



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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December 21, 2021

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Arlene Barrera *Arlene Barrera*
Auditor-Controller

SUBJECT: **AUDIT OF THE HOMELESS AND HOUSING MEASURE H SPECIAL
REVENUE FUND FOR THE YEAR ENDED JUNE 30, 2021**

Attached is the independently audited report for the County of Los Angeles Homeless and Housing Measure H Special Revenue Fund (Measure H) Schedule of Revenues and Expenditures and Changes in Fund Balance (Schedule) for the year ended June 30, 2021. We contracted with an independent Certified Public Accounting firm, BCA Watson Rice LLP (BCA or auditor), to perform the audit under the Auditor-Controller's master agreement for audit services. BCA's report (Attachment I) concludes that the Schedule is presented fairly in conformance with generally accepted accounting principles. In addition, the auditor did not identify any audit findings this year.

We also engaged BCA to complete an Agreed Upon Procedures review to ensure that Measure H funding was being used as intended by the voter approved Measure. The auditor's report (Attachment II) did not identify any exceptions this year.

If you have any questions please call me, or your staff may contact Terri Kasman at tkasman@auditor.lacounty.gov.

AB:OV:TK:JH:meb

Attachments

c: Fesia Davenport, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Audit Committee
Countywide Communications

Attachment I

COUNTY OF LOS ANGELES

Independent Auditor's Report on Schedule of Revenues and Expenditures and Changes in Fund Balance

HOMELESS AND HOUSING MEASURE H SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2021



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County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund

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Independent Auditor's Report

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

Report on the Schedule of Homeless and Housing Measure H Revenues and Expenditures

We have audited the accompanying Schedule of Homeless and Housing Measure H (Measure H) Revenues and Expenditures and Changes in Fund Balance (the Schedule) of the County of Los Angeles (the County) for the fiscal year ended June 30, 2021, and the related notes to the Schedule, which collectively comprise the County's Schedule as listed in the table of contents.

Management's Responsibility for the Schedule of Measure H Revenues and Expenditures

The County's management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the Measure H Revenues and Expenditures of the County for the fiscal year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 11 and 12 be presented to supplement the Schedule. Such information, although not a part of the Schedule, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the Schedule in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Schedule, and other knowledge we obtained during our audit of the Schedule. 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 Information

As discussed in Note 2 to the Schedule, the accompanying Schedule of the Measure H Special Revenue Fund is intended to present the revenues and expenditures attributable to the Fund. They do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2021, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 County's internal control over financial reporting and compliance.


Torrance, CA
December 3, 2021

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

Revenues:				
Voter Approved Special Taxes				\$ 418,638,597
Investment Losses				(238,091)
Prior Year Returned Funds				43,393
Total Revenues				<u>418,443,899</u>
Expenditures			<i>Strategy by Department/ Agency:</i>	<i>Total by Objective</i>
A: Prevent Homelessness				
A1: Homeless Prevention Program for Families				
Los Angeles Homeless Services Authority	\$ 5,128,456			
Department of Consumer and Business Affairs	25,000			
Department of Consumer and Business Affairs - paid with prior year encumbrance	975,000			
Department of Children and Family Services	87,469			
Total A1: Homeless Prevention Program for Families		\$ 6,215,925		
A5: Homeless Prevention Program for Individuals				
Los Angeles Homeless Services Authority	4,187,626			
Department of Consumer and Business Affairs	25,000			
Department of Consumer and Business Affairs - paid with prior year encumbrance	975,000			
Department of Children and Family Services	34,518			
Department of Health Services	175,222			
Total A5: Homeless Prevention Program for Individuals		5,397,366		11,613,291
Total A: Prevent Homelessness				
B: Subsidize Housing				
B3: Partner with Cities to Expand Rapid Re-Housing				
Department of Health Services	86,063			
Los Angeles Homeless Services Authority	51,095,474			
Total B3: Partner with Cities to Expand Rapid Re-Housing		51,181,537		
B4: Facilitate Utilization of Federal Housing Subsidies				
Los Angeles County Development Authority	7,859,010			
Total B4: Facilitate Utilization of Federal Housing Subsidies		7,859,010		
B7: Interim/ Bridge Housing for Those Exiting Institutions				
Department of Health Services	21,878,000			
Department of Public Health	9,103,079			
Department of Mental Health	72,000			
Los Angeles Homeless Services Authority	3,950,679			
Total B7: Interim/ Bridge Housing for Those Exiting Institutions		35,003,758		94,044,305
Total B: Subsidize Housing				

Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance are an integral part of this Schedule.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance (Continued)
For the Fiscal Year Ended June 30, 2021

	<i>Strategy by Department/ Agency:</i>	<i>Total by Strategy</i>	<i>Total by Objective</i>
Expenditures			
C: Increase Income			
C4: Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at Risk of Homelessness			
Department of Health Services	3,146,256		
Department of Mental Health	822,833		
Department of Public Social Services	3,031,826		
Total C4: Establish a Countywide SSI Advocacy Program		7,000,915	
C7: Subsidized Employment for Homeless Adults			
Department of Workforce Development, Aging, and Community Services	4,683,467		
Department of Workforce Development, Aging, and Community Services - paid with prior year encumbrance	1,689,878		
Chief Executive Office	800,000		
Total C7: Subsidized Employment for Homeless Adults		7,173,345	
Total C: Increase Income			14,174,260
D: Provide Case Management and Services			
D2: Jail In-Reach			
Department of Health Services	1,104,557		
Sheriff's Department	429,937		
Total D2: Jail In-Reach		1,534,494	
D6: Criminal Record Clearing Project			
Department of Public Defender	2,158,634		
Total D6: Criminal Record Clearing Project		2,158,634	
D7: Provide Services and Rental Subsidies for Permanent Supportive Housing (PSH)			
Department of Health Services	48,284,258		
Department of Mental Health	2,717,115		
Department of Public Health	1,105,040		
Total D7: Provide Services and Rental Subsidies for PSH		52,106,413	
Total D: Provide Case Management and Services			55,799,541
E: Create a Coordinated System			
E6: Countywide Outreach System			
Department of Health Services	19,507,257		
Department of Public Health	252,722		
Los Angeles Homeless Services Authority	12,118,625		
Total E6: Countywide Outreach System		31,878,604	

Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance are an integral part of this Schedule.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance (Continued)
For the Fiscal Year Ended June 30, 2021

	<i>Strategy by Department/ Agency</i>	<i>Total by Strategy</i>	<i>Total by Objective</i>
Expenditures			
E7: Strengthen the Coordinated Entry System			
Los Angeles Homeless Services Authority	12,978,458		
Chief Executive Office	1,702,690		
Chief Executive Office - paid with prior year encumbrance	3,984,612		
Chief Executive Office - payable	677,562		
Chief Executive Office - 2021 encumbrance	2,129,635	21,472,957	
Total E7: Strengthen the Coordinated Entry System			
E8: Enhance the Emergency Shelter System			
Department of Health Services	28,677,013		
Los Angeles Homeless Services Authority	62,131,172		
Department of Mental Health	72,000		
Department of Public Health	455,935		
Chief Executive Office	2,100,000	93,436,120	
Total E8: Enhance the Emergency Shelter System			
E14: Enhanced Services for Transition Age Youth			
Los Angeles Homeless Services Authority	12,231,798	12,231,798	159,019,479
Total E14: Enhanced Services for Transition Age Youth			
Total E: Create a Coordinated System			
Administrative:			
Homeless Initiative Administration	2,019,681	2,019,681	2,019,681
Total Administrative:			
Grand Total Expenditures			336,670,557
Excess of Revenues Over Expenditures			81,773,342
Net Change in Fund Balance			81,773,342
Fund Balance, July 1, 2020			97,263,919
Fund Balance, June 30, 2021			\$ 179,037,261

Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance are an integral part of this Schedule.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance
June 30, 2021

The Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance are summaries of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying Schedule of Revenues and Expenditures.

1. Organization

General

The County of Los Angeles (County), which was established in 1850, is a legal subdivision of the State of California charged with general governmental powers. The County's powers are exercised through an elected five-member Board of Supervisors, which, as the governing body of the County, is responsible for the legislative and executive control of the County.

Homeless and Housing Measure H Special Revenue Fund

Measure H, also known as the Transaction and Use Tax to Prevent and Combat Homelessness Ordinance (Los Angeles County Code, Chapter 4.73) is a special revenue fund of the County used to account for the proceeds of the voter-approved quarter-cent county-wide sales tax that became effective in March 2017. The California Board of Equalization began collecting the Measure H quarter-cent sales tax from businesses and consumers in October 2017. Revenues collected are required to be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30th of each fiscal year. The fiscal year (FY) 2020-2021 Board approved expenditure plan funded 14 Homeless Initiative strategies to combat the homeless crisis in Los Angeles County. The funding was allocated to the following County departments and outside agencies: the Chief Executive Office (CEO), the Department of Children and Family Services (DCFS), the Department of Health Services (DHS), the Department of Mental Health (DMH), the Department of Public Health (DPH), the Department of Public Social Services (DPSS), Public Defender (PD), Workforce Development, Aging and Community Services (WDACS), Los Angeles Sheriff's Department (LASD), the Department of Consumer and Business Affairs (DCBA), the Los Angeles Community Development Authority (LACDA) (formerly known as the Community Development Commission), and the Los Angeles Homeless Services Authority (LAHSA).

These strategies were divided into the following six areas:

Strategy A - Preventing Homelessness - Combating homelessness requires reducing the number of families and individuals who have become homeless and helping currently homeless families and individuals move into permanent housing.

Strategy B - Subsidize Housing - Homeless families and individuals lack sufficient income to pay rent on an ongoing basis due to the high cost of housing in Los Angeles County. Subsidizing rent and related housing costs is key to enabling homeless families and individuals to secure and retain permanent housing and to prevent families and individuals from becoming homeless.

Strategy C - Increase Income - A high percentage of homeless adults can increase their income through employment and qualified disabled homeless individuals can increase their income through federal disability benefits. This increase in income can assist homeless families and individuals pay for their own housing in the future.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance
June 30, 2021

1. Organization (Continued)

Homeless and Housing Measure H Special Revenue Fund (Continued)

Strategy D - Provide Case Management and Services - The availability of appropriate case management and supportive services is critical to enable homeless families and individuals to take advantage of an available rental subsidy, increase their income, and access/utilize available services and benefits. Since the specific needs of homeless families and individuals vary depending on their circumstances, they need case management and supportive services to secure and maintain permanent housing.

Strategy E - Create a Coordinated System - Homeless individuals, families, and youth often encounter multiple County departments, city agencies, and community-based providers based on their complex individual needs. This fragmentation is often exacerbated by lack of coordination of services, disparate eligibility requirements, funding streams, and bureaucratic processes. A coordinated system brings together homeless and mainstream services to maximize the efficiency of current programs and expenditures.

Strategy F - Increase Affordable Homeless Housing - The lack of affordable housing for the homeless contributes substantially to the current crisis of homelessness. The County and cities throughout the region can increase the availability of both affordable and homeless housing through a combination of land use policy and subsidies for housing development.

2. Summary of Significant Accounting Policies

The Schedule of Revenues and Expenditures and Changes in Fund Balance for the Homeless and Housing Measure H Special Revenue Fund (the Schedule) has been prepared in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the recognized standard-setting body for establishing governmental accounting and financial reporting principles for governments. The most significant of the County's accounting policies with regard to the special revenue fund type are described below:

Fund Accounting

The County utilizes fund accounting to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Governmental Funds are used to account for most of the County's governmental activities. The measurement focus is a determination of changes in financial position, rather than a net income determination. The County uses governmental fund type Special Revenue Fund to account for Measure H sales tax revenues and expenditures. Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance
June 30, 2021

2. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The modified accrual basis of accounting is used for the special revenue fund type. Under the modified accrual basis of accounting, revenues (primarily from sales tax) are recorded when susceptible to accrual, which means measurable (amount can be determined) and available (collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). Expenditures are generally recorded when a liability is incurred.

Investment Earnings/Losses

The County maintains a pooled cash and investments account that is available for use by all funds, except those restricted by State statutes. For the fiscal year ended June 30, 2021, the Homeless and Housing Measure H Special Revenue Fund had investment losses of \$238,091.

Use of Estimates

The preparation of the Schedule in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Schedule of Revenues and Expenditures and Changes in Fund Balance for Measure H Special Revenue Fund

The Schedule is intended to reflect the revenues and expenditures of the Homeless and Housing Measure H Special Revenue fund only. Accordingly, the Schedule does not purport to, and does not, present fairly the financial position of the County and changes in financial position thereof for the year then ended in conformity with US GAAP.

The audited financial statements for the Homeless and Housing Measure H Special Revenue Fund for the fiscal year ended June 30, 2021 are included in the County's Audited Annual Comprehensive Financial Report (ACFR), which can be found at <https://auditor.lacounty.gov/annual-comprehensive-financial-report>.

3. Los Angeles Homeless Services Authority

For the year ended June 30, 2021, the County recorded \$163,822,288 for LAHSA's Measure H expenditures to prevent and combat homelessness projects under various homeless initiative strategies as listed in the table on the following page. However, LAHSA's actual Measure H expenditures were \$173,816,378 for the year ended June 30, 2021. The \$9,994,090 difference represents LAHSA's late 4th quarter claims/billings not reimbursed in FY 2019-20 by the County since it was submitted beyond the County's processing cut-off date for expenditures reimbursements/payments.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures and Changes in Fund Balance
June 30, 2021

3. Los Angeles Homeless Services Authority (Continued)

Strategy		Measure H Disbursement by County	Measure H Actual Expenditures	Difference
A1	Homeless Prevention Programs for Families	\$ 5,128,456	\$ 5,518,453	\$ (389,997)
A5	Homeless Prevention Programs for Individuals	4,187,626	4,333,801	(146,175)
B3	Partner with Cities to Expand Rapid Re-Housing	51,095,474	51,991,006	(895,532)
B7	Interim/Bridge Housing for Those Exiting Institutions	3,950,679	3,967,927	(17,248)
E6	Countywide Outreach System	12,118,625	12,790,568	(671,943)
E7	Strengthen the Coordinated Entry System	12,978,458	12,640,715	337,743
E8	Enhance the Emergency Shelter System	62,131,172	69,499,726	(7,368,554)
E14	Enhanced Services for Transition Age Youth	12,231,798	13,074,182	(842,384)
Total		\$ 163,822,288	\$ 173,816,378	\$ (9,994,090)

4. COVID-19 Impact and Considerations

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. The County, through the CEO, expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

5. Contingencies

The County is involved in a lawsuit filed by the LA Alliance for Human Rights alleging that the County has not taken adequate action to address the homelessness crisis in the Los Angeles County area. The County is working towards resolving the issues raised by the complainants. The County believes that any liability that may arise from the ultimate resolution of this lawsuit is not determinable at this time, but could be significant.

6. Subsequent Events

In preparing the Schedule of Measure H Revenues and Expenditures, the County has evaluated events and transactions for potential recognition or disclosure through December 3, 2021, the date the Schedule was issued. No subsequent events occurred that require recognition or additional disclosure in the Schedule.

REQUIRED SUPPLEMENTARY INFORMATION

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual
on a Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance
Revenues:			
Voter Approved Special Taxes	\$ 339,179,000	\$ 418,638,597	\$ 79,459,597
Investment Earnings		655,909	655,909
Prior Year Returned Funds		43,393	43,393
Total Revenues	339,179,000	419,337,899	80,158,899
Expenditures			
A: Prevent Homelessness			
A1: Homeless Prevention Program for Families			
Los Angeles Homeless Services Authority	8,991,000	5,128,456	3,862,544
Department of Consumer and Business Affairs	25,000	1,000,000	(975,000)
Department of Children and Family Services	500,000	87,469	412,531
Total A1: Homeless Prevention Program for Families	9,516,000	6,215,925	3,300,075
A5: Homeless Prevention Program for Individuals			
Los Angeles Homeless Services Authority	4,083,000	4,187,626	(104,626)
Department of Consumer and Business Affairs	25,000	1,000,000	(975,000)
Department of Children and Family Services	300,000	34,518	265,482
Department of Health Services	1,500,000	175,222	1,324,778
Total A5: Homeless Prevention Program for Individuals	5,908,000	5,397,366	510,634
Total A: Prevent Homelessness	15,424,000	11,613,291	3,810,709
B: Subsidize Housing			
B3: Partner with Cities to Expand Rapid Re-Housing			
Department of Health Services	150,000	86,063	63,937
Los Angeles Homeless Services Authority	75,368,000	51,095,474	24,272,526
Total B3: Partner with Cities to Expand Rapid Re-Housing	75,518,000	51,181,537	24,336,463
B4: Facilitate Utilization of Federal Housing Subsidies			
Los Angeles County Development Authority	8,422,000	7,859,010	562,990
Total B4: Facilitate Utilization of Federal Housing Subsidies	8,422,000	7,859,010	562,990
B7: Interim/ Bridge Housing for Those Exiting Institutions			
Department of Health Services	21,878,000	21,878,000	-
Department of Public Health	9,415,000	9,103,079	311,921
Los Angeles Homeless Services Authority	4,627,000	3,950,679	676,321
Department of Mental Health	72,000	72,000	-
Total B7: Interim/ Bridge Housing for Those Exiting Institutions	35,992,000	35,003,758	988,242
Total B: Subsidize Housing	119,932,000	94,044,305	25,887,695
C: Increase Income			
C4: Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at Risk of Homelessness			
Department of Health Services	3,951,000	3,146,256	804,744
Department of Mental Health	1,101,000	822,833	278,167
Department of Public Social Services	4,600,000	3,031,826	1,568,174
Total C4: Establish a Countywide SSI Advocacy Program	9,652,000	7,000,915	2,651,085
C7: Subsidized Employment for Homeless Adults			
Department of Workforce Development, Aging, and Community Services	7,498,000	6,373,345	1,124,655
Chief Executive Office	800,000	800,000	-
Total C7: Subsidized Employment for Homeless Adults	8,298,000	7,173,345	1,124,655
Total C: Increase Income	17,950,000	14,174,260	3,775,740

See accompanying notes to the required supplementary information.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual on a
Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance
D: Provide Case Management and Services			
D2: Jail In-Reach			
Department of Health Services	1,870,000	1,104,557	765,443
Sheriff's Department	465,000	429,937	35,063
Total D2: Jail In-Reach	2,335,000	1,534,494	800,506
D6: Criminal Record Clearing Project			
Department of Public Defender	2,394,000	2,158,634	235,366
Total D6: Criminal Record Clearing Project	2,394,000	2,158,634	235,366
D7: Provide Services and Rental Subsidies for Permanent Supportive Housing (PSH)			
Department of Health Services	48,627,255	48,284,258	342,997
Department of Mental Health	9,613,000	2,717,115	6,895,885
Department of Public Health	1,564,000	1,105,040	458,960
Total D7: Provide Services and Rental Subsidies for PSH	59,804,255	52,106,413	7,697,842
Total D: Provide Case Management and Services	64,533,255	55,799,541	8,733,714
E: Create a Coordinated System			
E6: Countywide Outreach System			
Department of Health Services	20,881,745	19,507,257	1,374,488
Department of Public Health	756,000	252,722	503,278
Los Angeles Homeless Services Authority	11,611,000	12,118,625	(507,625)
Department of Mental Health	-	-	-
Total E6: Countywide Outreach System	33,248,745	31,878,604	1,370,141
E7: Strengthen the Coordinated Entry System			
Los Angeles Homeless Services Authority	27,069,000	12,978,458	14,090,542
Chief Executive Office	2,567,000	8,494,499	(5,927,499)
Total E7: Strengthen the Coordinated Entry System	29,636,000	21,472,957	8,163,043
E8: Enhance the Emergency Shelter System			
Department of Health Services	32,558,000	28,677,013	3,880,987
Los Angeles Homeless Services Authority	76,058,000	62,131,172	13,926,828
Department of Mental Health	72,000	72,000	-
Department of Public Health	668,000	455,935	212,065
Chief Executive Office	2,100,000	2,100,000	-
Total E8: Enhance the Emergency Shelter System	111,456,000	93,436,120	18,019,880
E14: Enhanced Services for Transition Age Youth			
Los Angeles Homeless Services Authority	14,499,000	12,231,798	2,267,202
Total E14: Enhanced Services for Transition Age Youth	14,499,000	12,231,798	2,267,202
Total E: Create a Coordinated System	188,839,745	159,019,479	29,820,266
Administrative:			
Homeless Initiative Administration	3,511,000	2,019,681	1,491,319
Total Administrative:	3,511,000	2,019,681	1,491,319
Total Expenditures	410,190,000	336,670,557	73,519,443
Excess (Deficit) of Revenues Over Expenditures	(71,011,000)	82,667,342	6,639,456
Less: Contractual Obligations/Changes in fund balance			
Commitments Outstanding as of fiscal year end	-	13,337,000	13,337,000
Changes in fund balance	-	(421,342)	(421,342)
Total Net Change in Contractual obligations	-	12,915,658	12,915,658
Net Change in Fund Balance	(71,011,000)	95,583,000	(166,594,000)
Fund Balance, July 1, 2020	71,011,000	71,011,000	-
Fund Balance, June 30, 2021	\$ -	\$ 166,594,000	\$ (166,594,000)

See accompanying notes to the required supplementary information.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Notes to the Required Supplementary Information
June 30, 2021

1. Budgets and Budgetary Information

In accordance with the provisions of Sections 29000-29144 of the Government Code of the State of California, commonly known as the County Budget Act, the County prepares and adopts an annual budget on or before October 2 for each fiscal year. Budgets are adopted on a basis of accounting that is different from accounting principles generally accepted in the United States of America. Budgets for the Homeless and Housing Measure H Special Revenue Fund are consistent with the annual expenditure plan approved by the Board of Supervisors. The County utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

2. Reconciliation of Fund Balance- Budgetary to US GAAP Basis

The Schedule of Revenues and Expenditures and Changes in Fund Balance of the Homeless and Housing Measure H Special Revenue Fund has been prepared on a modified accrual basis of accounting in accordance with US GAAP. The Budgetary Comparison Schedule has been prepared on a budgetary basis, which is different from US GAAP.

The following schedule is a reconciliation of the budgetary and US GAAP fund balances as of June 30, 2021:

Fund Balance - budgetary basis	\$ 166,594,000
Encumbrances and other reserves	<u>13,337,000</u>
Subtotal	179,931,000
Adjustments:	
Change in revenue accruals	<u>(894,000)</u>
Fund Balance - US GAAP basis	<u>\$ 179,037,000</u>

**SUPPLEMENTAL INFORMATION
IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of the Schedule of Revenues and Expenditures and Changes in Fund Balance
of the Homeless and Housing Measure H Special Revenue Fund
Performed in Accordance with *Government Auditing Standards***

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

We have audited, in accordance with 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 Schedule of Revenues and Expenditures and Changes in Fund Balance (the Schedule) for Homeless and Housing Measure H (Measure H) Special Revenue Fund of the County of Los Angeles (the County) for the fiscal year ended June 30, 2021, and the related notes to the Schedule, which collectively comprised the County's Schedule, and have issued our report thereon dated December 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's Schedule 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's Schedule is free of 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 determination of the amounts on the Schedule. 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 is 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BCA Watson Rice, LLP

Torrance, California
December 3, 2021

**Independent Auditor's Report on Compliance with Requirements
Applicable to Revenues and Expenditures and Changes in Fund Balance of the
Homeless and Housing Measure H Special Revenue Fund in Accordance with the
Measure H, Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code –
Transaction and Use Tax to Prevent and Combat Homelessness**

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

Report on Compliance

We have audited the County of Los Angeles' (the County) compliance of the Homeless and Housing Measure H (Measure H) revenues and expenditures and changes in fund balance with the compliance requirements described in the *Measure H, Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code – Transaction and Use Tax to Prevent and Combat Homelessness* (Measure H Ordinance), for the fiscal year ended June 30, 2021.

Management's Responsibility

The County's management is responsible for compliance with the requirements of laws and regulations applicable to the Measure H revenues and expenditures.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance with Measure H revenues and expenditures based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure H revenues and expenditures occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on the Measure H revenues and expenditures. However, our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Measure H Revenues and Expenditures

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Measure H revenues and expenditures for the fiscal year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on the Measure H revenues and expenditures as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the *Measure H, Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code – Transaction and Use Tax to Prevent and Combat Homelessness*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Measure H Ordinance. Accordingly, this report is not suitable for any other purpose.

BCA Watson Rice, LLP

Torrance, California
December 3, 2021

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Current Year Audit Findings and Recommendations
For the Year Ended June 30, 2021

There are no current year audit findings.

County of Los Angeles
Homeless and Housing Measure H Special Revenue Fund
Status of Prior-Year Audit Findings and Recommendations

There were no prior year audit findings.

Attachment II

COUNTY OF LOS ANGELES

Independent Accountant's Report

MEASURE H

(Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code –
Transaction and Use Tax to Prevent and Combat Homelessness)

For the Fiscal Year Ended June 30, 2021



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INDEPENDENT ACCOUNTANT'S REPORT

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

We have performed the procedures enumerated below, which were agreed to by the County of Los Angeles (the County), solely to assist the County in determining whether the twelve (12) County Departments and outside agencies that received Homeless and Housing Measure H (Measure H) Special Revenue Funds were in compliance with the Measure H Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code – Transaction and Use Tax to Prevent and Combat Homelessness terms and conditions for the year ended June 30, 2021. The twelve County Departments and outside agencies are as follows: the Chief Executive Office (CEO), the Department of Children and Family Services (DCFS), the Department of Health Services (DHS), the Department of Mental Health (DMH), the Department of Public Health (DPH), the Department of Public Social Services (DPSS), Public Defender (PD), Workforce Development, Aging and Community Services (WDACS), the Los Angeles Sheriff's Department (LASD), the Department of Consumer and Business Affairs (DCBA), the Los Angeles Community Development Authority (LACDA) (formerly known as the Community Development Commission), and the Los Angeles Homeless Services Authority (LAHSA). The management of the twelve County Departments and outside agencies are responsible for compliance with the Measure H Ordinance requirements.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the foregoing County Departments and outside agencies are in compliance with the Measure H Ordinance requirements for the fiscal year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results of those procedures are as follows:

1. We performed the agreed-upon test procedures as described below utilizing the American Institute of Certified Public Accountants (AICPA) Sampling Guidelines.

Results

CEO

CEO's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (16.78%) and non-payroll expenditures (83.22%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months for payroll expenditures for the months of September 2020 and March 2021 and performed detailed testing of all employees charged to the program, which represented 17.10% of total payroll expenditures. In addition, we selected 17 transactions for non-payroll/program expenditures, which represented 42.87% of total non-payroll expenditures. **No exceptions were found.**

DCFS

DCFS' Measure H expenditures for the year ended June 30, 2021 consist of DCFS subcontractor expenditures (100%). Based on the AICPA Sampling Guidelines, we selected a sample size of 6 subcontractor expense reports for non-payroll/program expenditures, equivalent to 46.66% of the total subcontractor expenditures. **No exceptions were found.**

DHS

DHS' Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (9.54%) and non-payroll expenditures (90.46%). Based on the AICPA Sampling Guidelines, we selected a sample size of one month for payroll expenditures for the month of January 2021 and performed detailed testing of all employees charged to the program, which represented 8.19% of total payroll expenditures. In addition, we selected 33 expenditures reports for non-payroll cost reimbursement contract expenditures and 7 fee-for-service invoice contract expenditures representing 22.76% and 15.58% of the total non-payroll expenditures, respectively. From each expenditure report, we selected one transaction (33 for cost reimbursements and 7 for fee-for-service) to verify the adequacy of supporting back-up documentation. **No exceptions were found.**

DMH

DMH's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (66.64%) and non-payroll subcontractor expenditures (33.36%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months consisting of four pay periods for payroll expenditures for the months of September 2020 and March 2021 and performed detailed testing of 30 employees who charged their payroll expenditures to the program, which represented 16.64% of total payroll expenditures. In addition, we reviewed four non-payroll subcontractor claimed expenditures (one claim per quarter), which represented 5.74% of total subcontractor expenditures. **No exceptions were found.**

DPH

DPH's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (9.73%) and non-payroll expenditures (90.27%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months for payroll expenditures for the months of November 2020 and April 2021 and performed detailed testing of all employees charged to the program during these two months, which represented 17.73% of total payroll expenditures. In addition, we selected 4 transactions for non-payroll contractor expenditures, which represented 13.60% of total non-payroll contractor expenditures, and 36 non-payroll recipient expenditures, randomly selected from the months of July 2020 through June 2021, which represented 33.21% of total non-payroll recipient expenditures. The non-payroll recipient expenditures consist of monthly recurring payments for health services for various clients. **No exceptions were found.**

DPSS

DPSS' Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (22.30%) and subcontractor expenditures (77.70%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months for payroll expenditures for the months of November 2020 and April 2021 and performed detailed testing of 22 employees who charged payroll expenditures to the program, which represents 17.52% of total payroll expenditures. We also selected 25 transactions for subcontractor expenditures, which represented 52.93% of total subcontractor expenditures. From each subcontractor claim/invoice, we selected one transaction to verify the adequacy of supporting back-up documentation. The subcontractor expenditures represent payments made to subcontractors of the Department of Health Services for the implementation of the Benefit Advocacy Program for People Experiencing Homelessness or at Risk of Homelessness. **No exceptions were found.**

PD

PD's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (71.73%) and non-payroll and subcontractor expenditures (28.27%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months for payroll expenditures for the months of October 2020 and March 2021 and performed detailed testing of all employees who charged payroll to the program during these two months, which represented 16.96% of total payroll expenditures. In addition, we randomly selected seven non-payroll/subcontractor transactions/expenditures, which represented 83.03% of the total non-payroll/subcontractor expenditures. **No exceptions were found.**

WDACS

WDACS Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (11.40%) and subcontractor expenditures (88.60%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months for payroll expenditures for the months of September 2020 and March 2021 and performed detailed testing of four employees who charged payroll to the program, which represented 7.54% of total payroll expenditures. In addition, we randomly selected 40 subcontractor expense reports for non-payroll/program expenditures, equivalent to 41.33% of the total subcontractor expenditures. From these expense reports we selected 40 transactions to verify the adequacy of back-up supporting documents, which represented 11.67% of the selected subcontractor expense reports. **No exceptions were found.**

LACDA

LACDA's expenditures for the year ended June 30, 2021 consist of payroll expenditures (4.55%) and non-payroll expenditures (95.45%). Based on the AICPA Sampling Guidelines, we selected a sample size of one month for payroll expenditures for the month of March 2021 and performed detailed testing of all employees charged to the program. In addition, we selected 40 transactions for non-payroll expenditures, which represented 45.91% of total non-payroll expenditures. **No exceptions were found.**

LAHSA

LAHSA's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (11.71%) and non-payroll/subcontractor expenditures (88.29%). Based on the AICPA Sampling Guidelines, we selected a sample size of one month of payroll expenditures for the month of March 2021 and performed detailed testing of 50 randomly selected employees, which represented 13% of the payroll employees charged to the program. In addition, we selected 60 expenditures reports for non-payroll/subcontractor expenditures, which represented 7.31% of total non-payroll/subcontractor expenditures. From the selected expenditures reports, we further selected 60 individual transactions for detailed testing. In addition to the foregoing detailed test procedures, we also reviewed LAHSA's monitoring procedures and monitoring reports of its subcontractors to ensure that claimed expenditures were in accordance with the respective contracts/agreements and the expenditures claimed were allowable and within budget of the specific strategies. **No exceptions were found.**

LASD

LASD's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (100%). Based on the AICPA Sampling Guidelines, we selected a sample size of two months consisting of four pay periods for payroll expenditures for the months of October 2020 and March 2021 and performed detailed testing of all employees charged to the program, which represented 16.84% of total payroll expenditures. **No exceptions were found.**

DCBA

DCBA's Measure H expenditures for the year ended June 30, 2021 consist of payroll expenditures (2.5%) and subcontractor expenditures (97.5%) incurred in fiscal year 2020-2021, but paid from the fiscal year 2019-2020 encumbrance/allocation. Based on the AICPA Sampling Guidelines, we selected a sample size of two months consisting of four pay periods for payroll expenditures for the months of January 2021 and March 2021 and performed detailed testing of all employees charged to the program, which represented 66.67% of total payroll expenditures. In addition, we selected two (2) subcontractor's invoices and its supporting documents, which represented 51.88% of the total subcontractor's expenditures paid from the fiscal year 2019-2020 encumbrance/allocation. **No exceptions were found.**

2. We verified that the Department/Agency or their contractors and subcontractors providing Measure H services maintained:
 - a. Documentation to support the amount billed for providing Measure H program services under their contract.

Results

CEO

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed percentage of time charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 17 non-payroll transactions selected, we agreed the expenditures to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

DCFS

For the 6 subcontractor transactions selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

DHS

For the one month selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Registers. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 33 non-payroll transactions for reimbursement contracts and 7 non-payroll transactions for fee-for-service contracts selected for detailed testing, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

DMH

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Registers. We also confirmed

that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the four non-payroll subcontractor claimed expenditures selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

DPH

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 4 non-payroll contractor transactions selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

For the 36 non-payroll recipient expenditures transactions selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and properly recorded in the accounting system. **No exceptions were found.**

DPSS

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 25 selected subcontractor expenditures, we agreed the expenditure to backup supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

PD

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed payroll expenditures on the labor distribution report to the pay stubs, and agreed salaries on the labor distribution report to salaries in the Employee Sequence Register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the seven non-payroll transactions selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

WDACS

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the Employee Sequence Register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 40 subcontractor expenditures selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

LACDA

For the one month selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the employee payroll register. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 40 non-payroll/program transactions selected, we agreed the expenditure to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

LAHSA

For the one month payroll expenditures and the 50 randomly selected employees, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the employee personnel files. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the 60 non-payroll/subcontractor expenditures selected for detailed testing, we agreed the expenditures to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

LASD

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the employee personnel files. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

DCBA

For the two months selected, we traced payroll expenditures to labor distribution reports, agreed hours charged on the labor distribution report to the timesheets, and agreed pay rates charged on the labor distribution report to pay rates in the employee personnel files. We also confirmed that timesheets were signed by the employee and approved by the supervisor. **No exceptions were found.**

For the two subcontractor's invoices paid from fiscal year 2019-2020 encumbrance/allocation, we agreed the expenditures to back-up supporting documentation, confirmed that the expenditures were properly approved, and verified that the expenditures were properly recorded in the accounting system. **No exceptions were found.**

- b. Records to verify that funds were used for allowable expenditures in compliance with the requirements of Measure H.

Results

CEO

For the two months selected, we confirmed that the payroll expenditures were specific to the cost of Administration of the Measure H program. **No exceptions were found.**

For the 17 transactions of non-payroll expenditures selected, we confirmed **with no exceptions** that the non-payroll expenditures were specific to the cost of Administration of the Measure H programs and the following Measure H strategies.

- Strategy C7 - Subsidize Employment for Homeless Adults
- Strategy E7 - Strengthen the Coordinated Entry System of the Measure H Program.
- Strategy E8 - Enhance the Emergency Shelter System

DCFS

For the 6 transactions of subcontractor expenditures selected, we confirmed that these expenditures were specific to Strategy A1 – Homeless Prevention Programs for Families and Strategy A5 – Homeless Prevention Programs for Individuals of the Measure H Program. **No exceptions were found.**

DHS

For the one month of payroll expenditures selected, 33 transactions of non-payroll expenditures for reimbursement contracts, and seven non-payroll expenditure transactions for fee-for-service contracts, we confirmed **with no exceptions** that the payroll expenditures and non-payroll expenditures were specific to the following Measure H strategies.

- Strategy A5 - Homeless Prevention Programs for Individuals
- Strategy B3 - Partners with Cities to Expand Rapid Re-Housing
- Strategy B7 - Interim/Bridge Housing for Those Exiting Institutions
- Strategy C4 - Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at Risk of Homelessness
- Strategy D2 - Expansion of Jail In Reach
- Strategy D7 - Provides Services and Rental Subsidies for Permanent Supportive Housing
- Strategy E6 - Countywide Outreach System
- Strategy E8 - Enhance the Emergency Shelter System

DMH

For the two months of payroll expenditures selected and four subcontractor expenditures/claims selected, we confirmed **with no exceptions** that the payroll expenditures and subcontractor expenditures were specific to the following Measure H strategies.

- Strategy B7 - Interim/Bridge Housing for those Exiting Institutions
- Strategy C4 - Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at risk of Homelessness
- Strategy D7 - Provide Services and Rental Subsidies for Permanent Supportive Housing
- Strategy E8 - Enhance the Emergency Shelter System

DPH

For the two months of payroll expenditures, four subcontractor expenditures, and 36 non-payroll recipient expenditures transactions selected, we confirmed **with no exceptions** that the payroll and non-payroll/subcontractor expenditures were specific to the following Measure H strategies:

- Strategy B7 – Interim/Bridge Housing for those Exiting Institutions
- Strategy D7 – Provide Services and Rental Subsidies for Permanent Supportive Housing
- Strategy E6 – Countywide Outreach System
- Strategy E8 – Enhance the Emergency Shelter System

DPSS

For the two months of payroll expenditures and 25 transactions of subcontractor expenditures selected, we confirmed that these expenditures/expenditures were specific to the Strategy C4 – Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at risk of Homelessness of the Measure H Program. **No exceptions were found.**

PD

For the two months of payroll expenditures and seven non-payroll/subcontractor expenditures selected, we confirmed that these expenditures/expenditures were specific to the Strategy D6 – Criminal Record Clearing Project of the Measure H Program. **No exceptions were found.**

WDACS

For the two months of payroll expenditures and 40 subcontractor expenditures/expenditures selected, we confirmed that these expenditures/expenditures were specific to the Strategy C7 – Subsidize Employment for Homeless Adults of the Measure H Program. **No exceptions were found.**

LACDA

For the one month of payroll expenditures and 40 transactions of non-payroll expenditures selected, we confirmed that the payroll and non-payroll expenditures were specific to Strategy B4 – Facilitate Utilization of Federal Housing Subsidies and Strategy F7 – Preserve Current Affordable Housing and Promote the Development of Affordable Housing for Homeless Families and Individuals of the Measure H Program. **No exceptions were found.**

LAHSA

For the one month of payroll expenditures and 50 selected employees and 60 non-payroll/subcontractor expenditures, we confirmed **with no exceptions** that these expenditures/expenditures were specific to the following Measure H strategies:

- Strategy A1 – Homeless Prevention Programs for Families
- Strategy A5 – Homeless Prevention Programs for Individuals
- Strategy B3 – Partners with Cities to Expand Rapid Re-Housing
- Strategy B7 – Interim/Bridge Housing for Those Exiting Institutions
- Strategy E6 – Countywide Outreach System
- Strategy E7 – Strengthen the Coordinated Entry System
- Strategy E8 – Enhance the Emergency Shelter System
- Strategy E14 – Enhanced Services for Transition Age Youth

LASD

For the two months of payroll expenditures selected, we confirmed that the payroll expenditures were specific to Strategy D2 – Expansion of Jail In Reach of the Measure H program. **No exceptions were found.**

DCBA

For the two months of payroll expenditures and the subcontractor's expenditures paid from the fiscal year 2019-2020 encumbrance/allocation, we confirmed **with no exceptions** that these expenditures/expenditures were specific to the following Measure H strategies:

- Strategy A1 – Homeless Prevention Programs for Families
 - Strategy A5 – Homeless Prevention Programs for Individuals
- c. Internal controls over financial reporting and compliance with provisions of laws, regulations, contracts or grant agreements.

Results

CEO

For the two months of payroll expenditures and 17 transactions of non-payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DCFS

For the 6 transactions of subcontractor expenditures/expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DHS

For the one month of payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

For the 33 non-payroll expenditures selected for reimbursement contracts and seven non-payroll expenditures selected for fee-for-service contracts, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DMH

For the two months of payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

For the four non-payroll subcontractor claimed expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied

with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DPH

For the two months of payroll expenditures, four non-payroll contractor expenditures, and 36 non-payroll recipient expenditures transaction selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DPSS

For the two months of payroll expenditures and 25 transactions of subcontractor expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

PD

For the two months of payroll expenditures and seven transactions of non-payroll/subcontractor expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

WDACS

For the two months of payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

For the 40 transactions of subcontractor expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

LACDA

For the one month of payroll expenditures and 40 transactions of non-payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

LAHSA

For the one month of 50 employee payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

For the 60 non-payroll/subcontractor expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

LASD

For the two months of payroll expenditures selected, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

DCBA

For the two months of payroll expenditures selected and for the subcontractor's expenditures paid from the fiscal year 2019-2020 encumbrance/allocation, the supporting documents showed evidence of being reviewed and properly authorized, and the expenditures tested complied with the Measure H Expenditure Plan approved by the Board of Supervisors for FY 2020-21. **No exceptions were found.**

- d. Minimum encryption standards required by the County of Los Angeles Board of Supervisors' Policy 5.200, Contractor Protection of Electronic County Information (July 2016).

Results

We found that all 12 County Departments and outside Agencies complied with minimum encryption standards required by the County of Los Angeles Board of Supervisors' Policy 5.200, Contractor Protection of Electronic County Information (July 2016).

3. We verified that the Measure H funds are being used for the specific strategies approved by the Board.

Results

CEO

CEO was allocated \$3,511,000 of Measure H funds to be used for Administration of the Measure H program, \$800,000 of Measure H funds to be used for Strategy C7 – Subsidize Employment for Homeless Adults, \$2,567,000 of Measure H funds to be used for Strategy E7 – Strengthen the Coordination Entry System, and \$2,100,000 of Measure H funds to be used for Strategy E8 – Enhance the Emergency Shelter System of the Measure H program based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

CEO's Measure H expenditures in FY 2020-21 totaled \$13,414,180, which consisted of \$2,019,681 used for Administration, \$800,000 used for Strategy C7 – Subsidize Employment for Homeless Adults, \$8,494,499 used for Strategy E7 – Strengthen the Coordination Entry System, and \$2,100,000 used for Strategy E8 – Enhance the Emergency Shelter System. **No exceptions were found.**

DCFS

DCFS was allocated \$500,000 of Measure H funds to be used for Strategy A1 – Homeless Prevention Programs for Families and \$300,000 to be used for Strategy A5 – Homeless Prevention Programs for Individuals based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

DCFS' Measure H expenditures in FY 2020-21 totaled \$121,987, which consisted of \$87,469 used for Strategy A1 – Homeless Prevention Programs for Families and \$34,518 used for Strategy A5 – Homeless Prevention Programs for Individuals. **No exceptions were found.**

DHS

DHS was allocated \$131,416,000 of Measure H funds to be used for the following eight strategies:

Strategy		Measure H Allocation
A5	Homeless Prevention Programs for Individuals	\$ 1,500,000
B3	Partner with Cities to Expand Rapid Re-Housing	150,000
B7	Interim/Bridge Housing for Those Exiting Institutions	21,878,000
C4	Establishing a Countywide SSI Advocacy Program for People Experiencing Homelessness or At-Risk of Homelessness	3,951,000
D2	Expansion of Jail In Reach	1,870,000
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	48,627,255
E6	Countywide Outreach System	20,881,745
E8	Enhance the Emergency Shelter System	32,558,000
Total		<u>\$ 131,416,000</u>

Under Strategy A5, DHS provides screening and a targeted intervention to single adults and youth who are currently at risk of becoming homeless and have been screened and identified as having high risk factors.

Under Strategy B3, DHS provides a time-limited intervention including financial assistance/subsidies and supportive services so that participants will be able to successfully maintain housing without long-term assistance.

Under Strategy B7, DHS provides clients with complex health and/or behavioral health conditions who need a higher level of support services than is available in most shelter settings. Interim housing includes stabilization housing and recuperative care. Some interim housing programs provide enhanced onsite mental health services.

Under Strategy C4, DHS expands and integrates physical and mental health clinical services to support County-wide Benefits Entitlements Services Team, including technical assistance, training, case consultation, record retrieval services, care coordination and comprehensive evaluations.

Under Strategy D2, DHS expands Jail In Reach to make it available to all homeless people incarcerated in a Los Angeles County jail.

Under Strategy D7, DHS increases existing work orders and executes new work orders with Supportive Housing Services Master Agreement vendors to provide Intensive Case Management Services.

Under Strategy E6, DHS aims at improving outreach efforts to homeless individuals and families on the streets and in encampments in Los Angeles County. DHS developed a dispatch and tracking technology infrastructure for outreach requests, expanded Service Planning Area (SPA)-level and macro coordination of outreach teams through Coordinated Entry System Outreach Coordinators, launch and implemented Multidisciplinary Outreach teams to better assist unsheltered homeless individuals through expanded multidisciplinary outreach capacity, and support and expand general outreach staffing in all SPAs to further support outreach bandwidth.

Under Strategy E8, DHS provides interim housing to serve clients with complex health and/or behavioral health conditions who need a higher level of support services than is available in most shelter settings.

DHS' Measure H expenditures in FY 2020-21 totaled \$122,858,626 and were specific for the strategies listed below. **No exceptions were found.**

Strategy		Measure H Disbursement by County	Measure H Actual Expenditures	Difference
A5	Homeless Prevention Programs for Individuals	\$ 175,222	\$ 175,222	\$ -
B3	Partner with Cities to Expand Rapid Re-Housing	86,063	86,063	-
B7	Interim/Bridge Housing for Those Exiting Institutions	21,878,000	21,878,000	-
C4	Establishing a Countywide SSI Advocacy Program for People Experiencing Homelessness or At-Risk of Homelessness	3,146,256	3,146,256	-
D2	Expansion of Jail In Reach	1,104,557	1,104,557	-
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	48,284,258	48,284,258	-
E6	Countywide Outreach System	19,507,257	19,507,257	-
E8	Enhance the Emergency Shelter System	28,677,013	28,677,013	-
Total		\$ 122,858,626	\$ 122,858,626	\$ -

DMH

DMH was allocated \$10,858,000 of Measure H funds to be used for the following four strategies:

Strategy		Measure H Allocation
B7	Interim/Bridge Housing for Those Exiting Institutions	\$ 72,000
C4	Establishing a Countywide SSI Advocacy Program for People Experiencing Homelessness or At-Risk of Homelessness	1,101,000
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	9,613,000
E8	Enhance the Emergency Shelter System	72,000
Total		<u>\$ 10,858,000</u>

Under Strategy B7, DMH serves clients with complex health and/or behavioral health conditions who need a higher level of support services than is available in most shelter settings. Interim housing includes stabilization housing and recuperative care. Some interim housing programs provide enhanced onsite mental health services.

Under Strategy C4, DMH expands and integrates physical and mental health clinical services to support Countywide Benefits Entitlements Services Team, including technical assistance, training, case consultation, record retrieval services, care coordination and comprehensive evaluations.

Under Strategy D7, DMH provides a local rent subsidy to ensure that housing units are affordable to people who are homeless. All strategy D7 clients receive Intensive Case Management Services and is matched to a rental subsidy. Based on client need, clients receive specialty mental health services through the Housing Full Service Partnership Program, in addition to substance use disorder outreach and assessment and service navigation.

Under Strategy E8, DMH provides interim housing to serve clients with complex health and/or behavioral health conditions who need a higher level of support services than is available in most shelter settings.

DMH's Measure H expenditures in FY 2020-21 totaled \$3,683,948 and were specific for the strategies listed below. **No exceptions were found.**

Strategy		Measure H Expenditures
B7	Interim/Bridge Housing for Those Exiting Institutions	\$ 72,000
C4	Establishing a Countywide SSI Advocacy Program for People Experiencing Homelessness or At-Risk of Homelessness	822,833
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	2,717,115
E8	Enhance the Emergency Shelter System	72,000
Total		<u>\$ 3,683,948</u>

DPH

DPH was allocated \$12,403,000 of Measure H funds to be used for the following four strategies:

Strategy		Measure H Allocation
B7	Interim/Bridge Housing for Those Exiting Institutions	\$ 9,415,000
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	1,564,000
E6	Countywide Outreach System	756,000
E8	Enhance the Emergency Shelter System	668,000
Total		<u>\$ 12,403,000</u>

Under Strategy B7, DPH Substance Abuse Prevention and Control (SAPC) Recovery Bridge Housing (RBH) serves individuals who are homeless at treatment discharge and who choose abstinence-based housing for up to 90 days.

Under Strategy D7, DPH supports the increase in access to supportive housing by funding high quality tenant services and, when necessary, a local rent subsidy to ensure that housing units are affordable to people who are homeless.

Under Strategy E6, DPH develops and implements a plan to leverage current outreach efforts and creates a countywide network of multidisciplinary, integrated street-based teams to identify, engage and connect homeless individuals to interim and/or permanent housing and supportive services.

Under Strategy E8, DPH provides support to enhance the Emergency Shelter System.

DPH's Measure H expenditures in FY 2020-21 totaled \$10,916,776 and were specific for the strategies listed below. **No exceptions were found.**

Strategy		Measure H Expenditures
B7	Interim/Bridge Housing for Those Exiting Institutions	\$ 9,103,079
D7	Provide Services and Rental Subsidies for Permanent Supportive Housing	1,105,040
E6	Countywide Outreach System	252,722
E8	Enhance the Emergency Shelter System	455,935
Total		<u>\$ 10,916,776</u>

DPSS

DPSS was allocated \$4,600,000 of Measure H funds to be used for Strategy C4 – Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or at risk of Homelessness based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

Under Strategy C4, DPSS expands and integrates physical and mental health clinical services to support Countywide Benefits Entitlements Services Team, including technical assistance, training, case consultation, record retrieval services, care coordination and comprehensive evaluations.

DPSS' Measure H expenditures in FY 2020-21 totaled \$3,031,826 specific for Strategy C4 – Establish a Countywide SSI Advocacy Program for People Experiencing Homelessness or At-Risk of Homelessness. **No exceptions were found.**

PD

PD was allocated \$2,394,000 of Measure H funds to be used for Strategy D6 – Criminal Record Clearing Project based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

Under Strategy D6, PD provides field-based service to homeless and formerly homeless adults who have criminal records by connecting them with legal services to assist with record clearing and other legal barriers to achieving stable housing and employment.

PD's Measure H expenditures in FY 2020-21 totaled \$2,158,634 and were specific for Strategy D6 – Criminal Record Clearing Project. **No exceptions were found.**

WDACS

WDACS was allocated \$7,498,000 of Measure H funds to be used for Strategy C7 – Subsidized Employment for Homeless Adults based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

Under Strategy C7, WDACS provides Transitional Employment Services to Los Angeles County residents who experience multiple barriers to employment, including those who are homeless, former offenders and/or disconnected youth (Job Seekers and Participants). Funding for this strategy expands existing workforce development models, such as the Los Angeles Regional Initiative Enterprise, throughout the County to provide transitional subsidized employment services to homeless individuals.

WDACS's Measure H expenditures in FY 2020-21 totaled \$6,373,345 for Strategy C7 – Subsidized Employment for Homeless Adults. **No exceptions were found.**

LACDA

LACDA was allocated \$8,422,000 of Measure H funds to be used for Strategy B4 - Facilitate Utilization of Federal Housing Subsidies based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

Under Strategy B4, LACDA conducts the development and preservation of homeless housing in areas of the County where there is an urgent need for housing under Measure H eligible Homeless Initiative Strategy F7 - Preserve Current Affordable Housing and Promote the Development of Affordable Housing for Homeless Families and Individuals.

LACDA's Measure H expenditures in FY 2020-21 totaled \$7,859,010 for Strategy B4 - Facilitate Utilization of Federal Housing Subsidies. Also, during FY 2020-2021, LACDA's Measure H expenditures for Strategy F7 totaled \$6,394,142, which was coming from the unspent allocation/advances from prior-year. **No exceptions were found.**

LAHSA

LAHSA was allocated \$222,306,000 of Measure H funds to be used for the following eight strategies:

Strategy		Measure H Allocation
A1	Homeless Prevention Programs for Families	\$ 8,991,000
A5	Homeless Prevention Programs for Individuals	4,083,000
B3	Partner with Cities to Expand Rapid Re-Housing	75,368,000
B7	Interim/Bridge Housing for Those Exiting Institutions	4,627,000
E6	Countywide Outreach System	11,611,000
E7	Strengthen the Coordinated Entry System	27,069,000
E8	Enhance the Emergency Shelter System	76,058,000
E14	Enhanced Services for Transition Age Youth	14,499,000
Total		\$ 222,306,000

Under Strategy A1, the funding is dedicated to shelter diversion services within Coordinated Entry System (CES) for families. This will allow CES for family providers to have specialized diversion staff and limited financial assistance to help families identify alternative housing arrangements outside the homeless system or return to a community of care outside of Los Angeles County.

Under Strategy A5, LAHSA provides screening and a targeted intervention to single adults and youth who are currently at risk of becoming homeless and have been screened and identified as having high risk factors.

Under Strategy B3, LAHSA provides time-limited intervention, including financial assistance/subsidies and supportive services so that participants will be able to successfully maintain housing without long-term assistance.

Under Strategy B7, LAHSA increases the bed rate for these shelters specifically reserved for people exiting institutions allows for a specialized level of care at the facilities. These are safe, reserved, low-barrier and supportive 24-hour interim housing beds for persons exiting institutions but who are not in need of specialized and high-level care.

Under Strategy E6, LAHSA aims at improving outreach efforts to homeless individuals and families on the streets and in encampments in Los Angeles County. LAHSA developed a dispatch and tracking technology infrastructure for outreach requests, expanded SPA-level and macro coordination of outreach teams through CES Outreach Coordinators, launch and implemented Multidisciplinary Outreach teams to better assist unsheltered homeless individuals through expanded multidisciplinary outreach capacity, and support and expand general outreach staffing in all SPAs to further support outreach bandwidth.

Under Strategy E7, with the implementation of the CES, all people in need of housing and services can be screened, triaged, and connected to resources, based upon service need and availability. LAHSA will expand regional coordination for each population system, create domestic violence liaisons, expand

housing navigation, create housing location program, create training academy and provisions of technical assistance to agencies, create legal services system, and create a representative payee program.

Under Strategy E8, LAHSA increases the bed rate for LAHSA's existing shelters to allow for higher quality services in the shelters resulting in better outcomes. Adding beds to the system decreases the gap in shelter services and these safe, low-barrier and supportive 24-hour crisis housing beds are designed to facilitate permanent housing placement.

Under Strategy E14, the funding will expand and enhance the resources to house and serve transitional age youth experiencing homelessness.

The County disbursed \$163,822,288 to LAHSA in FY 2020-21, and LAHSA's Measure H expenditures in FY 2020-21 totaled \$173,816,378 and were specific for the strategies listed below. **No exceptions were found.**

Strategy		Measure H Disbursement by County	Measure H Actual Expenditures	Difference
A1	Homeless Prevention Programs for Families	\$ 5,128,456	\$ 5,518,453	\$ (389,997)
A5	Homeless Prevention Programs for Individuals	4,187,626	4,333,801	(146,175)
B3	Partner with Cities to Expand Rapid Re-Housing	51,095,474	51,991,006	(895,532)
B7	Interim/Bridge Housing for Those Exiting Institutions	3,950,679	3,967,927	(17,248)
E6	Countywide Outreach System	12,118,625	12,790,568	(671,943)
E7	Strengthen the Coordinated Entry System	12,978,458	12,640,715	337,743
E8	Enhance the Emergency Shelter System	62,131,172	69,499,726	(7,368,554)
E14	Enhanced Services for Transition Age Youth	12,231,798	13,074,182	(842,384)
Total		\$ 163,822,288	\$ 173,816,378	\$ (9,994,090)

The \$9,994,090 difference represents fourth quarter subcontractor expenditures, which were submitted late and were not included in the County's FY 2020-21 actual expenditures. These expenditures will be reported by the County as FY 2021-22 Measure H expenditures.

LASD

LASD was allocated \$465,000 of Measure H funds to be used for Strategy D2 – Expansion of Jail In-Reach based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

Under Strategy D2, LASD expands Jail In-Reach to make it available to all homeless people incarcerated in a Los Angeles County jail.

LASD's Measure H expenditures in FY 2020-21 totaled \$429,937 and were specific for Strategy D2 – Expansion of Jail In-Reach. **No exceptions were found.**

DCBA

DCBA was allocated \$25,000 of Measure H funds to be used for Strategy A1 – Homeless Prevention Programs for Families and \$25,000 of Measure H funds to be used for Strategy A5 – Homeless Prevention Programs for Individuals, based on the Measure H Expenditure Plan approved by the Board of Supervisors in FY 2020-21.

DCBA's Measure H expenditures in FY 2020-21 totaled \$2,000,000, which consisted of \$1,000,000 used for Strategy A1 – Homeless Prevention Programs for Families and \$1,000,000 used for Strategy

A5 – Homeless Prevention Programs for Individuals. Out of the total \$2,000,000 expenditures, \$1,950,000 was paid from the fiscal year 2019-20 encumbrance/allocation. **No exceptions were found.**

4. We verified that the service levels/strategies reported for each Department and Agency are accurate and that the funds were used for the specific purpose of each strategy.

Results

CEO

Based on our procedures performed for the two months of payroll/administrative expenditures and 17 transactions of non-payroll/program expenditures selected, the service levels reported by CEO were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

DCFS

Based on our procedures performed for the six transactions of non-payroll/subcontractor expenditures selected, the service levels reported by DCFS were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

DHS

For the one month of payroll expenditures, 33 non-payroll reimbursement contract expenditures, and 7 non-payroll fee-for-service expenditures selected, the service levels reported by DHS were accurate and the funds were used for the specific purpose of the Measure H strategies. **No exceptions were found.**

DMH

Based on our procedures performed for the two months of payroll expenditures and four subcontractor expenditures selected, the service levels reported by DMH were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

DPH

For the two months of payroll expenditures, 4 non-payroll contractor expenditures, and 36 non-payroll recipient expenditures selected, the service levels reported by DPH were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

DPSS

For the two months of payroll expenditures and 25 transactions of subcontractor's cost selected, the service levels reported by DPSS were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

PD

For the two months of payroll expenditures and seven transactions of non-payroll/subcontractor expenditures selected, the service levels reported by PD were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

WDACS

For the two months of payroll expenditures and 40 transactions of subcontractor expenditures selected, the service levels reported by WDACS were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

LACDA

Based on our procedures performed for the one month of payroll expenditures and 40 transactions of non-payroll expenditures selected, the service levels reported by LACDA were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

LAHSA

For the one month of payroll expenditures and 60 non-payroll/subcontractor expenditures selected, the service levels reported by LAHSA were accurate and the funds were used for the specific purpose of the Measure H strategies. **No exceptions were found.**

LASD

For the two months of payroll expenditures selected, the service levels reported by LASD were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

DCBA

For the two months of payroll expenditures selected and the subcontractor's expenditures paid from fiscal year 2019-2020 encumbrance/allocation, the service levels reported by DCBA were accurate and the funds were used for the specific purpose of the Measure H strategy. **No exceptions were found.**

We were engaged by the County of Los Angeles to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the twelve County Departments' and outside agencies' compliance with the Measure H, Ordinance 2017-001, Chapter 4.73 to the Los Angeles County Code – Transaction and Use Tax to Prevent and Combat Homelessness for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County of Los Angeles, County Departments', and outside agencies', and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the County of Los Angeles and the twelve County Departments and outside agencies: CEO, DCFS, DHS, DMH, DPH, DPSS, PD, WDACS, LASD, DCBA, LACDA, and LAHSA and is not intended to be, and should not be used by anyone other than these specified parties.

BCA Watson Rice, LLP

Torrance, CA
December 3, 2021