed and collected by the counties up to 1%, of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the agencies based on complex formulas prescribed by the state statutes.

S) Other Revenue

The General Fund's other revenue includes $57,000 for foreign trade zone fees, $250,000 for Successor Agency administration fees and $104,235 for miscellaneous revenues.

T) New Accounting Pronouncement

During the year ended June 30, 2023, the City implemented the following new GASB pronouncement:

GASB Statement No. 96 – Subscription Based IT Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City did not have any subscription that qualified for treatment under GASB 96.

2) CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 58,006,920
Restricted cash and investments	4,139,775
Statement of Fiduciary Net Position:	
Cash and investments	2,938,589
Cash and investments with fiscal agent	414
Total cash and investments	$ 65,085,698

Cash and investments consist of the following:

Petty cash	$ 500
Deposits with financial institutions	42,595,386
Investments	22,489,812
Total cash and investments	$ 65,085,698

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized by the Authority's investment policy. The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio (1)	Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
U.S. agency securities	5 years	None	None
State of California notes/bonds	5 years	None	None
Banker's acceptances	180 days	40%	30%
Prime commercial paper (2)(3)	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements	92 days	20% of Base Value	None
Medium - Term Notes (3)	5 years	30%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	$75m

(1) Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

(2) U.S. Corporation w ith assets greater than $500 million.

(3) Rated "A" or better by Moody's or S&P.

2) CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. For additional information refer to the original bond issuance documents.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rates risk is by purchasing money market funds.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Money market and mutual funds	$ 282,734	$ 282,734	$ -	$ -	$ -
Medium-term notes	289,221	-	-	289,221	-
U.S. Agency securities	21,917,443	7,752,067	7,603,363	6,562,013	-
Held by Bond Trustee:					
Money market funds	414	414	-	-	-
Total	$ 22,489,812	$ 8,035,215	$ 7,603,363	$ 6,851,234	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority's investment policy and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year End AA	A	Not Rated
Money market and mutual funds	$ 282,734	N/A	$ -	$ -	$ -	$ 282,734
Medium-term notes	289,221	A	-	289,221	-	-
U.S. Agency securities	21,917,443	N/A	-	21,917,443	-	-
Held by Bond Trustee:						
Money market funds	414	N/A	-	-	-	414
Total	$ 22,489,812		$ -	$ 22,206,664	$ -	$ 283,148

2) CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code. The Authority did not have any investments in any one issue (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of its total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, no deposits of the Authority's with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts, and none of the Authority's investments were held by the broker-dealer (counterparty) that was used by the Authority to buy the securities.

Cash and Investments with Fiscal Agent

Included in cash and investments with fiscal agent are the debt securities issued by the Successor Agency. These are obligations of the Successor Agency and, therefore, are not obligations of the Authority.

3) FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

a. Quoted prices for similar assets or liabilities in active markets.

b. Quoted prices for identical or similar assets or liabilities in markets that are not active.

c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).

d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2023, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Investments:			
Money market mutual funds	$ 282,734	$ -	$ 282,734
Medium-term notes	289,221	289,221	-
Federal securities	21,917,443	21,917,443	-
Held by Bond Trustee:			
Money market funds	414	-	414
Total Investments	$ 22,489,812	$ 22,206,664	$ 283,148

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security’s relationship to benchmark quoted prices. Uncategorized investments are not subject to the fair value hierarchy.

4) LOANS RECEIVABLE

The aforementioned loans were made by the Authority to provide operating funds to the March Joint Powers Redevelopment Agency. The loans will be repaid from tax increment at such time as excess funds exist. On February 1, 2012, the redevelopment agency was dissolved (see Note 15) and the Successor Agency to the March Joint Powers Redevelopment Agency oversees the remaining activities of the former redevelopment agency. The loan balance was reduced by $794,872 due to an amount under dispute with the DOF that was deemed disallowed. The balance outstanding as of June 30, 2023 for all loans is $81,180. The loans have a 5% simple interest rate.

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no amounts due to/from other funds as of June 30, 2023.

Advances to/from other funds are as follows:

Advance To	Advance From General Fund
March Inland Port Airport	$ 4,360,263
Utilities Authority	450,000
Total	$ 4,810,263

March Inland Port Airport Advance

The aforementioned loan was made by the General Fund to provide operating funds for the March Inland Port Airport Authority. The loan will be repaid from airport revenues at such time excess funds become available.

Golf Course Advance

The aforementioned loan was made by the General Fund to provide operating funds for the Golf Course Fund. The loan will be repaid from golf course revenues at such time excess funds become available.

Utilities Authority Advance

The aforementioned loan was made by the General Fund to provide operating funds for the Utilities Authority. The loan will be repaid from utility revenues at such time excess funds become available.

There were no interfund transfers as of June 30, 2023.

6) CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 100,232,840	$ -	$(13,866,179)	$ 86,366,661
Construction in progress	46,118	-	(46,118)	-
Total capital assets, not being depreciated	100,278,958	-	(13,912,297)	86,366,661
Capital assets, being depreciated:				
Vehicles	167,893	-	(11,891)	156,002
Office furniture and equipment	121,256	-	-	121,256
Building and improvements	12,070,590	-	-	12,070,590
Infrastructure	1,226,084	-	-	1,226,084
Total capital assets, being depreciated	13,585,823	-	(11,891)	13,573,932
Less accumulated depreciation:				
Vehicles	(156,871)	(4,408)	11,891	(149,388)
Office furniture and equipment	(92,304)	(4,748)	-	(97,052)
Building and improvements	(6,160,313)	(256,278)	-	(6,416,591)
Infrastructure	(866,463)	(89,877)	-	(956,340)
Total accumulated depreciation	(7,275,951)	(355,311)	11,891	(7,619,371)
Total capital assets, being depreciated, net	6,309,872	(355,311)	-	5,954,561
Governmental activities capital assets, net of depreciation	$ 106,588,830	$ (355,311)	$(13,912,297)	$ 92,321,222

Depreciation expense of $355,311 was charged to the general government function in the Statement of Activities.

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6) CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 37,480,265	$ -	$ -	$ 37,480,265
Beverage rights	17,518	-	-	17,518
Total capital assets, not being depreciated	37,497,783	-	-	37,497,783
Capital assets, being depreciated:				
Office furniture and equipment	78,586	14,655	(5,022)	88,219
Building and improvements	42,782,399	4,825	-	42,787,224
Vehicles	36,352	-	-	36,352
Infrastructure	2,817,370	-	-	2,817,370
Total capital assets, being depreciated	45,714,707	19,480	(5,022)	45,729,165
Less accumulated depreciation:				
Office furniture and equipment	(7,445)	(14,713)	669	(21,489)
Building and improvements	(15,869,412)	(1,044,511)	-	(16,913,923)
Vehicles	(5,193)	(10,817)	-	(16,010)
Infrastructure	(1,234,735)	(35,170)	-	(1,269,905)
Total accumulated depreciation	(17,116,785)	(1,105,211)	669	(18,221,327)
Total capital assets, being depreciated, net	28,597,922	(1,085,731)	(4,353)	27,507,838
Business-type activities capital assets, net of depreciation	$ 66,095,705	$ (1,085,731)	$ (4,353)	$ 65,005,621

Depreciation was charged to functions/programs as follows:

Business-type Activities:	
March Inland Port Airport Authority	$ 789,421
Green Acres	301,077
Golf Course	14,713
Total depreciation expense - Business-type activities	$ 1,105,211

7) LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Governmental Activities:

Description	Beginning Balance	Obligations Incurred	Obligations Satisfied	Ending Balance	Due Within One Year
Compensated absences	$ 83,114	$ 72,607	$ -	$ 155,721	$ 38,930

Business type Activities:

Description	Beginning Balance	Obligations Incurred	Obligations Satisfied	Ending Balance	Due Within One Year
Loan payable	$ 2,013,927	$ -	$ -	$ 2,013,927	$ -
Compensated absences	142,848	-	(17,761)	125,087	31,272
Total Business-type Activities	$ 2,156,775	$ -	$ (17,761)	$ 2,139,014	$ 31,272

*The change in the compensated absences liability is presented as a net change.

8) DEFICIT FUND BALANCES/NET POSITION

The Authority reported the following fund balance/net position deficit for the year ended June 30, 2023:

Fund	Amount
Major Fund	
Golf Course	$ (1,723,203)
Utilities Authority	(282,562)

Management is very much aware of the seriousness of the above deficit and is currently taking steps to eliminate it. This deficit is expected to be eliminated by future revenues.

9) LEASES

Long-term Leases

During the year, the Authority had the following lease activity:

The Authority entered into several long-term leases with various private entities. The leases vary in length from 18 months to 600 months. Payments on the leases are due monthly, except for one lease which has semi-annual payments. In addition, one other lease requires only half of the monthly payment to be paid with the other half accruing during the year with a balloon payment due after twelve months. During the year, the Authority recognized $167,257 and $499,789 in interest and lease revenue, respectively. As of June 30, 2023, the lease receivable and deferred inflows of resources related to leases were $77,805,566, respectively.

9) LEASES (continued)

Short-term Leases

The Authority also leases 111 housing units in the area known as Green Acres. The leases are considered month-to-month leases; therefore, no lease receivable or related deferred amounts have been recorded in the financial statements.

10) RISK MANAGEMENT

General Liability Insurance

The Authority is a member of the Public Entity Risk Management Authority (PERMA) a joint powers Authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

The Authority has liability coverage as follows:

A. $1,000,000 inclusive of the Member’s self-insured retention of $0.

B. $50,000,000, subject to PERMA’s retained limit of $1,000,000 for Coverage A, in accordance with the terms of the Memorandum of Liability Coverage for the California Joint Powers Risk Management Authority.

Workers Compensation Insurance

The Authority is insured up to $1,000,000 per occurrence.

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11) EMPLOYEES' RETIREMENT PLAN

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Authority participates in one plan (miscellaneous). Benefit provisions under the Plan are established by State statute and the Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

11) EMPLOYEES' RETIREMENT PLAN (continued)

General Information about the Pension Plan (continued)

The Plan's provisions and benefits in effect as of June 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to	On of After
Hire date	January 1, 2013	January 1, 2013
Benefit formulas	2.7% at 55	2% at 62
Benefit vesting schedule	5 Years service	5 Years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55+	52 - 67+
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employer contribution rates	14.03%	6.57%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2023 were $345,435. The actual employer payments of $306,243 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the District's proportionate share of the employer's contributions of $432,605 by $126,362, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The Authority's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

11) EMPLOYEES' RETIREMENT PLAN (continued)

Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal in accordance with the requirements of GASI
Asset valuation method	Fair value of assets
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases (1)	Varies by entry age and service
Mortality rate table (1)	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

11) EMPLOYEES' RETIREMENT PLAN (continued)

Net Pension Liability (continued)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return[1,2]
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11) EMPLOYEES' RETIREMENT PLAN (continued)

Net Pension Liability (continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS’ audited financial statements, which are publicly available reports that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

11) EMPLOYEES' RETIREMENT PLAN (continued)

Proportionate Share of Net Pension Liability

The following table shows the Authority's proportionate share of the Plan's net pension liability over the measurement period.

	Increase (Decrease)		
	Proportionate Share of Total Pension Liability	Proportionate Share of Plan Fiduciary Net Position	Proportionate Share of Plan Net Pension Liability
Balance at: 6/30/2021 (VD)	$ 10,050,177	$ 9,031,090	$ 1,019,087
Balance at: 6/30/2022 (MD)	10,900,838	8,340,055	2,560,783
Net Changes during 2021-22	$ 850,661	$ (691,035)	$ 1,541,696

Valuation Date (VD), Measurement Date (MD).

The Authority's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The Authority's proportionate share of the miscellaneous plan net pension liability for the miscellaneous Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

Proportion - June 30, 2021	0.05367%
Proportion - June 30, 2022	0.05473%
Change - increase (decrease)	0.00106%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability of the Miscellaneous Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Net Pension Liability	$ 4,046,764	$ 2,560,783	$ 1,338,190

11) EMPLOYEES' RETIREMENT PLAN (continued)

Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

11) EMPLOYEES' RETIREMENT PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2021), the Authority's net pension liability was $1,019,087. For the measurement period ending June 30, 2022 (the measurement date), the Authority incurred a pension expense of $336,284.

As of June 30, 2023 the Authority has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 262,406	$ -
Differences between expected and actual experience	51,426	34,443
Differences between projected and actual investment earnings	469,068	-
Differences between employer's contributions and proportionate share of contributions	-	131,402
Change in employer's proportion	156,635	-
Pension contributions made subsequent to the measurement date	345,435	-
Total	$ 1,284,970	$ 165,845

These amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of $345,435 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2024	$ 207,283
2025	178,194
2026	101,315
2027	286,898
2025	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2023, the Authority reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

12) DEFERRED COMPENSATION PLAN

On August 20, 1996, the provisions of Internal Revenue Code (IRC) Section 457 were amended to require new plans to place all assets and income of the Plan in trust for the exclusive benefit of participants and their beneficiaries. Plans in existence as of the date of this change must place the Plan assets and income in trust by January 1, 1999. Once the assets and income are placed in trust the Authority no longer owns the amounts deferred by employees and related income. Prior to this IRC Section 457 Amendment, the deferred amounts and related income remained as property of the Authority until withdrawn by the employee.

During the 1997-98 fiscal years, March Joint Powers Authority created its Deferred Compensation Plan with assets and related income in trust as allowed by IRC Section 457 and as a result the asset and corresponding liability are not presented in these financial statements.

13) OTHER POST EMPLOYMENT BENEFITS

Plan Description

The Authority's defined benefit postemployment healthcare plan, (JPA Retiree Healthcare Plan "JRHP"), provides medical benefits to eligible retired employees and qualified dependents. JRHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. JRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues an Annual Comprehensive Financial Report (ACFR). The ACFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Employees Covered

As of June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	14
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	-
Total	17

13) OTHER POST EMPLOYMENT BENEFITS (continued)

Contributions

The contribution requirements of plan members and the Authority are established and may be amended by the Joint Powers Commission. The Authority contributes the CalPERS minimum monthly contribution for the retiree or surviving dependent.

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2023, the Authority's estimated implied subsidy was $33,187.

Net OPEB Liability

The Authority's net OPEB liability) was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age
Discount Rate	6.75%
Investment Rate of Return	6.75%
Inflation	2.50% per year
Salary Increases	2.75% per year
Medical Trend	4.00%
Mortality Rate [1]	2017 CalPERS Active Mortality for Miscellaneous and School Employees
Retirement Rates [2]	Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
	Hired 2012 and earlier: 2017 CalPERS 2.7%@55 Rates for Miscellaneous Employees

[1] The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for Miscellaneous and School Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

[2] The retirement rates information was developed based on CalPERS's specific data. For more details, please refer to the 1997 to 2011 CalPERS Experience Study Report. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

13) OTHER POST EMPLOYMENT BENEFITS (continued)

Net OPEB Liability (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset are summarized in the following table:

Asset Class	Target Allocation	Real Return Years 1-10[1]
All Equities	59%	7.55%
All Fixed Income	25%	4.25%
Real Estate (REITs)	8%	7.25%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%
All Commodities	3%	7.55%

[1] An expected inflation of 2.0% used for this period

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

13) OTHER POST EMPLOYMENT BENEFITS (continued)

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022			
(Measurement Date June 30, 2021)	$ 386,553	$ 369,110	$ 17,443
Changes recognized for the measurement period:			
Service cost	21,476	-	21,476
Interest on total OPEB Liability	26,080	-	26,080
Return on Fiduciary Net Position	-	(49,410)	49,410
Investment gains/losses	-	-	-
Administrative expense	-	(94)	94
Benefit payments	(27,388)	(27,388)	-
Expected minus actual benefit payments	-	-	-
Net Changes	25,708	(49,504)	75,212
Balance at June 30, 2023			
(Measurement Date June 30, 2022)	$ 412,261	$ 319,606	$ 92,655

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	$ 139,860	$ 92,655	$ 53,206

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13) OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 40,244	$ 92,655	$ 157,130

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the Authority recognized OPEB expense of $37,519. As of June 30, 2023, the Authority reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 10,926	$ -
Changes of assumptions	196,340	-
Differences between expected and actual experience	6,762	121,842
Net difference between projected and actual earnings on OPEB plan investments	28,219	-
Total	$ 242,247	$ 121,842

13) OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The $20,926 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 14,931
2025	14,435
2026	12,497
2027	24,364
2028	9,502
Thereafter:	33,750

Changes in Assumptions

There were no changes in assumptions since the prior measurement date.

14) COMMITMENTS AND CONTINGENCIES

The Authority is involved with various potential litigation matters. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial condition of the Authority.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority and the former March Joint Powers Redevelopment Agency have entered into developer agreements to attract new business to the areas formerly known as March Air Force Base. The following represents the Authority's significant commitments with certain developers.

14) COMMITMENTS AND CONTINGENCIES (continued)

LNR Riverside, LLC

On December 28, 2001, the West March Disposition and Development Agreement was entered into between the March Joint Powers Redevelopment Agency, LNR Riverside, LLC and the March Joint Powers Authority. The agreement is to develop 1,290 acres of property as West March Business Park. In consideration for the Agency transferring the property to LNR, in accordance with the agreement, LNR agrees to incur substantial costs in developing the property, including but not limited to installation of public infrastructure to service the property. The expected cost of such infrastructure will exceed $100 million during the term of the agreement. The Agency will benefit from LNR’s development of the property, as a result of sales and other tax revenues generated by the property and project and the jobs created by the project. No provision has been made for this commitment on the combined financial statements, as the project is not complete.

March Healthcare Development, LLC

On April 7, 2010, the March Lifecare Campus Disposition and Development Agreement was entered into between the March Joint Powers Redevelopment Agency and March Healthcare Development, LLC (MHD). In consideration for the Agency transferring the property to MHD, MHD will pay fair market value for the property as defined in the Disposition and Development Agreement. The Agency will benefit from March Healthcare’s development of the property, as a result of sales and other tax revenues generated by the property and project and the jobs the project will create. The Agency will reimburse the Developer for the cost of certain Horizontal Improvements pursuant to the Agency Note in the principal amount of Twenty Million, Five Hundred Thousand Dollars ($20,500,000), together with interest thereon at six percent (6%) per annum, payable from 80% of Net Property Tax Increment generated solely by the March LifeCare Campus project. Currently, no provision has been made for this commitment on the financial statements, as the project is not complete.

15) SUCCESSOR AGENCY OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of March Joint Powers Authority that previously had reported a redevelopment agency within the reporting entity of the Authority as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the Authority or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 18, 2012, the Joint Powers Commission elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of Authority Resolution Number JPA 12-04. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

15) SUCCESSOR AGENCY OF FORMER REDEVELOPMENT AGENCY (continued)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Successor Agency Long-term Obligations

The following is a summary of the changes in the Successor Agency long-term obligations for the year:

Description	Beginning Balance	Obligations Incurred	Obligations Satisfied	Adjustments	Ending Balance	Due within 1 year
Loans payable	$ 968,511	$ -	$ (92,459)	$ (794,872)	$ 81,180	$ 81,180
2016 Series A Tax Allocation Bond Refunding Bond	28,580,000	-	(955,000)	-	27,625,000	995,000
Bond premiums (2016A Tax Allocation Refunding Bond)	3,320,495	-	(174,000)	-	3,146,495	-
Total Long-term Obligations	$ 32,869,006	$ -	$ (1,221,459)	$ (794,872)	$ 30,852,675	$ 1,076,180

Loans Payable

The aforementioned loans were made by the March Joint Powers Authority (the “Authority”) to provide operating funds to the former March Joint Powers Redevelopment Agency. The loans will be repaid from tax increment at such time as excess funds exist. The loan balance was reduced by $794,872 due to an amount under dispute with the DOF that was deemed disallowed. Interest expense incurred during the fiscal year ended June 30, 2023 is $7,541. The balance outstanding as of June 30, 2023 for all loans is $81,180.

Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 81,180	$ 4,313	$ 85,493
Total	$ 81,180	$ 4,313	$ 85,493

15) SUCCESSOR AGENCY OF FORMER REDEVELOPMENT AGENCY (continued)

2016 Tax Allocation Refunding Bonds - Series A, Direct Borrowing

On September 28, 2016, the Successor Agency to the March Joint Powers Redevelopment Agency issued $33,095,000 2016 Tax Allocation Refunding Bonds, Series A. The proceeds of these bonds will be used to refinance certain outstanding obligations of the Successor Agency. Interest on the bond is payable August 1st and February 1st of each year. Interest on the bond accrues at rates varying from 1.5% to 5% per annum. Principal on the serial bonds is payable in annual installations ranging from $840,000 to $2,030,000, commencing August 1, 2018 through August 1, 2041. The reserve requirement is covered by a bond insurance policy. Interest paid during the fiscal year ended June 30, 2023 was $1,116,927.

Under the bond indenture, the principal due on the bonds is subject to an acceleration upon the occurrence of an event of default. If an event of default occurs, bond owners will be limited to enforcing the obligation of the Successor Agency to repay the bonds on an annual basis to the extent of the tax revenues. No real or personal property in the project area is pledged to secure the bonds and it is not anticipated that the Successor Agency will have available moneys sufficient to redeem all of the bonds upon the occurrence of an event of default.

Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 995,000	$ 1,093,844	$ 2,088,844
2025	1,030,000	1,053,344	2,083,344
2026	1,075,000	1,011,244	2,086,244
2027	1,125,000	967,244	2,092,244
2028	1,165,000	921,444	2,086,444
2029-2033	6,550,000	3,856,672	10,406,672
2034-2038	8,025,000	2,359,100	10,384,100
2039-2043	7,660,000	627,800	8,287,800
Total	$ 27,625,000	$ 11,890,691	$ 39,515,691

Contingencies

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the Authority are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The Authority's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date, by an appropriate judicial authority that would resolve this issue unfavorably to the Authority.

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REQUIRED SUPPLEMENTARY INFORMATION

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MARCH JOINT POWERS AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*

Measurement Date	Proportion of the Net Pension Liability[1]	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.014720%	$ 915,852	$ 1,285,648	71.24%	80.60%
6/30/2015	0.016049%	1,101,618	1,356,768	81.19%	79.18%
6/30/2016	0.016199%	1,401,724	1,409,298	99.46%	76.98%
6/30/2017	0.016917%	1,677,703	1,338,176	125.37%	77.93%
6/30/2018	0.016719%	1,611,042	1,394,381	115.54%	80.18%
6/30/2019	0.018789%	1,925,299	1,335,661	144.15%	77.44%
6/30/2020	0.019331%	2,103,313	1,485,395	141.60%	77.63%
6/30/2021	0.018843%	1,019,087	1,459,946	69.80%	89.86%
6/30/2022	0.022169%	2,560,783	1,517,593	168.74%	76.51%

[1] Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

MARCH JOINT POWERS AUTHORITY
Schedule of Pension Plan Contributions
Last Ten Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	$ 246,125	$ (246,125)	$ -	$ 1,356,768	18.14%
6/30/2016	221,020	(221,020)	-	1,409,298	15.68%
6/30/2017	215,802	(215,802)	-	1,338,176	16.13%
6/30/2018	225,561	(225,561)	-	1,394,381	16.18%
6/30/2019	240,596	(240,596)	-	1,335,661	18.01%
6/30/2020	286,390	(286,390)	-	1,485,395	19.28%
6/30/2021	288,096	(288,096)	-	1,459,946	19.73%
6/30/2022	306,243	(306,243)	-	1,465,266	20.90%
6/30/2023	345,435	(345,435)	-	1,517,593	22.76%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

MARCH JOINT POWERS AUTHORITY
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

Measurement Period	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	$ 8,144	$ 8,368	$ 8,598	$ 21,040	$ 21,619	$ 21,476
Interest on the Total OPEB Liability	11,209	12,337	13,531	33,447	36,046	26,080
Changes in assumptions	-	-	273,148	-	16,952	-
Benefit payments	(3,389)	(3,525)	(4,028)	(32,986)	(41,283)	(27,388)
Experience gains/losses	-	-	2,676	(2,303)	(150,912)	5,540
Net change in Total OPEB Liability	15,964	17,180	293,925	19,198	(117,578)	25,708
Total OPEB Liability, beginning	157,864	173,828	191,008	484,933	504,131	386,553
Total OPEB Liability, ending (a)	173,828	191,008	484,933	504,131	386,553	412,261
Plan Fiduciary Net Position						
Employer contributions	30,189	37,525	34,028	32,986	41,283	27,388
Net investment income	15,722	14,211	17,491	19,584	20,267	(49,410)
Investment gains/losses	-	759	(2,484)	(9,695)	59,354	-
Benefit payments	(3,389)	(3,525)	(4,028)	(32,986)	(41,283)	(27,388)
Administrative expense	(131)	(348)	(51)	(137)	(109)	(94)
Other	-	75	-	-	-	-
Net change in Plan Fiduciary Net Position	42,391	48,697	44,956	9,752	79,512	(49,504)
Plan Fiduciary Net Position, beginning	143,802	186,193	234,890	279,846	289,598	369,110
Plan Fiduciary Net Position, ending (b)	186,193	234,890	279,846	289,598	369,110	319,606
Net OPEB Liability/(Asset), ending (a) - (b)	$ (12,365)	$ (43,882)	$ 205,087	$ 214,533	$ 17,443	$ 92,655
Plan fiduciary net position as a percentage of the total OPEB liability	107.11%	122.97%	57.71%	57.44%	95.49%	77.53%
Covered-employee payroll[1]	$ 1,380,853	$ 1,567,809	$ 1,320,141	$ 1,452,353	$ 1,628,605	$ 1,628,605
Net OPEB liability as a percentage of covered-employee1 payroll	-0.90%	-2.80%	15.54%	14.77%	1.07%	5.69%

[1]Contributions are fixed and not based on a measure of pay.

* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

MARCH JOINT POWERS AUTHORITY
Schedule of OPEB Plan Contributions
Last Ten Years*

Fiscal Year Ended June 30	2018	2019	2020	2021	2022	2023
Statutorily required contributions	$ 7,187	$ 4,028	$ 4,896	$ 3,432	$ 1,788	$ 10,926
Contributions in relation to the statutorily required contributions	(37,539)	(34,028)	(39,134)	(3,432)	(1,788)	(10,926)
Contribution deficiency/(excess)	$ (30,352)	$ (30,000)	$ (34,238)	$ -	$ -	$ -
Covered-employee payroll[1]	$ 1,567,809	$ 1,320,141	$ 1,452,353	$ 1,628,605	$ 1,699,022	$ 961,264
Contribution as a percentage of covered-employee[1] payroll	2.39%	2.58%	2.69%	0.21%	0.11%	1.14%

* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:
[1]Contributions are fixed and not based on a measure of pay.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age
Discount rate	6.75%
Investment rate of return	6.75%
General inflation	2.50%
Medical trend	4%
Mortality	2017 CalPERS Retiree Mortality for miscellaneous and school employees

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – General Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	$ 1,270,000	$ 1,270,000	$ 1,624,316	$ 354,316
Licenses, permits and fees	3,569,000	3,569,000	2,438,792	(1,130,208)
Investment earnings	168,000	168,000	382,833	214,833
Lease revenue	196,748	196,748	194,740	(2,008)
Other revenue	323,100	323,100	411,235	88,135
Total revenues	5,526,848	5,526,848	5,051,916	(474,932)
EXPENDITURES				
Current:				
Administration	483,797	531,630	1,305,799	(774,169)
Salaries and benefits	1,271,792	1,271,792	1,163,962	107,830
Police patrols/security	225,000	225,000	252,535	(27,535)
Contractual/professional services	489,100	489,100	902,081	(412,981)
Legal	220,900	220,900	216,152	4,748
Planning	1,528,500	1,528,500	826,299	702,201
Maintenance and lease services	124,136	124,136	69,924	54,212
Buildings and grounds maintenance	110,000	110,000	94,656	15,344
Total expenditures	4,453,225	4,501,058	4,831,408	(330,350)
Excess of revenues over expenditures	1,073,623	1,025,790	220,508	(805,282)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of land rights	-	15,500,000	15,500,000	-
Transfers to member agencies	-	(15,500,000)	(15,500,000)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ 1,073,623	$ 1,025,790	220,508	$ (805,282)
FUND BALANCE				
Beginning of year			31,180,716	
End of year			$ 31,401,224	

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – Meridian LLMD No. 1 – Special Revenue Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Special assessments	$ 2,191,985	$ 2,191,985	$ 2,222,885	$ 30,900
Total revenues	2,191,985	2,191,985	2,222,885	30,900
EXPENDITURES				
Current:				
Administration	36,473	40,001	35,968	4,033
Salaries and benefits	124,469	124,469	101,258	23,211
Contractual/professional services	18,200	18,200	101,252	(83,052)
Project improvement costs	150,000	150,000	143,327	6,673
Maintenance and repairs	241,350	241,350	107,059	134,291
Buildings and grounds maintenance	953,100	953,100	945,240	7,860
Total expenditures	1,523,592	1,527,120	1,434,104	93,016
Excess of revenues over expenditures	$ 668,393	$ 664,865	788,781	$ 123,916
FUND BALANCE				
Beginning of year			2,549,149	
End of year			$ 3,337,930	

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – March Lifecare Campus CFD 2013-1 – Special Revenue Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Special assessments	$ 74,061	$ 74,061	$ 52,217	$ (21,844)
Total Revenues	74,061	74,061	52,217	(21,844)
EXPENDITURES				
Current:				
Administration	2,150	3,206	3,206	-
Salaries and benefits	21,918	21,918	17,136	4,782
Contractual/professional services	6,090	6,090	3,750	2,340
Maintenance and repairs	24,700	24,700	21,110	3,590
Buildings and grounds maintenance	750	750	19,073	(18,323)
Total Expenditures	55,608	56,664	64,275	(7,611)
Excess of revenues over expenditures	$ 18,453	$ 17,397	(12,058)	$ (29,455)
FUND BALANCE				
Beginning of year			191,425	
End of year			$ 179,367	

1. BUDGETARY DATA

The Authority uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The budget is prepared on a triennial basis, every three years.
2. Before the beginning of each triennial budget cycle, the Executive Director submits to the Finance Committee a proposed budget for the year commencing the following July 1 and the next two fiscal years.
3. The committee reviews the proposed budget and approves submittal to the Commission.
4. The budget is subsequently adopted through passage of a resolution by the Commission.
5. All appropriated amounts are as originally adopted or as amended by the Commissioners and lapse at each fiscal year-end.
6. Original appropriations are modified by supplementary appropriations and transfers among budget categories. The Commission approves all significant changes.
7. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
8. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
9. Budget information is presented for the General and Special Revenue Fund Types.

Expenditures for the year ended June 30, 2023, that exceeded the appropriations of the major funds are as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
Administration	$ 1,305,799	$ 531,630	$ (774,169)
Police patrols/security	252,535	225,000	(27,535)
Contractual/professional services	902,081	489,100	(412,981)
Meridian contracts	101,562	18,200	(83,052)
March lifecare	19,073	750	(18,323)