

MARCH JOINT POWERS AUTHORITY

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

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 the March Joint Powers Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2021, 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.

Basis for 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*, 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 audit opinions.

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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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2022, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 18, 2022

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MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

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, 2021. 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 \$207,693,740 (net position). Of this amount, \$29,829,212 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 increased \$1,609,090. This is mostly due to a \$555,140 increase in Total Revenues. This is also due to a \$1,625,294 decrease in Total Expenses.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$33,351,499, an increase of \$1,027,846 in comparison with the prior year. Approximately 84% of this amount (\$27,910,249) 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 \$27,910,249 or approximately 703% of total General Fund expenditures.
- The Authority's total outstanding long-term debt decreased by (\$150,000) during the current fiscal year due to the decrease in the loan payable due from the Golf Course.

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.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

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.

The government-wide financial statements can be found on pages 15-17 of this report.

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 considered to be major funds.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

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.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

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 to be major funds of the Authority.

The basic proprietary fund financial statements can be found on pages 22-27 of this report.

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.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

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. The notes to the financial statements can be found on pages 31-69 of this report.

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. Required supplementary information can be found on pages 70-77 of this report.

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 \$207,693,740 at the close of the most recent fiscal year.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

The Authority's Net Position

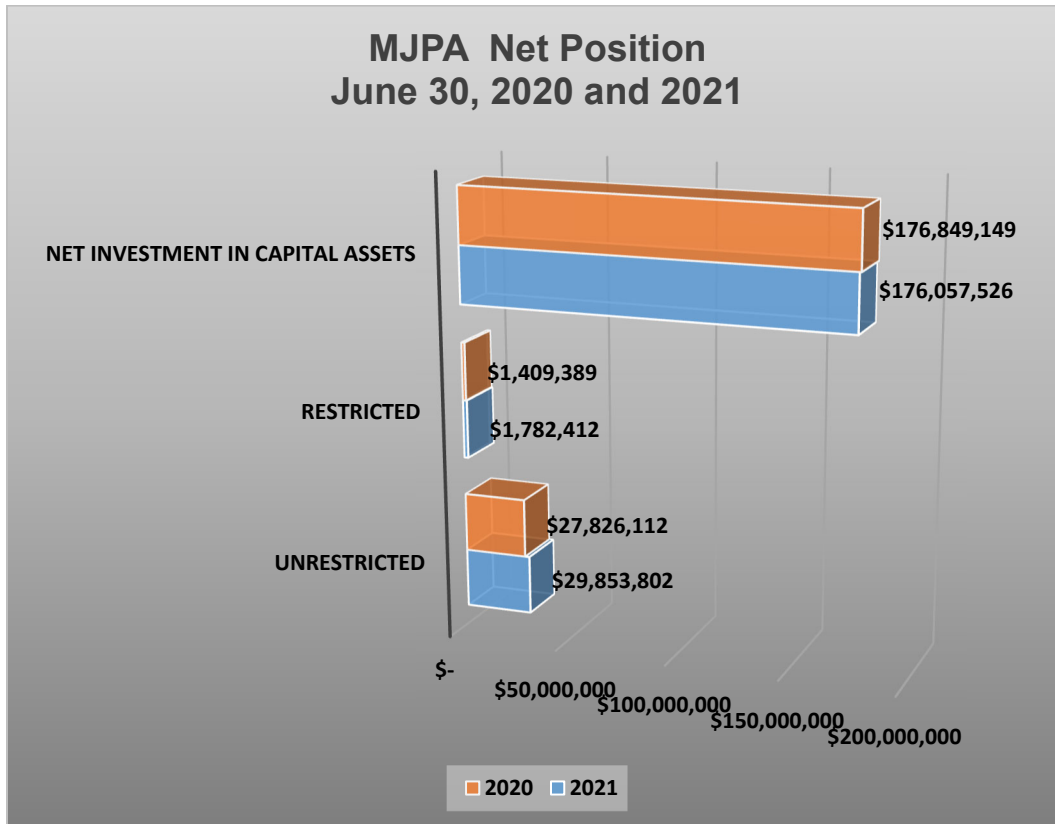
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 37,026,897	\$ 34,783,767	\$ 7,094,421	\$ 5,335,265	\$ 44,121,318	\$ 40,119,032
Internal balances	3,137,896	2,987,896	(3,137,896)	(2,987,896)	-	-
Capital assets	106,948,295	106,695,955	69,133,821	70,153,194	176,082,116	176,849,149
Total assets	147,113,088	144,467,618	73,090,346	72,500,563	220,203,434	216,968,181
Total deferred outflows of resources	565,653	758,329	318,180	239,472	883,833	997,801
Long-term liabilities	1,634,997	1,770,926	3,024,403	2,798,167	4,659,400	4,569,093
Other liabilities	6,728,131	5,379,659	1,941,249	1,818,093	8,669,380	7,197,752
Total liabilities	8,363,128	7,150,585	4,965,652	4,616,260	13,328,780	11,766,845
Total deferred inflows of resources	41,438	87,025	23,309	27,482	64,747	114,507
Net position:						
Net investment in capital assets	106,948,295	106,695,955	69,133,821	70,153,194	176,082,116	176,849,149
Restricted	1,782,412	1,409,389	-	-	1,782,412	1,409,389
Unrestricted	30,543,468	29,883,013	(714,256)	(2,056,901)	29,829,212	27,826,112
Total net position	\$ 139,274,175	\$ 137,988,357	\$ 68,419,565	\$ 68,096,293	\$ 207,693,740	\$ 206,084,650

By far the largest portion of the Authority's net position (84.8%) 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 (0.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$29,829,212 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.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021



The Authority's overall net position increased \$1,609,090 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$1,285,818 from the prior fiscal year for an ending balance of \$139,274,175. This is mostly due to a \$3,222,034 increase in Cash and Investments and \$986,637 increase in Other Payables.

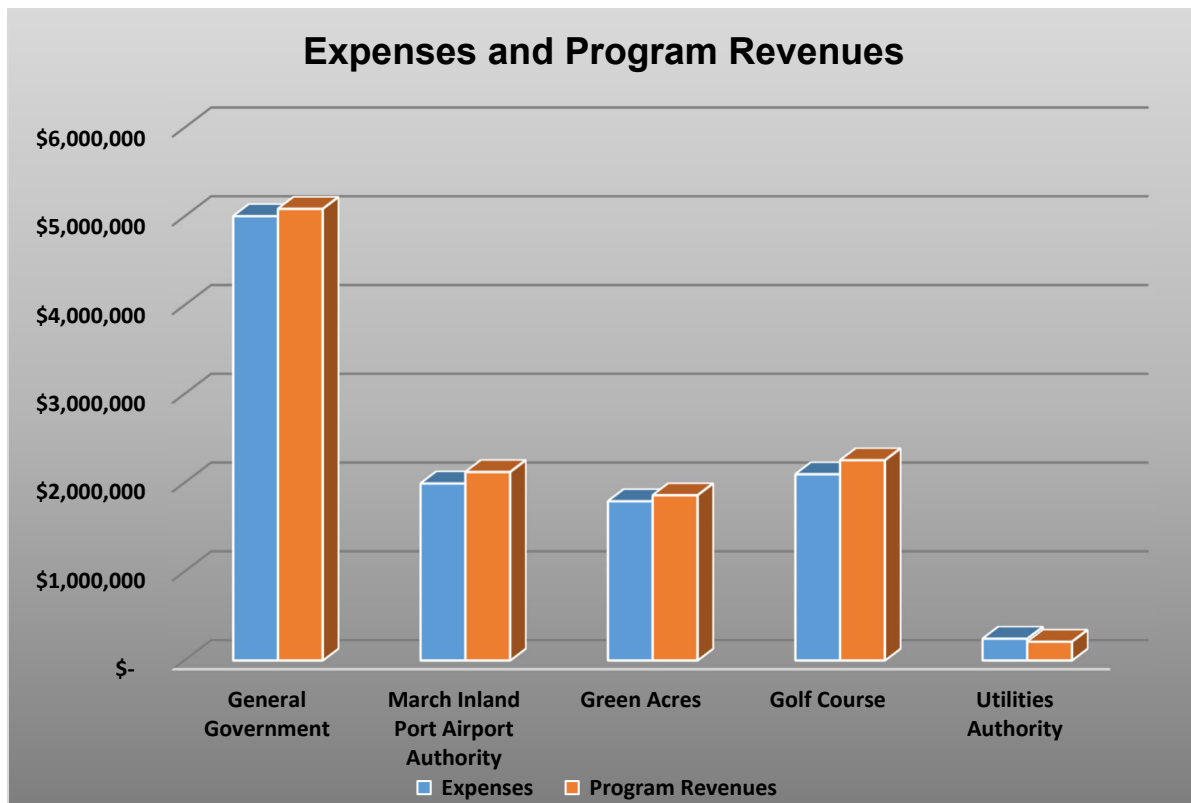
Business-type Activities. For the Authority's business-type activities, the results for the current fiscal year were positive in that overall net position had an ending balance of \$68,419,565. The total increase in net position for business-type activities was \$323,272 or .5% from the prior fiscal year. The Airport Authority had an increase in net position of \$24,431 mostly due to an increase of \$450,082 in total operating revenues. Green Acres also increased due to no transfer of monies to the Authority's General Fund. The Golf Course also had an increase in net position of \$261,954 due to a \$440,916 increase in charges for services. The Utility Authority had a decrease in net position of \$34,133 similar to prior years.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

The Authority's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 5,070,312	\$ 4,252,834	\$ 6,290,771	\$ 5,344,750	\$ 11,361,083	\$ 9,597,584
Capital grants and contributions	16,706	897,024	157,000	117,597	173,706	1,014,621
General revenues:						
Taxes	600,000	600,000	-	-	600,000	600,000
Investment earnings	164,580	517,299	3,452	65,360	168,032	582,659
Other	352,000	304,817	-	-	352,000	304,817
Total revenues	6,203,598	6,571,974	6,451,223	5,527,707	12,654,821	12,099,681
Expenses:						
General government	5,004,900	6,635,100	-	-	5,004,900	6,635,100
March Inland Port Airport Authority	-	-	2,097,787	1,954,857	2,097,787	1,954,857
Green Acres	-	-	1,792,842	1,846,496	1,792,842	1,846,496
Golf Course	-	-	1,992,611	2,099,564	1,992,611	2,099,564
Utilities Authority	-	-	244,711	222,128	244,711	222,128
Total expenses	5,004,900	6,635,100	6,127,951	6,123,045	11,132,851	12,758,145
Increase (decrease) in net position before transfers	1,198,698	(63,126)	323,272	(595,338)	1,521,970	(658,464)
Transfers	-	300,000	-	(300,000)	-	-
Increase (decrease) in net position	1,198,698	236,874	323,272	(895,338)	1,521,970	(658,464)
Net position, beginning	137,988,357	137,766,362	68,096,293	68,911,631	206,084,650	206,677,993
Prior period adjustment	87,120	(14,879)	-	80,000	87,120	65,121
Net position, beginning, as restated	138,075,477	137,751,483	68,096,293	68,991,631	206,171,770	206,743,114
Net position, ending	\$ 139,274,175	\$ 137,988,357	\$ 68,419,565	\$ 68,096,293	\$ 207,693,740	\$ 206,084,650

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021



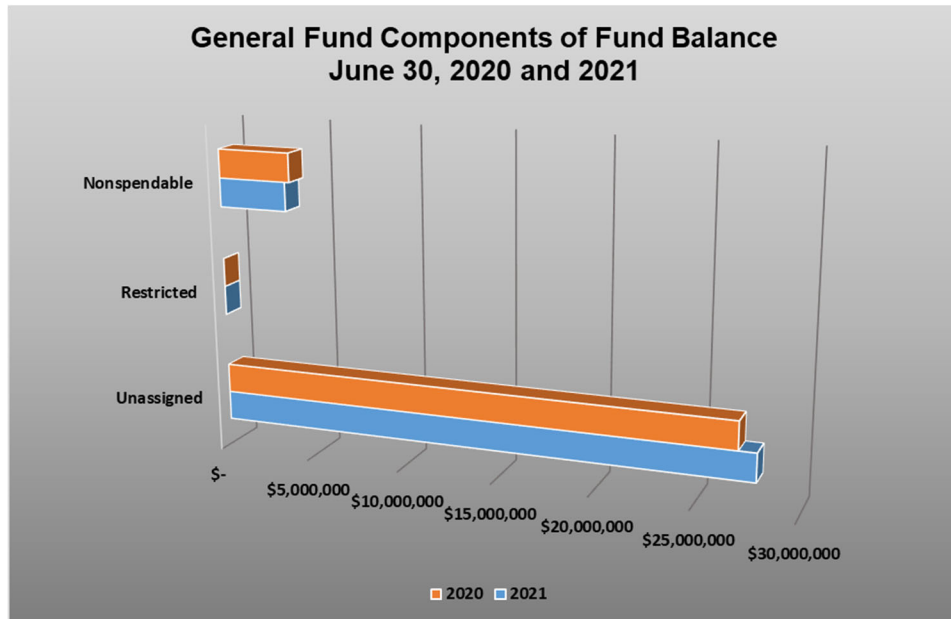
Financial Analysis of the Government's Funds

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

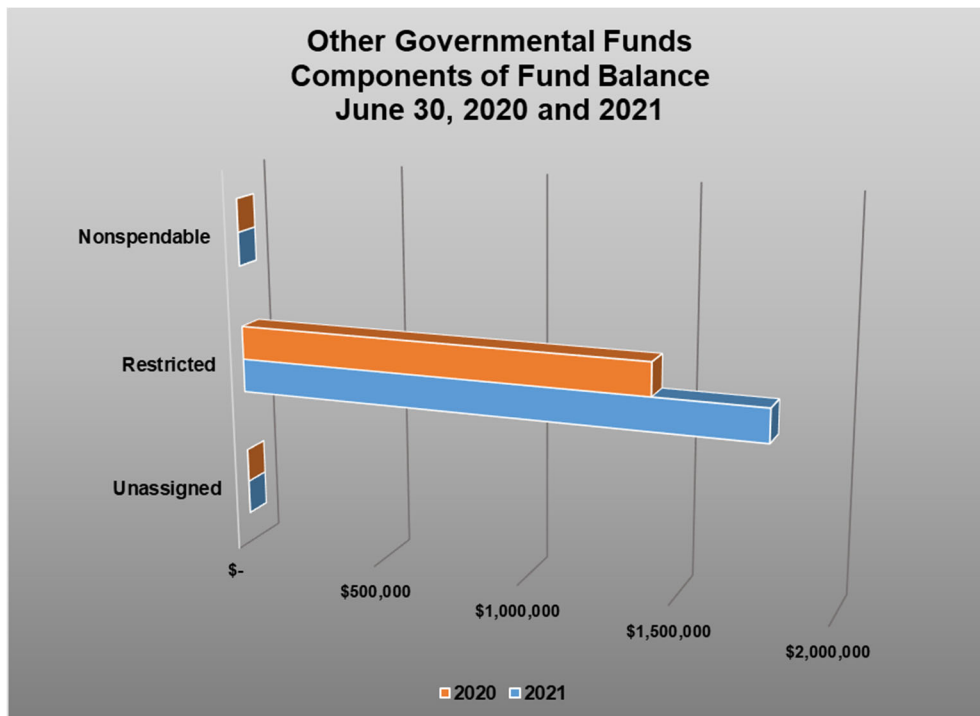
Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful 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.

At June 30, 2021, the Authority's governmental funds reported combined fund balances of \$33,351,499, an increase of \$1,027,846 in comparison with the prior year. Approximately 84% of this amount (\$27,910,249) 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 (\$3,658,838) or 2) restricted for particular purposes (\$1,782,412).

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021



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 \$27,910,249, while total fund balance increased to \$31,569,087. 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 703% of total General Fund expenditures, while total fund balance represents approximately 795% of that same amount.



MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
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The fund balance of the Authority's General Fund increased by \$654,823 during the current fiscal year. This is due to an excess of revenues over expenditures in the amount of \$567,703 and \$87,120 from a prior period adjustment, see Note 17.

The Meridian LLMD No. 1 Fund, a major fund, had a \$326,300 increase in fund balance during the current fiscal year to bring the year end fund balance to \$1,636,522. This is mostly due to the District receiving more Special Assessments than expenditures that will be used for future expenditures and capital costs.

The March Lifecare Campus CFD 2013-1 Fund had an increase in fund balance during the current year of \$46,723 to bring the year end fund balance to \$145,890. This is mostly due to the District receiving more special assessments than expenditures that will be used for future expenditures and capital costs.

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 \$(1,801,890), Green Acres was \$3,213,025, the Golf Course was \$(1,869,014) and the Utilities Authority was \$(256,377). The total increase, (decrease) in net position from operations for March Inland Port Airport Authority was \$(24,431), Green Acres \$71,020, Golf Course \$261,954 and Utilities Authority \$(34,133).

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. The Authority adopts budgets that cover two fiscal years. For the 2021 fiscal year, there were amendments to the budget to increase various revenues and expenditures since projections at the time the budget was adopted were changed. The most significant amendments to the budget for revenues was a decrease of \$2,000,000 for Proceeds / Sale of Fixed Asset which is due to JPA owned property not being sold in the current fiscal year, Plan Check / Permit Fee Revenue was increased \$700,000 due to expected increase in planning activities. For expenditures, the most significant amendments were a \$435,000 increase to Street and Lighting Maintenance, an increase of \$100,000 for Consulting Services is recouped by a decrease of \$500,000 for Plan Check / Inspection Fees.

Final Budget Compared to Actual Results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue source	Estimated Revenues	Actual Revenues	Difference
Licenses, permits and fees	\$ 3,188,000	\$ 2,959,658	\$ (228,342)
Investment earnings	2,000	164,580	162,580

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.

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A review of actual expenditures compared to the appropriations in the final budget had significant variances. Appropriations of \$1,200,000 for planning costs exceeded the related actual expenditures by \$408,729. 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, 2021, amounts to \$176,082,116 (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 0.43%.

The Authority's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 100,232,840	\$ 100,232,840	\$ 39,480,265	\$ 39,480,265	\$ 139,713,105	\$ 139,713,105
Beverage rights	-	-	17,518	17,518	17,518	17,518
Construction in progress	46,118	9,352	-	5,022	46,118	14,374
Vehicles	15,430	19,838	36,352	-	51,782	19,838
Office furniture and equipment	36,677	8,363	29,277	-	65,954	8,363
Building and improvements	6,167,732	6,425,187	27,952,604	28,997,414	34,120,336	35,422,601
Infrastructure	449,498	375	1,617,805	1,652,975	2,067,303	1,653,350
Total	<u>\$ 106,948,295</u>	<u>\$ 106,695,955</u>	<u>\$ 69,133,821</u>	<u>\$ 70,153,194</u>	<u>\$ 176,082,116</u>	<u>\$ 176,849,149</u>

Major capital asset events during the current fiscal year included the following:

- March Joint Powers Authority had an increase of \$36,766 in construction in progress as a result of implementing a new planning software.
- March Inland Port had an increase of \$36,352 in vehicles as a result of the purchasing a new vehicle.

Additional information on the Authority's capital assets can be found in Note 6 of this report.

Long-term obligations. At the end of the current fiscal year, the Authority had total debt outstanding of \$2,088,927. The long-term debt consists of a loan payable.

MARCH JOINT POWERS AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2021

The Authority's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Loan payable	\$ -	\$ -	\$ 2,088,927	\$ 2,238,927	\$ 2,088,927	\$ 2,238,927
Total	\$ -	\$ -	\$ 2,088,927	\$ 2,238,927	\$ 2,088,927	\$ 2,238,927

The Authority's total debt decreased by \$150,000 (7%) during the current fiscal year due to the decrease in the loan payable due from the Golf Course.

Other long-term obligations were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Compensated absences	\$ 202,101	\$ 202,444	\$ 134,734	\$ 63,929	\$ 336,835	\$ 266,373
Net pension liability	1,346,120	1,463,227	757,193	462,072	2,103,313	1,925,299
Net OPEB liability/(asset)	137,301	155,866	77,232	49,221	214,533	205,087
Total	\$ 1,685,522	\$ 1,821,537	\$ 969,159	\$ 575,222	\$ 2,654,681	\$ 2,396,759

Other long-term obligations increased by \$257,922, primarily due to increases of \$178,014 and \$70,462 for the net pension liability and the compensated absences, respectively.

Additional information on the Authority's long-term debt can be found in notes 7, 11 and 13 of this report.

Economic Factors and Next Year's Budgets and Rates:

The following economic factors currently affect the Authority and were considered in developing the 2021-2022 fiscal year budget:

- Anticipated sale of JPA property budgeted in previous year.
- Continued high demand for new large commercial property within the Inland Empire.
- Continued increase in commercial flight activity at March Inland Port.
- Increases in housing prices and lower interest rates expected to continue throughout the fiscal year, further raising demand for lower income rental housing.
- Interest rates are expected to stay at record lows through fiscal year 2020-2021.

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 27,252,858	\$ 6,935,277	\$ 34,188,135
Restricted cash and investments	4,341,891	-	4,341,891
Receivables:			
Accounts	816,769	101,855	918,624
Loans	3,150,729	-	3,150,729
Interest	1,463,367	-	1,463,367
Deposits	1,283	-	1,283
Internal balances	3,137,896	(3,137,896)	-
Inventory	-	57,289	57,289
Capital assets, not being depreciated	100,278,958	39,497,783	139,776,741
Capital assets, net of depreciation	6,669,337	29,636,038	36,305,375
Total assets	147,113,088	73,090,346	220,203,434
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	387,513	217,976	605,489
OPEB related items	178,140	100,204	278,344
Total deferred outflows of resources	565,653	318,180	883,833
LIABILITIES			
Accounts payable and accrued liabilities	432,582	271,677	704,259
Interest payable	-	1,463,367	1,463,367
Deposits and other liabilities	901,549	172,522	1,074,071
Liabilities payable from restricted assets:			
Other payables	5,343,475	-	5,343,475
Long-term liabilities:			
Due in one year	50,525	33,683	84,208
Due in more than one year	151,576	2,189,978	2,341,554
Net pension liability	1,346,120	757,193	2,103,313
Net OPEB liability	137,301	77,232	214,533
Total liabilities	8,363,128	4,965,652	13,328,780
DEFERRED INFLOWS OF RESOURCES			
Pension related items	41,438	23,309	64,747
Total deferred inflows of resources	41,438	23,309	64,747
NET POSITION			
Net investment in capital assets	106,948,295	69,133,821	176,082,116
Restricted for maintenance and landscaping	1,782,412	-	1,782,412
Unrestricted	30,543,468	(714,256)	29,829,212
Total net position	\$ 139,274,175	\$ 68,419,565	\$ 207,693,740

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

MARCH JOINT POWERS AUTHORITY
Statement of Activities
Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 5,004,900	\$ 5,070,312	\$ -	\$ 16,706
Total governmental activities	<u>5,004,900</u>	<u>5,070,312</u>	<u>-</u>	<u>16,706</u>
Business-type activities:				
March Inland Port Airport Authority	2,097,787	1,965,218	-	157,000
Green Acres	1,792,842	1,860,410	-	-
Golf Course	1,992,611	2,254,565	-	-
Utilities Authority	<u>244,711</u>	<u>210,578</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>6,127,951</u>	<u>6,290,771</u>	<u>-</u>	<u>157,000</u>
Total primary government	<u>\$ 11,132,851</u>	<u>\$ 11,361,083</u>	<u>\$ -</u>	<u>\$ 173,706</u>
		General Revenues:		
		Taxes		
		Investment earnings		
		Other		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning, as restated (Note 17)		
		Net position, ending		

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
\$ 82,118	\$ -	\$ 82,118
<u>82,118</u>	<u>-</u>	<u>82,118</u>
-	24,431	24,431
-	67,568	67,568
-	261,954	261,954
<u>-</u>	<u>(34,133)</u>	<u>(34,133)</u>
<u>-</u>	<u>319,820</u>	<u>319,820</u>
<u>82,118</u>	<u>319,820</u>	<u>401,938</u>
600,000	-	600,000
164,580	3,452	168,032
<u>352,000</u>	<u>-</u>	<u>352,000</u>
<u>1,116,580</u>	<u>3,452</u>	<u>1,120,032</u>
1,198,698	323,272	1,521,970
<u>138,075,477</u>	<u>68,096,293</u>	<u>206,171,770</u>
<u>\$ 139,274,175</u>	<u>\$ 68,419,565</u>	<u>\$ 207,693,740</u>

MARCH JOINT POWERS AUTHORITY
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue		Total
		Meridian LLMD No. 1	March Lifecare Campus CFD 2013-1	
ASSETS				
Cash and investments	\$ 25,372,854	\$ 1,732,396	\$ 147,608	\$ 27,252,858
Restricted cash and investments	4,341,891	-	-	4,341,891
Receivables:				
Accounts	698,858	94,156	23,755	816,769
Loans	3,150,729	-	-	3,150,729
Interest	1,463,367	-	-	1,463,367
Deposits	1,283	-	-	1,283
Advances to other funds	3,137,896	-	-	3,137,896
Total assets	\$ 38,166,878	\$ 1,826,552	\$ 171,363	\$ 40,164,793
LIABILITIES				
Accounts payable and accrued liabilities	\$ 360,141	\$ 70,723	\$ 1,718	\$ 432,582
Deposits payable	894,175	7,374	-	901,549
Liabilities payable from restricted assets:				
Other payables	5,343,475	-	-	5,343,475
Total liabilities	6,597,791	78,097	1,718	6,677,606
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - intergovernmental	-	111,933	23,755	135,688
FUND BALANCE				
Nonspendable:				
Long-term successor agency loans	520,942	-	-	520,942
Long-term advances to other funds	3,137,896	-	-	3,137,896
Restricted:				
Maintenance and landscaping	-	1,636,522	145,890	1,782,412
Unassigned	27,910,249	-	-	27,910,249
Total fund balances	31,569,087	1,636,522	145,890	33,351,499
Total liabilities, deferred inflows of resources and fund balances	\$ 38,166,878	\$ 1,826,552	\$ 171,363	\$ 40,164,793

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, 2021

Fund balances of governmental funds	\$ 33,351,499
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.	106,948,295
Liabilities that are not due and payable in the current period and are not reported in the funds.	
Compensated absences	(202,101)
Net pension liability	(1,346,120)
Net OPEB liability	(137,301)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	135,688
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	387,513
OPEB related deferred outflows of resources	178,140
Pension related deferred inflows of resources	(41,438)
Net position of governmental activities	<u>\$ 139,274,175</u>

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, 2021

	General Fund	Special Revenue		Total
		Meridian LLMD No. 1	March Lifecare Campus CFD 2013-1	
REVENUES				
Taxes	\$ 600,000	\$ -	\$ -	\$ 600,000
Licenses, permits and fees	2,959,658	-	-	2,959,658
Investment earnings	164,580	-	-	164,580
Lease revenue	461,448	-	-	461,448
Special assessments	-	1,597,090	52,116	1,649,206
Other revenue	352,000	-	-	352,000
Total revenues	4,537,686	1,597,090	52,116	6,186,892
EXPENDITURES				
Current:				
Administration	280,132	21,578	-	301,710
Salaries and benefits	1,159,753	123,700	-	1,283,453
Police patrols/security	214,564	-	-	214,564
Contractual/professional services	513,100	1,094,751	5,393	1,613,244
Project improvement costs	-	30,761	-	30,761
Legal	163,863	-	-	163,863
Planning	886,009	-	-	886,009
Maintenance and lease services	558,533	-	-	558,533
Buildings and grounds maintenance	194,029	-	-	194,029
Total expenditures	3,969,983	1,270,790	5,393	5,246,166
Excess of revenues over expenditures	567,703	326,300	46,723	940,726
Net change in fund balance	567,703	326,300	46,723	940,726
Fund balances, beginning, as restated (Note 17)	31,001,384	1,310,222	99,167	32,410,773
Fund balances, ending	\$ 31,569,087	\$ 1,636,522	\$ 145,890	\$ 33,351,499

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, 2021

Net change in fund balances - total governmental funds	\$ 940,726
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	16,706
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.	
Capital outlay	521,972
Depreciation expense	(269,632)
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	343
Net change in net OPEB liability expenses	15,085
Net change in net pension liability expenses	<u>(26,502)</u>
Change in net position of governmental activities	<u>\$ 1,198,698</u>

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

MARCH JOINT POWERS AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2021

	March Inland Port Airport Authority	Green Acres	Golf Course
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,828,553	\$ 3,717,010	\$ 232,194
Accounts receivable	25,076	1,998	6,294
Inventory	-	-	57,289
Total current assets	<u>2,853,629</u>	<u>3,719,008</u>	<u>295,777</u>
Noncurrent assets:			
Capital assets, not being depreciated	38,221,477	1,258,788	17,518
Capital assets, net of depreciation	<u>23,191,264</u>	<u>6,420,184</u>	<u>24,590</u>
Total noncurrent assets	<u>61,412,741</u>	<u>7,678,972</u>	<u>42,108</u>
Total assets	<u>64,266,370</u>	<u>11,397,980</u>	<u>337,885</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	139,262	78,714	-
OPEB related items	<u>64,019</u>	<u>36,185</u>	<u>-</u>
Total deferred outflows of resources	<u>203,281</u>	<u>114,899</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	75,331	88,098	75,864
Interest payable	1,463,367	-	-
Deposits	-	172,522	-
Compensated absences - current portion	<u>21,052</u>	<u>12,631</u>	<u>-</u>
Total current liabilities	<u>1,559,750</u>	<u>273,251</u>	<u>75,864</u>
Noncurrent liabilities:			
Loan payable	-	-	2,088,927
Compensated absences	63,157	37,894	-
Net pension liability	483,762	273,431	-
Net OPEB liability	49,343	27,889	-
Advances from other funds	<u>2,687,896</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>3,284,158</u>	<u>339,214</u>	<u>2,088,927</u>
Total liabilities	<u>4,843,908</u>	<u>612,465</u>	<u>2,164,791</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	<u>14,892</u>	<u>8,417</u>	<u>-</u>
Total deferred inflows of resources	<u>14,892</u>	<u>8,417</u>	<u>-</u>
NET POSITION (deficit)			
Net investment in capital assets	61,412,741	7,678,972	42,108
Unrestricted	<u>(1,801,890)</u>	<u>3,213,025</u>	<u>(1,869,014)</u>
Total net position	<u>\$ 59,610,851</u>	<u>\$ 10,891,997</u>	<u>\$ (1,826,906)</u>

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

Utilities Authority	Total
\$ 157,520	\$ 6,935,277
68,487	101,855
-	57,289
226,007	7,094,421
-	39,497,783
-	29,636,038
-	69,133,821
226,007	76,228,242
-	217,976
-	100,204
-	318,180
32,384	271,677
-	1,463,367
-	172,522
-	33,683
32,384	1,941,249
-	2,088,927
-	101,051
-	757,193
-	77,232
450,000	3,137,896
450,000	6,162,299
482,384	8,103,548
-	23,309
-	23,309
-	69,133,821
(256,377)	(714,256)
\$ (256,377)	\$ 68,419,565

MARCH JOINT POWERS AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2021

	March Inland Port Airport Authority	Green Acres	Golf Course
OPERATING REVENUES			
Charges for services	\$ 1,625,991	\$ 60,974	\$ 2,254,565
Rental income	335,727	1,796,114	-
Permit fees	3,500	-	-
Other	-	3,322	-
	<u>1,965,218</u>	<u>1,860,410</u>	<u>2,254,565</u>
OPERATING EXPENSES			
Administrative	254,396	27,063	-
Professional services	56,877	403,153	1,991,063
Salaries and employee benefits	782,440	564	-
Purchased water/utilities	-	474,649	-
Insurance/claims	-	20,403	-
Repairs and maintenance	80,434	501,158	-
Project improvement costs	2,859	32,675	-
Depreciation	778,699	301,616	1,548
Services and fees	37,582	46	-
Other	-	31,515	-
	<u>1,993,287</u>	<u>1,792,842</u>	<u>1,992,611</u>
Operating income (loss)	<u>(28,069)</u>	<u>67,568</u>	<u>261,954</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	3,452	-
Interest expense	(104,500)	-	-
	<u>(104,500)</u>	<u>3,452</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>(132,569)</u>	<u>71,020</u>	<u>261,954</u>
CAPITAL CONTRIBUTIONS			
	<u>157,000</u>	<u>-</u>	<u>-</u>
Change in net position	24,431	71,020	261,954
Net position (deficit), beginning	<u>59,586,420</u>	<u>10,820,977</u>	<u>(2,088,860)</u>
Net position (deficit), ending	<u>\$ 59,610,851</u>	<u>\$ 10,891,997</u>	<u>\$ (1,826,906)</u>

<u>Utilities Authority</u>	<u>Total</u>
\$ 210,578	\$ 4,152,108
-	2,131,841
-	3,500
-	3,322
<u>210,578</u>	<u>6,290,771</u>
9,500	290,959
-	2,451,093
-	783,004
184,000	658,649
-	20,403
51,211	632,803
-	35,534
-	1,081,863
-	37,628
-	31,515
<u>244,711</u>	<u>6,023,451</u>
<u>(34,133)</u>	<u>267,320</u>
-	3,452
-	(104,500)
-	(101,048)
<u>(34,133)</u>	<u>166,272</u>
-	157,000
(34,133)	323,272
<u>(222,244)</u>	<u>68,096,293</u>
<u>\$ (256,377)</u>	<u>\$ 68,419,565</u>

MARCH JOINT POWERS AUTHORITY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	March Inland Port Airport Authority	Green Acres	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,947,429	\$ 1,860,590	\$ 2,251,308
Cash payments for employee services (salaries)	(559,021)	94,032	-
Cash payments to suppliers for goods and services	(453,716)	(1,504,843)	(1,982,308)
Net cash provided by (used for) operating activities	<u>934,692</u>	<u>449,779</u>	<u>269,000</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Advances to (from) other funds	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(36,352)	-	(26,138)
Capital contributions	157,000	-	-
Payment on JPA operating advances	-	-	(150,000)
Net cash provided by (used for) capital and related financing activities	<u>120,648</u>	<u>-</u>	<u>(176,138)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	-	3,452	-
Net cash provided by investing activities	<u>-</u>	<u>3,452</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS			
	1,055,340	453,231	92,862
Cash and cash equivalents - beginning of year	<u>1,773,213</u>	<u>3,263,779</u>	<u>139,332</u>
Cash and cash equivalents - end of year	<u>\$ 2,828,553</u>	<u>\$ 3,717,010</u>	<u>\$ 232,194</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (28,069)	\$ 67,568	\$ 261,954
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	778,699	301,616	1,548
(Increase) decrease in accounts receivable	(17,789)	180	(3,257)
(Increase) decrease in inventory	-	-	(1,047)
(Increase) decrease in pension/OPEB related deferred outflows	(63,589)	(15,119)	-
Increase (decrease) in accounts payable and accrued liabilities	(15,189)	(14,980)	9,802
(Increase) decrease in compensated absences	46,917	23,888	-
Increase (decrease) in deposits	-	1,379	-
Increase (decrease) in net pension liability	214,220	80,901	-
Increase (decrease) in net OPEB liability	20,631	7,380	-
Increase (decrease) in pension/OPEB related deferred inflows	(1,139)	(3,034)	-
Total cash provided by (used for) operating activities	<u>\$ 934,692</u>	<u>\$ 449,779</u>	<u>\$ 269,000</u>

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

Utilities Authority	Total
\$ 172,798	\$ 6,232,125
-	(464,989)
<u>(224,768)</u>	<u>(4,165,635)</u>
<u>(51,970)</u>	<u>1,601,501</u>
<u>150,000</u>	<u>150,000</u>
<u>150,000</u>	<u>150,000</u>
-	(62,490)
-	157,000
<u>-</u>	<u>(150,000)</u>
<u>-</u>	<u>(55,490)</u>
<u>-</u>	<u>3,452</u>
<u>-</u>	<u>3,452</u>
98,030	1,699,463
<u>59,490</u>	<u>5,235,814</u>
<u>\$ 157,520</u>	<u>\$ 6,935,277</u>

\$ (34,133)	\$ 267,320
-	1,081,863
(37,780)	(58,646)
-	(1,047)
-	(78,708)
19,943	(424)
-	70,805
-	1,379
-	295,121
-	28,011
<u>-</u>	<u>(4,173)</u>
<u>\$ (51,970)</u>	<u>\$ 1,601,501</u>

MARCH JOINT POWERS AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Successor Agency Private-purpose Trust Fund
ASSETS	
Cash and investments	\$ 2,191,940
Cash and investments with fiscal agent	15,930
Prepaid items	247,183
Total assets	<u>2,455,053</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>7,320,932</u>
Total deferred outflows of resources	<u>7,320,932</u>
LIABILITIES	
Interest payable	495,310
Loans payable - due in one year	540,860
Loans payable - due in more than one year	520,942
Bonds payable - due in one year	920,000
Bonds payable - due in more than one year	<u>32,074,495</u>
Total liabilities	<u>34,551,607</u>
NET POSITION (DEFICIT)	
Net position held in trust for redevelopment	<u>(24,775,622)</u>
Total net position	<u>\$ (24,775,622)</u>

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, 2021

	Successor Agency Private-purpose Trust Fund
	<hr/>
ADDITIONS	
Taxes	\$ 2,588,748
Investment earnings	<hr/> (78)
Total additions	<hr/> 2,588,670
DEDUCTIONS	
Administration	270,308
Contractual/professional services	25,346
Interest expense	<hr/> 1,426,272
Total deductions	<hr/> 1,721,926
Change in net position	<hr/> 866,744
Net position (deficit), beginning	<hr/> (25,642,366)
Net position (deficit), ending	<hr/> <hr/> \$ (24,775,622)

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

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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:

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Rita Rogers	Chairman	City of Perris
Jeff Hewitt	Vice Chair	County of Riverside
Chuck Conder	Commissioner	City of Riverside
Michael Vargas	Commissioner	City of Perris
Kevin Jeffries	Commissioner	County of Riverside
Jim Perry	Commissioner	City 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

The basic financial statements of the March Joint Powers Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting purposes.

These statements 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 *Utility 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 March Joint Powers 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 \$3,301,038 for Meridian drainage fee deposits, and \$1,040,853 for fire department impact fees.

G) Uncollectible Accounts

The Authority uses the allowance method of recording uncollectible accounts. Currently, the Authority believes all receivables are collectible based on prior experience. Therefore, there is no current allowance recorded.

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: \$1,401,906 for County fire facilities, \$3,859,325 for the Meridian drainage fee deposits and \$82,244 for Lifecare Campus Drainage Fees.

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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 position 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 the following items that qualify for reporting in this category. The Authority has deferred outflows related to pensions and other post-employment benefits (OPEB). This includes pension and OPEB contributions subsequent to the measurement date of the net pension liability, net OPEB liability (asset) and other amounts (see Notes 11 and 13), which are amortized by an actuarial determined period. The Authority has deferred charges on refunding that resulted from the difference in the carrying value of the refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 position 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 two 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. The Authority also has deferred inflows related to pensions. These amounts (see Notes 11 and 13) are amortized by an actuarial determined period.

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.

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

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.

GASB 68 requires 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

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.

P) Fund Balance

Fund balance in governmental funds are 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 (through 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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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

P) Fund Equity (continued)

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.

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	- 1 st installment
	February 1	- 2 nd installment
Delinquent Date	December 10	- 1 st installment
	April 10	- 2 nd 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 \$71,000 for foreign trade zone fees, \$250,000 for Successor Agency administration fees and \$31,000 for miscellaneous revenues.

T) Reclassification

The Authority has reclassified certain prior year information to conform with current year presentation, with no effect on net position.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and investments	\$ 34,188,135
Restricted cash and investments	4,341,891
Statement of Fiduciary Net Position:	
Cash and investments	2,191,940
Cash and investments with fiscal agent	<u>15,930</u>
 Total cash and investments	 <u><u>\$ 40,737,896</u></u>

Cash and investments consist of the following:

Petty cash	\$ 500
Deposits with financial institutions	17,821,380
Investments	<u>22,916,016</u>
 Total cash and investments	 <u><u>\$ 40,737,896</u></u>

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⁾	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 with assets greater than \$500 million.

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

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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	\$ 895,083	\$ 895,083	\$ -	\$ -	\$ -
U.S. Treasury obligations	15,152,578	15,152,578	-	-	-
Medium-term notes	1,543,125	655,033	567,275	320,817	-
U.S. Agency securities	5,309,300	410,560	299,604	4,599,136	-
Held by Bond Trustee:					
Money market funds	15,930	15,930	-	-	-
Total	\$ 22,916,016	\$ 17,129,184	\$ 866,879	\$ 4,919,953	\$ -

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

2) CASH AND INVESTMENTS (continued)

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	\$ 895,083	N/A	\$ -	\$ -	\$ -	\$ 895,083
U.S. Treasury obligations	15,152,578	N/A	-	-	-	15,152,578
Medium-term notes	1,543,125	A	-	580,730	710,549	251,846
U.S. Agency securities	5,309,300	N/A	-	3,637,332	-	1,671,968
Held by Bond Trustee:						
Money market funds	<u>15,930</u>	N/A	-	-	-	15,930
Total	<u>\$22,916,016</u>		<u>\$ -</u>	<u>\$ 4,218,062</u>	<u>\$ 710,549</u>	<u>\$ 17,987,405</u>

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. Investments in any one issue (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total Authority's investments are as follows:

Issuer	Investment Type	Reported Amount
Fannie Mae	U.S. Agency securities	\$ 1,179,432

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.

2) CASH AND INVESTMENTS (continued)

As of June 30, 2021, 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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

3) FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Investments:			
Money market mutual funds	\$ 895,083	\$ -	\$ 895,083
U.S. Treasury obligations	15,152,578	15,152,578	-
Medium-term notes	1,543,125	1,543,125	-
Federal securities	5,309,300	5,309,300	-
Held by Bond Trustee:			
Money market funds	15,930	-	15,930
 Total Investments	<u>\$ 22,916,016</u>	<u>\$ 22,005,003</u>	<u>\$ 911,013</u>

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 balance outstanding as of June 30, 2021 for all loans is \$1,061,802. The loans have a 5% simple interest rate.

The Authority has also accumulated a receivable from the Golf Course in order to support operations. The loan will be repaid at such time excess revenues from operations exist. The balance outstanding as of June 30, 2021 is \$2,088,927.

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no amounts due to/from other funds as of June 30, 2021.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Advances to/from other funds are as follows:

<u>Advance To</u>	<u>Advance From</u> <u>General</u> <u>Fund</u>
March Inland Port Airport	\$ 2,687,896
Utilities Authority	<u>450,000</u>
Total	<u>\$ 3,137,896</u>

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.

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, 2021.

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

6) CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 100,232,840	\$ -	\$ -	\$ 100,232,840
Construction in progress	9,352	46,118	(9,352)	46,118
	<u>100,242,192</u>	<u>46,118</u>	<u>(9,352)</u>	<u>100,278,958</u>
Total capital assets, not being depreciated				
	<u>100,242,192</u>	<u>46,118</u>	<u>(9,352)</u>	<u>100,278,958</u>
Capital assets, being depreciated:				
Vehicles	196,252	-	(28,359)	167,893
Office furniture and equipment	178,322	36,039	(93,105)	121,256
Building and improvements	12,070,590	-	-	12,070,590
Infrastructure	776,917	449,167	-	1,226,084
	<u>13,222,081</u>	<u>485,206</u>	<u>(121,464)</u>	<u>13,585,823</u>
Total capital assets, being depreciated				
	<u>13,222,081</u>	<u>485,206</u>	<u>(121,464)</u>	<u>13,585,823</u>
Less accumulated depreciation:				
Vehicles	(176,414)	(4,408)	28,359	(152,463)
Office furniture and equipment	(169,959)	(7,725)	93,105	(84,579)
Building and improvements	(5,645,403)	(257,455)	-	(5,902,858)
Infrastructure	(776,542)	(44)	-	(776,586)
	<u>(6,768,318)</u>	<u>(269,632)</u>	<u>121,464</u>	<u>(6,916,486)</u>
Total accumulated depreciation				
	<u>(6,768,318)</u>	<u>(269,632)</u>	<u>121,464</u>	<u>(6,916,486)</u>
Total capital assets, being depreciated, net				
	<u>6,453,763</u>	<u>215,574</u>	<u>-</u>	<u>6,669,337</u>
Governmental activities capital assets, net of depreciation				
	<u>\$ 106,695,955</u>	<u>\$ 261,692</u>	<u>\$ (9,352)</u>	<u>\$ 106,948,295</u>

Depreciation expense of \$269,632 was charged to the general government function in the Statement of Activities.

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

6) CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 39,480,265	\$ -	\$ -	\$ 39,480,265
Beverage rights	17,518	-	-	17,518
Construction in progress	5,022	-	(5,022)	-
Total capital assets, not being depreciated	<u>39,502,805</u>	<u>-</u>	<u>(5,022)</u>	<u>39,497,783</u>
Capital assets, being depreciated:				
Office furniture and equipment	-	31,160	-	31,160
Building and improvements	42,782,399	-	-	42,782,399
Vehicles	-	36,352	-	36,352
Infrastructure	2,817,370	-	-	2,817,370
Total capital assets, being depreciated	<u>45,599,769</u>	<u>67,512</u>	<u>-</u>	<u>45,667,281</u>
Less accumulated depreciation:				
Office furniture and equipment	-	(1,883)	-	(1,883)
Building and improvements	(13,784,985)	(1,044,810)	-	(14,829,795)
Infrastructure	(1,164,395)	(35,170)	-	(1,199,565)
Total accumulated depreciation	<u>(14,949,380)</u>	<u>(1,081,863)</u>	<u>-</u>	<u>(16,031,243)</u>
Total capital assets, being depreciated, net	<u>30,650,389</u>	<u>(1,014,351)</u>	<u>-</u>	<u>29,636,038</u>
Business-type activities capital assets, net of depreciation	<u>\$ 70,153,194</u>	<u>\$ (1,014,351)</u>	<u>\$ (5,022)</u>	<u>\$ 69,133,821</u>

Depreciation was charged to functions/programs as follows:

Business-type Activities:	
March Inland Port Airport Authority	\$ 778,699
Green Acres	301,616
Golf Course	1,548
	<u>1,081,863</u>
Total depreciation expense - Business-type activities	<u>\$ 1,081,863</u>

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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 (Note 1.L)	\$ 202,444	\$ 52,419	\$ (52,762)	\$ 202,101	\$ 50,525
Business type Activities:					
Description	Beginning Balance	Obligations Incurred	Obligations Satisfied	Ending Balance	Due Within One Year
Loan payable	\$ 2,238,927	\$ -	\$ (150,000)	\$ 2,088,927	\$ -
Compensated absences (Note 1.L)	63,929	105,979	(35,174)	134,734	33,683
Total Business-type Activities	\$ 2,302,856	\$ 105,979	\$ (185,174)	\$ 2,223,661	\$ 33,683

8) DEFICIT FUND BALANCES/NET POSITION

The Authority reported the following fund balance/net position deficit for the year ended June 30, 2021:

Fund	Amount
Major Fund	
Golf Course	\$ (1,826,906)
Utilities Authority	(256,377)

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.

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

9) OPERATING LEASES

During the year the Authority had the following lease activity:

<u>Lessee</u>	<u>Building(s)</u>	<u>Lease Date</u>	<u>Term</u>	<u>Amount Due</u>	<u>Renewal Options</u>
USVI CrossWord Christian Fellowship Church	Homeless shelter Chapel #1	10/2018 1/2005	1 year 30 years	\$6,400 per month \$8,689 per month	(4) One year periods (2) Five year periods
March Field Museum Foundation	March Field Museum	4/2000	30 years	\$1 per year	(2) Ten year periods
Pyro Spectaculars Freeman Holdings of Riverside, LLC	Weapons Storage area Fuel Farm Facility	12/2015 11/2010	7 years 10 years	\$17,687 per month \$4,961 per month	 (2) Ten year periods
Freeman Holdings of Riverside, LLC	General Aviation Terminal	8/2014	6 years	\$1,877 per month	(2) Ten year periods
Verizon Wireless	Cell tower lease	5/2010	5 years	\$2,768 per month	(3) Five year periods

March Philmar Project - In July 1999, the March Joint Powers Redevelopment Agency entered into a 55-year ground lease with March Inland Cargoport Development, LLC for the lease term beginning July, 1999 through June, 2054 with two ten year options to renew. The rent commencement date is June 1, 2000. The rent is abated for the first 84 months, or in the amount of \$255,400 in consideration of expenditures to bring utilities and other public services to the Land. In August 1999, March Inland Cargoport Development, LLC assigned the March Philmar Project Lease to March Philmar, LLC. Rent payments began in 2007 in the amount of \$36,486. On September 20, 2006, this lease was reassigned to the March Inland Port Airport Authority. In 2011, CT Realty purchased March Philmar from March Philmar, LLC and subsequently formed CT March Port I, LLC. On March 16, 2011 an Assignment, Assumption and Landlord Consent to Assignment and Assumption of Lease was executed between MJPA, March Philmar LLC and CT March Port I, LLC. Effective April 1, 2011, CT March Port I, LLC began paying property lease payments of \$48,649; an increase from \$0.06 under Philmar Ground Lease to \$0.08 per sf. The CT March Port I, LLC lease is subject to annual Consumer Price Index (CPI) increases not greater than 2.5% annually. The building was sold to First Industrial L.P. and recorded on May 30, 2014 and is subject to the ground lease agreement terms. In fiscal year 2021, the Authority received \$58,918 in lease payments.

Marhub, LLC - In October 2004, the March Joint Powers Redevelopment Agency entered into a 48 year ground lease agreement with Marhub, LLC. The term of the lease is for a 48 year period with three five year options to renew. The lease will be based on six cents per foot of the premises. The lease will be subject to a yearly adjustment based on the Consumer Price Index (CPI) increases not greater than 4% annually. On September 20, 2006, this lease was reassigned to the March Inland Port Airport Authority. On December 17, 2014 an Assignment, Assumption and Landlord Consent to Assignment and Assumption of Lease was executed between MIPAA, Marhub, LLC and Westcore Properties AC, LLC. On June 25, 2018, a confirmation and reaffirmation of assignment and assumption was executed between MIPAA, Marhub LLC and Alameda BC, LLC that transferred the rights of the ground lease from Westcore Properties AC, LLC to Alameda BC, LLC. In 2021, the Authority received \$109,209 in lease payments.

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.

11) EMPLOYEES' RETIREMENT PLAN

A) 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 sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and 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.

11) EMPLOYEES' RETIREMENT PLAN (continued)

A) General Information about the Pension Plan (continued)

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.

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
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	14.194%	7.732%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be 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. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

11) EMPLOYEES' RETIREMENT PLAN (continued)

A) General Information about the Pension Plan (continued)

Contributions (continued)

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, 2021 were \$288,096. The actual employer payments of \$286,390 made to CalPERS by the Local Government during the measurement period ended June 30, 2020 differed from the Local Government's proportionate share of the employer's contributions of \$326,083 by \$39,693, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B) 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.50%
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	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

11) EMPLOYEES' RETIREMENT PLAN (continued)

B) Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (continued)

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

<u>Asset Class¹</u>	<u>Allocation</u>	<u>Years 1-10²</u>	<u>Years 11+³</u>
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%

⁽¹⁾ In the Systems's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

⁽²⁾ An expected inflation of 2.0% used for this period

⁽³⁾ An expected inflation of 2.92% used for this period

11) EMPLOYEES' RETIREMENT PLAN (continued)

B) Net Pension Liability (continued)

Change of Assumptions

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.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

11) EMPLOYEES' RETIREMENT PLAN (continued)

C) Proportionate Share of Net Pension Liability

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

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
Balance at: 6/30/2019 (VD)	\$ 8,533,497	\$ 6,608,198	\$ 1,925,299
Balance at: 6/30/2020 (MD)	9,401,565	7,298,252	2,103,313
Net Changes during 2019-20	<u>\$ 868,068</u>	<u>\$ 690,054</u>	<u>\$ 178,014</u>

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 net pension liability for the miscellaneous Plan as of the June 30, 2019 and 2020 measurement dates was as follows:

Proportion - June 30, 2020	0.04808%
Proportion - June 30, 2021	0.04986%
Change - increase (decrease)	0.00178%

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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Net Pension Liability	\$ 3,354,432	\$ 2,103,313	\$ 1,069,553

11) EMPLOYEES' RETIREMENT PLAN (continued)

C) Proportionate Share of Net Pension Liability

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

11) EMPLOYEES' RETIREMENT PLAN (continued)

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

As of the start of the measurement period (July 1, 2019), the Authority's net pension liability was \$1,925,299. For the measurement period ending June 30, 2020 (the measurement date), the Authority incurred a pension expense of \$514,969.

As of June 30, 2021 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	\$ -	\$ 15,002
Differences between expected and actual experience	108,390	-
Differences between projected and actual investment earnings	62,482	-
Differences between employer's contributions and proportionate share of contributions	-	49,745
Change in employer's proportion	146,521	-
Pension contributions made subsequent to the measurement date	288,096	-
	<u>288,096</u>	<u>-</u>
Total	<u>\$ 605,489</u>	<u>\$ 64,747</u>

These amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$288,096 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
2022	\$ 78,052
2023	93,943
2024	50,683
2025	29,968
2025	-
Thereafter	-

E) Payable to the Pension Plan

At June 30, 2021, the Authority reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Active employees	16
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
Total	<u><u>19</u></u>

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

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, 2021, the Authority's estimated implied subsidy was \$36,387.

Net OPEB Liability (Asset)

The Authority's net OPEB liability (asset) was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age
Discount Rate	7.00%
Investment Rate of Return	7.00%
Inflation	2.75% per year
Salary Increases	2.75% per year
Medical Trend	4%
Mortality Rate (1)	2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement Rates (2)	Hired before 1/1/2013: 2009 CalPERS 2.7% @ 55 Rates for Miscellaneous Employees Hired before 12/31/2012: 2009 CalPERS Retirement Rates for Miscellaneous Employees 2% @ 60 adjusted to minimum retirement age of 52.

(1) The mortality assumptions are based on the 2014 CalPERS Retiree Mortality for Miscellaneous 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.

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:

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

13) OTHER POST EMPLOYMENT BENEFITS (continued)

Net OPEB Liability (Asset) (continued)

Asset Class	Target Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ¹
Global Equities	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Global Real Estate (REITs)	8%	3.20%	5.00%
Treasury Inflation Protected Securities (TIPS)	5%	0.25%	1.46%
Commodities	3%	1.50%	2.87%

¹ An expected inflation of 2.0% used for this period

Discount Rate

The discount rate used to measure the total OPEB liability was 7%. 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.

Changes in the OPEB Liability (Asset)

The changes in the net OPEB liability (asset) 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, 2020 (Valuation Date June 30, 2019)	\$ 484,933	\$ 279,846	\$ 205,087
Changes recognized for the measurement period:			
Service Cost	21,040	-	21,040
Interest on the Total OPEB Liability	33,447	-	33,447
Employer Contributions	-	32,986	(32,986)
Employee Contributions	-	-	-
Changes in assumptions	-	-	-
Net Investment Income	-	19,584	(19,584)
Investment Gains/Losses	-	(9,695)	9,695
Administrative expense	-	(137)	137
Benefit Payments	(32,986)	(32,986)	-
Experience Gains/Losses	(2,303)	-	(2,303)
Net Changes	19,198	9,752	9,446
Balance at June 30, 2021 (Measurement Date June 30, 2020)	\$ 504,131	\$ 289,598	\$ 214,533

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

13) OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) 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, 2020:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net OPEB Liability	\$ 261,810	\$ 214,533	\$ 174,671

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

The following presents the net OPEB liability (asset) 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, 2020:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 168,704	\$ 214,533	\$ 268,169

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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

13) OTHER POST EMPLOYMENT BENEFITS (continued)

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

For the fiscal year ended June 30, 2021, the Authority recognized OPEB expense of \$59,930. As of fiscal year ended June 30, 2021, 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	\$ 41,283	\$ -
Changes of assumptions	227,998	-
Differences between expected and actual experience	120	-
Net difference between projected and actual earnings on OPEB plan investments	8,943	-
Total	<u>\$ 278,344</u>	<u>\$ -</u>

The \$41,283 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 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
2022	\$ 24,890
2023	24,891
2024	25,041
2025	24,545
2026	22,606
Thereafter:	115,088

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.

14) COMMITMENTS AND CONTINGENCIES (continued)

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.

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.

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MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

15) SUCCESSOR AGENCY FOR ASSETS 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.

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	Ending Balance	Due within 1 year
Loans payable	\$ 1,309,199	\$ -	\$ (247,397)	\$ 1,061,802	\$ 540,860
2016 Series A Tax Allocation Bond Refunding Bond	30,385,000	-	(885,000)	29,500,000	920,000
Bond premiums (2016A Tax Allocation Refunding Bond)	3,668,495	-	(174,000)	3,494,495	-
Total Long-term Obligations	<u>\$ 35,362,694</u>	<u>\$ -</u>	<u>\$ (1,306,397)</u>	<u>\$ 34,056,297</u>	<u>\$ 1,460,860</u>

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

15) SUCCESSOR AGENCY FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(continued)

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. Interest expense incurred during the fiscal year ended June 30, 2021 is \$44,050. The balance outstanding as of June 30, 2021 for all loans is \$1,061,802.

<u>Date</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Outstanding at End of Year</u>
June 20, 2007	5%	\$ 700,000	\$ 141,273
June 18, 2008	5%	850,000	460,620
June 17, 2009*	5%	600,000	100,243
March 17, 2010	5%	500,000	46,318
February 17, 2011	5%	700,000	313,349
Total		<u>\$ 3,350,000</u>	<u>\$ 1,061,802</u>

*This note payable was approved in 2009 for the 2010 fiscal year.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 540,860	\$ 41,667	\$ 582,527
2023	176,127	23,873	200,000
2024	130,024	15,079	145,102
2025	90,376	9,624	100,000
2026	94,951	5,049	100,000
2027	29,464	737	30,200
Total	<u>\$ 1,061,802</u>	<u>\$ 96,027</u>	<u>\$ 1,157,830</u>

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 installments 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 expense incurred during the fiscal year ended June 30, 2021 was \$1,191,694.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

15) SUCCESSOR AGENCY FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(continued)

2016 Tax Allocation Refunding Bonds - Series A, Direct Borrowing (continued)

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
2022	\$ 920,000	\$ 1,170,344	\$ 2,090,344
2023	955,000	1,132,844	2,087,844
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
2027-2031	6,050,000	4,377,759	10,427,759
2032-2036	7,420,000	2,976,800	10,396,800
2037-2041	9,025,000	1,337,100	10,362,100
2042	2,030,000	40,600	2,070,600
Total	<u>\$ 29,500,000</u>	<u>\$ 14,193,878</u>	<u>\$ 43,693,878</u>

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.

MARCH JOINT POWERS AUTHORITY
Notes to Financial Statements
Year Ended June 30, 2021

16) COVID-19 Considerations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. The Authority's major revenue sources could still be directly impacted by these events, it is possible that this matter could negatively impact the Authority. However, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this contingency.

17) PRIOR PERIOD ADJUSTMENT

The cumulative effects of corrections in reporting of prior balances resulted in the following prior period adjustments:

	<u>General Fund</u>
Fund balance, as previously reported	\$ 30,914,264
Prior period adjustment	<u>87,120</u>
Fund balance, as restated	<u>\$ 31,001,384</u>
	<u>Governmental</u>
	<u>Activities</u>
Net position, as previously reported	\$137,988,357
Prior period adjustment	<u>87,120</u>
Net position, as restated	<u>\$138,075,477</u>

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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%

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%

* 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:

Change in Benefit Terms: None

Changes in Assumptions: 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 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent 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
Total OPEB Liability				
Service Cost	\$ 8,144	\$ 8,368	\$ 8,598	\$ 21,040
Interest on the Total OPEB Liability	11,209	12,337	13,531	33,447
Actual and expected experience difference	-	-	-	-
Changes in assumptions	-	-	273,148	-
Changes in benefit terms	-	-	-	-
Benefit payments	(3,389)	(3,525)	(4,028)	(32,986)
Experience Gains/Losses	-	-	2,676	(2,303)
Net change in Total OPEB Liability	<u>15,964</u>	<u>17,180</u>	<u>293,925</u>	<u>19,198</u>
Total OPEB Liability - beginning	<u>157,864</u>	<u>173,828</u>	<u>191,008</u>	<u>484,933</u>
Total OPEB Liability - ending (a)	<u>173,828</u>	<u>191,008</u>	<u>484,933</u>	<u>504,131</u>
Plan Fiduciary Net Position				
Employer Contributions	30,189	37,525	34,028	32,986
Employee Contributions	-	-	-	-
Net investment income	15,722	14,211	17,491	19,584
Investment Gains/Losses	-	759	(2,484)	(9,695)
Benefit payments	(3,389)	(3,525)	(4,028)	(32,986)
Administrative expense	(131)	(348)	(51)	(137)
Other	-	75	-	-
Net change in Plan Fiduciary Net Position	<u>42,391</u>	<u>48,697</u>	<u>44,956</u>	<u>9,752</u>
Plan Fiduciary Net Position - beginning	<u>143,802</u>	<u>186,193</u>	<u>234,890</u>	<u>279,846</u>
Plan Fiduciary Net Position - ending (b)	<u>186,193</u>	<u>234,890</u>	<u>279,846</u>	<u>289,598</u>
Net OPEB Liability/(Asset) - ending (a) - (b)	<u>\$ (12,365)</u>	<u>\$ (43,882)</u>	<u>\$ 205,087</u>	<u>\$ 214,533</u>
Plan fiduciary net position as a percentage of the total OPEB liability	107.11%	122.97%	57.71%	57.44%
Covered-employee payroll ¹	\$ 1,380,853	\$ 1,567,809	\$ 1,320,141	\$ 1,452,353
Net OPEB liability as a percentage of covered-employee ¹ payroll	-0.90%	-2.80%	15.54%	14.77%

¹Contributions 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
Statutorily required contributions	\$ 7,187	\$ 4,028	\$ 4,896	\$ 3,432
Contributions in relation to the statutorily required contributions	(37,539)	(34,028)	(39,134)	(3,432)
Contribution deficiency/(excess)	<u>\$ (30,352)</u>	<u>\$ (30,000)</u>	<u>\$ (34,238)</u>	<u>\$ -</u>
Covered-employee payroll ¹	\$ 1,567,809	\$ 1,320,141	\$ 1,452,353	\$ 1,800,999
Contribution as a percentage of covered-employee ¹ payroll	2.39%	2.58%	2.69%	0.19%

* 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:

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

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age
Discount rate	7%
Investment rate of return	7%
General inflation	2.75%
Medical trend	4%
Mortality	2014 CalPERS active mortality for miscellaneous employees

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Licenses, permits and fees	2,400,500	3,188,000	2,959,658	(228,342)
Investment earnings	300,000	2,000	164,580	162,580
Lease revenue	400,000	325,000	461,448	136,448
Other revenue	299,000	352,000	352,000	-
Total revenues	<u>3,999,500</u>	<u>4,467,000</u>	<u>4,537,686</u>	<u>70,686</u>
EXPENDITURES				
Current:				
Administration	310,100	302,500	280,132	22,368
Salaries and benefits	1,216,000	1,160,500	1,159,753	747
Police patrols/security	200,000	250,000	214,564	35,436
Contractual/professional services	391,750	496,750	513,100	(16,350)
Legal	195,000	170,000	163,863	6,137
Planning	1,318,500	1,318,500	886,009	432,491
Maintenance and lease services	152,500	582,700	558,533	24,167
Buildings and grounds maintenance	128,000	181,000	194,029	(13,029)
Total expenditures	<u>3,911,850</u>	<u>4,461,950</u>	<u>3,969,983</u>	<u>491,967</u>
Excess of revenues over expenditures	<u>87,650</u>	<u>5,050</u>	<u>567,703</u>	<u>562,653</u>
Net change in fund balance	<u>\$ 87,650</u>	<u>\$ 5,050</u>	<u>567,703</u>	<u>\$ 562,653</u>
Fund balance, beginning, as restated			<u>31,001,384</u>	
Fund balance, ending			<u>\$ 31,569,087</u>	

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – Special Revenue – Meridian LLMD No. 1
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Special assessments	\$ 1,629,550	\$ 1,629,550	\$ 1,597,090	\$ (32,460)
Total revenues	1,629,550	1,629,550	1,597,090	(32,460)
EXPENDITURES				
Current:				
Administration	67,790	67,790	21,578	46,212
Salaries and benefits	173,284	163,284	123,700	39,584
Contractual/professional services	1,123,716	1,137,716	1,094,751	42,965
Project improvement costs	40,784	36,784	30,761	6,023
Total expenditures	1,405,574	1,405,574	1,270,790	134,784
Excess of revenues over expenditures	\$ 223,976	\$ 223,976	326,300	\$ 102,324
Fund balance, beginning			1,310,222	
Fund balance, ending			\$ 1,636,522	

MARCH JOINT POWERS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual – Special Revenue – March Lifecare Campus CFD 2013-1
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Special assessments	\$ 71,904	\$ 71,904	\$ 52,116	\$ (19,788)
Total Revenues	71,904	71,904	52,116	(19,788)
EXPENDITURES				
Current:				
Contractual/professional services	59,345	59,345	5,393	53,952
Total Expenditures	59,345	59,345	5,393	53,952
Excess of revenues over expenditures	\$ 12,559	\$ 12,559	46,723	\$ 34,164
Fund balance, beginning			99,167	
Fund balance, ending			\$ 145,890	

MARCH JOINT POWERS AUTHORITY
Notes to Required Supplementary Information
June 30, 2021

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, 2021, that exceeded the appropriations of the major funds are as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
Contractual/professional services	\$ 513,100	\$ 496,750	\$ (16,350)
Buildings and grounds maintenance	194,029	181,000	(13,029)