



December 2, 2025

Mr. Dan Singer  
City of Santa Paula  
970 Ventura Street  
Santa Paula, CA 93060

We have audited the financial statements of the Transportation Development Act, Article 3, Article 8, Section 99400(a), and Article 8, Section 99400(c) (“TDA Fund”), of the City of Santa Paula (“City”), as of and for the years ended June 30, 2025, and have issued our reports thereon dated as follows:

<u>Report Title</u>	<u>Date of Report</u>
TDA Article 3 Fund – Auditor’s Report	December 1, 2025
TDA Article 8a Fund – Auditor’s Report	December 2, 2025
TDA Article 8c Fund – Auditor’s Report	November 25, 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 Fund 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 following management representation letters.

<u>Report Title</u>	<u>Date of Management Letter</u>
TDA Article 3 Fund – Auditor’s Report	December 1, 2025
TDA Article 8a Fund – Auditor’s Report	December 2, 2025
TDA Article 8c Fund – Auditor’s Report	November 25, 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 Fund’s 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:** We noted that the posting of the Fair Market Value (FMV) and intertest income journal entries for fiscal years ended June 30, 2023, 2024, and 2025. These delays were caused by the late commencement of the City’s Annual Comprehensive Financial Report (ACFR) audit. As a result, a prior

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period adjustment was required for the fiscal year ended June 30, 2024, and an additional prior period adjustment will be necessary for the fiscal year ended June 30, 2025 during next year's TDA audit.

**Recommendation:** Management should strengthen its internal timeline to ensure FMV and interest income journal entries are prepared and posted promptly. Timely posting will help ensure the accuracy of the TDA financial statements and reduce the need for recurring prior period adjustments.

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 2, 2025