



December 9, 2025

Mr. P.J. Gagajena
City of Moorpark
323 Science Drive
Moorpark, CA 93021

We have audited the financial statements of the Transportation Development Act (“TDA”), Article 3 Fund, Article 8, Section 99400(a) Fund, Article 8, Section 99400(c) Fund, State of Good Repair (“SGR”) Fund, State Transit Assistance (“STA”) Fund, Proposition 1B Fund – Public Transportation Modernization, Improvement, and Service Enhancement Account (“Prop 1B”), and Low Carbon Transit Operations Program (“LCTOP”) Fund (collectively referred to “TDA Program Funds”), of the City of Moorpark (“City”), as of and for the year ended June 30, 2025, and have issued our report thereon dated as follows.

<u>Report Name</u>	<u>Date of Report</u>
TDA Article 3 Fund – Auditor’s Report	December 9, 2025
TDA Article 8(a) Fund – Auditor’s Report	December 9, 2025
TDA Article 8(c) Fund – Auditor’s Report	December 9, 2025
SGR Fund – Auditor’s Report	December 9, 2025
STA Fund – Auditor’s Report	December 9, 2025
Prop 1B Fund – Auditor’s Report	December 9, 2025
LCTOP 1B Fund – Auditor’s Report	December 9, 2025

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, as well as certain information related to the planned scope and timing of our audit. Professional standards also require we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City TDA Program Funds are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City 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 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. There were no significant estimates affecting the financial statements. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and 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 corrected all such misstatements. In addition, 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 letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as follows.

<u>Report Name</u>	<u>Date of Management Representation Letter</u>
TDA Article 3 Fund – Auditor’s Report	December 9, 2025
TDA Article 8(a) Fund – Auditor’s Report	December 9, 2025
TDA Article 8(c) Fund – Auditor’s Report	December 9, 2025
SGR Fund – Auditor’s Report	December 9, 2025
STA Fund – Auditor’s Report	December 9, 2025
Proposition 1B Fund – Auditor’s Report	December 9, 2025
LCTOP 1B Fund – Auditor’s Report	December 9, 2025

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 TDA Program Funds’ financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Deficiency #1: The TDA Article 3 Schedule of Status of Funds by Project (SSF) contained multiple errors, including inaccurate reporting of Local Transportation Fund (LTF) expenditures, misstatement of matching expenditures related to prior fiscal years, incorrect SSF totals, and excessive explanatory notes that reduced clarity. As a result, the SSF for fiscal years 2024/25 and 2023/24 had to be revised, and presentation improvements were made, including reducing the number of notes from sixteen to five to enhance clarity and consistency.

Recommendation: Management should strengthen its review and reconciliation procedures for preparing the SSF to ensure LTF and matching expenditures are accurately recorded. Management should also provide staff training on TDA reporting requirements to improve the accuracy and consistency of future SSF reporting.

Deficiency #2: The City records the TDA 8c funds in a Special Revenue Fund; however, for TDA reporting purposes, these funds are presented as an Enterprise Fund, as required under CCR §6667 – Compliance Audit Tasks – Transit Claimants, which follows the same presentation guidance as TDA Article 4. As of June 30, 2024, the TDA 8c Fund's unearned revenues consisted of Federal Transit Administration (FTA) grant funds totaling \$253,206. The FTA grant is received on a reimbursement basis, under which revenue is recognized when it is earned, measurable, and collectible. Because the TDA 8c Fund is classified as an Enterprise Fund and follows the full accrual basis of accounting, the related revenue should have been recognized in the period the eligible expenditures were incurred rather than reported as unearned revenue. As a result, a prior period adjustment was required in the financial statements for the fiscal year ended June 30, 2025 to reclassify unearned revenue to revenue, ensuring proper recognition consistent with the Enterprise Fund presentation.

Recommendation: Management should consider recognizing TDA 8c FTA grant revenues in the period when eligible expenditures are incurred, consistent with the Enterprise Fund presentation.

Deficiency #3: For SGR and STA, the City has historically been recognizing all funds received as revenue, even when there were no eligible expenses or when revenues exceeded expenditures. As a result, a prior period adjustment was required in the financial statements for the fiscal year ended June 30, 2025 to reflect the reclassification of revenue to deferred revenue, as the City did not have eligible expenses to meet the requirements to recognize the revenue.

Recommendation: Management should implement procedures to ensure SGR and STA funds are recognized as revenue only when eligible expenditures have been incurred. Establishing a formal review process and providing staff training on revenue recognition requirements can help ensure consistent and accurate financial reporting in future periods.

Mr. P.J. Gagajena
City of Moorpark

Restriction on Use

This information is intended solely for the use of those charged with governance and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Best regards,

ASM LLP

Rancho Santa Margarita, CA
December 9, 2025