



# VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS

Michael Blumenberg, Chair  
Elizabeth Howell, Vice-Chair  
Anthony Rainey, Secretary  
Chris Stephens, Commissioner  
William Anderson, Commissioner

Brian D. Pendleton, General Manager  
Todd Mitchell, Deputy General Manager  
Tom Bunn, Legal Counsel  
Jessica Rauch, Clerk of the Board

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## REGULAR MEETING WEDNESDAY, JULY 1, 2026

VENTURA PORT DISTRICT OFFICE  
1603 ANCHORS WAY DRIVE  
VENTURA, CA 93001

CLOSED SESSION – 5:30PM  
OPEN SESSION – 6:00PM

### PUBLIC PARTICIPATION OPTIONS

MEETINGS WILL BE CONDUCTED IN A HYBRID MODEL WITH BOTH IN-PERSON ATTENDANCE AND VIRTUAL PARTICIPATION.

#### WATCH THE MEETING LIVE

<https://us02web.zoom.us/j/83276329300>

Webinar ID: 832 7632 9300

1-669-900-6833

1-253-215-8782

#### PUBLIC COMMENT VIA ZOOM

To request to speak on an item, use the “raise hand” button to notify the Clerk. The Clerk will announce public speakers and unmute participants to speak. Please be mindful that the meeting will be recorded, and all rules of procedure and decorum apply for in-person attendees and those participating virtually.

#### SUBMIT PUBLIC COMMENT VIA EMAIL

To submit written comments on a specific agenda item, please do so via email by 4:00PM on the day of the meeting. When sending an email, please indicate in the subject line, the agenda item number (i.e. General Public Comment or Consent Item A). Written comments should be no more than 1,000 characters in length. Written comments will be distributed to the Commission and will be posted as a supplemental packet on the District’s website at <https://venturaharbor.com/board-meeting-documents/>. Please submit your comment to the Clerk of the Board at [jrauch@venturaharbor.com](mailto:jrauch@venturaharbor.com).

**CLOSED SESSION**  
**5:30PM**

**CALL TO ORDER:** *By Chair Blumenberg.*

**ROLL CALL:** *By the Clerk of the Board.*

**PUBLIC COMMUNICATIONS (3 minutes)**

*The Public Communications period is set aside to allow public testimony on items only on the Closed Session Agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair. Attendees can dial \*9 or use the 'raise hand' function in Zoom if they would like to speak during public comment periods.*

**CONVENE IN CLOSED SESSION**

**CLOSED SESSION AGENDA**

**1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - PER GOVERNMENT CODE SECTION 54956.8:**

- a) Property: **1559 Spinnaker Drive #102**  
District Negotiators: Brian D. Pendleton, Todd Mitchell, Jessica Snipas, Tom Bunn  
Negotiating Parties: Louise Gaye Clanton and Tracy Lanquist dba Ventura Swimwear  
Under Negotiation: **Price and Terms of Payment for Retail Lease Amendment**

**2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – PER GOVERNMENT CODE SECTION 54956.9(d)(1):** Ventura Harbor Restaurant Associates, Inc. v. Ventura Port District, Court of Appeal Case No. B344145; Superior Court Case No. 56-2022-00572144-CU-MC-VTA.

**ADJOURNMENT**

**OPEN SESSION**  
**6:00PM**

**CALL TO ORDER:** *By Chair Blumenberg.*

**PLEDGE OF ALLEGIANCE:** *By Chair Blumenberg.*

**ROLL CALL:** *By the Clerk of the Board.*

**ADOPTION OF AGENDA**

*Consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to or removed/continued from the Port Commission's agenda. Administrative Reports relating to this agenda and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the Port District's office located at 1603 Anchors Way Drive, Ventura, CA during business hours as well as on the District's website - [www.venturaharbor.com](http://www.venturaharbor.com).*

**APPROVAL OF MINUTES**

*The Minutes of June 17, 2026 Port Commission Regular Meeting will be considered for approval.*

**PUBLIC COMMUNICATIONS**

*The Public Communications period is set aside to allow public testimony on items not on today's agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair.*

**CLOSED SESSION REPORT**

*Closed Sessions are not open to the public pursuant to the Brown Act. Any reportable actions taken by the Commission during Closed Session will be announced at this time.*

**BOARD COMMUNICATIONS**

*Port Commissioner’s may present brief reports on port issues, such as seminars, meetings and literature that would be of interest to the public and/or Commission, as a whole. Port Commissioner’s must provide a brief summary and disclose any discussions he or she may have had with any Port District Tenants related to Port District business.*

**STAFF AND GENERAL MANAGER REPORTS**

*Ventura Port District Staff, Legal Counsel and General Manager will give the Commission updates on important topics or items of general interest if needed.*

**CONSENT AGENDA:**

*Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of the Board or the public requests an opportunity to address any given item. Approval by the Board of Consent Items means that the recommendation is approved along with the terms set forth in the applicable staff reports.*

**A) Award of Bid for the FY2026-2027 Janitorial Supplies Agreement**

Recommended Action: Voice Vote.

That the Board of Port Commissioners award the FY2026-2027 Janitorial Supplies Agreement to Aramsco, Inc. in the amount not to exceed \$55,000.

**B) Approval of a New Retail Lease Agreement with Superboat, Inc. dba “Island Packers”**

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba “Ventura Harbor Village” and with Superboat, Inc. dba “Island Packers”, of approximately (i) 2,771 square feet of interior retail and office space area (within the demising walls of the building) in Ventura Harbor Village commonly known as 1691 Spinnaker Drive, Suite #105B, Ventura, California 93001; and (ii) 536 square feet of exterior patio area.

**C) Termination of Current Office Lease Agreement for 1591 Spinnaker Drive #207 and Approval of New Retail Lease Agreement for 1559 Spinnaker Drive #101B with Buenaventura Art Association**

Recommended Action: Voice Vote.

That the Board of Port Commissioners:

- a) Approve the termination of an Office Lease Agreement, dated December 1, 2024, between the Ventura Port District dba Ventura Harbor Village and Buenaventura Art Association, a California Nonprofit Mutual Benefit Corporation, for the premises located at 1591 Spinnaker Drive #207, consisting of approximately 1,240 square feet.
- b) Approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Buenaventura Art Association, a California Nonprofit Mutual Benefit Corporation, for the premises located at 1559 Spinnaker Drive #101B, consisting of approximately 1,017 square feet.

**STANDARD AGENDA:**

**1) Ventura Port District Sand Management Plan CDP 4-24-0248**

Recommended Action: Informational.

That the Board of Port Commissioners receive an update from the General Manager and Special Legal Counsel regarding the District’s efforts to obtain final approval of the proposed Ventura Port District Sand Management Plan CDP 4-24-0248 from the California Coastal Commission.

**2) Acceptance of Fiscal Year 2024-2025 Final Audit**

Recommended Action: Voice Vote.

That the Board of Port Commissioners accept the Financial Statements and Supplementary Information with Independent Auditor’s Report for the Year Ended June 30, 2025, prepared by Clifton Larson Allen, LLP.

**3) Presentation on Fathomwerx Proving Ground and Innovation Technologies Consortium**

Recommended Action: Informational.

That the Board of Port Commissioners receive an informational report on the Fathomwerx Proving Ground and Innovation Technologies Consortium.

**ADJOURNMENT**

*This agenda was posted on Friday, June 26, 2026 by 5:30 p.m. at the Port District Office and online at <https://venturaharbor.com/board-meeting-documents/>*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Ventura Port District at (805) 642-8538 or the California Relay Service at 711 or (800) 855-7100. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)*



VENTURA  
PORT DISTRICT  
*Established 1952*

BOARD OF PORT COMMISSIONERS  
JULY 1, 2026

APPROVAL OF MINUTES  
JUNE 17, 2026  
REGULAR MEETING

# VENTURA PORT DISTRICT

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## BOARD OF PORT COMMISSIONERS REGULAR MEETING MINUTES OF JUNE 17, 2026

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### **CLOSED SESSION**

#### **CALL TO ORDER:**

The Ventura Port District Board of Port Commissioners Regular Closed Session Meeting was called to order by Vice-Chair Howell at 5:30PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

#### **ROLL CALL:**

##### **Commissioners Present:**

Elizabeth Howell, Vice-Chair  
Anthony Rainey, Secretary  
Chris Stephens  
William Anderson

##### **Commissioners Absent:**

Michael Blumenberg, Chair

##### **Port District Staff:**

Brian D. Pendleton, General Manager  
Todd Mitchell, Deputy General Manager  
Jessica Rauch, Clerk of the Board  
Jessica Snipas, Business Operations Manager

##### **Legal Counsel:**

Tom Bunn, Lagerlof, LLP via Zoom

##### **Number of Interested Persons:**

0 via zoom; 1 in-person

**PUBLIC COMMUNICATIONS:** Michelle Nosco, President of Buenaventura Art Association, is excited for this opportunity and to engage with the public.

**CONVENED TO CLOSED SESSION AT 5:33PM.**

**ADJOURNED CLOSED SESSION AT 5:55PM.**

**OPEN SESSION**

**ADMINISTRATIVE AGENDA:**

**CALL TO ORDER:**

The Ventura Port District Board of Port Commissioners' Regular Open Session Meeting was called to order by Vice-Chair Howell at 6:01PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

**PLEDGE OF ALLEGIANCE:** by Vice-Chair Howell.

**ROLL CALL:**

**Commissioners Present:**

Elizabeth Howell, Vice-Chair  
Anthony Rainey, Secretary  
Chris Stephens  
William Anderson

**Commissioners Absent:**

Michael Blumenberg, Chair

**Port District Staff:**

Brian D. Pendleton, General Manager  
Todd Mitchell, Deputy General Manager  
Jessica Rauch, Clerk of the Board  
Sarah Clancy, Administrative Services Manager  
Brendan Donohue, Senior Harbor Patrol Officer  
Justin Fleming, Capital Projects Manager  
Sergio Gonzalez, Facilities Manager  
John Higgins, Harbormaster  
Jessica Snipas, Business Operations Manager  
Jennifer Talt-Lundin, Marketing Manager  
Matt Tevere, Maintenance Supervisor  
Dave Werneburg, Marina Supervisor

**Legal Counsel:**

Tom Bunn, Lagerlof, LLP via Zoom  
Gene Wu, Lagerlof, LLP via Zoom  
Morgan Gray, Lagerlof, LLP via Zoom

**City of Ventura Liaisons:**

Councilmember Duran, City Council Liaison – absent

**Number of interested persons:**

2 via zoom; 3 in person

## **ADOPTION OF AGENDA**

**ACTION:** Commissioner Stephens moved to adopt the June 17, 2026 agenda.

Commissioner Anderson seconded. The vote was unanimous.

## **APPROVAL OF MINUTES**

**ACTION:** Commissioner Anderson moved to approve the June 3, 2026 regular meeting minutes.

Commissioner Rainey seconded. The vote was unanimous.

**PUBLIC COMMUNICATIONS:** Steve Kinney, owner of Innovation Technologies consortium, introduced himself and his business.

**CLOSED SESSION REPORT:** Mr. Bunn stated that the Board met in closed session and discussed and reviewed all items on the closed session agenda. Staff was given instructions on how to proceed, as appropriate, and no action was taken that is reportable under The Brown Act.

**BOARD COMMUNICATIONS:** Vice-Chair Howell participated in the new required SB827 Fiscal and Financial Training.

**STAFF AND GENERAL MANAGER REPORTS:** Mr. Wu reported that the Court of Appeal affirmed the trial court's judgment in the District's favor in a lawsuit by filed by the Water's Edge restaurant against the District over the restaurant's payment of percentage rent to Derecktor. Mr. Pendleton reported on upcoming events and promotions at Harbor Village. He also reported that the Derecktor and Suntex Assignment closed on Monday.

## **CONSENT AGENDA:**

### **A) Approval of Out-of-Town Travel Requests**

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve the out-of-town travel requests for:

- a) Deputy General Manager, Todd Mitchell to attend the CSDA 2026 General Manager Leadership Summit from June 28 – 30, 2026 in Newport Beach, CA.
- b) Administrative Services Manager, Sarah Clancy to attend the Yardi 2026 Annual Conference from October 6 – 9, 2026 in San Diego, CA.
- c) Accountant II, Jessica Perkins to attend the Yardi 2026 Annual Conference from October 6 – 9, 2026 in San Diego, CA.
- d) Marketing Manager, Jennifer Talt-Lundin to attend the Cal Travel Summit from August 31 – September 3, 2026 in Napa Valley, CA.

Public Comment: None.

**ACTION:** Commissioner Stephens moved to approve the out-of-town travel requests.

Commissioner Anderson seconded. The vote was unanimous.

**B) Approval of New Office Lease Agreement for Next Marine, LLC**

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve a new Office Lease Agreement between the Ventura Port District dba “Ventura Harbor Village” and Next Marine, LLC, for the premises located at 1591 Spinnaker Drive #201, consisting of 746 square feet.

Public Comment: None.

**ACTION:** Commissioner Stephens moved to approve a new Office Lease Agreement between the Ventura Port District dba “Ventura Harbor Village” and Next Marine, LLC, for the premises located at 1591 Spinnaker Drive #201, consisting of 746 square feet.

Commissioner Anderson seconded. The vote was unanimous.

**C) Approval of Amendment No. 1 to the Retail Lease Agreement with Tina O’Brien dba Mermaid Gallery**

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve Amendment No. 1 to the Retail Lease Agreement dated June 1, 2023 (the “Lease”) between the Ventura Port District dba “Ventura Harbor Village” and Tina O’Brien dba Mermaid Gallery, for the premises located at 1575 Spinnaker Drive, Suite #107B (“Premises”), consisting of approximately 652 square feet.

Public Comment: None.

**ACTION:** Commissioner Stephens moved to approve Amendment No. 1 to the Retail Lease Agreement dated June 1, 2023 (the “Lease”) between the Ventura Port District dba “Ventura Harbor Village” and Tina O’Brien dba Mermaid Gallery, for the premises located at 1575 Spinnaker Drive, Suite #107B (“Premises”), consisting of approximately 652 square feet.

Commissioner Anderson seconded. The vote was unanimous.

**D) Approval of Payments for May 2026**

Recommended Action: Voice Vote.

That the Board of Port Commissioners review and approve payments made by check, ACH, and EFT for the month of May 2026.

Public Comment: None.

**ACTION:** Commissioner Stephens moved to approve payments made by check, ACH, and EFT for the month of May 2026.

Commissioner Anderson seconded. The vote was unanimous.

**E) Approval of Annual Professional Services Agreements for Administrative, Advocacy, Technical, and Legal Support Services**

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve the Professional Services Agreements with:

- a) Carpi & Clay, Inc. in the amount of \$60,000 to provide the District with federal advocacy services from July 1, 2026 to June 30, 2027.
- b) Townsend Public Affairs in the amount of \$75,000 to provide the District with state advocacy services and grant writing from July 1, 2026 to June 30, 2027.
- c) K&L Gates in the amount of up to \$110,000 to provide legal support for regulatory agency permitting from July 1, 2026 to June 30, 2027.
- d) Liebert Cassidy Whitmore in the amount of up to \$45,000 to provide human resources legal services from July 1, 2026 to June 30, 2027.
- e) Rincon Consultants, Inc. in the amount of up to \$120,000 to provide dredging support, inner harbor dredging technical support, and coastal development permit reporting from July 1, 2026 to June 30, 2027.
- f) RRM Design Group, Inc. in the amount of \$75,000 to provide architectural design services for the planning of developing the Parcel 5 grass lawn area from July 1, 2026 to June 30, 2027.
- g) Rasmussen & Associates in the amount of up to \$50,000 to provide architectural design and construction management services for the completion of the 1575 Spinnaker Drive Suite #101 construction from July 1, 2026 to June 30, 2027.
- h) Clifton Larson Allen, LLP in the amount of \$65,000 to provide audit services for fiscal year ending June 30, 2026 from July 1, 2026 to June 30, 2027.
- i) Swift Chip in the amount of \$136,000 to provide Information Technology services from July 1, 2026 to June 30, 2027.

This item was pulled from the consent agenda.

Public Comment: None.

**ACTION: Commissioner Stephens moved to approve the Professional Services Agreements with:**

- a) **Carpi & Clay, Inc. in the amount of \$60,000 to provide the District with federal advocacy services from July 1, 2026 to June 30, 2027.**
- b) **Townsend Public Affairs in the amount of \$75,000 to provide the District with state advocacy services and grant writing from July 1, 2026 to June 30, 2027.**
- c) **K&L Gates in the amount of up to \$110,000 to provide legal support for regulatory agency permitting from July 1, 2026 to June 30, 2027.**
- d) **Liebert Cassidy Whitmore in the amount of up to \$45,000 to provide human resources legal services from July 1, 2026 to June 30, 2027.**
- e) **Rincon Consultants, Inc. in the amount of up to \$120,000 to provide dredging support, inner harbor dredging technical support, and coastal development permit reporting from July 1, 2026 to June 30, 2027.**
- f) **RRM Design Group, Inc. in the amount of \$75,000 to provide architectural design services for the planning of developing the Parcel 5 grass lawn area from July 1, 2026 to June 30, 2027.**
- g) **Rasmussen & Associates in the amount of up to \$50,000 to provide architectural design and construction management services for the**

completion of the 1575 Spinnaker Drive Suite #101 construction from July 1, 2026 to June 30, 2027.

- h) Clifton Larson Allen, LLP in the amount of \$65,000 to provide audit services for fiscal year ending June 30, 2026 from July 1, 2026 to June 30, 2027.
- i) Swift Chip in the amount of \$136,000 to provide Information Technology services from July 1, 2026 to June 30, 2027.

Commissioner Anderson seconded. The vote was unanimous.

### **STANDARD AGENDA:**

#### **1) Safe Harbor Marinas Update on Slope Failure and Fuel Tank Replacement**

Recommended Action: Informational.

That the Board of Port Commissioners receive an update from Safe Harbor Marinas on the slope failure caused by December storms and the fuel tank replacement project.

Report by Andrew Beggs, Vice President of Construction & Development, Safe Harbor Marinas; Trisha Greer, General Manager, Safe Harbor Marinas. Taylor Strack, ENGEO, was available for any engineering or geology questions.

Public Comment: None.

**ACTION:** The Board of Port Commissioners received an update from Safe Harbor Marinas on the slope failure caused by December storms and the fuel tank replacement project.

#### **2) Adoption of Resolution Nos. 3558 and No. 3559 Approving the FY2026-2027 Annual Budget, Five-Year Capital Improvement Plan and Salary Schedule for Non-Represented Employees**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt:

- a) Resolution No. 3558 approving the FY2026-2027 Ventura Port District Annual Budget and Five-Year Capital Improvement Plan (CIP).
- b) Resolution No. 3559 approving the FY2026-2027 Salary Schedule for Non-Represented Employees of the District.

Report by Brian D. Pendleton, General Manager; Sarah Clancy, Administrative Services Manager.

Public Comment: None.

**ACTION:** Commissioner Rainey moved to adopt:  
a) Resolution No. 3558 approving the FY2026-2027 Ventura Port District Annual Budget and Five-Year Capital Improvement Plan (CIP).  
b) Resolution No. 3559 approving the FY2026-2027 Salary Schedule for Non-Represented Employees of the District.

Commissioner Anderson seconded. The vote was as follows:

**AYES: Commissioners Howell, Rainey, Stephens, Williams**  
**ABSENT: Chair Blumenberg**

**Vote carried 4-0.**

**ADJOURNMENT:** The meeting was adjourned at 7:03PM.

The next regular meeting is Wednesday, July 1, 2026.

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Anthony Rainey, Secretary



VENTURA  
PORT DISTRICT

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BOARD OF PORT COMMISSIONERS  
JULY 1, 2026

CONSENT AGENDA ITEM A  
AWARD OF BID FOR THE FY2026-2027  
JANITORIAL SUPPLIES AGREEMENT

**VENTURA PORT DISTRICT**  
**BOARD COMMUNICATION**

**CONSENT AGENDA ITEM A**  
Meeting Date: July 1, 2026

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TO: Board of Port Commissioners  
FROM: Todd Mitchell, Deputy General Manager  
Sergio Gonzalez, Facilities Manager  
SUBJECT: Award of Bid for the FY2026-2027 Janitorial Supplies Agreement

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**RECOMMENDATION:**

That the Board of Port Commissioners award the FY2026-2027 Janitorial Supplies Agreement to Aramsco, Inc. in the amount not to exceed \$55,000.

**SUMMARY:**

The District published a request for bids for the Ventura Port District's FY2025-2026 janitorial supplies on June 7, 2026. A public bid opening was held on June 22, 2026, per District policy.

The District received and reviewed four bids for the services requested with the lowest responsive bid being Aramsco, Inc. The Agreement will be from July 1, 2026, through June 30, 2027.

**GUIDING PRINCIPLE:**

7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

**5-YEAR OBJECTIVE:**

V) Maintain and improve Harbor Village facilities, infrastructure, and amenities.

**BACKGROUND:**

The current contract is held by Aramsco Inc. and expired on June 30, 2026. Aramsco, Inc. will continue to provide approved spec 'ed bid items and ensure that the products will meet District requirements. Therefore, staff is recommending award of the Agreement.

**FISCAL IMPACT:**

This expense has been approved with the adoption of the FY2026-2027 budget. Awarding the bid to Aramsco, Inc. will cost the District \$51,335.61 for the fiscal year. The contract ceiling of \$55,000 will allow for additional unforeseen janitorial supplies purchases.

**ATTACHMENTS:**

None.



VENTURA  
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BOARD OF PORT COMMISSIONERS  
JULY 1, 2026

CONSENT AGENDA ITEM B  
APPROVAL OF A NEW RETAIL LEASE  
AGREEMENT WITH SUPERBOAT, INC.  
DBA "ISLAND PACKERS"

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Deputy General Manager  
Jessica Snipas, Business Operations Manager  
SUBJECT: Approval of a New Retail Lease Agreement with Superboat, Inc. dba "Island Packers"

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**RECOMMENDATION:**

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba "Ventura Harbor Village" and with Superboat, Inc. dba "Island Packers", of approximately (i) 2,771 square feet of interior retail and office space area (within the demising walls of the building) in Ventura Harbor Village commonly known as 1691 Spinnaker Drive, Suite #105B, Ventura, California 93001; and (ii) 536 square feet of exterior patio area.

**SUMMARY:**

Superboat, Inc. dba "Island Packers" is seeking a retail lease located at 1691 Spinnaker Drive, Suite #105B. The proposed lease is a new seven-and-a-half-year retail lease. If the Board approves the retail lease, it will commence on July 1, 2026.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
  - 3) Leasing/Property Management

**BACKGROUND**

Island Packers is a Ventura-based passenger transportation company and the official concessionaire for Channel Islands National Park (CINP), operating under a concession contract with the National Park Service (NPS) to ferry passengers to the Channel Islands. The company provides ferry transportation to the CINP, as well as wildlife cruises, whale-watching excursions, and transportation services supporting recreation, camping, education, and research activities throughout the CINP.

Island Packers is a good standing tenant since 2001. In May 2025, the ownership changed from The Island Packers Corporation dba "Island Packers, Corp" to Superboat, Inc. dba "Island Packers".

Staff is recommending a new seven-and-a-half-year retail lease, which aligns with the remainder of the business's NPS concession contract.

**FISCAL IMPACT:**

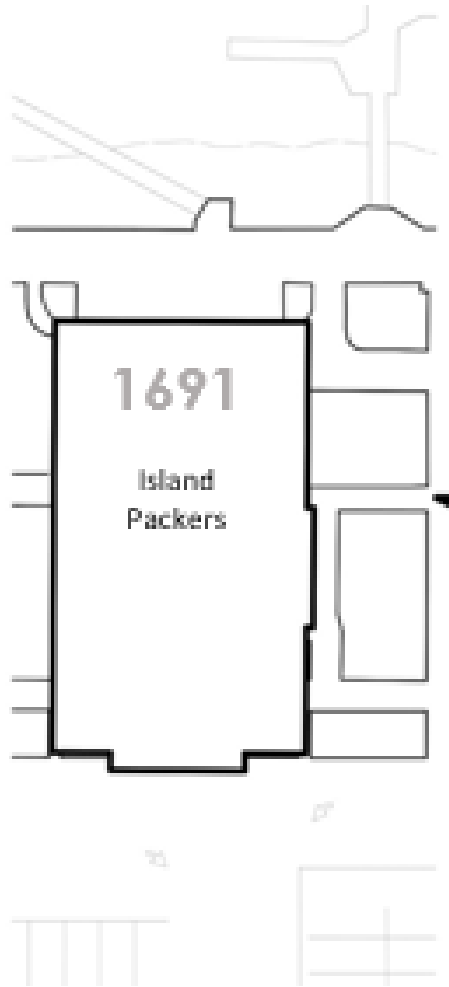
This retail lease reflects a market rate at Harbor Village and has annual step increases for the initial term. The District shall contribute: (i) an estimated amount of \$30,000 towards the purchase of HVAC components, and (ii) an estimated amount of \$25,000 towards the purchase of the install

of concrete patio, install of plantings, and permanent patio furniture for the north area of the buildings as well as electrical materials used for the light installation inside the premises.

**ATTACHMENTS:**

Attachment 1 – Location Map

**ATTACHMENTS:**  
Attachment 1 – Location Map





VENTURA  
PORT DISTRICT

*Established 1952*

BOARD OF PORT COMMISSIONERS  
JULY 1, 2026

CONSENT AGENDA ITEM C

TERMINATION OF CURRENT OFFICE  
LEASE AGREEMENT FOR 1591  
SPINNAKER DRIVE #207 AND APPROVAL  
OF NEW RETAIL LEASE AGREEMENT  
FOR 1559 SPINNAKER DRIVE #101B  
WITH BUENAVENTURA ART  
ASSOCIATION

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM C**  
Meeting Date: July 1, 2026

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Deputy General Manager  
Jessica Snipas, Business Operations Manager  
SUBJECT: Termination of Current Office Lease Agreement for 1591 Spinnaker Drive #207 and  
Approval of New Retail Lease Agreement for 1559 Spinnaker Drive #101B with  
Buenaventura Art Association

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**RECOMMENDATION:**

That the Board of Port Commissioners:

- a) Approve the termination of an Office Lease Agreement, dated December 1, 2024, between the Ventura Port District dba Ventura Harbor Village and Buenaventura Art Association, a California Nonprofit Mutual Benefit Corporation, for the premises located at 1591 Spinnaker Drive #207, consisting of approximately 1,240 square feet.
- b) Approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Buenaventura Art Association, a California Nonprofit Mutual Benefit Corporation, for the premises located at 1559 Spinnaker Drive #101B, consisting of approximately 1,017 square feet.

**SUMMARY:**

The Buenaventura Art Association (BAA) is seeking to relocate its second location within Harbor Village to a more customer-facing, retail space. BAA's first location is a current retail lease located in building 1559, suite #106 opposite the proposed new location located also in 1559 in suite #101B, which has been newly renovated. In doing so, BAA would forego their upstairs office lease at 1591 Spinnaker, suite #207. The new retail lease will be for a 2-year period with three options, each two years in length (for a total of up to 8 years). Each option has a sales performance metric required to exercise. If the Board approves these recommendations, the office lease will terminate on August 15, 2026, and the new retail lease will begin on August 1, 2026.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
  - 3) Leasing/Property Management

**BACKGROUND:**

The Buenaventura Art Association ("Tenant") is a California nonprofit mutual benefit corporation and has been a good-standing retail tenant of the District since June 1, 2016, in building 1559 at Suite #106. The Tenant relocated its other off-site locations to a second location at Harbor Village located in building 1591 at Suite #207 in December 2024 that functions as center for a variety of arts. At the new location, the Tenant has been using the space as an office, art gallery, art studio, provide classes

for the community for all ages, workshop sessions, and host events (i.e.: open-mic nights, performances, art shows, and gatherings with entertainment). The tenant has remained in good standing for this location also.

BAA has determined that the upstairs office location and lack of participation in the District's marketing and promotional program were less effective at public engagement and therefore is seeking an early termination (August 1, 2026, vs. December 1, 2026) of that office lease and the opportunity to lease a retail space more exposed to the public.

**FISCAL IMPACT:**

If the Board approves the recommendation, the location at 1591 Spinnaker #207 will become available for a new lease. This location will require standard tenant improvements to make the space ready for prospective tenants. As the space is larger than typical and the layout is unique, with a large "bullpen" in the center, Staff had previously contemplated subdividing the space to increase appeal to the District's typical office renters.

Tenant improvements to the new location are nearly complete as part of the District's capital improvement project for the space.

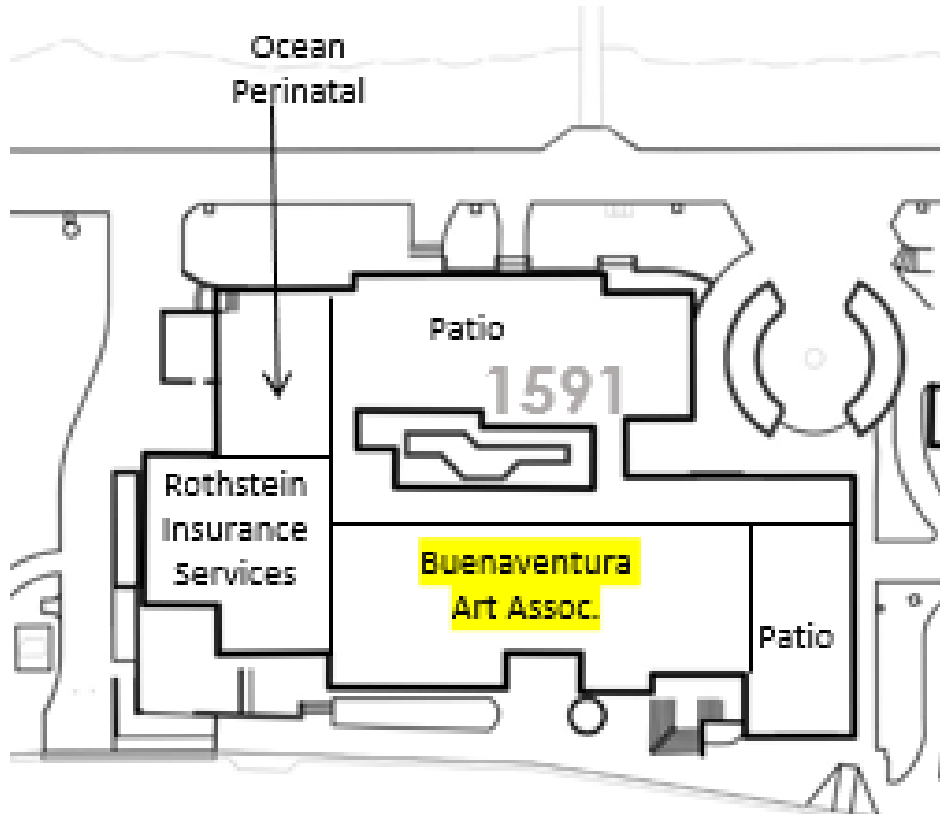
The lease is at market rate for base rent, CAM, promotional fees, and percentage rent. The base rent will have annual step increases during the base lease period with annual CPI increases during each year of the option.

**ATTACHMENTS:**

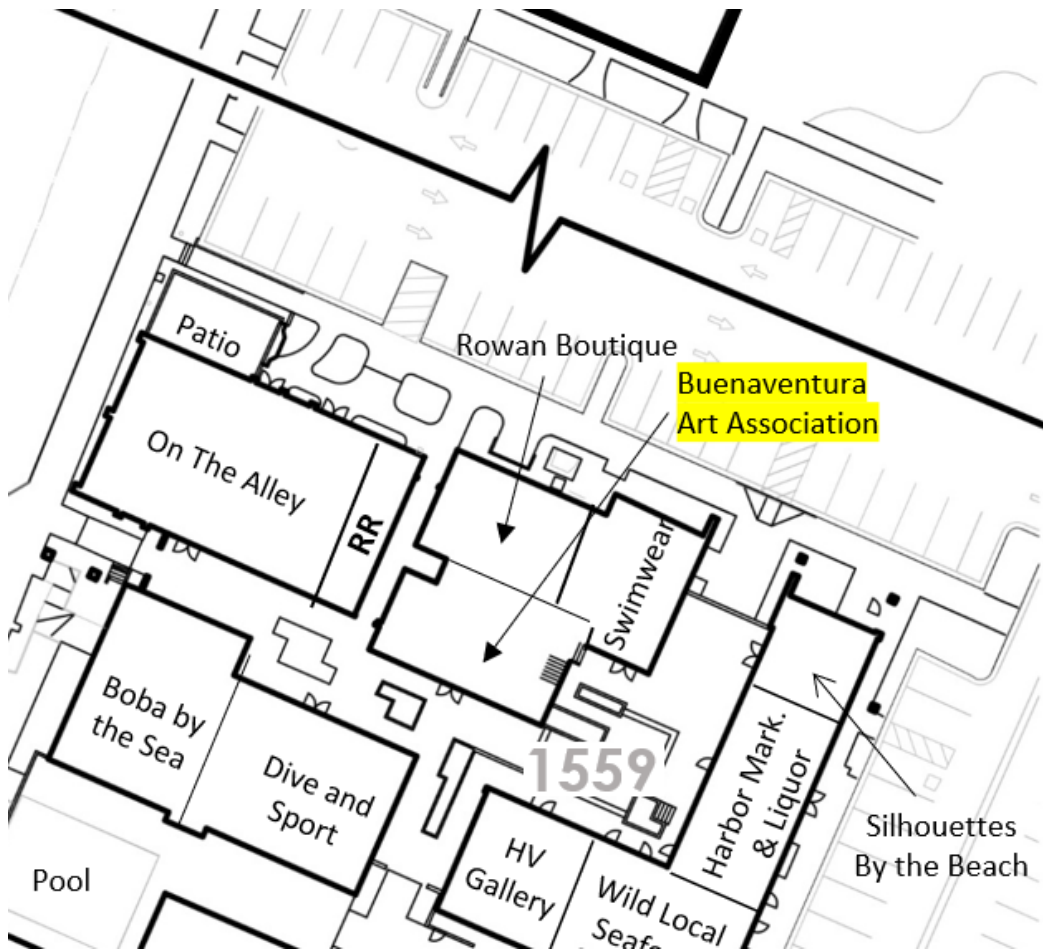
Attachment 1 – Location Map – Previous Location

Attachment 2 – Location Map – New Location

**Attachment 1 – Location Map – Previous Location**



Attachment 2 – Location Map – New Location





**BOARD OF PORT COMMISSIONERS  
JULY 1, 2026**

**STANDARD AGENDA ITEM 1  
VENTURA PORT DISTRICT SAND  
MANAGEMENT PLAN CDP 4-24-0248**

**VENTURA PORT DISTRICT**  
**BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 1**  
Meeting Date: July 1, 2026

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Robert Smith, K&L Gates  
SUBJECT: Ventura Port District Sand Management Plan CDP 4-24-0248

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**RECOMMENDATION:**

That the Board of Port Commissioners receive an update from the General Manager and Special Legal Counsel regarding the District's efforts to obtain final approval of the proposed Ventura Port District Sand Management Plan CDP 4-24-0248 from the California Coastal Commission.

**SUMMARY:**

Since the last update to the Board in February 2026, District staff have been diligently pursuing approval of the Sand Management Plan Coastal Development Permit (CDP) with the California Coastal Commission. The Sand Management Plan CDP generally covers the area from Surfers Knoll Beach to the south to Harbor Cove Beach to the north and is necessary for the District to provide for ongoing beach management, which is critical for the public's safe access, use and enjoyment as well as beach nourishment activities that help support sensitive habitats. Without the Sand Management Plan CDP in place, the District is unable to effectively relocate sand and clear debris as needed on an ongoing basis.

Consistent with prior direction from the Board, the current Sand Management Plan would relocate the existing volleyball courts outside of the area identified as environmentally sensitive habitat area (ESHA), as identified by Coastal Commission staff, to comply with CDP Special Condition 3.C of the CDP. As noted previously, while this is not the District's preferred approach, which is retention of the volleyball courts at their current location, Commission staff have clearly stated that they will not issue the CDP without relocation of the volleyball courts outside of ESHA.

Having complied with all conditions of approval, the District has requested issuance of the CDP. Commission staff have refused to issue the CDP pending its final approval of the specific location, configuration, and details of the relocated volleyball courts. On June 11, 2026, Special Legal Counsel K&L Gates sent a letter to the Coastal Commission, attached hereto, demanding issuance of the CDP or, if the Commission refuses to grant the CDP, resolution of the dispute by the Commission Executive Director or Coastal Commission. To date, the Commission has not issued the CDP and instead has agendized the matter for consideration by the Coastal Commission at its upcoming hearing in Ventura on July 8, 2026.

At the upcoming hearing, District staff and Special Legal Counsel will continue to demand immediate issuance of the CDP so that the District can fulfill its obligations to the public to ensure a safe environment for continued recreational and public use of the beach area, while supporting reconsideration of relocation of the volleyball courts separately from the overall Sand Management Plan.

**GUIDING PRINCIPLES:**

- 1) Maintain a safe, navigable, and resilient harbor.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

**5-YEAR OBJECTIVES:**

- V) Maintain and improve Harbor Village facilities, infrastructure, and amenities
  - 1) Ongoing investment in Harbor Village Infrastructure

**BACKGROUND:**

The background of the Sand Management Plan and volleyball court relocation was extensively discussed in the previous February 3, 2026 Board Report, attached hereto for reference.

The District’s CDP application for sand management activities was considered at the Commission hearing in Half Moon Bay on May 9, 2025. As part of the hearing, the Commission received numerous letters and public testimony in support of maintaining the beach volleyball program at Harbor Cove Beach in its current location. The District also advocated for retention of the volleyball courts at their current location. The Commission approved the Sand Management Plan with significant conditions and bifurcated the issue of the beach volleyball program. In so doing, it allowed the beach volleyball program to remain in place until further siting analysis could be conducted. However, the CDP included the following condition of approval:

3.C. Modify Figures 2, 3, and 4 to eliminate the volleyball facilities and associated beach grooming and infrastructure maintenance areas at the existing location at Harbor Cove Beach. Make any text revisions necessary to reflect the removal of any reference to the existing volleyball facilities and their maintenance. The applicant may choose to meet this requirement by relocating the location for volleyball courts and associated beach grooming within areas outside of historic ESHA as suggested on Exhibit 3 to the staff report dated April 25, 2025.

The District believes that this condition does not capture the Commission’s intent as expressed at the hearing to fully bifurcate consideration of the volleyball courts. In a September 5, 2025 letter to the Coastal Commission, District staff requested reconsideration of the volleyball court issue and that it be brought back for review by the Coastal Commission:

Given the lack of feasible alternatives, the District is requesting reconsideration of retaining the volleyball courts at their current location. Maintaining the use of the existing courts for public recreation and competitive tournaments serves a critical function that furthers a number of Coastal Act objectives, as previously detailed in our May 2, 2025 letter to the Coastal Commission. Because maintaining these coastal recreational uses is inconsistent with the Commission policy of maintaining dune ESHA, the Commission needs to balance these goals and objectives under Coastal Action Section 30007.5, although we hope that we can jointly recommend the District’s suggested approach to the Commission to continue to provide the highest and best use of the area in question for the community.

Commission staff responded that any effort to retain the volleyball courts at their current location would require a formal amendment to the CDP and the Commission could not approve the proposed Sand Management Plan retaining volleyball courts at their current location.

Since that time, in February 2026, the Board considered and approved an option to relocate the volleyball courts further south on Harbor Cove Beach. While this option was not the preferred alternative and will create potential complications for both Harbor Patrol and other public users of Harbor Cove Beach, it was considered the best option given the constraints established by the Coastal Commission in the CDP.

Having still not received final issuance of the CDP over a year after the hearing approving the Sand Management Plan, on June 11, 2026, K&L Gates sent a letter to the Coastal Commission demanding issuance of the CDP. The letter noted two errors with Commission staff's interpretation of CDP conditions:

We believe that Commission staff have made two errors in implementing directions from the Commission. First, the CDP Notice demanded that the volleyball courts be relocated, which is contrary to Commissioner direction at the May 2025 hearing that the matter, including potential retention of the courts at their current location, be bifurcated and brought back to the Commission for further consideration. Second, Commission staff's interpretation that the District's compliance with the plain language of Special Condition 3.C is insufficient to establish compliance with the CDP Notice, and that staff retains discretionary authority regarding "how to resolve the volleyball issue" is inconsistent with the plain language of the CDP Special Conditions, and is directly refuted by the language of both the staff report and statements made by Commission staff at the May 2025 hearing.

The letter requested either immediate issuance of the CDP or resolution of the differing interpretations of CDP conditions by either the Commission Executive Director or Coastal Commission staff pursuant to Coastal Commission Regulations Section 13163. The Commission has responded by placing the item on its agenda for an upcoming hearing in Ventura on July 8, 2026.

District staff will attend the hearing with Special Legal Counsel K&L Gates and environmental consultant Rincon Consultants to advocate for issuance of the CDP and reconsideration of relocation of the volleyball courts separately from the overall Sand Management Plan.

**FISCAL IMPACT:**

The District continues to retain K&L Gates for legal services and Rincon Consultants for technical support. The FY25-26 Budget included \$110,000 for K&L Gates and \$120,000 for Rincon Consultants, including work related to coastal entitlement issues and sand management plan consulting. The FY26-27 Budget maintains the same funding levels for these ongoing services.

**ATTACHMENTS:**

Attachment 1 – June 11, 2026 Letter from K&L Gates to California Coastal Commission

Attachment 2 – June 18, 2026 Letter from California Coastal Commission to Ventura Port District

Attachment 3 – February 4, 2026 Board Report, Ventura Port District Sand Management Plan CDP 4-24-0248 – [Click here for Link](#) (Pages 14-48)

Attachment 4 – June 25, 2026 California Coastal Commission Staff Report for July 8, 2026 Coastal Commission Hearing – [Click here for Link](#)

K&amp;L GATES

June 11, 2026

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**Re: CDP Application No. 4-24-0248 (Ventura Port District Sand Management Plan)**

Dear Executive Director Huckelbridge:

This letter is submitted on behalf of our client, the Ventura Port District (“District”). There appears to be a disagreement between the District and Coastal Commission staff regarding the permit conditions imposed by the Coastal Commission during its May 9, 2025 hearing concerning the above-referenced project, wherein the Coastal Commission approved the proposed Sand Management Plan subject to certain conditions memorialized in its Notice of Intent to Issue Permit dated May 15, 2025 (the “CDP Notice”). Specifically, the District believes that it has met all conditions of approval and has demanded issuance of the Coastal Development Permit (“CDP”). Commission staff appears to argue that the District has not met the conditions of approval and refuses to issue the permit. Although it is unclear what condition of approval Commission staff believes has not been met, they claim that the District has not fully resolved issues concerning relocation of the existing volleyball courts.

Commission staff’s interpretation of the CDP conditions of approval is unsupported by the plain language of the CDP Notice, the associated staff report, and Commission staff and Commissioner comments made during the hearing itself. The District therefore respectfully requests a determination under 14 Cal. Code Regs. § 13163 that the District has met the CDP conditions of approval and that Commission staff’s interpretation requiring additional concessions beyond the scope of the CDP Notice does not correctly embody the action of the Commission as directed during the May 9, 2025 hearing.

Commission staff has no discretion to withhold approval of the CDP once the District has satisfied all conditions of approval contained in the CDP Notice. Because the District has met all such conditions, the CDP must be issued without further delay.

To be clear, the District continues to believe that the best location for the volleyball courts is their current location and agrees with stakeholders that utilize the existing volleyball courts that the location currently proposed by the District is not ideal and presents significant potential issues

to users of the volleyball courts, the District, and other public users of Harbor Cove Beach. The existing location of the volleyball courts provides the best balance between public safety, public recreation, and preservation of environmentally sensitive habitat areas (“ESHA”). Having been told by Commission staff that any consideration of retaining the existing location is foreclosed without a permit amendment, the District has been forced to consider less favorable alternatives. The District would welcome any reconsideration by the Coastal Commission of these competing Coastal Act policies; however, any such reconsideration should not further delay issuance of the District’s CDP, which it needs to serve the diverse interests of the public, including most importantly ensuring that the public can safely utilize the beach area managed under the CDP. Delaying issuance of the CDP *for over a year* is inconsistent with the promises staff made to both the District and Commission during the May 2025 hearing.

## **A. Background**

### **1. Historic Management of the Beach and Initial Discussions with Commission Staff**

The District successfully managed the beach for approximately 40 years without significant controversy. The U.S. Army Corps of Engineers (“Corps”), in coordination with the District, constructed the Ventura Harbor Beach Dunes in 1984 as part of the Corps annual dredging. The District planted vegetation pursuant to a CDP issued by the Commission (CDP 4-85-262) in 1985. The District’s beach management activities continued uninterrupted until May 2023, when the District received a letter from Commission staff alleging that its Sand Management Plan to maintain public access to the beaches adversely impacted the Ventura Harbor Beach Dunes and required a permit from the Commission. In response, the District submitted its CDP application on April 18, 2024. The District’s CDP application was confirmed to be complete on December 12, 2024.

### **2. Commission Staff Raises Concern Regarding Volleyball Courts**

On February 13, 2025, Commission staff raised a concern for the first time that the District does not have a permit for its volleyball courts or outrigger canoe clubs’ storage containers, which had been in their current locations for over ten years. We sent a letter on behalf of the District on April 9, 2025, responding that the Commission should authorize the volleyball courts to remain in their current location but that the District would be willing to move the storage containers upon issuance of a CDP for a new location. The District also offered to mitigate for any previous impacts to ESHA in locations that would both preserve the existing public recreational use of the volleyball courts and Harbor Cove Beach and provide for the establishment, restoration, and enhancement of regional ESHA habitat in the most ecologically beneficial way. As noted above, this continues to be the District’s preferred approach. The District reiterated this preferred approach at the Coastal Commission hearing to consider the CDP on May 9, 2025.

### **3. Coastal Commission Hearing and CDP Determination**

Commission staff disagreed with the District’s preferred alternative to retain the volleyball courts in their current location. The staff report stated that the Sand Management Plan would be found to be “consistent with the standard of review” if the District chose “to relocate the location

for the volleyball courts and associated beach grooming outside of known historical dune areas as suggested on Exhibit 3.” Coastal Commission Staff Report, Application No. 4-24-0248, 4/25/25, at 3-4. The staff report noted that “As conditioned, the proposed project is consistent with all applicable Chapter 3 policies of the Coastal Act.” *Id.* at 4. Staff recommended that “the Port District be permitted to propose relocating the volleyball courts outside of historic ESHA in whatever permissible configuration they see fit” to meet this condition. Coastal Commission Staff Report Addendum, Application No. 4-24-0248, 5/7/25, at 7.

The Commission received approximately 80 written comments and public testimony by over a dozen members of the public at its May 9, 2025 hearing, all pleading with the Commission to retain the volleyball courts at their existing location. This request was echoed by the District. In its presentation at the hearing, Commission staff noted that the District can meet the proposed conditions by “relocat[ing] the volleyball courts . . . to an area of the site that does not contain ESHA pursuant to the revised plans if they so choose.”

At that hearing, you noted that Commission staff would come back to the Commission with a recommendation on the volleyball courts. Deputy Director Hudson similarly noted that “our hope is that we can work, ideally quickly, with the Port District, to bring back a solution that could include an alternative . . . I’d like to do that through the permit process . . . My hope is that would be fairly quickly . . .” Commissioner Aguirre expressed hope that “a resolution will come back before us soon . . .” Commissioner Wilson also noted that he expected the issue to come back for Commission consideration, stating “when this comes back [before the Commission], be prepared for some in-depth discussion around these issues . . . We are going to get back to what is the meat of this and we will have a discussion then at this time.” Several Commissioners spoke in support of bifurcating the volleyball court issue and bringing it back for additional consideration.

The CDP Notice did not bifurcate the volleyball court issue, and instead required the District under Special Condition 3.C to:

Modify Figures 2, 3, and 4 to eliminate the volleyball facilities and associated beach grooming and infrastructure maintenance areas at the existing location at Harbor Cove Beach. Make any text revisions necessary to reflect the removal of any reference to the existing volleyball facilities and their maintenance. The applicant may choose to meet this requirement by relocating the location for volleyball courts and associated beach grooming within areas outside of historic ESHA as suggested on Exhibit 3 to the staff report dated April 25, 2025.

CDP Notice, 5/14/25, at 5 (emphasis added).

#### 4. Subsequent Analysis by District and Discussions with Coastal Commission

After the Coastal Commission hearing, the District convened an ad-hoc committee that met in July and August 2025 to further consider alternatives for relocation of the volleyball courts. The Committee included members from the District, City of Ventura, LAVA, and Rincon Consultants. Their efforts led to the publication of a report in August 2025, which concluded that, based upon an evaluation of numerous factors, the preferred alternative was to retain the courts at their current

location. A less preferable alternative would be to relocate the courts further south on Harbor Cove Beach. As noted in the report, this alternative location created several conflicts:

- The site is proximate to the area of high use by beachgoers, brackets the public access pathway and is close to the lifeguard tower, which would negatively affect lifeguard protection of swimmers. This configuration would also impact Harbor Patrol access from the ramp to the north to the beach areas to the south.
- The site would not comply with competitive high school and college beach volleyball standards in terms of wind direction, sun direction, and sufficient free space around the court. Further, the site accommodates 6 volleyball courts, which would not meet the 3C2A's State Championship Hosting Requirements standards.

Ventura Port District, Ventura Harbor Beach Volleyball Alternative Site Analysis and Report, 8/29/25, at 24.

In presenting the findings to Commission staff, the District requested that if it could not find a suitable alternative with staff, that the matter be placed on the Commission's October 2025 agenda, consistent with the above statements made by Commissioners at the May hearing. In response to that request, on September 5, 2025, Deputy Director Hudson stated that "bifurcation of the projects specifically means a new separate CDP or amendment is required for the volleyball courts," noting that the CDP conditions could separately be met through compliance with Special Condition 3.C.

Over the past several months, the District has presented various iterations of the Sand Management Plan in responding to comments from Coastal Commission staff. We are happy to report that, based upon a discussion with Commission staff on June 4, 2025, all issues concerning the Sand Management Plan have been resolved, other than Commission staff's demands regarding resolution of the volleyball court issue.

#### **B. The District has Complied with All Conditions Required for CDP Issuance**

The requested CDP for the District's Sand Management Plan has now been pending for *over a year* since it was considered by the Coastal Commission. While the District acknowledges that some issues required further discussion after the hearing, the District made significant concessions with the expectation that such concessions would facilitate timely issuance of the CDP. The District is in full compliance with all conditions identified in the CDP Notice. Therefore, Commission staff are obligated to issue the permit. Staff has no authority to supersede direction from the Commission or impose additional conditions, including but not limited to hours of operation for the volleyball courts, who can use the volleyball courts, or other operational constraints not included in the conditions of approval. See 14 Cal. Code Regs. § 13158(e)(requiring issuance of the permit once conditions of approval have been satisfied). The District has complied with CDP Special Condition 3.C, despite strongly disagreeing with the requirement.

The District has obligations under both its lease with the State Lands Commission and public to properly manage the beach. Commission staff's delays in issuing the CDP and authorizing the Sand Management Plan hamstringing these efforts, placing the District's authority to safely manage the area for public use in limbo. The District considers any further delays capricious and in exceedance of Commission staff authority. As the District is in full compliance with all CDP conditions, we respectfully request that the CDP be issued for execution immediately.

**C. Staff's Interpretation is Inconsistent with the Plain Language of the CDP Notice, Commissioner Direction, and Previous Staff Communications**

The CDP Notice, at least as interpreted by Commission staff, does not correctly embody the action of the Commission. Therefore, the District is requesting resolution of this dispute under 14 Cal. Code Regs. § 13163.

We believe that Commission staff have made two errors in implementing directions from the Commission. First, the CDP Notice demanded that the volleyball courts be relocated, which is contrary to Commissioner direction at the May 2025 hearing that the matter, including potential retention of the courts at their current location, be bifurcated and brought back to the Commission for further consideration. Second, Commission staff's interpretation that the District's compliance with the plain language of Special Condition 3.C is insufficient to establish compliance with the CDP Notice, and that staff retains discretionary authority regarding "how to resolve the volleyball issue" is inconsistent with the plain language of the CDP Special Conditions, and is directly refuted by the language of both the staff report and statements made by Commission staff at the May 2025 hearing.

Commission staff cannot have it both ways. If the volleyball court issue was truly "bifurcated," thereby precluding further consideration by the Commission without a separate CDP or CDP amendment, then compliance with Special Condition 3.C should be all that is required to establish compliance with permit conditions and permit issuance. If instead the Commission continues to retain authority and jurisdiction over these issues, then the Commission itself should weigh these options, including but not limited to retention of the volleyball courts in their current location. In that event, the CDP should be issued without Special Condition 3.C (as that issue was intended to be bifurcated from the start), and the matter should be agendized for Commission consideration at an upcoming hearing near Ventura to allow adequate public participation.

**D. The District Has No Objection to Bringing the Volleyball Court Issue Back to the Commission for Further Consideration, but Any Such Reconsideration is Outside the Scope of the CDP**

As noted above, Commission staff represented, and the Commissioners expected, that the volleyball court issue would be brought back for further consideration by the Coastal Commission "quickly." That has not happened. So as to not further delay or jeopardize its Sand Management Plan, and to ensure that the current users of the volleyball courts have a permitted site for continued use without the threat of Coastal Commission enforcement, the District has chosen to relocate the volleyball courts in compliance with Condition 3.C. That is certainly not the District's preferred approach.

The District continues to support the public's utilization of Harbor Cove Beach for public and school volleyball uses, as well as other public recreational uses. Indeed, the District represented those interests in advocating that the volleyball courts remain at their current location. The current controversy is the result of the Commission rejecting that request and demanding that the District relocate the volleyball courts. How the District chooses to comply with this mandate is within the discretion of the District, provided that such actions are in compliance with the CDP. Should the Commission wish to revisit its demand that the volleyball courts be relocated, the District would strongly support such a decision.

Having created a mess in forcing the District to relocate the volleyball courts, rejecting the District's pleas for reconsideration of the issue, and ignoring the stakeholders who raised these same concerns as part of the May 2025 hearing, Commission staff cannot now force the District to solve the problems created by the Commission. These issues are created by relocation of the courts. Should the Commission want to consider the impact such relocation has on various stakeholders, that should be done at a public hearing where all considerations, including Commission staff's demand to preserve ESHA over competing Coastal Act policies, be considered by the Commission.

**E. Conclusion**

The District is sympathetic to the stakeholders that have recently appeared before the Commission and requested retention of the volleyball courts. That has been the District's preferred approach since the start. We respectfully request that the CDP conditions be interpreted as intended; that the CDP be issued immediately so that the District can continue to serve the numerous public interests managed under the Sand Management Plan; and that, should the Commission wish to consider the many competing Coastal Act policies involved in the beach volleyball issue, that those considerations be evaluated as a properly agendaized item at an upcoming Coastal Commission hearing, where all stakeholders, including the District, can provide testimony on the issue. Thank you for your time and consideration.

Yours sincerely,



Robert M. Smith  
Partner  
RMS

Cc: Commission Chair Meagan Harmon  
Deputy Director Steve Hudson  
Tyler Liddell, Coastal Commission  
Supervisor Matt Lavere, Ventura County Board of Supervisors  
Ventura City Council  
Bill Ayub, City Manager, City of Ventura

ATTACHMENT 1

Ventura Board of Port Commissioners  
Brian Pendleton, Ventura Port District  
Todd Mitchell, Ventura Port District  
Derek Lerma, Rincon Consulting

**CALIFORNIA COASTAL COMMISSION**

SOUTH CENTRAL COAST DISTRICT OFFICE  
 89 SOUTH CALIFORNIA STREET, SUITE 200  
 VENTURA, CA 93001-2801  
 VOICE (805) 585-1800



June 18, 2026

Ventura Port District

Attn: Brian Pendleton, General Manager; Todd Mitchell, Deputy General Manager

1603 Anchors Way Drive

Ventura, CA 93001

Email: [bpendleton@venturaharbor.com](mailto:bpendleton@venturaharbor.com); [tmitchell@venturaharbor.com](mailto:tmitchell@venturaharbor.com)

**RE: Harbor Cove Volleyball Courts**

Dear Mr. Pendleton and Mr. Mitchell,

The purpose of this letter is to memorialize the discussion between Commission staff and Ventura Port District staff (District staff) during our June 4, 2026 meeting (held via Teams) regarding condition compliance for Coastal Development Permit (CDP) No. 4-24-0248 and to respond to the two emails and attached plan submittals, which Commission staff received from you on June 9, 2026, concerning CDP No. 4-24-0248. Briefly, during the June 4, 2026 meeting, District staff stated that they agreed to submit revised plans addressing the following condition requirements: a schematic of the dune fencing and native plant species percentage success criteria proposed in the Harbor Cove Beach Restoration Plan; two wording changes to the Sand Management Plan regarding noticing of activities within Area A and potential mitigation resulting from activities within Area B of the plan; and inclusion of an illustration of the proposed volleyball courts to be located within Area D.

Briefly, the June 9, 2026 emails (1) request that we review the attached versions of the Ventura Port District's Sand Management Program and Harbor Cove Beach Restoration Plan (serving as an appendix to the Sand Management Program) and issue the corresponding CDP; (2) explain why the District has declined to comply with our request for detailed illustrations of siting, size, and alignment of the proposed volleyball courts in the Sand Management Program; (3) reiterate the District's preference for siting the volleyball courts within the illegally cleared dune habitat area; and (4) state that the District will not engage in any further dialogue regarding the volleyball courts with Commission staff. Each of these items, as discussed in the June 4<sup>th</sup> meeting and your June 9<sup>th</sup> emails, are addressed individually in the sections below.

1. Our feedback on the Harbor Cove Beach Restoration Plan and language changes to the Sand Management Program:

Thank you for providing the latest version of the District's Harbor Cove Beach Restoration Plan. Thank you also for including in the plan a schematic of the proposed dune fencing. As we said during the June 4<sup>th</sup> meeting between District and Commission staff, this illustration sufficiently addresses our previous comment on the matter.

## ATTACHMENT 2

However, one other minor change is needed for the restoration plan to accurately reflect all of the revisions that our teams agreed upon. Specifically, we all had agreed that the threshold for a reestablished native species under the proposed success criteria would be whether that species covers at least 25% of the minimum required area covered by all of the native dune plants. This threshold is in accordance with (and, in some scenarios, less stringent than) what Mr. Mitchell proposed in an email to us on May 27, 2026. It would also align with the wording for the criteria that both parties agreed to in the June 4<sup>th</sup> meeting. The proposed two-species criterion — “10% coverage with two native species, with no less than 2.5% coverage by each of those two native species” — reflects this accurately.

However, the three-species criterion stated in the plan — “7% coverage with three native species, with no less than 1.25% coverage by each of at least three native species” — appears to include a miscalculation and does not match the 1.75% criterion that we had discussed in the meeting. Please replace “1.25%” with “1.75%,” so that the area covered by each species would be ensured to account for at least 25% of the minimum required native coverage of 7% under the three-species criterion.

Turning to the broader Sand Management Program (Program), we appreciate the change that the District made deleting “(Area A)” from the first bullet of Protective Feature 4 to clarify that any non-emergency work within any ESHA, even if it has developed in a location marked as Area B on the plan, will require 14-day advance notification of Commission staff and approval from the Executive Director. To confirm our shared understanding, the advanced notification and approval process should still be followed when non-emergency work will take place in portions of Area A that do not, in that moment, exhibit dune vegetation or morphology. No further revisions to the text of Protective Feature 4 are necessary, provided you agree.

However, we note that the language in Section 1.5.2 (Area B) of the submitted program was not revised to align with the changes we discussed in our June 4<sup>th</sup> meeting. As Commission staff explained, the program should prescribe mitigation for impacts to ESHA resulting from program activities in Area B by default, rather than leaving it to the Commission’s Executive Director to determine what mitigation is required on a case-by-case basis. As we discussed, this change will establish a clear understanding about mitigation before activities are carried out. As Mr. Smith (Special Counsel to the Port District) suggested and Commission staff agreed, this section could also include language that allows the Executive Director to waive the mitigation requirement in certain extenuating circumstances, but the default should be for the District to mitigate impacts to ESHA pursuant to Protective Feature 8. District staff stated in the June 4<sup>th</sup> meeting that they agreed to add this language. Please provide an updated version of Section 1.5.2 with the agreed-upon language.

In summary, these two remaining issues can be resolved by the District providing an updated plan with the changes previously agreed upon at the June 4, 2026 meeting. We appreciate the District’s attention to these items and we are happy to answer any further questions you may have.

### 2. Illustrations of the volleyball court layout to be located within Area D:

As District staff and Commission staff also discussed at the June 4, 2026 meeting, it is necessary for the District to provide an illustration of the location, alignment and

## ATTACHMENT 2

number of courts that it proposes to place within "Area D". Special Condition No. 3C requires that the Program be revised to eliminate the volleyball facilities and associated beach grooming and infrastructure maintenance areas at the existing, unpermitted location at Harbor Cove Beach. Special Condition 3C also provides the District an option to relocate volleyball courts to a new area. The condition does not establish the minimum or maximum number of courts to be relocated or other requirements regarding the District's operation of volleyball courts in that area. The District has indicated it wants to exercise the option to relocate volleyball courts to the proposed Area D and that it does not intend to seek a CDP amendment or new CDP to establish this development. As such, CDP 4-24-0248 will serve as the CDP authorization, pursuant to Special Condition 3C, for the placement of new volleyball courts in the new location. All physical development approved by the Commission through a CDP needs, at the very least, to be shown on plans that establish its location, dimensions, design, etc. so it is clear what is approved and to ensure ongoing compliance with the terms and conditions of the CDP. For this reason, Commission staff continues to request the submittal of an illustration of the intended location of the individual volleyball courts within Area D, clarification as to which of those courts would be kept in place on a regular basis and which would only be provided on an interim basis, if any. Staff also requests a detailed explanation of why interim courts, if any, could not be provided on a regular basis and an evaluation of any alternatives that might allow for those courts to be provided more regularly.

District staff stated at the June 4, 2026 meeting that they would provide an illustration of the proposed courts. However, the June 9, 2026 email from Mr. Mitchell states that the "District will not be providing any diagrams or drawings of the volleyball courts in the new area," listing several of the District's reasons for its refusal. The first of these reasons is that District staff members "are not experts in beach volleyball operations". This is precisely why we asked to schedule a meeting between us, District staff, the Director of the Los Angeles Volleyball Academy, and the Ventura College Women's Volleyball Coach. We believe the presence and contributions of these professionals would have added a great deal of the volleyball expertise that, by District staff's own admissions, has been lacking in the previous discussions our agencies have had on this issue.

Unfortunately, the District declined to attend the meeting with the volleyball professionals, which took place between Commission staff and the Director of LAVA on June 4<sup>th</sup>. Instead, the District only agreed to meet separately with Commission staff later that same day. We would like to reiterate our belief that a collective meeting between all the mentioned groups would help facilitate the best possible resolution to this issue. Should District staff change their position on attending such a meeting, Commission staff would be glad to help coordinate one.

The second reason that Mr. Mitchell lists for the District's refusal to provide an illustration of the proposed court layout is that the District has "no obligation under the permit conditions to provide a specified number of volleyball courts." As discussed above, Special Condition No. 3C of the CDP does not prescribe a minimum or maximum number of volleyball courts that the District must provide, but the District must nonetheless provide a plan of what it is proposing.

Thirdly, Mr. Mitchell's email explains that the District "would not enter into any sort of commitment to provide courts except through month-to-month license agreements to

an operator.” As Commission staff explained several times in the June 4<sup>th</sup> meeting, the requested diagram depicting the proposed volleyball courts could be accompanied with a statement that the diagram is for illustrative purposes only. Furthermore, despite what has been implied by the District, staff has neither requested information nor attempted to impose additional conditions related to the “hours of operation for the volleyball courts, who can use the volleyball courts, or other operational constraints not included in the conditions of approval.” Commission staff has already stated in its response to District Special Counsel, sent via email on May 29<sup>th</sup>, and during the June 4<sup>th</sup> meeting, that at no time did we ever suggest imposing requirements concerning the times of day the courts could be operated or who would be allowed to use the courts. For District staff to continue to suggest otherwise would, at this point, be disingenuous.

The fourth and final reason the District raises for refusing to provide an illustration of the proposed volleyball courts is that, until the volleyball facilities are put into operation, the District cannot be certain which number of courts would properly balance the competing public safety and recreational concerns of the beach. The point goes on to state that “in no way does District staff believe that more than 6 courts in this location can be operated throughout the year, and even that number is pending evaluation under real-world conditions.”

Once again, we would like to reiterate that Commission staff is in no way trying to establish the maximum or minimum number of volleyball courts to be placed in Area D or determine any operational parameters. However, if the District chooses to place volleyball courts in Area D through CDP 4-24-0248, it needs to submit an illustration of its proposal for review for consistency with the terms and conditions of that CDP.

In addition, Commission staff has been receiving questions from various stakeholders about the nature of the District’s proposal. Furthermore, testimony presented at the Commission’s March 2026 hearing suggests that several members of the public understand that the District intends to provide only four volleyball courts within Area D. At the time we last provided formal feedback on this element of the program (January 15, 2026), our own understanding was that this number was significantly greater. Commission staff measured the area of proposed beach grooming associated with the volleyball courts and determined that eight courts — meeting all of the dimension, spacing, and orientation requirements imposed by NCAA, USA Volleyball, and the FIVB — would fit within the polygon. We had not considered the possibility that the District intended some of these courts to be maintained only on an interim basis or to only provide a reduced number of courts.

To ensure that Commission staff, the public, and the Commission have a complete and accurate understanding of the District’s proposed plan, and to allow all parties to better answer stakeholder questions regarding the number of year-round courts, we again ask that you provide the requested information.

### 3. Sensitive dune habitat under the Coastal Act

The June 9<sup>th</sup> email that we received from Mr. Pendleton claims that “the decision to relocate the existing volleyball courts from the most well-suited location at Harbor Cove Beach was mandated by the Coastal Commission, not the Port District.”

## ATTACHMENT 2

Commission staff does not agree that this site is the most well-suited for the proposed development. One of the most basic factors influencing the suitability of a project site is whether the project complies with the laws, policies, and regulations governing development at that site. As you know, and as is addressed in the Commission's May 2025 findings and in the following paragraphs of this section, the volleyball courts are not permissible within their current location, which was determined by the Commission's Ecologists to be environmentally sensitive habitat area (ESHA). This area was cleared without a permit, in violation of the Coastal Act.

As the dune ESHA in this area was disturbed as a result of unpermitted development, the site must be considered as it was prior to the unpermitted removal of dunes. (*Bolsa Chica Land Trust v. Superior Court* (1999) 71 Cal.App.4th 493, 506-08.) Within ESHA, only uses dependent on the environmental resource are allowed to occur within those areas, and even then, such uses are minimized to the greatest degree to avoid significant disruption to ESHA habitat values. (Coastal Act Section 30240.) Beach volleyball courts, while prioritized by the Coastal Act as public recreation facilities, nonetheless do not constitute a resource-dependent use. They are a sand-dependent use, but not a dune ESHA sand-dependent use. Thus, the facts of the matter and the policies of the Coastal Act compelled the Commission to determine that the courts could not be approved in their current location.

Beach dune systems are among the rarest ecosystems on earth and in California, accounting for only two to three percent of the State's land mass. These fragile landscapes continue to be further disturbed, degraded, and threatened by human development, rising sea levels, and other impacts. In 2010, the California Department of Fish and Wildlife designated southern foredune habitats (specifically dune mat vegetation alliance) as an "imperiled" natural community. Where they persist, dunes can mitigate coastal hazards such as wave uprush and beach erosion. Though southern foredunes themselves are rare, they also exhibit special value by providing habitat for rare and special-status species including red sand verbena (*Abronia maritima*), southern California legless lizard (*Anniella stebbinsi*), and the Western Snowy Plover (*Anarhynchus nivosus nivosus*), which is listed as a California Bird Species of Special Concern and a federally threatened species. In short, due to their extreme rarity and ecological significance, the Commission recognizes dunes as environmentally sensitive habitat areas meriting all of the protections afforded by that designation under the Coastal Act.

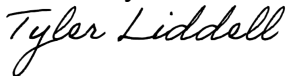
As noted previously, CDP 4-24-0248 did not allow for any grooming or other sand management activities in the area of the existing, unpermitted volleyball courts and required the sand management plan to be revised to no longer depict the unpermitted courts. As such, continuing sand management efforts for the existing volleyball courts is not permissible under CDP 4-24-0248. If the District were to propose after-the-fact approval of volleyball courts in the existing unpermitted location, Commission staff would be unable to recommend approval of such development within sensitive dune habitat. Doing so would be in direct contradiction to the Coastal Act and it would undermine the Commission's long-term efforts to prevent the further loss of California's already rare southern foredunes. Environmentally sensitive habitat areas do not shed the protections afforded to them on the mere basis that the habitat has been partially or fully removed by illegal disturbance.

4. Our Commitment to interagency cooperation:

Lastly, we would like to restate our commitment to finding a workable court arrangement that secures the benefits of public access and recreation within the constraints imposed by the necessities of public safety and compliance with the Coastal Act. While we are dismayed by the District staff's refusal to engage in further dialogue regarding the details of the proposed volleyball court area, our staff remain willing to discuss the matter and look for solutions that satisfy all interested parties, including District staff and the representatives of the many volleyball players and teams who use the courts.

Please let me know if you have any questions. Thank you for your time.

Sincerely,



Tyler Liddell  
Coastal Program Analyst



**BOARD OF PORT COMMISSIONERS  
JULY 1, 2026**

**STANDARD AGENDA ITEM 2  
ACCEPTANCE OF FISCAL YEAR  
2024-2025 FINAL AUDIT**

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Sarah Clancy, Administrative Services Manager  
SUBJECT: Acceptance of Fiscal Year 2024-2025 Final Audit

---

**RECOMMENDATION:**

That the Board of Port Commissioners accept the Financial Statements and Supplementary Information with Independent Auditor’s Report for the Year Ended June 30, 2025, prepared by Clifton Larson Allen, LLP.

**SUMMARY:**

The draft audit for FY24-25 was presented to the Board by CliftonLarsonAllen LLP (CLA) on June 3, 2026.

The audit has since undergone and passed a 2<sup>nd</sup> review at CLA for final status authorization.

Staff are bringing forward the annual audit of the District’s financial statements for fiscal year ending June 30, 2025, for the Board’s review and acceptance, with limited changes discussed in this report.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 6) Provide exceptional public service and organizational transparency.

**5-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures, and programs.
  - 1) Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
  - 5) Financial Reporting

**BACKGROUND:**

The District entered into a professional services agreement (PSA) with CLA on September 26, 2025, for the audit of the District’s financial records for the fiscal year ending June 30, 2025.

CLA began their field work on the fiscal year 2024-2025 audit in April 2026. The draft audit work was completed on May 29, 2026 and was presented at the June 3, 2026 Board Meeting. The audit process was delayed largely due to changeover in VPD staffing and difficulties with the prior financial software. Staff migrated to a new accounting/property management software, Yardi, on May 1, 2025. The final FY24-25 audit was completed on June 25, 2026.

CLA reports that the District’s financial statements fairly present the financial position of the District as of June 30, 2025, in all material respects.

CLA also reports that they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

### **SUMMARY OF CHANGES**

After passing through CLA's 2<sup>nd</sup> internal review, the following changes to the previously presented draft were made to the final FY2024-2025 audited financial statements:

1. Statement of Cash Flows – Cash paid for goods and services and cash flows for acquisition and construction of capital assets (page 20) were adjusted to account for noncash capital-related accounts payable of \$559,976 at year end. This noncash item was added on (page 21). The net increase in cash and cash equivalents on page 20 was not affected by this reclassification.
2. Note 2C, Capital Assets (page 32) – This note disclosure was enhanced to detail out the accumulated depreciation/amortization by each asset classification. Previously, this was shown in total only. Total capital assets did not change.

### **FISCAL IMPACT:**

The final audited Statement of Net Position at June 30, 2025, is \$39,535,717. This is an increase of 15.59% over the June 30, 2024 Net Position of \$34,204,883. Total revenues increased 15.3% to \$17,984,973 during the fiscal year. Total expenses decreased 4.4% to \$12,654,139 during the fiscal year. The approved budgeted cost for preparation of the Fiscal Year 2024-2025 audit is \$59,796.

### **ATTACHMENTS:**

- Attachment 1 – Final FY24-25 Governance Communication Letter
- Attachment 2 – Final FY24-25 Audited Financial Statements
- Attachment 3 – Final 2025 Management's Representation Letter



CliftonLarsonAllen LLP  
 CLAAconnect.com

Board of Port Commissioners  
 Ventura Port District  
 Ventura, California

We have audited the financial statements of the Ventura Port District as of and for the year ended June 30, 2025, and have issued our report thereon dated June 25, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our professional services agreement dated September 18, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ventura Port District are described in Note 1 to the financial statements.

As described in Note 1E, the entity changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, Compensated Absences, in the current year. The implementation of this standard did not have a significant impact on the District's financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

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

- The OPEB expense, OPEB liability, and the corresponding deferred outflows of resources and deferred inflows of resources for the District's defined benefit OPEB plan is based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the method, assumptions, and data used to develop the amounts and related disclosures in determining that they were reasonable in relation to the financial statements taken as a whole.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of the other postemployment benefits plan in Note 3D to the financial statements.

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

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit other than the delay in closing the books as a result of staff transition and the change in accounting system.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- Slips Accounts Receivable - \$21,886 unidentified variance between GL and detailed aging schedule;
- GASB Statement No. 101 Implementation - \$140,919 increase in beginning compensated absences liability expensed in the current year rather than restating beginning net position;
- Compensated Absences Liability – Ending balance is overstated by \$29,237.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated June 25, 2026.

***Management consultations with other independent accountants***

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

Board of Port Commissioners  
Ventura Port District  
Page 3

***Significant issues discussed with management prior to engagement***

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

**Required supplementary information**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

\* \* \*

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



**CliftonLarsonAllen LLP**

Irvine, California  
June 25, 2026

**VENTURA PORT DISTRICT  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025**



ATTACHMENT 2  
VENTURA PORT DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Board of Port Commissioners  
Ventura Port District  
Ventura, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of the Ventura Port District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 opinion.

#### **Responsibilities of Management for the Financial Statements**

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 District'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.

Board of Port Commissioners  
Ventura Port District

***Auditors' 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 auditors' report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 District'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 District'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.

Board of Port Commissioners  
Ventura Port District

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability, the schedules of plan contributions, and the schedule of changes in total other postemployment benefits liability and related ratios 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 GAAS, 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
June 25, 2026

ATTACHMENT 2  
**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

It is our pleasure to submit the Ventura Port District's (the Port District) Management's Discussion and Analysis (MD&A) for the fiscal year ended June 30, 2025. This report was prepared pursuant to the guidelines set forth by the Government Accounting Standards Board (GASB) and sets forth an overview of the Port District's financial activities and performance for the fiscal year ended June 30, 2025. This analysis should be read in conjunction with the audited financial statements that follow this section.

This report consists of management's representations concerning the finances of the Port District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that this report is free of any material misstatements.

**District Structure and Leadership**

The Port District was established in April 1952 for the purpose of acquiring, constructing, and operating a commercial and recreational boat harbor now known as the Ventura Harbor. The Port District was formed as per Sections 6200 to 6372 of the Harbor and Navigation Code of the State of California. The Port District's legal boundaries encompass all of the City of San Buenaventura as well as some small areas outside the City limits. Construction was completed and Ventura Harbor commenced operations in June 1963.

Other than the 2.74 acre site owned by the Department of Interior, National Park Service, the Port District is the sole landowner within this multiple use harbor, with current property holdings of approximately 152 acres of land and 122 acres of water area, initially developed in the early 1960s. The Ventura Harbor is home to many diverse businesses such as marinas for recreational and commercial vessels, commercial fishing offloading facilities, boat charters, a mobile home park, two hotels, a time share, harbor front luxury apartments, public launch ramp, two fuel stations, two full-service boatyards, and a mixed-use shopping center with boutique shops, restaurants, and office spaces.

The Port District is governed by a five-member Board of Port Commissioners, appointed by the City Council of the City of San Buenaventura, serving four-year terms without compensation. Below are the Commissioners on June 30, 2025:

Michael Blumenberg, Commissioner/Chair  
Elizabeth Howell, Commissioner/Vice-Chair  
Anthony Rainey, Commissioner/Secretary  
Chris Stephens, Commissioner  
Jackie Gardina, Commissioner

**Mission Statement**

The Ventura Port District is committed to providing a safe harbor that is an inviting inclusive seaside destination and gateway to the Channel Islands National Park, with exceptional facilities for fishers, boaters, residents, and visitors.

ATTACHMENT 2  
**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

**Financial Highlights**

The Port District provides public services such as Harbor Patrol and a public launch ramp, which are traditionally associated with a port district. The Port District also contracts with the State Parks system for lifeguard services from May through September for approximately \$200,000. In addition, the Port District offers long term ground leases (50 years) on certain parcels for private use such as hotels, apartments and timeshares, marinas, boatyards, yacht clubs, and a mobile home park. The Port District is also the owner/operator of Ventura Harbor Village, a 32.67 acre shopping center, office, boat charter and marina complex located in the harbor with a strong commercial fishing industry.

- The Port District's net position on June 30, 2025 increased 15.6% to \$39,535,717
- Total revenues increased 15.3% to \$17,984,973 during this fiscal year.
- Total expenses decreased 4.4% to \$12,654,139 during this fiscal year.

**Overview of the Basic Financial Statements**

The Port District's basic financial statements are comprised of three components: Financial statements, notes to the basic financial statements and required supplementary information. The financial statements consist of the following:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

The Port District's activities are accounted for in an enterprise fund. Enterprise funds are operated in a manner similar to private business in that the majority of the Port District's revenues are generated through leases, fees, and services to the public. These revenues are used to cover all operations, financing and infrastructure needs in the harbor.

**The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Net Position includes all of the Port District's investments in resources (assets) and the obligations to creditors (liabilities). The difference between the Port District's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Port District is improving or declining. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Port District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on an accrual basis.

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**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

Statement of Net Position

The following condensed financial information provides an overview of the Port District's financial position as of June 30, 2025 and 2024:

SUMMARY OF NET POSITION  
JUNE 30, 2025 AND 2024

	2025	2024	Increase (Decrease)	
			Amount	Percent
<b>ASSETS</b>				
Current Assets	\$ 23,006,717	\$ 19,513,891	\$ 3,492,826	17.9 %
Restricted Assets	3,222,994	2,327,975	895,019	38.4
Noncurrent Assets	42,470,521	44,458,185	(1,987,664)	(4.5)
Capital Assets, Net	32,442,959	31,875,061	567,898	1.8
Total Assets	101,143,191	98,175,112	2,968,079	3.0
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	2,025,552	2,658,972	(633,420)	(23.8)
<b>LIABILITIES</b>				
Current Liabilities	4,004,494	3,241,944	762,550	23.5
Noncurrent Liabilities	14,480,863	15,816,997	(1,336,134)	(8.4)
Total Liabilities	18,485,357	19,058,941	(573,584)	(3.0)
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	45,147,669	47,570,260	(2,422,591)	(5.1)
<b>NET POSITION</b>				
Net Investment in Capital Assets	22,350,585	20,658,495	1,692,090	8.2
Restricted Assets	3,222,994	2,327,975	895,019	38.4
Unrestricted Assets	13,962,138	11,218,413	2,743,725	24.5
Total Net Position	\$ 39,535,717	\$ 34,204,883	\$ 5,330,834	15.6

The Port District's net position on June 30, 2025 is \$39,535,717. This is an increase of \$5,330,834 from the net position on June 30, 2024 of \$34,204,883.

Key changes in the statement of net position are as follows:

ATTACHMENT 2  
**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

*Assets*

Current assets increased \$3,492,826 for fiscal year 2025 to \$23,006,717 due to normal operations for the year. Current assets consist of cash and cash equivalents, receivables due in less than one year, prepaid expenses to be amortized over one year, and inventory on hand.

Restricted assets increased \$895,019 in fiscal year 2025 to \$3,222,994. This is the net effect of replenishing \$781,735 to bring the dredging reserve balance back up to \$3,000,000 and by the interest income earned on restricted funds during the year.

Noncurrent assets decreased \$1,987,664 for fiscal year 2025 to \$42,470,521. This decrease is a direct result of recording the tenant lease payments received for leases that qualify for GASB87 lease accounting and accounting for changes in new and expired tenant leases that qualify for GASB87 lease accounting in the current year.

The capital assets, net increased \$567,898 during fiscal year 2025 to \$32,442,959. This was the net effect of infrastructure renovations, equipment purchases, and new leased assets offset by capital asset retirements and the annual depreciation/amortization of the capital assets. The term capital assets include land, improvements to land, easements, buildings and improvements, vehicles, machinery, equipment, infrastructure, lease assets, subscription assets and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year. The capital assets are discussed in more detail later in this report.

Deferred outflows of resources decreased by \$633,420 to \$2,025,552. This decrease was the net effect of the change in value from items that are required to be reported in this category as related to deferred revenue on bond refunding, GASB68 as related to pensions, and GASB75 as related to other post-employment benefits (OPEB).

*Liabilities*

Liabilities decreased \$573,584 to \$18,485,357. This decrease is primarily the net effect of notable changes in the categories discussed below:

- There was an increase of \$258,073 in Accounts Payable and \$128,679 in Accrued Liabilities. The Ventura Port District underwent a transition in ERP systems late FY24-25. As a result of the implementation in May 2025 and into June 2025, there was a delay in payment processing and check printing resulting higher than average balances in payable and liabilities accounts.
- There was an increase of \$229,825 in Unearned Revenue. This increase is a direct result of recording short-term and variable tenant lease payments received in advance for lease periods subsequent to year end.
- There was an decrease of \$48,575 in pension liabilities offset by a increase of \$58,585 in OPEB liabilities. CalPERS prepares a guide for public agencies reflecting the methodology and pension amounts to be used for GASB 68 pension reporting and GASB 75 OPEB reporting. Many factors and assumptions as described in the deferred inflows and outflows resulted in a net increase of these liabilities.

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**VENTURA PORT DISTRICT  
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- Direct borrowing and direct placement liabilities decreased by \$1,228,335 to \$9,184,183. The change in these long-term liabilities will be discussed later in this report.

Deferred inflows of resources decreased \$2,422,591. This decrease was due to the net effect of the change in value of items to be reported in this category due to GASB87, as related to tenant leases, GASB68 as related to pensions, and GASB75 as related to other post-employment benefits (OPEB). The primary reason for the change is as follows:

- Decrease of \$2,422,591 in deferred inflows related to changes in new and expired tenant leases as per GASB87 lease accounting. GASB87 requires a lessor to recognize a lease receivable and a deferred inflow of resources. This decrease is the net of the amortization of the deferred inflows of resources for tenant lease revenues over the changes in the amount due to additions, modifications and terminations of tenant leases in the current year.

*Net Position*

Net investment in capital assets increased \$1,692,090 to \$22,350,585. This increase is the net effect of the increase in capital assets as explained previously (the net effect of infrastructure renovations and equipment purchases offset by asset retirements and the annual amortization of the depreciation expenses) being reduced by the annual principal payment on the related debt which in-turn reduced the amount of debt being netted against the capital assets.

Net investment in capital assets is the total value of the capital assets as defined above including construction in progress less the depreciation that has been expensed over the useful life of the asset and reducing it by the balance of the debt that was used to purchase the initial capital asset. The Port District uses these assets to provide facilities and services to the public.

The restricted assets in the Net Position grouping increased \$895,019 due to the net effect of replenishing \$781,735 to the dredging reserve balance to bring it back up to \$3,000,000 and by the interest income earned on restricted funds during the year. Restricted assets are subject to external restrictions on how they may be used. As of June 30, 2025, there is \$3,000,000 restricted for dredging activity as required by the Ellison Judgment and a balance of \$222,994 in the restricted fisheries improvement reserve.

Unrestricted assets may be used to meet the Port District's on-going obligations.

ATTACHMENT 2  
**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes the Port District's operations for fiscal years 2025 and 2024:

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024	Increase (Decrease)	
			Amount	Percent
<b>REVENUES</b>				
Operating Revenues	\$ 14,313,820	\$ 11,336,870	\$ 2,976,950	26.3 %
Nonoperating Revenues	3,671,153	4,257,986	(586,833)	(13.8)
Total Revenues	<u>17,984,973</u>	<u>15,594,856</u>	<u>2,390,117</u>	15.3
<b>EXPENSES</b>				
Operating Expenses Before				
Depreciation and Amortization	10,630,201	11,286,508	(656,307)	(5.8)
Depreciation and Amortization	1,663,445	1,551,529	111,916	7.2
Nonoperating Expenses	360,493	402,777	(42,284)	(10.5)
Total Expenses	<u>12,654,139</u>	<u>13,240,814</u>	<u>(586,675)</u>	(4.4)
CHANGE IN NET POSITION	5,330,834	2,354,042	2,976,792	126.5
Net Position, Beginning of Year	<u>34,204,883</u>	<u>31,850,841</u>	<u>2,354,042</u>	7.4
NET POSITION, END OF YEAR	<u>\$ 39,535,717</u>	<u>\$ 34,204,883</u>	<u>\$ 5,330,834</u>	15.6

*Revenues*

Total revenues increased 15.3% in fiscal year 2025 to \$17,984,973. This represents a \$2,390,117 increase over fiscal year 2024 revenues of \$15,594,856. This increase was attributed to a number of factors:

Operating revenues increased \$2,976,950 due to the net effect of the following notable primary factors:

- The master tenant revenues increased \$1,545,767. This increase is the net effect of several factors:
  - There was a onetime appreciation rent received of \$2,963,266 for the lease assignment of parcels 2&3.
  - The remaining decrease is reclassing of revenue from the recording of GASB 87 lease amortization accounting.
- Ventura Harbor Village tenant lease revenues increased \$316,457. This increase is the combined effect of increases CHARTERS from normal escalations, and the reclassing of revenue from the recording of GASB87 lease amortization accounting.

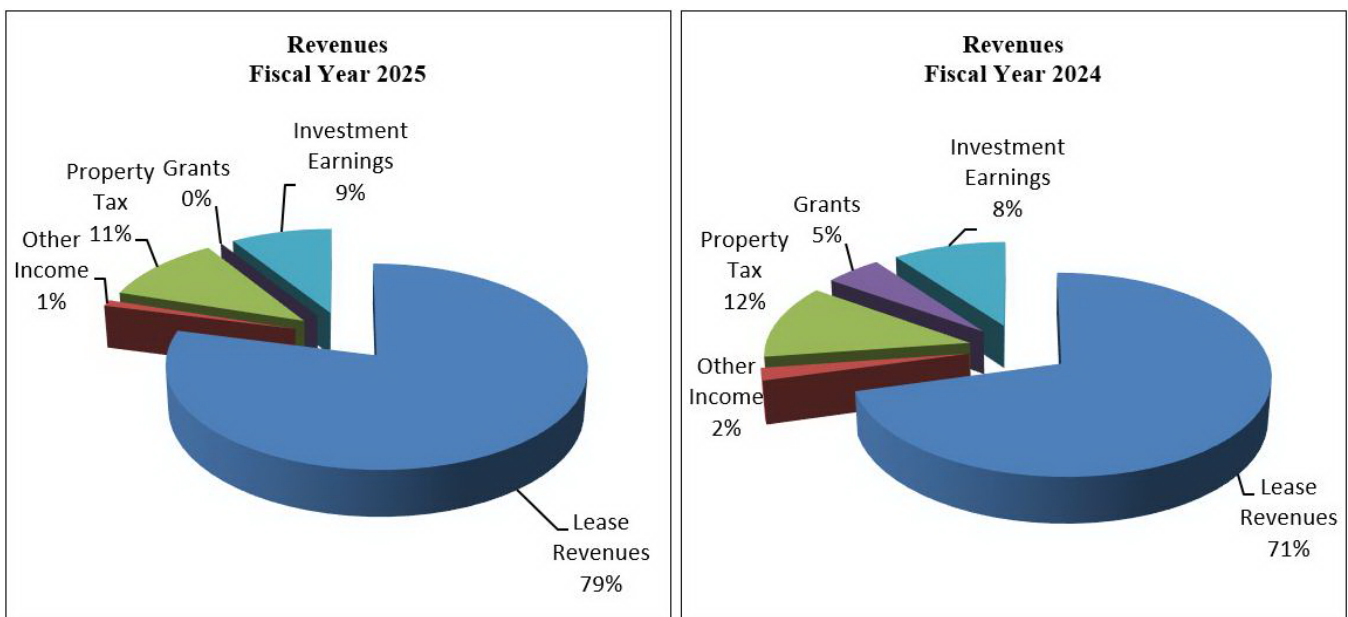
ATTACHMENT 2  
**VENTURA PORT DISTRICT  
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YEAR ENDED JUNE 30, 2025**

- Ventura Harbor Village slip revenues decreased \$56,061 in FY24-25. In prior busy years, the marina has maintained a 2-4 month waitlist for seasonal slip occupancy and has often been able to optimize utilization by rebooking otherwise vacant slips. In 2025, landings in San Pedro were up significantly, meaning boats that might have offloaded in Ventura were operating further south. Thus, there was reduced secondary demand and reducing this revenue source. The significant landings in San Pedro also resulted in oversupply and the industry largely stopped fishing early for this reason.
- Commercial fish offloading increased \$140,441 due to an incline in squid season success.

Nonoperating revenues decreased \$586,833 due to the net effect of a number of notable factors:

- The Port District's pro-rata share of Ventura County property taxes increased \$96,880. This revenue has been increasing 4% to 6% per year based on the housing market.
- Insurance recovery decreased \$313,716. In FY23-24 the District was approved for \$36,284 in recoveries for other storm damage in the harbor.
- Intergovernmental income decreased \$741,668 in FY24-25 for a total of \$65,594. This decrease is primarily due to one-time revenues received in FY23-24 related to easements for their VenturaWaterPure project, including the usage of the parking overflow lot 19A and for their share of the inner harbor dredging at the entrance to the Keys.

The following two charts show a comparison of revenues by source for each year, fiscal year ending 6/30/25 and fiscal year ending 6/30/24. These charts give a clear example of the importance of lease tenants followed by the need for property tax revenues. The Port District's pro-rata share of property tax revenue is allocated towards the funding of our Harbor Patrol department.



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*Expenses*

The expenses for FY24-25 decreased 4.4% to \$12,654,139. This is an decrease of \$586,675 from the FY23-24 expenses of \$13,240,814. This increase is attributed primarily to the net effect of the following factors:

Operating expenses before depreciation and amortization decreased \$656,307 due primarily to the net effect of changes in these categories:

- Salaries and benefits decreased \$429,794 compared to prior year due to the following factors:
  - Numerous positions became vacant largely due to retirements, as a result part-time and overtime wages increased a total of \$133,068.
  - As an additional result of vacancies, Retirement Contributions decreased by \$272,313, especially as a result of most part-time employees not enrolled in CalPERS and overtime not being part of the retirement contribution calculations.
- Marketing costs increased \$57,602 largely due to expanding village programing to increase public participation.
- Legal, Professional, and Outside services increased \$163,377 primarily due to the net effect of changes in the following areas:
  - Legal services decreased \$88,887 as a result of less matters needing review.
  - Engineering services increased \$34,144 for parcel 5 park planning.
  - Professional consultant services increased \$43,953 pertaining coastal permitting.
  - Professional services increased \$216,487 primarily for Capital Improvement project planning.
  - Outside services for vessel salvage expenses decreased \$37,705. The District participates in a vessel turn-in program with State Parks & Recreation for Surrendered and Abandoned Vessel Exchange (SAVE) grant funds that assist in the funding for salvaging of derelict recreational vessels turned in by vessel owners. There were less vessels to dispose of in FY24-25.
- Repairs and maintenance increased \$96,651 for FY24-25. This increase is primarily the net effect of the following factors:
  - Auto maintenance increased \$14,022 for repairs to older vehicles. Plans to replace older vehicles are part of the 5-year capital improvement budget.
  - Village docks and fisheries maintenance decreased \$49,069 as less repairs were needed in FY24-25.
  - General building maintenance increased \$74,651 due to overall rate increases for parts, service,
  - Grounds maintenance increased \$32,107 for upgrading landscape design around Harbor Village.
  - Sand maintenance increased \$19,461 for grooming sand buildup at Harbor Cove and Surfers Knoll beaches and sidewalks.

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YEAR ENDED JUNE 30, 2025**

- Harbor dredging decreased \$1,419,318 as a result of inner harbor dredging being completed in FY23-24 removing the need in FY24-25.
- Insurance increased \$56,156 for general liability and property insurance from normal annual rate increases
- Depreciation/amortization expense increased \$111,916 due to the depreciation of new and existing capital assets over their estimated useful life including the amortization of GASB87 leases and GASB96 subscription assets.
- Non-operating expenses decreased \$42,284 primarily due to debt interest expense being paid down annually.

**Capital Assets**

The Port District's capital assets, net of accumulated depreciation, totaled \$32,442,959 on June 30, 2025. This is an increase of \$567,898 over June 30, 2024, balance of \$31,875,061. This increase is due to the net effect of new infrastructure improvements, the purchase of equipment, new leased assets offset by asset dispositions and the current year's depreciation/amortization expense.

The capital assets include land, harbor, building and leasehold improvements, equipment, leased equipment, subscription assets and construction in progress. The following table shows the change in capital assets for FY24-25 and FY23-24.

**CAPITAL ASSETS, NET  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024	Increase (Decrease)	
			Amount	Percent
Land	\$ 2,342,629	\$ 2,342,629	\$ -	0.0 %
Buildings And Structures	35,169,927	33,284,884	1,885,043	5.7
Harbor Improvements	14,682,571	14,676,141	6,430	0.0
Equipment	2,274,232	2,274,232	-	0.0
Leased Equipment	723,150	730,806	(7,656)	(1.0)
Subscription Asset	117,067	48,490	68,577	141.4
Construction In Progress	1,018,175	780,620	237,555	30.4
Total	56,327,751	54,137,802	2,189,949	4.0
Less: Accumulated				
Depreciation/Amortization	(23,884,792)	(22,262,741)	(1,622,051)	7.3
Total Capital Assets, Net	\$ 32,442,959	\$ 31,875,061	\$ 567,898	1.8

Major improvement projects and equipment purchases in the fiscal year 2025 were as follows:

- Completed elevator renovation at 1591 Spinnaker Drive building.

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**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2025**

- Installed EV Charging units in the Ventura Harbor Village parking lot.
- Completed the renovation of bathrooms for ADA compliance at 1559 Spinnaker Drive and 1583 Spinnaker Drive
- Completed the launch ramp improvements and boat washdown replacement.
- Replaced patio wall at 1567 Spinnaker Drive.

Major commitments in FY24-25 include:

- Garland/DBS for 1583/1575 Spinnaker Dr. Lower Roof Sections project for \$79,673. The notice to proceed was signed on 4/22/2025. Construction began May 2025 and was completed in October 2025. Total contract was signed for \$216,759.

Additional information on the Port District's capital assets can be found in Note 2(c) of the basic financial statements.

**Long-Term Liabilities**

The Port District's long-term liability balance on June 30, 2025 is \$10,097,756. This is a decrease of \$1,182,871 over the June 30, 2024 balance of \$11,280,627. This decrease is a direct result of the following factors:

- The borrowing and direct placements decreased \$1,228,335 as a result of the annual paying down of the principal on the outstanding balance of all the long-term debt.
- There was a decrease of \$98,017 in leases payable. This decrease reflects the current year's payments for leased equipment offset by an increase due to new equipment leases. GASB87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset thereby enhancing the relevancy and consistency of information about governments leasing activities.
- The subscription payable increase of \$31,837 is due to the addition of Yardi as a subscription asset.
- There was an increase of \$111,644 in compensated absences. This was the net effect of an increase in accrued hours remaining in the employees' bank at 6/30/25 combined with scheduled rate increases on the rate applied to the accrual balances.

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**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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YEAR ENDED JUNE 30, 2025**

The following table summarizes the changes in the Port District's long-term liabilities as of June 2025 and 2024:

SUMMARY OF LONG-TERM LIABILITIES  
JUNE 30, 2025 AND 2024

	2025	2024	Increase (Decrease)	
			Amount	Percent
Direct Borrowing and Direct Placements:				
2016 Refunding Certificates of Participation	\$ 3,034,500	\$ 3,260,400	(225,900)	(6.9) %
2018 Installment Obligation:				
Series A - Tax exempt	1,240,157	1,307,655	(67,498)	(5.2)
Series B - Taxable	2,365,526	2,483,463	(117,937)	(4.7)
2021 Refunding Installment Purchase Contract	2,544,000	3,361,000	(817,000)	(24.3)
Subtotal	9,184,183	10,412,518	(1,228,335)	(11.8)
Other Long-Term Liabilities:				
Lease Payable	373,059	471,076	(98,017)	(20.8)
Subscription Payable	48,115	16,278	31,837	195.6
Compensated Absences	492,399	380,755	111,644	29.3
Total	\$ 10,097,756	\$ 11,280,627	\$ (1,182,871)	(10.5)

Additional information on the Port District's long-term debt can be found in Note 2(e) of the basic financial statements.

**Economic Outlook**

The long-term economic outlook for the Port District is positive, but subject to the larger regional economy as well as broader general retail trends, as discussed below. Operational challenges and business impacts caused by another year of atmospheric river rain events beginning November 2025 through January 2026 have dissipated and related expenses were atypical. Temporary impacts to the southeast Harbor area caused by the rain events are still being resolved in the case of one master tenant. The fiscal year 2025-26 mid-year budget forecasted an 18% decrease in Harbor-wide revenues and a 14.9% increase in expenses. No significant changes are forecasted.

Revenue levels at Ventura Harbor Village continue to rebound from the COVID19 pandemic for the office, retail, and restaurant categories as business closures and operational restrictions were lifted. Business activity had largely returned to normal. Citing influencing trends:

*“2025 was a stagnant year for the retail sector of Ventura County. Total taxable retail sales were 2.0 percent higher than in 2024. But adjusted for inflation, sales were down 1.1 percent. Inflated product prices along with a declining population are responsible for lower levels of total retail expenditures in the county. Consumer spending behavior is dominated by the switch in spending away from goods and toward services including restaurants and bars. Food and beverage sales were 2.1 percent higher in 2025 than the previous year.”*  
*(Source: April 10, 2026 – VCTF 2026 Ventura County Economic Outlook).*

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**VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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YEAR ENDED JUNE 30, 2025**

Retail sales at Harbor Village were down 8.46 percent in 2025 compared to 2024. This was largely the result of permanent closure of 2 retail businesses. Restaurant sales at Harbor Village were up 2.83 percent for the same period. This was largely a result of construction and opening of The Loose Cannon restaurant and family fun center in October 2024. Most charter businesses rebounded from the atmospheric rain events in the prior winter and continued increasing through the calendar year 2025 with sales up 17.97% as compared to the calendar year 2024. Projected revenues for all Harbor Village and Village Marina activities are 4.6 percent higher in the FY25-26 Mid-Year Budget as compared to FY24-25 Mid-Year Budget.

As the operator of Ventura Harbor Village and Village Marina, the Port District continues to perform long-term maintenance and infrastructure improvements on the land and waterside to maintain and renovate this 40-year-old complex.

The Port District also continues to invest in infrastructure improvements in Harbor Village with a strong emphasis on ADA access improvements and electric vehicle charging stations. Multi-year programs for ADA upgrades to restrooms and common areas are mostly completed for the Village and underway for the Beaches, and Public Launch Ramps. New trash enclosures are complete with ADA accessibility and improved waste handling. 21 electric vehicle charging stations have been installed and became available in July 2025. The District will be implementing a parking management plan in July 2025 with installation of paid parking equipment in District operated lots.

The Port District's Master Tenants make up a significant portion of the Harbor's business activity and resulting District revenue. These businesses include five marinas, two boatyards, two hotels, a timeshare, a mobile home park, and several other businesses located on those parcels. Several Master Tenants have made or are planning to make significant financial investments and complete capital improvements.

The Master Tenant of Holiday Inn Express and Four Points by Sheraton, Parcel 19 will be completing phased renovations of the Four Points by Sheraton beginning spring 2026..

The Ventura Yacht Club, Parcel 6, completed the replacement of older boat slips in 2024, with plans for future improvements.

Safe Harbor Marinas (SHM), Parcels 2, 3, one of the largest marina operators in the region acquired the fuel dock master lease, Parcel 3A3 and is in the process of replacing underground fuel tanks that service our commercial fishing fleet and oil platform industries and recreational boating community.

Portside Ventura Harbor, Parcels 15, 16 and 18, in the northeast harbor area with 270 apartment units, 30 live/work units and 21,000 sq. ft. of commercial space is complete. The apartment units have achieved stabilized occupancy. Commercial leasing is underway with a notable demand for live-work units, while the absorption of the traditional retail space is moving at a slower pace. The City VenturaWaterPure project impacted vehicle circulation surrounding Portside, which may have previously contributed to the lack of demand. There is also a 104-slip marina associated with the project that is largely filled. The District completed the installation of a new monument sign at Harbor Blvd. and Schooner Drive in 2025 to encourage visitation to north Harbor businesses. This new monument sign complements the updated wayfinding signage the District installed on Harbor Blvd, Schooner Dr. and Olivas Park Dr. along with our street pole banner program.

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YEAR ENDED JUNE 30, 2025**

The Parcel 20 Master Lease was assigned to Director Marine Holdings (DMH) who began operations in October 2020. DMH began the planning and entitlement efforts for a newly constructed marina, and landside improvements. DMH also operates an on-site boatyard. Other active businesses include a restaurant, boat towing service, sportfishing, and fuel dock. All are expected to remain as part of the new development. The Port District, City and Coastal Commission have approved the project. DMH now seeks to assign the master lease to Kinship Marina, affiliated with Suntext Marinas.

The Port District continues to pursue long-term land use and/or development options for two sites, Parcels 5 and 17. Plans are underway for a new park at Parcel 5, while master planning efforts are underway for two projects at Parcel 17. Additionally, the City updated the General Plan (GP) and is now updating the Local Coastal Program (LCP) over the next two years, which may facilitate new development at Parcel 17 as discussed below.

The National Park Service (NPS), who operates the Channel Islands National Park (CINP) Visitor Center on Parcel 9, has begun planning for improvements to the existing facility. However, there is no notable progress to report.

The Master Lease at Parcel 17 ended after 50 years. The current master tenant, TBBW has entered into agreement with the Port District to pursue entitlements for two projects, a mixed-use landside development and redevelopment of the waterside marina. Environmental and project review of the new marina by the District is complete, with project consideration by the Coastal Commission planned for by fall 2026. Entitlements for the landside development are expected to take several years.

**Requests for Information**

This financial report is designed to provide a general overview of the Port District's finances. If you have questions about this report or need additional financial information, contact the Administrative Services Manager, at (805) 465-7860 or 1603 Anchors Way Drive, Ventura, CA 93001.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 18,300,511
Restricted Cash and Cash Equivalents	3,222,994
Accounts Receivable, Net	765,584
Other Receivables	304,686
Prepaid Expenses	80,745
Lease Receivable	3,476,972
Inventories	78,219
Total Current Assets	26,229,711

Noncurrent Assets:

Lease Receivable	42,470,521
Capital Assets Not Being Depreciated or Amortized	13,428,421
Capital Assets Being Depreciated or Amortized, Net	19,014,538
Total Capital Assets	32,442,959
Total Noncurrent Assets	74,913,480

Total Assets	101,143,191
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Amounts on Refundings	72,959
Deferred Amounts from OPEB Plan	128,885
Deferred Amounts from Pension Plans	1,823,708
Total Deferred Outflows of Resources	2,025,552

See accompanying Notes to Financial Statements.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2025**

**LIABILITIES**

Current Liabilities:	
Accounts Payable	1,213,819
Interest Payable	129,085
Accrued Liabilities	290,343
Unearned Revenue	236,743
Security Deposits	313,566
Current Portion of OPEB Liability	33,441
Current Portion of Long-Term Liabilities	1,787,497
Total Current Liabilities	<u>4,004,494</u>
Noncurrent Liabilities:	
Long-Term Liabilities	8,310,259
OPEB Liability	1,030,348
Net Pension Liability	5,140,256
Total Noncurrent Liabilities	<u>14,480,863</u>
Total Liabilities	18,485,357

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts from OPEB Plan	524,993
Deferred Amounts from Pension Plans	67,118
Deferred Amounts from Leases	44,555,558
Total Deferred Inflows of Resources	<u>45,147,669</u>

**NET POSITION**

Net Investment in Capital Assets	22,350,585
Restricted for Dredging	3,000,000
Restricted for Fisheries Complex	222,994
Unrestricted	13,962,138
Total Net Position	<u>\$ 39,535,717</u>

See accompanying Notes to Financial Statements.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2025**

**OPERATING REVENUES**

Leases:	
General	\$ 10,720,019
Harbor Village Slips	1,223,441
Fishing	457,005
Boat Yard	445,557
Charter	579,719
Tenant Reimbursements	524,613
Dry Storage	76,914
Other	286,552
Total Operating Revenues	<u>14,313,820</u>

**OPERATING EXPENSES**

Administration	213,589
Salaries and Benefits	5,699,254
Merchant Promotion	448,232
Professional Services	1,629,462
Depreciation and Amortization	1,663,445
Repairs and Maintenance	1,225,505
Harbor Dredging	290,007
Utilities	495,889
Insurance	457,663
Other	170,600
Total Operating Expenses	<u>12,293,646</u>

**OPERATING INCOME**

2,020,174

**NONOPERATING REVENUES (EXPENSES)**

Taxes	1,889,485
Investment Income	824,209
Interest Income on Leases	844,682
Intergovernmental Revenues	65,594
Insurance Recovery	47,183
Interest Expense	(360,493)
Total Nonoperating Revenues (Expenses)	<u>3,310,660</u>

**CHANGE IN NET POSITION**

5,330,834

Net Position - Beginning of Year

34,204,883

**NET POSITION - END OF YEAR**

\$ 39,535,717

See accompanying Notes to Financial Statements.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Tenants	\$ 10,418,569
Cash Received from Others	286,552
Cash Paid to Employees	(5,163,700)
Cash Paid for Goods and Services	(4,697,447)
Net Cash Provided by Operating Activities	843,974

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Taxes Received	1,905,290
Receipts from Other Governments	214,310
Net Cash Provided by Noncapital Financing Activities	2,119,600

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from Insurance Recovery	47,183
Acquisition and Construction of Capital Assets	(1,598,252)
Principal Payments on Long-Term Debt	(1,367,630)
Interest Payments on Long-Term Debt	(349,420)
Principal Received on Long-Term Leases	3,577,710
Interest Received from Long-Term Leases	846,120
Net Cash Provided by Capital and Related Financing Activities	1,155,711

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received	816,400
Change in Fair Value of Cash and Cash Equivalents	68,937
Net Cash Provided by Investing Activities	885,337

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

5,004,622

Cash and Cash Equivalents - Beginning of Year

16,518,883

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 21,523,505

**RECONCILIATION OF CASH AND CASH EQUIVALENTS  
TO STATEMENT OF NET POSITION**

Cash and Cash Equivalents	\$ 18,300,511
Restricted Cash and Cash Equivalents	3,222,994
Total	\$ 21,523,505

See accompanying Notes to Financial Statements.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

**RECONCILIATION OF OPERATING INCOME TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 2,020,174
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	1,663,445
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Assets and Deferred Outflows of Resources:	
Accounts Receivable	121,100
Prepaid Expenses	452,847
Deferred Outflows from OPEB Plan	33,991
Deferred Outflows from Pension Plans	568,562
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	(301,903)
Accrued Liabilities	128,679
Unearned Revenue	229,825
Security Deposits	2,494
Compensated Absences	111,644
OPEB Liability	58,585
Net Pension Liability	(48,575)
Deferred Inflows from OPEB Plans	(101,773)
Deferred Inflows from Pension Plans	(135,501)
Deferred Inflows from Leases	(3,959,620)
Net Cash Used by Operating Activities	\$ 843,974

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Amortization on Deferred Amount on Debt Refunding	\$ 30,867
Subscription Additions	\$ 73,115
Acquisition and Construction of Capital Assets on Account	\$ 559,976

See accompanying Notes to Financial Statements.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Ventura Port District (District) was organized under Sections 6200-6372 of the Harbor and Navigation Code of the state of California on April 15, 1952, for the purpose of acquiring, constructing, and operating a small boat harbor now known as Ventura Harbor. The District is governed by a board of five commissioners appointed by the District Council of the District of San Buenaventura (the Board of Port Commissioners). They serve for a term of four years without compensation. The Board of Port Commissioners appoints legal counsel, an auditor, and a general manager to implement board policies and direct operational aspects of the harbor.

The District receives a pro rata share of the general tax levy from the County of Ventura. The District also has the power of eminent domain.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units.

The financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the District's operations, and data from this unit is combined with data of the District. The blended component unit has a June 30 year-end. The District had no discretely presented component units. The following entity is reported as a blended component unit.

The Ventura Port District Public Facilities Corporation (the Corporation) was formed and organized in 1992 as a nonprofit public benefit corporation pursuant to the laws of the state of California. The District's Board of Port Commissioners acts as the governing board of the Corporation, and the Corporation is financially accountable to the District. The Corporation was formed for the purpose of financing and owning certain improvements on land leased from the District consisting of a portion of a multiple-use center and marina, which is commonly referred to as Ventura Harbor Village. The debt issued by the Corporation was paid off in fiscal year 2020-2021 and the Corporation was dissolved on April 19, 2023.

**B. Basis of Presentation**

The financial statements (i.e., statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows) report information on all of the activities of the District.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

The District's activities are accounted for in an enterprise fund. An enterprise fund is a proprietary-type fund 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. The District applies all Governmental Accounting Standards Board (GASB) pronouncements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**C. Measurement Focus and Basis of Accounting**

*Measurement focus* is a term used to describe which transactions are recorded within the various financial statements. *Basis of accounting* refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the District are lease revenues. Operating expenses include costs of providing services in relation to the leased properties, administrative expenses, and depreciation on capital assets. 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 District's policy to use restricted resources first and then use unrestricted resources as needed.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 3C and 3D.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 3C and 3D. The statement of net position also reports a deferred inflow of resources related to leases which is more fully discussed in Note 3A.

**E. Assets, Liabilities, and Net Position**

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the District considers cash on hand and in the bank, cash held and invested by the County Treasurer, and the pooled funds held by the state of California Local Agency Investment Fund (LAIF), which are readily convertible to known amounts of cash, to be cash and cash equivalents.

Cash and cash equivalents, as reported in the statement of cash flows, include both restricted and unrestricted amounts.

Accounts Receivable

The District grants unsecured credit to its customers. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to a future accounting period and are, therefore, recorded as prepaid expenses. The cost of prepaid expenses is recorded as an expense when consumed.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, and Net Position (Continued)**

Inventories

Inventories consist primarily of materials and supplies used in the general maintenance of vehicles, boats, and leased land. They are valued at cost using the first-in, first-out method under the consumption method.

Capital Assets

The District defines capital assets as tangible property having a minimum value of \$5,000 (\$10,000 for buildings, improvements, and infrastructure) that has a life expectancy longer than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Depreciation and amortization have been provided over estimated useful lives using the straight-line method. Land, land improvements, and construction in progress are not depreciated or amortized. The estimated useful lives are as follows:

Harbor Improvements	5 to 50 Years
Leasehold Improvements	5 to 50 Years
Buildings and Structures	5 to 50 Years
Boats	3 to 10 Years
Trucks	3 to 10 Years
Equipment	3 to 10 Years
Leased Buildings and Structures	2 to 8 Years
Leased Equipment	2 to 5 Years
Subscription Assets	2 to 3 Years

Property Taxes Receivables

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied based on a July 1 to June 30 fiscal year. Taxes are due in two installments on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes for the District. Tax revenues are recognized by the District in the year levied. Property tax receivables are adjusted to their net realizable values by deducting any estimated uncollectible amounts reported to the District.

Compensated Absences

The liability for compensated absences consists of vacation and sick leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means. Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, and Net Position (Continued)**

Net Position

In the statement of net position, net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Deferred amounts on refundings increase the balance in this category. Accumulated depreciation/amortization and the outstanding balances of debt and other payables that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or judgment. At June 30, 2025, the restricted assets are \$3,222,994, of which \$3,000,000 is restricted for dredging of the harbor by a court judgment against the District in 1979, and \$222,994 is restricted by a lease agreement for facility maintenance on the fisheries complex.
- *Unrestricted* – This category represents assets of the District not restricted for any project or other purpose.

**F. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position has been determined on the same basis as it is reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Leased Property**

Lessee

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**H. Subscriptions**

The District is a lessee for noncancellable subscription-based information technology arrangements (SBITA). The District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements. At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 DETAILED NOTES**

**A. Cash and Investments**

Cash and Investments

Cash and investments as of June 30, 2025, are reported in the statement of net position as follows:

Cash and Cash Equivalents	18,300,511
Restricted Cash and Cash Equivalents	3,222,994
Total Cash and Investments	<u>\$ 21,523,505</u>

Cash and investments as of June 30, 2025, consist of the following:

Demand Accounts (Bank Balance)	\$ 542,320
Plus: Deposits in Transit	9,038
Less: Outstanding Checks	<u>(68,080)</u>
Deposits	483,278
Petty Cash	<u>1,475</u>
Total Deposits and Petty Cash	484,753

Investments:

State of California LAIF	11,664,857
California CLASS Pool	9,351,886
Ventura County Treasury Pool	<u>22,009</u>
Total Investments	<u>21,038,752</u>
Total Cash and Investments	<u>\$ 21,523,505</u>

Restricted Cash and Cash Equivalents

A portion of cash and cash equivalents as of June 30, 2025, is considered to be restricted for the following purposes:

Dredging Pursuant To Settlement Agreement	3,000,000
Facility Maintenance Pursuant To Lease Agreement	<u>222,994</u>
Total	<u>\$ 3,222,994</u>

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

The District's investment policy authorizes an investment in all investments authorized under provisions of California Government Code Section 53601. The District's investment policy is not more restrictive than the California Government Code.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 Years	None	None
United States Government Sponsored Agency Securities	5 Years	None	None
State of California Obligations	5 Years	None	None
California Local Agency Obligations	5 Years	None	None
Negotiable Certificates of Deposit	5 Years	30%	5%
CD Placement Service	5 Years	30%	None
Banker's Acceptance	180 Days	40%	30%
Repurchase Agreements	1 Year	None	None
Commercial Paper	270 Days	25%	10%
Medium-Term Notes	5 Years	30%	None
California LAIF	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%

N/A - Not Applicable

\* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

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.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the District's investments by maturity at June 30, 2025:

	Less Than One Year
Investment Type:	
LAIF	\$ 11,664,857
California CLASS	9,351,886
Ventura County Treasury Pool	22,009
Total	\$ 21,038,752

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization. The Ventura County Treasury Pool had a Standard & Poor's rating of AAA at June 30, 2025.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

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 California Government Code and the District's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposit made by state or local governmental 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, all of the District's deposits with financial institutions were covered by federal depository insurance limits or collateralized as required under California law.

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.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 2 DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty, or the counterparty's trust department or agent but not in the District's name. At June 30, 2025, the District does not have any investments that are exposed to custodial credit risk.

Investment in State Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California Cooperative Liquid Assets Securities System

The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint exercise of powers entity authorized under California Government Code Section 6509.7. California CLASS is governed by a Board of Trustees comprised of special district and city finance professionals. The Prime Fund is managed by the California CLASS in compliance with the requirements of California law, specifically California Government Code Section 53601(p). The investment objectives of the Prime Fund are to preserve principal, provide daily liquidity, earn a competitive rate of return, and maintain a stable net asset value. The Prime Fund accrues net income daily and pays net income on a pro rata basis monthly. The balance available for withdrawal is based on the accounting records maintained by California CLASS.

Investment in Ventura County Treasury Pool

The District is an involuntary participant in the Ventura County Treasury Pool. The District's account is used to collect and transmit property tax revenues to the District. The balance available for withdrawal is based on the accounting records maintained by Ventura County Treasurer Pool, which are recorded on an amortized cost basis.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The district's investments in LAIF, California CLASS and the Ventura County Treasury Pool are not subject to fair value measurement.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 DETAILED NOTES (CONTINUED)**

**B. Accounts Receivable, Net**

As of June 30, 2025, accounts receivable, net, consist primarily of receivables for variable payments on lease agreements of \$857,584 with an allowance for uncollectible accounts of \$92,000 for a net amount of \$765,584.

**C. Capital Assets**

A summary of changes in the capital assets for the year ended June 30, 2025, is as follows:

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 2,342,629	\$ -	\$ -	\$ -	\$ 2,342,629
Land Improvements	9,904,703	-	-	-	9,904,703
Construction in Progress	780,620	1,614,351	-	(1,213,882)	1,181,089
Total Capital Assets, Not Being Depreciated/Amortized:	13,027,952	1,614,351	-	(1,213,882)	13,428,421
Capital Assets, Being Depreciated:					
Buildings and Structures	25,690,302	293,771	-	694,351	26,678,424
Equipment	2,274,232	-	-	-	2,274,232
Harbor Improvements	4,771,438	6,431	-	-	4,777,869
Leasehold Improvements	7,594,582	214,475	-	519,531	8,328,588
Intangible Right-to-Use Assets:					
Leased Building	696,238	-	-	-	696,238
Leased Equipment	34,568	-	(7,656)	-	26,912
Subscription Assets	48,490	102,315	(33,738)	-	117,067
Total Capital Assets, Being Depreciated/Amortized	41,109,850	616,992	(41,394)	1,213,882	42,899,330
Less: Accumulated Depreciation/Amortization:					
Buildings and Structures	(13,534,985)	(666,011)	-	-	(14,200,996)
Equipment	(1,361,944)	(170,976)	-	-	(1,532,920)
Harbor Improvements	(3,895,779)	(83,500)	-	-	(3,979,279)
Leasehold Improvements	(3,168,240)	(619,210)	-	-	(3,787,450)
Intangible Right-to-Use Assets:					
Leased Building	(261,089)	(87,030)	-	-	(348,119)
Leased Equipment	(10,222)	(10,229)	7,656	-	(12,795)
Subscription Assets	(30,482)	(26,489)	33,738	-	(23,233)
Total Accumulated Depreciation/Amortization	(22,262,741)	(1,663,445)	41,394	-	(23,884,792)
Total Capital Assets, Being Depreciated/Amortized, Net	18,847,109	(1,046,453)	-	1,213,882	19,014,538
Total Capital Assets, Net	<u>\$ 31,875,061</u>	<u>\$ 567,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,442,959</u>

Depreciation and amortization expense was \$1,663,445 for the year ended June 30, 2025.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 DETAILED NOTES (CONTINUED)**

**D. Unearned Revenue**

Unearned revenue represents lease rent amounts received in advance for monthly leases and variable payments on lease agreements. Unearned revenue totaled \$236,743 at June 30, 2025.

**E. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025	Due Within One Year
Notes from Direct Borrowings and Direct Placements:					
2016 Refunding Certificates of Participation	\$ 3,260,400	\$ -	\$ (225,900)	\$ 3,034,500	\$ 232,900
2018 Installment Obligation:					
Series A	1,307,655	-	(67,498)	1,240,157	70,308
Series B	2,483,463	-	(117,937)	2,365,526	124,210
2021 Refunding Installment Purchase Contract	3,361,000	-	(817,000)	2,544,000	834,000
Subtotal	10,412,518	-	(1,228,335)	9,184,183	1,261,418
Other Long-Term Liabilities:					
Lease Payable	471,076	-	(98,017)	373,059	96,677
Subscription Payable	16,278	73,115	(41,278)	48,115	23,749
Compensated Absences (1)	380,755	111,644	-	492,399	405,653
Total	<u>\$ 11,280,627</u>	<u>\$ 184,759</u>	<u>\$ (1,367,630)</u>	<u>\$ 10,097,756</u>	<u>\$ 1,787,497</u>

(1) GASB Statement No. 101, Compensated Absences, allows changes in the liability to be reported net.

The District's debt contains provisions that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

**2016 Refunding Certificates of Participation**

On March 1, 2016, the District entered into an installment purchase agreement relating to the District's \$4,841,800 Refunding Certificates of Participation, Series 2016 (Series 2016 Refunding Certificates) with the Municipal Finance Corporation to currently refund the \$4,731,560 notes payable to the State of California Department of Boating and Waterways. The defeased notes payable have been paid in full. All Series 2016 Refunding Certificates were purchased by City National Bank. The Series 2016 Refunding Certificates bear interest rate of 3.30% and payments of principal and interest are due semiannually on August 1 and February 1. The annual debt service requirements on the 2016 Refunding Certificates of Participation are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 232,900	\$ 98,218	\$ 331,118
2027	240,700	90,466	331,166
2028	248,700	82,457	331,157
2029	257,300	74,181	331,481
2030	265,500	65,621	331,121
2031 Through 2035	1,466,300	189,544	1,655,844
2036 Through 2037	323,100	7,996	331,096
Totals	<u>\$ 3,034,500</u>	<u>\$ 608,483</u>	<u>\$ 3,642,983</u>

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**NOTE 2 DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

2018 Installment Obligation

On August 8, 2018, the District entered into a \$4,664,166 installment sale agreement (2018 Installment Obligation) with Municipal Finance Corporation for the purpose of providing funding for marina dock improvements. Municipal Finance Corporation assigned its interest in the installment payments contemporaneously, to City National Bank. Interest accrues at a rate of 4.12% per annum with respect to the tax-exempt Series A installment payments (\$1,632,458) and 5.25% per annum with respect to the taxable Series B installment payments (\$3,031,708). Principal and interest are due semiannually commencing February 1, 2019 and concluding on August 31, 2038.

The annual debt service requirements for Series A are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 70,308	\$ 50,378	\$ 120,686
2027	73,235	47,451	120,686
2028	76,283	44,402	120,685
2029	79,459	41,227	120,686
2030	82,766	37,920	120,686
2031 Through 2035	468,465	134,905	603,370
2036 Through 2039	389,641	32,761	422,402
Totals	<u>\$ 1,240,157</u>	<u>\$ 389,044</u>	<u>\$ 1,629,201</u>

The annual debt service requirements for Series B are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 124,210	\$ 122,581	\$ 246,791
2027	130,817	115,974	246,791
2028	137,775	109,016	246,791
2029	145,103	101,688	246,791
2030	152,821	93,970	246,791
2031 Through 2035	895,028	338,927	1,233,955
2036 Through 2039	779,772	83,996	863,768
Totals	<u>\$ 2,365,526</u>	<u>\$ 966,152</u>	<u>\$ 3,331,678</u>

2021 Installment Purchase Contract

On April 1, 2021, the District entered into a \$5,760,000 installment purchase contract with CN Financing, Inc for the purpose of refinancing the 2008 Refunding Certificates of Participation and the 2009 Refunding Certificates of Participation. The installment payments of principal are due April 1 with a final payment due August 1, 2027 and interest payments are due semi-annually on February 1 and August 1. Interest on the installment purchase contract is at 1.95%.

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**NOTE 2 DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

2021 Installment Purchase Contract (Continued)

On April 1, 2021, the District entered into a \$5,760,000 installment purchase contract with CN Financing, Inc for the purpose of refinancing the 2008 Refunding Certificates of Participation and the 2009 Refunding Certificates of Participation. The installment payments of principal are due April 1 with a final payment due August 1, 2027 and interest payments are due semi-annually on February 1 and August 1. Interest on the installment purchase contract is at 1.95%.

The annual debt service requirements on the 2021 Installment Purchase Contract are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 834,000	\$ 41,477	\$ 875,477
2027	848,000	25,077	873,077
2028	862,000	8,405	870,405
Totals	<u>\$ 2,544,000</u>	<u>\$ 74,959</u>	<u>\$ 2,618,959</u>

Debt Service Coverage Requirements

The Series 2016 Refunding Certificates, the 2018 Installment Obligation, Series A and B, and the 2021 Installment Purchase Contract are secured by the District's pledge of all net revenues. Net revenue is defined as all operating and nonoperating revenue except for grant revenue less all operating and nonoperating expenses excluding depreciation and interest. A comparison of pledged net revenues to current-year debt service as of June 30, 2025 is as follows:

Net Revenues	\$ 7,219,546
Debt Services - Current Year	1,573,680

The District net revenues exceeded the debt service coverage requirements for the year ended June 30, 2025.

Leases

The District leases storage units and equipment for various terms under long-term noncancellable lease agreements. The leases expire at various dates through fiscal year 2028-2029 and do not have renewal options.

Total future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 96,677	\$ 2,840	\$ 99,517
2027	93,434	1,918	95,352
2028	91,362	1,149	92,511
2029	91,586	398	91,984
Totals	<u>\$ 373,059</u>	<u>\$ 6,305</u>	<u>\$ 379,364</u>

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

Subscription Liability

The District has entered into subscription based-information technology arrangements (SBITAs) for various software. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 23,749	\$ 1,251	\$ 25,000
2027	24,366	634	25,000
Totals	<u>\$ 48,115</u>	<u>\$ 1,885</u>	<u>\$ 50,000</u>

**NOTE 3 OTHER INFORMATION**

**A. Leases**

The District receives the majority of its operating revenues in the form of rent payments from lessees of the parcels of land and buildings in Ventura Harbor. The District, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2067, and some provide renewal options up to 30 years. Lease terms for master parcel leases range from 20 to 50 years. Lease terms for Harbor Village leases range from 2 to 5 years. During the year ended June 30, 2025, the District recognized \$3,959,172 and \$844,682, in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset that are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the period in which payments are due. During the year ended June 30, 2025, the District recognized in income variable payments required to be paid by the lease agreements totaling \$3,486,116.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**A. Leases (Continued)**

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,476,972	\$ 797,709	\$ 4,274,681
2027	2,784,594	734,869	3,519,463
2028	2,489,243	678,515	3,167,758
2029	2,043,009	631,534	2,674,543
2030	1,804,936	596,473	2,401,409
2031 Through 2035	7,827,339	2,541,585	10,368,924
2036 Through 2040	6,824,498	1,935,576	8,760,074
2041 Through 2045	5,718,628	1,400,929	7,119,557
2046 Through 2050	5,633,907	907,293	6,541,200
2051 Through 2055	4,253,979	404,933	4,658,912
2056 Through 2060	1,296,914	203,086	1,500,000
2061 Through 2065	1,408,367	91,633	1,500,000
2066 Through 2070	385,107	4,409	389,516
Totals	<u>\$ 45,947,493</u>	<u>\$ 10,928,544</u>	<u>\$ 56,876,037</u>

**B. Dredging Reserve**

As the result of a litigation settlement during the year ended June 30, 1979, the District is required to maintain a \$3,000,000 reserve to be utilized to maintain the channel from the open sea to the Ventura Keys. Should the reserve fall below \$3,000,000, the District is required to budget and fund annually up to 25% of total operating revenue of the prior year until such time as the reserve balance reaches \$3,000,000 again.

The District maintains a separate restricted general ledger cash account for dredging related expenses. As of June 30, 2025, this account had a balance of \$3,000,000.

**C. Pension Plans**

**1. General Information about the Pension Plans**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans (Plans), which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

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**JUNE 30, 2025**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**1. General Information about the Pension Plans (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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. California Public Employees' Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the year ended June 30, 2025, the measurement period, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.4% to 2.4%	1.0% to 2.5%
Required Employee Contribution Rates	7.00%	7.75
Required Employer Contribution Rates:		
Normal Cost Rate	12.52%	7.87%
Payment of Unfunded Liability	\$ 289,634	\$ 1,625

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**1. General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

	Safety	
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.4% to 2.0%	1.6% to 2.0%
Required Employee Contribution Rates	7.00%	11.00%
Required Employer Contribution Rates:		
Normal Cost Rate	17.55%	11.05%
Payment of Unfunded Liability	\$ 108,074	\$ 649

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District 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 contributions requirements are classified as plan member contributions. For fiscal year 2024-2025, the District's employer contributions were \$530,648 and \$252,275 for the miscellaneous and safety plans, respectively.

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	3,839,446
Safety	1,300,810
Total Net Pension Liability	\$ 5,140,256

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate shares of the net pension liability for each Plan were as follows:

	Miscellaneous	Safety
Proportion - June 30, 2024	0.07720%	0.01777%
Proportion - June 30, 2025	0.07938%	0.01784%
Change - Increase (Decrease)	0.00218%	0.00007%

For the year ended June 30, 2025, the District recognized pension expense of \$1,167,410 (\$810,146 for the Miscellaneous Plan and \$357,264 for the Safety Plan). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 530,648	\$ -
Differences Between Actual and Expected Experience	331,955	(12,953)
Change in Assumptions	98,682	-
Change in Employer's Proportion	60,191	
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	8,764	(31,204)
Net Differences Between Projected and Actual Earnings on Plan Investments	221,032	-
Total	\$ 1,251,272	\$ (44,157)
	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 252,275	\$ -
Differences Between Actual and Expected Experience	106,158	(3,451)
Change In Assumptions	32,049	-
Change in Employer's Proportion	64,794	-
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	54,285	(19,510)
Net Differences Between Projected and Actual Earnings on Plan Investments	62,875	-
Total	\$ 572,436	\$ (22,961)

\$782,923 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2026	\$ 242,708	\$ 131,294	\$ 374,002
2027	501,581	174,293	675,874
2028	7,922	13,125	21,047
2029	(75,744)	(21,512)	(97,256)
2030	-	-	-
Thereafter	-	-	-

Actuarial Methods and Assumptions

The total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation performed as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024.

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	(a)	(a)
Mortality Rate Table	(b)	(b)
Postretirement Benefit Increase	(c)	(c)

(a) Varies by entry age and service.

(b) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

(c) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

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 (PERF) 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:

Asset Class (a)	New Strategic Allocation	Real Return (a) (b)
Global Equity - Cap-Weighted	30.00 %	1.45%
Global Equity - Non-Cap-Weighted	12.00	3.84%
Private Equity	13.00	7.28%
Treasury	5.00	0.27%
Mortgage-Backed Securities	5.00	0.50%
Investment Grade Corporates	10.00	1.56%
High Yield	5.00	2.27%
Emerging Market Debt	5.00	2.45%
Private Debt	5.00	3.57%
Real Assets	15.00	3.21%
Leverage	(5.00)	-0.59%
Total	100.00 %	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. 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.

Changes in Assumptions

There were no changes in assumptions for the June 30, 2024 measurement period.

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

The following presents the District's proportionate share of the net pension liability for the Plans calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 5,961,094	\$ 2,154,793
Current Discount Rate	6.90%	6.90%
Net Pension Liability	3,839,446	1,300,810
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 2,093,016	\$ 602,374

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**3. Payable to the Pension Plans**

At June 30, 2025, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2025.

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits**

**1. Plan Description**

The District offers a single employer defined benefit health care plan (the Health Care Plan). The Health Care Plan provides medical health care insurance for eligible retirees and their spouses through the California Public Employees' Retirement System Health Benefits Program under the Public Employee' Medical and Hospital Care Act (PEMHCA). The benefit contribution has been long-standing and approved by the Board of Port Commissioners on June 23, 1999. No dental, vision, or life insurance benefits are provided. The Plan does not issue a separate report.

**2. Employees Covered**

As of measurement date June 30, 2024, the following current and former employees were covered by the benefit terms under the Plan:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	7
Inactive Plan Members or Beneficiaries	
Entitled to But Not Yet Receiving Benefits	-
Active Employees	39
Total	46

**3. Contributions**

The benefit provisions and contribution requirements of Plan members and the District are established and may be amended through agreements and memorandums of understanding between the District, and its employee groups. Administrative costs of the OPEB Plan are paid by the District. The District has currently chosen to pay Plan benefits on a pay-as-you-go basis (i.e., as medical insurance premiums become due) and does not maintain a trust fund for its other postemployment benefits. There are no employee contributions. The District's fixed-dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. For the year ended June 30, 2025, the District paid \$157 per month for each retiree participating in the PEMHCA Plan from July 1, 2024, to December 31, 2024, and \$158 per month from January 1, 2025, to June 30, 2025. The total amount paid directly by the District to CalPERS for the District's health premium contributions under PEMHCA for retiree medical health care plan postemployment benefits for the fiscal year was \$14,336. Including the implicit rate subsidy of \$24,737, for the fiscal year ended June 30, 2025, the District's total contributions to the plan were \$33,441.

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**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits (Continued)**

**4. Total OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. A summary of the principal methods and assumptions of the July 1, 2023 valuation were based on a review of the plan experience during the period July 1, 2021 to June 30 2023 and were used to determine the total OPEB liability is shown below.

Actuarial Methods and Assumptions

Valuation Date:	July 1, 2023
Measurement Date:	June 30, 2024
Actuarial Cost Method:	Entry Age- Level Percent of Pay
Asset Valuation Method:	Fair Value
Actuarial Assumptions:	
Discount Rate:	3.97% (Fidelity GO AA 20-Year Municipal Index)
Inflation:	2.30%
Medical Cost Trend Rate:	5.50% for 2024 - 2034 4.50% for 2035 - 2074 4.00% for 2075 and later years
Mortality Rates:	Most Recent Experience Study for CalPERS Members
Salary Increases:	2.80%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.97%. This rate is equal to the municipal bond 20-year high grade index rate as the District's has not established a trust for the OPEB Plan, and therefore, does not have any fiduciary net position.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits (Continued)**

**5. Changes in the Total OPEB Liability**

The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance at June 30, 2023 (Measurement Date)	\$ 1,005,204
Changes in the Year:	
Service Cost	60,254
Interest on the Total OPEB Liability	40,610
Differences Between Actual and Expected Experience	-
Changes in Assumptions	(15,230)
Changes in Benefit Terms	-
Benefit Payments	(27,049)
Administrative Expenses	-
Net Changes	58,585
Balance at June 30, 2024 (Measurement Date)	\$ 1,063,789

Change of Assumptions

The discount rate changed from 3.86% for the measurement period ended June 30, 2023, to 3.97% for the measurement period ended June 30, 2024, as a result of the change in the municipal bond 20-year high grade rate index.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

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

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits (Continued)**

**5. Changes in the Total OPEB Liability (Continued)**

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 1,215,960</u>	<u>\$ 1,063,789</u>	<u>\$ 939,753</u>

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1% lower or 1% higher than the current medical trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 916,590</u>	<u>\$ 1,063,789</u>	<u>\$ 1,249,392</u>

**6. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$24,334. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 33,441	\$ -
Differences Between Actual and Expected Experience	-	(236,585)
Changes in Assumptions	95,444	(288,408)
Total	<u>\$ 128,885</u>	<u>\$ (524,993)</u>

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits (Continued)**

**6. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

The OPEB contributions of \$33,441 subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (69,168)
2027	(74,715)
2028	(76,558)
2029	(76,554)
2030	(79,418)
Thereafter	(53,136)

**7. Payable to the OPEB Plan**

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB Plan required for the year ended June 30, 2025.

**E. Related-Party Transactions**

The City of Ventura provides utility services to the District for water, sewage, and refuse. The cost for these services for the year ended June 30, 2025, was \$138,032.

**F. Liability, Workers' Compensation, and Purchased Insurance**

**1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The District is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, purchase excess insurance or reinsurance, and arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board of Directors operates through a nine-member Executive Committee.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**F. Liability, Workers' Compensation, and Purchased Insurance (Continued)**

**2. Primary Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on actuarial analysis. Costs are allocated to individual agencies based on payroll and claims relative to other members of the risk-sharing pool.

*Primary Liability Program* – Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website:

<https://cjpia.org/coverage/risk-sharing-pools/>.

*Primary Workers' Compensation Program* – Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**F. Liability, Workers' Compensation, and Purchased Insurance (Continued)**

**2. Primary Self-Insurance Programs of the Authority (Continued)**

For 2023-24, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**3. Purchased Insurance**

*Pollution Legal Liability Insurance* – The District participates in the pollution legal liability insurance program that is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the District. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

*Property Insurance* – The Ventura Port District participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. Ventura Port District property is currently insured according to a schedule of covered property submitted by the Ventura Port District to the Authority. Ventura Port District property currently has all-risk property insurance protection in the amount of \$38,654,887. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

*Crime Insurance* – The District purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

*Adequacy of Protection* – During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2024-2025.

**G. Commitments and Contingencies**

As of year-end, the District's outstanding commitments under construction contracts totaled \$79,673.

**ATTACHMENT 2  
VENTURA PORT DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
CALPERS MISCELLANEOUS PENSION PLAN  
LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's Proportion of the Net Pension Liability	0.07938%	0.07720%	0.07565%	0.08151%	0.07219%
Plan's Proportionate Share of the Net Pension Liability	\$ 3,839,446	\$ 3,860,483	\$ 3,539,711	\$ 1,547,769	\$ 3,044,896
Plan's Covered Payroll	\$ 2,120,407	\$ 1,978,325	\$ 1,765,003	\$ 1,712,036	-
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	181.07%	195.14%	200.55%	90.41%	#DIV/0!
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.91%	77.97%	78.19%	90.49%	75.39%

**NOTES TO SCHEDULE**

**Benefit Changes:**

There were no changes in benefits.

**Changes In Assumptions:**

From Fiscal Year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From Fiscal Year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018, to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From Fiscal Year June 30, 2019, to June 30, 2022:

There were no changes in assumptions.

From Fiscal Year June 30, 2022, to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%

From Fiscal Year June 30, 2023, to June 30, 2025:

There were no changes in assumptions.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**CALPERS MISCELLANEOUS PENSION PLAN (CONTINUED)**  
**LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2020	2019	2018	2017	2016
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability	0.07218%	0.07244%	0.07264%	0.07326%	0.07579%
Plan's Proportionate Share of the Net Pension Liability	\$ 2,890,368	\$ 2,730,230	\$ 2,863,665	\$ 2,545,114	\$ 2,079,308
Plan's Covered Payroll	\$ 1,650,654	\$ 1,694,729	\$ 1,561,936	\$ 1,562,010	\$ 1,523,114
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	175.10%	161.10%	183.34%	162.94%	136.52%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.49%	75.26%	73.31%	74.06%	78.40%

**ATTACHMENT 2  
VENTURA PORT DISTRICT  
SCHEDULE OF PLAN CONTRIBUTIONS  
CALPERS MISCELLANEOUS PENSION PLAN  
LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Contractually Required Contribution (Actuarially Determined)	\$ 530,648	\$ 465,485	\$ 442,642	\$ 388,958	\$ 352,124
Contributions in Relation to the Actuarially Determined Contributions	<u>(530,648)</u>	<u>(465,485)</u>	<u>(442,642)</u>	<u>(388,958)</u>	<u>(352,124)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,274,583	\$ 2,120,407	\$ 1,978,325	\$ 1,765,003	\$ 1,712,036
Contributions as a Percentage of Covered Payroll	23.33%	21.95%	22.37%	22.04%	20.57%

**NOTES TO SCHEDULE**

Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
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Methods and Assumptions Used to

Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value

Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	(b)	(b)	(b)	(b)	(b)
Investment Rate of Return	6.90% (c)	6.90% (c)	6.90% (c)	7.15% (c)	7.15% (c)
Retirement Age	(d)	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, including Inflation.
- (d) 50 for All Plans with the Exception of 52 for PEPRA 2% @ 62
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.



**ATTACHMENT 2  
VENTURA PORT DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
CALPERS SAFETY PENSION PLAN  
LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's Proportion of the Net Pension Liability	0.01784%	0.01777%	0.01729%	0.01128%	0.01442%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,300,810	\$ 1,328,349	\$ 1,188,208	\$ 395,982	\$ 960,975
Plan's Covered Payroll	\$ 948,584	\$ 890,521	\$ 723,987	\$ 697,338	\$ -
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	137.13%	149.17%	164.12%	56.78%	#DIV/0!
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.66%	74.87%	75.53%	86.61%	79.41%

**NOTES TO SCHEDULE**

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From Fiscal Year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From Fiscal Year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018, to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From Fiscal Year June 30, 2019, to June 30, 2022:

There were no changes in assumptions.

From Fiscal Year June 30, 2022, to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%.

From Fiscal Year June 30, 2023, to June 30, 2025:

There were no changes in assumptions.

ATTACHMENT 2  
**VENTURA PORT DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**CALPERS SAFETY PENSION PLAN (CONTINUED)**  
**LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2020	2019	2018	2017	2016
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability	0.01344%	0.01285%	0.01261%	0.01232%	0.00969%
Plan's Proportionate Share of the Net Pension Liability	\$ 838,700	\$ 753,843	\$ 753,476	\$ 638,236	\$ 656,331
Plan's Covered Payroll	\$ 655,094	\$ 655,094	\$ 657,626	\$ 663,839	\$ 583,371
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	128.03%	115.07%	114.58%	96.14%	112.51%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.72%	75.26%	73.31%	74.06%	78.40%

**ATTACHMENT 2  
VENTURA PORT DISTRICT  
SCHEDULE OF PLAN CONTRIBUTIONS  
CALPERS SAFETY PENSION PLAN  
LAST TEN YEARS**

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Contractually Required Contribution (Actuarially Determined)	\$ 252,275	\$ 232,402	\$ 213,983	\$ 180,801	\$ 162,714
Contributions in Relation to the Actuarially Determined Contributions	<u>(252,275)</u>	<u>(232,402)</u>	<u>(213,983)</u>	<u>(180,801)</u>	<u>(162,714)</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 946,975	\$ 948,584	\$ 890,521	\$ 723,987	\$ 697,338
Contributions as a Percentage of Covered Payroll	26.64%	24.50%	24.03%	24.97%	23.33%

**NOTES TO SCHEDULE**

Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
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Methods and Assumptions Used to  
Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value

Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	(b)	(b)	(b)	(b)	(b)
Investment Rate of Return	6.90% (c)	6.90% (c)	6.90% (c)	7.15% (c)	7.15% (c)
Retirement Age	(d)	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, Including Inflation
- (d) 50 for All Plans with the Exception of 52 for PEPRA 2% @ 62\*\*
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.



**ATTACHMENT 2  
VENTURA PORT DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

Measurement Date	Fiscal Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	
<b>Total OPEB Liability:</b>								
Service Cost	\$ 60,254	\$ 66,065	\$ 110,662	\$ 83,950	\$ 78,000	\$ 71,787	\$ 63,679	\$ 61,824
Interest on Total OPEB Liability	40,610	47,153	29,698	34,339	37,121	43,489	35,155	32,642
Differences Between Expected and Actual Experience	-	(214,893)	-	(122,828)	-	(146,708)	(79,308)	-
Changes in Assumptions and Other Inputs	(15,230)	(85,698)	(331,903)	145,739	112,447	25,228	-	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(27,049)	(38,092)	(27,697)	(17,761)	(17,995)	(12,797)	(13,492)	(14,832)
<b>Net Change in Total OPEB Liability</b>	<b>58,585</b>	<b>(225,465)</b>	<b>(219,240)</b>	<b>123,439</b>	<b>209,573</b>	<b>(19,001)</b>	<b>6,034</b>	<b>79,634</b>
Total OPEB Liability - Beginning of Year	1,005,204	1,230,669	1,449,909	1,326,470	1,116,897	1,135,898	1,129,864	1,050,230
<b>Total OPEB Liability - End of Year (A)</b>	<b>\$ 1,063,789</b>	<b>\$ 1,005,204</b>	<b>\$ 1,230,669</b>	<b>\$ 1,449,909</b>	<b>\$ 1,326,470</b>	<b>\$ 1,116,897</b>	<b>\$ 1,135,898</b>	<b>\$ 1,129,864</b>
<b>Plan Fiduciary Net Position:</b>								
Contributions - Employer	\$ 27,049	\$ 38,092	\$ 27,697	\$ 17,761	\$ 17,995	\$ 12,797	\$ 13,492	\$ 14,832
and the Implied Subsidy Benefit Payments	(27,049)	(38,092)	(27,697)	(17,761)	(17,995)	(12,797)	(13,492)	(14,832)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plan Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - End of Year (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability - Ending (A)-(B)</b>	<b>\$ 1,063,789</b>	<b>\$ 1,005,204</b>	<b>\$ 1,230,669</b>	<b>\$ 1,449,909</b>	<b>\$ 1,326,470</b>	<b>\$ 1,116,897</b>	<b>\$ 1,135,898</b>	<b>\$ 1,129,864</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered - Employee Payroll</b>	<b>\$ 3,418,938</b>	<b>\$ 3,413,917</b>	<b>\$ 2,881,372</b>	<b>\$ 2,500,195</b>	<b>\$ 2,570,218</b>	<b>\$ 2,313,172</b>	<b>\$ 2,196,212</b>	<b>\$ 2,052,394</b>
<b>Total OPEB Liability as Percentage of Covered - Employee Payroll</b>	<b>31.11%</b>	<b>29.44%</b>	<b>42.71%</b>	<b>57.99%</b>	<b>51.61%</b>	<b>48.28%</b>	<b>51.72%</b>	<b>55.05%</b>

**NOTES TO SCHEDULE**

No assets are accumulated in a trust to pay related benefits

**Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:**

From June 30, 2018, to June 30, 2019:

The discount rate utilized for June 30, 2018, was 3.50% as compared to 3.62% utilized for June 30, 2019.

From June 30, 2019, to June 30, 2020:

The discount rate utilized for June 30, 2019, was 3.62% as compared to 3.13% utilized for June 30, 2020.

The healthcare trend rate for pre-Medicare was changed from 6.5% for June 30, 2019, to 6.0% for June 30, 2020.

From June 30, 2020, to June 30, 2021:

The discount rate utilized for June 30, 2020, was 3.13% as compared to 2.45% utilized for June 30, 2021.

From June 30, 2021, to June 30, 2022:

The discount rate utilized for June 30, 2021, was 2.45% as compared to 1.92% utilized for June 30, 2022.

From June 30, 2022, to June 30, 2023:

The discount rate utilized for June 30, 2022, was 1.92% as compared to 3.69% utilized for June 30, 2023.

From June 30, 2023, to June 30, 2024:

The discount rate utilized for June 30, 2023, was 3.69% as compared to 3.86% utilized for June 30, 2024.

The inflation rate decreased from 2.50% to 2.30%; healthcare cost trend rates changed: 5.5% for 2023-34, 4.5% for 2035-74, and 4.0% for 2075 and later years

From June 30, 2024, to June 30, 2025:

The discount rate utilized for June 30, 2024, was 3.86% as compared to 3.97% utilized for June 30, 2025.

\* Fiscal year 2018 was the first year of implementation and therefore only eight years are shown.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Port Commissioners  
Ventura Port District  
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Ventura Port District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 25, 2026.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

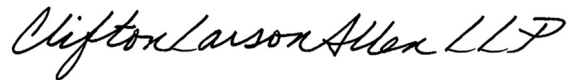
Board of Port Commissioners  
Ventura Port District

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Irvine, California  
June 25, 2026

## ATTACHMENT 2



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLGlobal.com/disclaimer](http://CLGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

## ATTACHMENT 3



June 25, 2026

CliftonLarsonAllen LLP  
2875 Michelle Drive, Suite 300  
Irvine, CA 92606

This representation letter is provided in connection with your audit of the financial statements of Ventura Port District, which comprise the statement of position as of June 30, 2025, and the statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of June 25, 2026, the following representations made to you during your audit.

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated September 18, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

## ATTACHMENT 3

June 25, 2026  
CliftonLarsonAllen LLP  
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6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
11. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, *Leases*.
12. We have appropriately identified, recorded, and disclosed all subscription-based information technology arrangements in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
13. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
14. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
15. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
16. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, *Compensated Absences*.
17. We have appropriately identified and disclosed concentrations or constraints that exist in accordance with the requirements of GASB Statement No. 102, *Certain Risk Disclosures*.

### Information Provided

1. We have provided you with:

## ATTACHMENT 3

June 25, 2026  
CliftonLarsonAllen LLP  
Page 3


- a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.

## ATTACHMENT 3

12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Ventura Port District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
14. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
15. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
20. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
21. Investments are properly valued.
22. Revenues are appropriately classified as operating or nonoperating.
23. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

ATTACHMENT 3

- 24. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 25. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 26. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 27. In regards to the financial statements and related notes preparation services, the assistance with implementation of GASB Statement No. 101, Compensated Absences, and the assistance with the evaluation of agreements for eligibility and maintenance/update of GASB 87 leases/GASB 96 SBITAs performed by you, we have:
  - a. Made all management judgments and decisions and assumed all management responsibilities.
  - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.
- 28. We have evaluated the adequacy and results of the lease and SBITA accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset, lease liability (lease schedule) and SBITA liability based on the information provided by us. We have reviewed our lease and SBITA contracts and related lease/SBITA schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease/SBITA schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease and SBITA services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

Signature:  Title: Admin Services Mgr  
Signature: Brian B. Pendleton Title: General Manager



BOARD OF PORT COMMISSIONERS  
JULY 1, 2026

STANDARD AGENDA ITEM 3  
PRESENTATION ON FATHOMWERX  
PROVING GROUND AND INNOVATION  
TECHNOLOGIES CONSORTIUM

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 3**  
Meeting Date: July 1, 2026

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
SUBJECT: Presentation on Fathomwerx Proving Ground and Innovation Technologies Consortium

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**RECOMMENDATION:**

That the Board of Port Commissioners receive an informational report on the Fathomwerx Proving Ground and Innovation Technologies Consortium.

**SUMMARY:**

The Innovation Technologies Consortium (ITC) is a new (2025) non-profit corporation established to provide a platform and support services for offshore autonomous systems testing in Ventura County, which is called the Fathomwerx Proving Ground (FPG).

**GUIDING PRINCIPLES:**

- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exceptional public service and organizational transparency.

**5-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.
  - 1) Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
- M) Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.
  - 1) Engagement and support of Master Tenants for successful business operations in the Harbor.

**BACKGROUND:**

The Innovation Technologies Consortium (ITC) is a new (2025) non-profit corporation established to provide a platform and support services for offshore autonomous systems testing in Ventura County, which is called the Fathomwerx Proving Ground (FPG). While the current demand for such a service is dominated by military applications, the intent of ITC is to make the Proving Ground available for new technology testing in any and all areas of application, such as agriculture, manufacturing, or Smart Cities applications in transportation and public safety.

Steve Kinney is the co-founder and president of ITC. His professional background is in city planning and economic development, including 30 years of such activity in the Oxnard area, where he was a key participant in the recruitment of companies like Haas Automation and the Dallas Cowboys training camp. Mr. Kinney was a part of the logistics support team for a Navy autonomous systems testing exercise off Point Mugu in the summer of 2025, where the idea for our PFG was generated.

**FISCAL IMPACT:**

None.

**ATTACHMENTS:**

None.