

# COUNTY OF LOS ANGELES

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Independent Auditor's Report  
On Schedule of Revenues and Expenditures and  
Changes in Fund Balance  
For  
Homeless and Housing Measure H  
Special Revenue Fund

For the Fiscal Year Ended June 30, 2025



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**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
For the Fiscal Year Ended June 30, 2025

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## **Independent Auditor's Report**

Mr. Joseph M. Nicchitta  
Acting Chief Executive Officer  
County of Los Angeles  
Los Angeles, California

### **Report on the Audit of the Schedule of Revenues, Expenditures, and Changes in Fund Balance**

#### ***Opinion***

We have audited the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance (the Schedule) of the County of Los Angeles (the County) Homeless and Housing Measure H Special Revenue Fund (Measure H) for the fiscal year (FY) ended June 30, 2025, and the related notes to the Schedule, which collectively comprise County's Schedule as listed in the table of contents.

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 FY ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the County and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

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 Measure H Fund. They do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2025, 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. Our report is not modified with respect to this matter.

### ***Responsibility of Management for the Schedule***

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 and for 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 Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

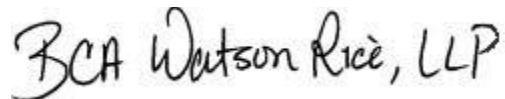
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic Schedule. Such information is the responsibility of management and although not a part of the basic Schedule, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic 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 basic Schedule, and other knowledge we obtained during our audit of the basic 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting.



Torrance, CA  
December 8, 2025

**County of Los Angeles**  
**Homeless and Housing Measure H Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2025**

**Revenues**

Voter Approved Special Taxes		\$ 374,947,239
Interest Earnings		25,055,582
Miscellaneous Revenue		4,485
<b>Total Revenues</b>		<b>400,007,306</b>

**Expenditures**

**Strategies**

**A: Prevent Homelessness**

A5: Homeless Prevention Program for Individuals

	<i>Strategy/Pillar by Department/ Agency:</i>	<i>Total by Strategy/Pillar</i>	<i>Total by Objective</i>
Chief Executive Office - payable	\$ (5,473)		
Chief Executive Office - paid with FY 2022 encumbrance	5,473		
Chief Executive Office - paid with FY 2023 encumbrance	290,807		
Chief Executive Office - paid with FY 2024 encumbrance	228,865		
Chief Executive Office	12,833		
Total A5: Homeless Prevention Program for Individuals		\$ 532,505	
<b>Total A: Prevent Homelessness</b>			\$ 532,505

**B: Subsidize Housing**

B3: Partner with Cities to Expand Rapid Re-Housing

Chief Executive Office - paid with FY 2023 encumbrance	1,122,533		
Chief Executive Office - paid with FY 2024 encumbrance	197,143		
Chief Executive Office	114,684		
Total B3: Partner with Cities to Expand Rapid Re-Housing		1,434,360	

B4: Facilitate Utilization of Federal Housing Subsidies

Los Angeles County Development Authority	36,949		
Total B4: Facilitate Utilization of Federal Housing Subsidies		36,949	
<b>Total B: Subsidize Housing</b>			1,471,309

**C: Increase Income**

C7: Subsidized Employment for Homeless Adults

Department of Economic Opportunity - paid with FY 2024 encumbrance	739,594		
Total C7: Subsidized Employment for Homeless Adults		739,594	
<b>Total C: Increase Income</b>			739,594

Notes to the Schedule of Revenues, 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, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2025**

<b>Expenditures (Continued)</b>	<i>Strategy/Pillar by Department/ Agency:</i>	<i>Total by Strategy/Pillar</i>	<i>Total by Objective</i>
<b>E: Create a Coordinated System</b>			
E6: Countywide Outreach System			
Los Angeles County Fire Department	\$ 86,926		
Chief Executive Office - paid with FY 2023 encumbrance	1,142,348		
Total E6: Countywide Outreach System		\$ 1,229,274	
E7: Strengthen the Coordinated Entry System			
Chief Executive Office - payable	(5,615)		
Chief Executive Office - paid with FY 2023 encumbrance	48,172		
Chief Executive Office - paid with FY 2024 encumbrance	156,724		
Chief Executive Office	4,428,286		
Total E7: Strengthen the Coordinated Entry System		4,627,567	
E8: Enhance the Emergency Shelter System			
Department of Health Services	1,781,640		
Chief Executive Office - paid with FY 2023 encumbrance	487,750		
Chief Executive Office - paid with FY 2024 encumbrance	1,074,152		
Chief Executive Office	115,331		
Total E8: Enhance the Emergency Shelter System		3,458,873	
<b>Total E: Create a Coordinated System</b>			\$ 9,315,714
 <b><u>Pillars</u></b>			
<b>Coordinate</b>			
Coordinated Entry System			
Los Angeles Homeless Services Authority	14,152,226		
Department of Mental Health	166,788		
Department of Military and Veterans Affairs	213,510		
Total Coordinated Entry System		14,532,524	
<b>Total Coordinate</b>			14,532,524
 <b>Homeless Prevention</b>			
Targeted Prevention			
Department of Children and Family Services	758,366		
Department of Health Services	534,518		
Los Angeles Homeless Services Authority	16,234,778		
Department of Public Health	675,000		
Total Targeted Prevention		18,202,662	
Problem Solving			
Los Angeles Homeless Services Authority	779,213		
Total Problem Solving		779,213	
<b>Total Homeless Prevention</b>			18,981,875

Notes to the Schedule of Revenues, 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, Expenditures, and Changes in Fund Balance (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

<b>Expenditures (Continued)</b>	<i>Strategy/Pillar by</i>	<i>Total by</i>	<i>Total by Objective</i>
	<i>Department/ Agency:</i>	<i>Strategy/Pillar</i>	
<b>Connect</b>			
Pathway RV Encampment			
Chief Executive Office - Capital Projects	\$	13,209	
Chief Executive Office		573,151	
Department of Public Health		148,506	
Department of Public Works		1,816,315	
Department of Arts and Culture		62,126	
Los Angeles County Fire Department		431,159	
Los Angeles County Sheriff's Department		1,663,566	
Los Angeles Homeless Services Authority		669,341	
Total Pathway RV Encampment		<u>669,341</u>	\$ 5,377,373
Coordinated Outreach			
Los Angeles Homeless Services Authority		11,029,270	
Department of Health Services		38,311,271	
Department of Public Health		2,764,379	
Department of Military and Veterans Affairs		107,398	
Los Angeles Homeless Services Authority - Expanded & Expedited Encampment Cleanup		126,358	
Chief Executive Office - Expanded & Expedited Encampment Cleanup		124,828	
Total Coordinated Outreach		<u>124,828</u>	52,463,504
Jail In-Reach			
Department of Health Services		1,346,423	
Los Angeles County Sheriff's Department		537,008	
Total Jail In-Reach		<u>537,008</u>	1,883,431
Navigation			
Los Angeles Homeless Services Authority		14,799,302	
Total Navigation		<u>14,799,302</u>	14,799,302
Access Centers			
Los Angeles Homeless Services Authority		1,740,414	
Department of Military and Veterans Affairs		127,653	
Total Access Centers		<u>127,653</u>	1,868,067
<b>Total Connect</b>			<u>\$ 76,391,677</u>

Notes to the Schedule of Revenues, 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, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

<b>Expenditures (Continued)</b>	<i>Strategy/Pillar by Department/ Agency:</i>	<i>Total by Strategy/Pillar</i>	<i>Total by Objective</i>
<b>Stabilize</b>			
Employment and Income Support			
Department of Economic Opportunity	\$ 6,403,972		
Los Angeles Homeless Services Authority	<u>2,265,240</u>		
Total Employment and Income Support		\$ 8,669,212	
Benefits Advocacy			
Department of Mental Health	964,612		
Department of Public Social Services	4,567,956		
Department of Military and Veterans Affairs	<u>1,224,432</u>		
Total Benefits Advocacy		6,757,000	
Legal and Financial Services			
Los Angeles Homeless Services Authority	<u>3,080,722</u>		
Total Legal and Financial Services		3,080,722	
Critical Documents and Background Clearing			
Department of Public Defender	<u>2,879,967</u>		
Total Critical Documents and Background Clearing		<u>2,879,967</u>	
<b>Total Stabilize</b>			\$ 21,386,901
<b>Local Jurisdiction</b>			
Cities and Council of Governments			
Chief Executive Office	<u>11,803,081</u>		
Total Cities and Council of Governments		11,803,081	
Continuum of Cares			
Chief Executive Office	<u>634,926</u>		
Total Continuum of Cares		634,926	
Pathway Local Jurisdictions			
Chief Executive Office	25,152,867		
Department of Health Services	25,086,161		
Los Angeles Homeless Services Authority	<u>12,023,000</u>		
Total Pathway Local Jurisdictions		62,262,028	
Permanent/Interim Housing			
Department of Health Services	<u>12,112,310</u>		
Total Permanent/Interim Housing		<u>12,112,310</u>	
<b>Total Local Jurisdiction</b>			86,812,345

Notes to the Schedule of Revenues, 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, Expenditures and Changes in Fund Balance (Continued)  
For the Fiscal Year Ended June 30, 2025

	<i>Strategy/Pillar by Department/ Agency:</i>	<i>Total by Strategy/Pillar</i>	<i>Total by Objective</i>
<b>Expenditures (Continued)</b>			
<b>Administrative</b>			
Chief Executive Office	\$ 17,123,731		
<b>Total Administrative</b>		\$ 17,123,731	\$ 17,123,731
<b>Total Expenditures</b>			\$ 644,936,707
<b>Deficiency of Revenues Under Expenditures</b>			(244,929,402)
<b>Other Financing Sources</b>			
Transfer In			6,103,000
Transfer out			(6,000,000)
<b>Total Other Financing Sources</b>			103,000
<b>Net Change in Fund Balance</b>			(244,826,402)
<b>Fund Balance, July 1, 2024</b>			535,632,092
<b>Fund Balance, June 30, 2025</b>			\$ 290,805,690

Notes to the Schedule of Revenues, 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, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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The Notes to the Schedule of Revenues, 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, Expenditures, and Changes in Fund Balance.

## **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 referred to 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 established to account for the proceeds of a voter-approved quarter-cent countywide sales tax. This sales tax became effective in March 2017, with the California Board of Equalization beginning collections from businesses and consumers in October 2017.

Revenues generated from the Measure H tax are required to be expended by the County in accordance with an expenditure plan approved by the Board of Supervisors prior to June 30th of each FY. Prior to FY 2023-24, the Board of Supervisors approved an expenditure plan that allocated funding to 47 Homeless Initiative strategies aimed at addressing the homelessness crisis in Los Angeles County.

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.

**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.

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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**1. Organization (Continued)**

**Homeless and Housing Measure H Special Revenue Fund (Continued)**

**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 a 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.

In April 2022, the Chief Executive Office Homeless Initiative reassessed and proposed a new framework for its Homeless Initiative strategies. In FY 2023-24, the Board of Supervisors approved an expenditure plan that funded five new frameworks of pillars to combat the homeless crisis in Los Angeles County. While funding allocations have shifted to the new framework, certain expenditures continued to be incurred under the previous strategy allocations during the transition period.

The New Framework is divided into five categories of actions: (1) Coordinate, (2) Prevent, (3) Connect, (4) House, and (5) Stabilize. The New Framework was implemented by three key system partners: the Homeless Rehousing System, Mainstream Government Systems, and Participation of Cities. Within the Homeless Rehousing System, the pillars focus on the core system components of prevention, outreach, interim housing, permanent housing, and supportive services with focused efforts to serve persistently underserved people experiencing homelessness (PEH) to reduce the number of people falling into this category. Within the Mainstream Government Systems, pillars seek to establish a true no wrong-door approach that advances equity, prioritizes at-risk households, and effectively prevents homelessness, especially first-time homelessness. With Participation of Cities, the pillars focus on encampment resolution and co-investment in permanent and interim housing. The New Framework focuses on program pillars that prioritize specific needs of the homelessness delivery system and shift how funding is tracked from the previous strategy-based design.

The funding was allocated to the following 15 County departments and outside agencies as follows: the Chief Executive Office (CEO) (which includes CEO–Administration, CEO–Capital Projects, CEO–Homeless Initiative), the Department of Arts and Culture (DAC), the Department of Children and Family Services (DCFS), the Department of Economic Opportunity (DEO), 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), the Department of Public Works (DPW), the Los Angeles Fire Department (LAFD), the Los Angeles County Sheriff’s Department (LASD), Military and Veterans Affairs (MVA), Public Defender (PD), the Los Angeles County Development Authority (LACDA), and the Los Angeles Homeless Services Authority (LAHSA).

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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**1. Organization (Continued)**

**Homeless and Housing Measure H Special Revenue Fund (Continued)**

These categories of actions are divided into the following five pillars:

**Coordinate** - The County's Coordinated Entry System (CES), managed by LAHSA, is the network that aligns homeless services to ensure that resources are efficiently and equitably distributed countywide to support PEH. CES serves as the organizational backbone of homeless services and helps service providers work in a similar manner to make the experience of connecting PEH to solutions as quickly as possible.

**Prevent** - Homeless Prevention services help rent-burdened, low-income families and individuals to resolve crises that could cause the loss of their homes. Homeless prevention services include short-term rental subsidies, housing conflict resolution, mediation with landlords and/or property managers, legal defense against eviction, and problem-solving. Problem-solving is a person-centered, short-term housing intervention that seeks to assist households in maintaining their current housing or identifying an immediate and safe housing alternative within their own social network. This pillar uses exploratory conversation, mediation, empowerment methods, and financial assistance to help resolve the person's crises or quickly connect them to existing emergency or crisis housing services.

**Connect** - Street-Based Outreach involves experienced teams building trusting relationships with unsheltered people and connecting them to housing, health and mental health care, substance use disorder treatment, and other services – a process that can vary in length and is customized to meet an individual's unique needs. The County deploys different teams to conduct street-based outreach, including DHS Housing for Health's Multidisciplinary Teams (MDT), which serve clients with more complex health and/or behavioral health needs, and DMH Homeless Outreach and Mobile Engagement (HOME) specialist teams that serve clients with serious mental illness. LAHSA's CES Teams and Homeless Engagement Teams (HET) make initial contact and maintain ongoing engagement with people living on the streets, while LASD and LAHSA's Homeless Outreach Services Teams (LASD HOST and LAHSA HOST) handle outreach at larger encampments and hard-to-reach areas.

**House** - Interim Housing provides safe temporary accommodation for people who otherwise have nowhere to stay. Types of interim housing include but are not limited to: emergency shelter; stabilization housing for individuals with complex health and or/behavioral health conditions; bridge housing; bridge housing for people exiting institutions such as jails, hospitals, or foster care; and recovery bridge housing for people undergoing outpatient treatment for substance use disorder. The County also provides recuperative care facilities for people recovering from an acute illness or injury. Additionally, it provides Enriched Residential Care facilities also known as Board and Care, that provide 24/7 care and supervision in licensed residential facilities that can be either interim or permanent housing. Systemwide, from July 1, 2017, when Measure H funding began through March 31, 2025, 177,204 people experiencing homelessness were placed in interim housing; 91,315 of these interim housing placements were completely or partially funded through Measure H. In the first three quarters of FY 2024-25, 35,195 people utilized interim housing. This includes 11,152 people newly placed in interim housing funded with Measure H.

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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**1. Organization (Continued)**

**Homeless and Housing Measure H Special Revenue Fund (Continued)**

Permanent Housing lifts people out of homelessness by offering either short- or long-term rental subsidies in combination with varied levels of supportive services. One type of permanent housing is Permanent Supportive Housing (PSH), which provides long-term rental subsidies and supportive services to individuals who have experienced chronic homelessness and have disabilities, chronic medical conditions, and/or behavioral health conditions. Systemwide, from July 1, 2017, when Measure H funding began through March 31, 2025, 135,982 people experiencing homelessness were placed in permanent housing; 50,524 of these permanent housing placements were completely or partially funded through Measure H. In the first three quarters of FY 2024-25, a total of 22,111 people were placed in permanent housing through the County's homeless services system, including 7,143 Measure H-funded placements. This includes all types of permanent housing, such as the TLS program (formerly known as the Rapid Rehousing program) and PSH.

**Stabilize** - Most families and individuals experiencing homelessness need some level of case management and supportive services to secure and maintain permanent housing, though their needs vary greatly depending on individual circumstances. The availability of appropriate case management and supportive services is key to enabling homeless families and individuals to take advantage of rental subsidies, increase their income, and access/utilize public services and benefits. Severely disabled homeless individuals can increase their income through federal disability benefits, while many homeless adults can do so by securing employment.

**Measure A - Homeless Services and Affordable Housing Ordinance**

On November 5, 2024, the voters of Los Angeles County successfully passed Measure A - Homeless Services and Affordable Housing Ordinance. This measure authorizes the implementation of a permanent one-half cent sales tax to reduce and prevent homelessness, as well as to provide mental health and addiction treatment, and affordable housing. Additionally, this measure repeals the one-quarter cent sales tax enacted by Measure H in 2017, which would have otherwise expired in 2027. This will impact the special revenue fund Homeless and Housing Measure H and the Measure H collections which ended on March 31, 2025. Measure A is projected to generate approximately \$1.076 billion annually, effective on April 1, 2025.

**2. Summary of Significant Accounting Policies**

The Schedule of Revenues, 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:

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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**2. Summary of Significant Accounting Policies (Continued)**

**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 a 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.

**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.

**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.

**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 FY ended June 30, 2025, the Homeless and Housing Measure H Special Revenue Fund had investment earnings of \$25,055,582 due to favorable market conditions during FY 2024-25.

The County issues a publicly available annual comprehensive financial report that includes complete disclosures related to the entire cash and investment pool. The report may be obtained at the County's website <https://auditor.lacounty.gov/annual-comprehensive-financial-report/>.

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

**2. Summary of Significant Accounting Policies (Continued)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance for the 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 the 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 FY ended June 30, 2025, are included in the County’s Audited Annual Comprehensive Financial Report.

**3. Los Angeles Homeless Services Authority (LAHSA)**

For the FY ended June 30, 2025, the County recorded \$285,371,750 for LAHSA’s Measure H expenditures to prevent and combat homelessness projects under various homeless initiative strategies and pillars as listed in the table below. However, LAHSA’s actual Measure H expenditures were \$311,224,457 for the FY ended June 30, 2025. The \$25,852,707 difference represents LAHSA’s late 4<sup>th</sup> quarter claims/billings not reimbursed in FY 2024-25 by the County since it was submitted beyond the County’s processing cut-off date for expenditures reimbursements/payments.

Strategy/Pillar	Program	Measure H Expenditures Disbursed/Paid by County	Measure H Expenditures Incurred by LAHSA	Difference Over/(Under) Paid by County
Prevent	Targeted Prevention	\$ 16,234,778	\$ 17,356,651	\$ (1,121,873)
Prevent	Problem Solving	779,213	800,326	(21,113)
Coordinate	Coordinated Entry System	14,152,226	14,959,889	(807,663)
Stabilize	Legal & Financial Services	3,080,722	3,284,803	(204,081)
Stabilize	Employment & Income Support	2,265,240	2,574,946	(309,706)
Connect	Coordinated Outreach	10,658,300	11,025,364	(367,064)
Connect	Pathway/RV	669,341	742,705	(73,364)
Connect	Coordinated Outreach/One-Time Investments	370,970	398,720	(27,750)
Connect	Navigation	14,799,302	16,091,478	(1,292,176)
Connect	Access Centers	1,740,414	2,218,144	(477,730)
Connect	Coordinated Outreach E&E	126,358	126,892	(534)
House	Interim Housing	90,816,440	103,609,288	(12,792,848)
House	Time-Limited Subsidies	82,713,438	88,689,491	(5,976,053)
House	Transitional Housing for Special Populations	9,951,033	10,448,140	(497,107)
House	Housing Acquisition	24,990,975	26,217,023	(1,226,048)
Local Jurisdiction	Pathway	12,023,000	12,680,597	(657,597)
	Total Measure H Expenditures	<u>\$ 285,371,750</u>	<u>\$ 311,224,457</u>	<u>\$ (25,852,707)</u>

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

**4. Measure H Expenditures Paid/Disbursed to County Departments and Outside Agencies**

Measure H expenditures paid/disbursed to County Departments and Outside Agencies for the FY ended June 30, 2025, were as follows:

Strategy/Pillar	Program	Measure H Actual Expenditures
<b>Chief Executive Office (CEO)</b>		
Admin	Measure H Administration	\$ 17,123,731
Local Jurisdiction	Cities & Council of Governments (COGs)	11,803,080
Local Jurisdiction	Continuum of Care (CoCs)	634,926
Local Jurisdiction	Pathway	25,152,868
A5	Homeless Prevention Program for Individuals (Carryover)	12,833
A5	Homeless Prevention Program for Individuals (Payable)	(5,473)
A5	Homeless Prevention Program for Individuals (Carryover) - Paid with FY 2022 encumbrance	5,473
A5	Homeless Prevention Program for Individuals (Carryover) - Paid with FY 2023 encumbrance	290,807
A5	Homeless Prevention Program for Individuals (Carryover) - Paid with FY 2024 encumbrance	228,865
B3	Partner with Cities to Expand Rapid Re-Housing (Carryover)	114,684
B3	Partner with Cities to Expand Rapid Re-Housing (Carryover) - Paid with FY 2023 encumbrance	1,122,533
B3	Partner with Cities to Expand Rapid Re-Housing (Carryover) - Paid with FY 2024 encumbrance	197,143
E6	Create a Coordinated System (Carryover) - Paid with FY 2023 encumbrance	1,142,348
E7	Strengthen the Coordinated Entry System (Carryover)	4,428,286
E7	Strengthen the Coordinated Entry System (Payable)	(5,615)
E7	Strengthen the Coordinated Entry System (Carryover) - Paid with FY 2023 encumbrance	48,172
E7	Strengthen the Coordinated Entry System (Carryover) - Paid with FY 2024 encumbrance	156,724
E8	Enhance the Emergency Shelter System (Carryover)	115,331
E8	Enhance the Emergency Shelter System (Carryover) - Paid with FY 2023 encumbrance	487,750
E8	Enhance the Emergency Shelter System (Carryover) - Paid with FY 2024 encumbrance	1,074,152
Connect	Pathway/Recreational Vehicle (RV)	573,151
Connect	Pathway/RV (CEO Capital Projects)	13,209
Connect	Coordinated Outreach Enforcement & Engagement	124,828
House	Interim Housing	3,347,862
House	Homekey Round 3 (CEO Asset Management)	4,322,007
<b>Total</b>		<b><u>72,509,675</u></b>
<b>Department of Arts and Culture (DAC)</b>		
Connect	Pathway/RV	62,126
<b>Total</b>		<b><u>62,126</u></b>
<b>Department of Child and Family Services (DCFS)</b>		
Prevent	Targeted Prevention	758,366
<b>Total</b>		<b><u>758,366</u></b>
<b>Department of Economic Opportunity (DEO)</b>		
Stabilize	Employment Income & Support	6,403,972
C7	Subsidized Employment for Homeless Adults (Carryover) - Paid with 2023 Encumbrance	739,594
<b>Total</b>		<b><u>7,143,566</u></b>

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

**4. Measure H Expenditures Paid/Disbursed to County Departments and Outside Agencies (Continued)**

Strategy/Pillar	Program	Measure H Actual Expenditures
<b>Department of Health Services (DHS)</b>		
Connect	Coordinated Outreach	38,311,271
Connect	Jail In-Reach	1,346,423
House	Interim Housing	79,810,627
House	Permanent Supportive Housing	70,576,277
Local Jurisdiction	Permanent/Interim Housing	12,112,310
Local Jurisdiction	Pathway Local Jurisdiction	25,086,161
Prevent	Reduce PEH Mortality	534,518
E8	Enhance the Emergency Shelter System (Carryover)	1,781,640
<b>Total</b>		<b>229,559,227</b>
<b>Department of Mental Health (DMH)</b>		
Coordinate	Coordinated Entry System	166,788
Stabilize	Benefits Advocacy	964,612
House	Interim Housing	139,732
House	Permanent Supportive Housing	1,458,897
<b>Total</b>		<b>2,730,029</b>
<b>Department of Public Health (DPH)</b>		
Prevent	Reduce People Experiencing Homelessness Mortality	675,000
Connect	Coordinated Outreach	2,764,379
Connect	Pathway/RV	148,506
House	Interim Housing	12,011,555
House	Transitional Housing for Special Populations	55,462
House	Permanent Supportive Housing	2,168,784
<b>Total</b>		<b>17,823,686</b>
<b>Department of Public Social Services (DPSS)</b>		
Stabilize	Benefits Advocacy	4,567,956
House	Time-Limited Subsidies	6,395,008
<b>Total</b>		<b>10,962,964</b>
<b>Department of Public Works (DPW)</b>		
Connect	Pathway/RV	1,816,315
<b>Total</b>		<b>1,816,315</b>
<b>Public Defender (PD)</b>		
Stabilize	Critical Documents & Background Clearing	2,879,967
<b>Total</b>		<b>2,879,967</b>
<b>Los Angeles Fire Department (LAFD)</b>		
Connect	Pathway/RV	431,159
E6	Countywide Outreach System (Carryover)	86,926
<b>Total</b>		<b>518,085</b>
<b>Los Angeles County Sheriff's Department (LASD)</b>		
Connect	Jail In-Reach	537,008
Connect	Pathway/RV	1,663,566
<b>Total</b>		<b>2,200,574</b>

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

**4. Measure H Expenditures Paid/Disbursed to County Departments and Outside Agencies  
(Continued)**

Strategy/Pillar	Program	Measure H Actual Expenditures
<b>Military and Veterans Affairs (MVA)</b>		
Coordinate	Coordinated Entry System	213,510
Stabilize	Benefits Advocacy	1,224,432
Connect	Access Center	127,653
Connect	Coordinated Outreach	107,398
	<b>Total</b>	<b>1,672,993</b>
<b>Los Angeles County Development Authority (LACDA)</b>		
House	Housing Acquisition	8,890,435
B4	Facilitate Utilization of Federal Housing Subsidies	36,949
	<b>Total</b>	<b>8,927,384</b>
<b>Los Angeles Homeless Services Authority (LAHSA)</b>		
Prevent	Targeted Prevention	16,234,778
Prevent	Problem Solving	779,213
Coordinate	Coordinated Entry System	14,152,226
Stabilize	Legal & Financial Services	3,080,722
Stabilize	Employment & Income Support	2,265,240
Connect	Coordinated Outreach	11,029,270
Connect	Pathway/RV	669,341
Connect	Navigation	14,799,302
Connect	Access Centers	1,740,414
Connect	Coordinated Outreach Engagement & Enforcement	126,358
House	Interim Housing	90,816,440
House	Time-Limited Subsidies	82,713,438
House	Transitional Housing for Special Populations	9,951,033
House	Housing Acquisition	24,990,975
Local Jurisdiction	Pathway	12,023,000
	<b>Total</b>	<b>285,371,750</b>
	<b>Grand Total</b>	<b>\$ 644,936,707</b>

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2025

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**5. Transfers In/Out**

In December 2024, the County entered into a funding agreement with the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs) to provide a \$6 million loan to support LACAHSAs's readiness to implement the housing outcomes under Measure A. The transfers out represent the disbursement of the \$6 million loan to LACAHSAs, and the transfers in represent the subsequent repayment of the loan principal along with \$103,000 of interest earned on the loan.

**6. Contingencies**

L.A. Alliance for Human Rights, et al. v. City of Los Angeles, et al.

On September 28, 2023, a federal court approved Los Angeles County's settlement with Plaintiff LA Alliance for Human Rights and six individual plaintiffs that committed additional resources for people experiencing homelessness. The settlement commits the County to \$1.24 billion worth of resources and services over the next four years and includes 3,000 mental health and substance use disorder beds, 450 new subsidies for enriched residential care for adult residential facilities, and residential care facilities for the elderly beds (also known as board and care beds) serving the most vulnerable, an increase from 27.5 to 44 the number of specialized outreach teams in the City of Los Angeles, and provide a comprehensive suite of supportive services to the more than 13,000 permanent supportive housing and interim housing beds financed by the City of Los Angeles as part of the City's settlement with the plaintiffs. A federal monitor will assist the court in overseeing the County's settlement. On September 29, 2023, the court dismissed the plaintiffs' claims against the County. The settlement agreement is effective September 29, 2023, the date of the dismissal Order, and terminates on June 30, 2027. In October 2024, the County agreed to provide information and data regarding its services and health and mental health programs being provided to the City's three homelessness programs: (1) Roadmap-Freeway Agreement; (2) City-Plaintiffs' LA Alliance Program; and (3) Inside Safe Program as part of an independent audit of the City and pay \$180,000 in costs related to this scope of work. In November 2024, the Court requested an expanded audit scope of County services, including contract document review, site visits, and stakeholder interviews, with an additional \$440,000 cost. The draft assessment report was released in early March 2025, and a hearing was held to discuss the report the same month. The final assessment report was released and discussed at a mid-May 2025 hearing. On June 24, 2025, the judge ordered stronger oversight by a third-party monitor of the City's data. The judge's ruling did not impose any additional responsibilities on the County.

**7. Subsequent Events**

In preparing the Schedule, the County has evaluated events and transactions for potential recognition or disclosure through December 8, 2025, the date the Schedule was available to be issued. No subsequent events occurred that require additional recognition or disclosure in the Schedule other than those described above.

**REQUIRED SUPPLEMENTARY INFORMATION**

**County of Los Angeles**  
**Homeless and Housing Measure H Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**on a Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2025**

	Budget	Actual	Variance
<b>Revenues</b>			
Voter Approved Special Taxes	\$ 545,195,000	\$ 374,947,239	\$ (170,247,761)
Interest Earnings		17,323,583	17,323,583
Miscellaneous		4,485	4,485
<b>Total Revenues</b>	<u>545,195,000</u>	<u>392,275,307</u>	<u>(152,919,693)</u>
<b>Expenditures</b>			
<b>A: Prevent Homelessness</b>			
A1: Homeless Prevention Program for Individuals			
Chief Executive Office	66,000	532,505	(466,505)
Total A1: Homeless Prevention Program for Individuals	66,000	532,505	(466,505)
<b>Total A: Prevent Homelessness</b>	<u>66,000</u>	<u>532,505</u>	<u>(466,505)</u>
<b>B: Subsidize Housing</b>			
B3: Partner with Cities to Expand Rapid Re-Housing			
Chief Executive Office	115,000	1,434,360	(1,319,360)
Total B3: Partner with Cities to Expand Rapid Re-Housing	115,000	1,434,360	(1,319,360)
B4: Facilitate Utilization of Federal Housing Subsidies			
Los Angeles County Development Authority	231,000	36,949	194,051
Total B4: Facilitate Utilization of Federal Housing Subsidies	231,000	36,949	194,051
<b>Total B: Subsidize Housing</b>	<u>346,000</u>	<u>1,471,309</u>	<u>(1,125,309)</u>
<b>C: Increase Income</b>			
C7: Subsidized Employment for Homeless Adults			
Department of Economic Opportunity	-	739,594	(739,594)
Total C7: Subsidized Employment for Homeless Adults	-	739,594	(739,594)
<b>Total C: Increase Income</b>	<u>-</u>	<u>739,594</u>	<u>(739,594)</u>
<b>E: Create a Coordinated System</b>			
E6: Countywide Outreach System			
Chief Executive Office	126,000	1,142,348	(1,016,348)
Los Angeles County Fire Department	132,000	86,926	45,074
Total E6: Countywide Outreach System	258,000	1,229,274	(971,274)
E7: Strengthen the Coordinated Entry System			
Chief Executive Office	11,799,000	4,627,567	7,171,433
Total E7: Strengthen the Coordinated Entry System	11,799,000	4,627,567	7,171,433
E8: Enhance the Emergency Shelter System			
Department of Health Services	2,344,000	1,781,640	562,360
Chief Executive Office	465,000	1,677,233	(1,212,233)
Total E8: Enhance the Emergency Shelter System	2,809,000	3,458,873	(649,873)
<b>Total E: Create a Coordinated System</b>	<u>14,866,000</u>	<u>9,315,714</u>	<u>5,550,286</u>
<b>Coordinate</b>			
Coordinated Entry System			
Los Angeles Homeless Services Authority	15,295,000	14,152,226	1,142,774
Department of Mental Health	603,000	166,788	436,212
Department of Military and Veterans Affairs	250,000	213,510	36,490
<b>Total Coordinate</b>	<u>16,148,000</u>	<u>14,532,524</u>	<u>1,615,476</u>

See accompanying notes to the required supplementary information

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
on a Budgetary Basis (Continued)  
For the Fiscal Year Ended June 30, 2025

<b>Expenditures (Continued)</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Homeless Prevention</b>			
Targeted Prevention			
Department of Children and Family Services	\$ 800,000	\$ 758,366	\$ 41,634
Department of Health Services	1,913,000	534,518	1,378,482
Department of Public Health	675,000	675,000	-
Los Angeles Homeless Services Authority	16,485,000	16,234,778	250,222
Total Targeted Prevention	<u>19,873,000</u>	<u>18,202,662</u>	<u>1,670,338</u>
Problem Solving			
Los Angeles Homeless Services Authority	788,000	779,213	8,787
Total Problem Solving	<u>788,000</u>	<u>779,213</u>	<u>8,787</u>
<b>Total Homeless Prevention</b>	<u>20,661,000</u>	<u>18,981,875</u>	<u>1,679,125</u>
<b>Connect</b>			
Pathway RV Encampment			
Chief Executive Office - Capital Projects	311,000	13,209	297,791
Chief Executive Office	812,000	573,151	238,849
Department of Public Health	250,000	148,506	101,494
Department of Public Works	6,709,000	1,816,315	4,892,685
Los Angeles County Sheriff's Department	2,687,000	1,663,566	1,023,434
Department of Arts and Culture	312,000	62,126	249,874
Los Angeles Homeless Services Authority	3,673,000	669,341	3,003,659
Los Angeles County Fire Department	505,000	431,159	73,841
Total Pathway RV Encampment	<u>15,259,000</u>	<u>5,377,373</u>	<u>9,881,627</u>
Coordinated Outreach			
Los Angeles Homeless Services Authority	12,117,000	11,029,270	1,087,730
Department of Health Services	42,901,000	38,311,271	4,589,729
Department of Public Health	2,804,000	2,764,379	39,621
Department of Military and Veterans Affairs	153,000	107,398	45,602
Los Angeles Homeless Services Authority	516,000	126,358	389,642
Chief Executive Office	-	124,828	(124,828)
Total Coordinated Outreach	<u>58,491,000</u>	<u>52,463,504</u>	<u>6,027,496</u>
Jail In-Reach			
Department of Health Services	2,320,000	1,346,423	973,577
Sheriff's Department	546,000	537,008	8,992
Total Jail In-Reach	<u>2,866,000</u>	<u>1,883,431</u>	<u>982,569</u>
Navigation			
Los Angeles Homeless Services Authority	15,534,000	14,799,302	734,698
Total Navigation	<u>15,534,000</u>	<u>14,799,302</u>	<u>734,698</u>
Access Centers			
Los Angeles Homeless Services Authority	1,761,000	1,740,414	20,586
Department of Military and Veterans Affairs	153,000	127,653	25,347
Total Access Centers	<u>1,914,000</u>	<u>1,868,067</u>	<u>45,933</u>
<b>Total Connect</b>	<u>94,064,000</u>	<u>76,391,677</u>	<u>17,672,323</u>

See accompanying notes to the required supplementary information

**County of Los Angeles**  
**Homeless and Housing Measure H Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**on a Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2025**

<b>Expenditures (Continued)</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>House</b>			
Interim Housing			
Chief Executive Office	\$ 8,113,000	\$ 3,347,862	\$ 4,765,138
Department of Health Services	82,097,000	79,810,627	2,286,373
Department of Mental Health	221,000	139,732	81,268
Department of Public Health	12,021,000	12,011,555	9,445
Los Angeles Homeless Services Authority	99,997,000	90,816,440	9,180,560
Total Interim Housing	<u>202,449,000</u>	<u>186,126,216</u>	<u>16,322,784</u>
Time-Limited Subsidies			
Department of Public Social Services	10,415,000	6,395,008	4,019,992
Los Angeles Homeless Services Authority	88,513,000	82,713,438	5,799,562
Total Time-Limited Subsidies	<u>98,928,000</u>	<u>89,108,446</u>	<u>9,819,554</u>
Permanent Supportive Housing			
Department of Health Services	101,313,000	70,576,277	30,736,723
Department of Mental Health	2,569,000	1,458,897	1,110,103
Department of Public Health	3,062,000	2,168,784	893,216
Chief Executive Office	10,300,000	4,322,007	5,977,993
Total Permanent Supportive Housing	<u>117,244,000</u>	<u>78,525,965</u>	<u>38,718,035</u>
Housing Acquisition			
Los Angeles Homeless Services Authority	28,553,000	24,990,975	3,562,025
Los Angeles County Development Authority	11,043,000	8,890,435	2,152,565
Total Housing Acquisition	<u>39,596,000</u>	<u>33,881,410</u>	<u>5,714,590</u>
Transitional Housing for Special Populations			
Los Angeles Homeless Services Authority	10,121,000	9,951,033	169,967
Department of Public Health	413,000	55,462	357,538
Total Transitional Housing for Special Populations	<u>10,534,000</u>	<u>10,006,495</u>	<u>527,505</u>
<b>Total House</b>	<u>468,751,000</u>	<u>397,648,532</u>	<u>71,102,468</u>
<b>Stabilize</b>			
Employment and Income Support			
Department of Economic Opportunity	9,442,000	6,403,972	3,038,028
Los Angeles Homeless Services Authority	2,333,000	2,265,240	67,760
Total Employment and Income Support	<u>11,775,000</u>	<u>8,669,212</u>	<u>3,105,788</u>
Benefits Advocacy			
Department of Mental Health	1,513,000	964,612	548,388
Department of Public Social Services	5,500,000	4,567,956	932,044
Department of Military and Veterans Affairs	1,353,000	1,224,432	128,568
Total Benefits Advocacy	<u>8,366,000</u>	<u>6,757,000</u>	<u>1,609,000</u>
Legal and Financial Services			
Los Angeles Homeless Services Authority	3,266,000	3,080,722	185,278
Total Legal and Financial Services	<u>3,266,000</u>	<u>3,080,722</u>	<u>185,278</u>
Critical Documents and Background Clearing			
Department of Public Defender	3,511,000	2,879,967	631,033
Total Critical Documents and Background Clearing	<u>3,511,000</u>	<u>2,879,967</u>	<u>631,033</u>
<b>Total Stabilize</b>	<u>26,918,000</u>	<u>21,386,901</u>	<u>5,531,099</u>

See accompanying notes to the required supplementary information

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
on a Budgetary Basis (Continued)  
For the Fiscal Year Ended June 30, 2025

<b>Expenditures (Continued)</b>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Local Jurisdiction</b>			
Cities and Council of Governments			
Chief Executive Office	\$ 29,549,000	\$ 11,803,081	\$ 17,745,919
Total Cities and Council of Governments	<u>29,549,000</u>	<u>11,803,081</u>	<u>17,745,919</u>
Continuum of Cares			
Chief Executive Office	16,271,000	634,926	15,636,074
Total Continuum of Cares	<u>16,271,000</u>	<u>634,926</u>	<u>15,636,074</u>
Pathway Local Jurisdictions			
Chief Executive Office	36,336,000	25,152,867	11,183,133
Los Angeles County Sheriff's Department	15,000	-	15,000
Department of Public Works	578,000	-	578,000
Department of Health Services	29,261,000	25,086,161	4,174,839
Los Angeles Homeless Services Authority	18,868,000	12,023,000	6,845,000
Total Pathway Local Jurisdictions	<u>85,058,000</u>	<u>62,262,028</u>	<u>22,795,972</u>
Permanent/Interim Housing			
Chief Executive Office	7,500,000	-	7,500,000
Department of Health Services	35,445,000	12,112,310	23,332,690
Total Permanent/Interim Housing	<u>42,945,000</u>	<u>12,112,310</u>	<u>30,832,690</u>
<b>Total Local Jurisdiction</b>	<u>173,823,000</u>	<u>86,812,345</u>	<u>87,010,655</u>
<b>Administrative</b>			
Chief Executive Office	25,223,000	17,123,731	8,099,269
<b>Total Administrative</b>	<u>25,223,000</u>	<u>17,123,731</u>	<u>8,099,269</u>
<b>Total Expenditures</b>	<u>840,866,000</u>	<u>644,936,707</u>	<u>195,929,293</u>
<b>Deficiency of Revenues Under Expenditures</b>	(295,671,000)	(252,661,400)	43,009,600
<b>Other Financing Sources</b>			
Transfer In	-	6,103,000	6,103,000
Transfer Out	-	(6,000,000)	(6,000,000)
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>103,000</u>	<u>103,000</u>
<b>Less: Contractual Obligations/Changes in fund balance</b>			
Commitments Outstanding as of fiscal year end	-	238,817,000	238,817,000
Changes in fund balance	137,444,000	(100,228,600)	(237,672,600)
Total Net Change in Contractual obligations	<u>137,444,000</u>	<u>138,588,400</u>	<u>1,144,400</u>
<b>Net Change in Fund Balance</b>	(158,227,000)	(113,970,000)	44,257,000
<b>Fund Balance, July 1, 2024</b>	<u>158,227,000</u>	<u>158,227,000</u>	<u>-</u>
<b>Fund Balance, June 30, 2025</b>	<u>\$ -</u>	<u>\$ 44,257,000</u>	<u>\$ 44,257,000</u>

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, 2025

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**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<sup>nd</sup> of each FY. 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's 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, 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, 2025:

Fund Balance - budgetary basis	\$	44,257,000
Encumbrances and other reserves		238,817,000
Subtotal		283,074,000
Adjustments:		
Change in revenue accruals		7,732,000
Fund Balance - US GAAP basis	\$	290,806,000

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



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**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, Expenditures, and Changes in Fund Balance of the  
Homeless and Housing Measure H Special Revenue Fund  
Performed in Accordance with *Government Auditing Standards***

Mr. Joseph M. Nicchitta  
Acting Chief Executive Officer  
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, Expenditures, and Changes in Fund Balance (the Schedule) for the Homeless and Housing Measure H Special Revenue Fund (Measure H) of the County of Los Angeles (the County) for the fiscal year (FY) ended June 30, 2025, and the related notes to the Schedule, which collectively comprised the County's Schedule, and have issued our report thereon dated December 8, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on 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 are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 8, 2025



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**Independent Auditor’s Report on Compliance with Requirements  
Applicable to 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**

Mr. Joseph M. Nicchitta  
Acting Chief Executive Officer  
County of Los Angeles  
Los Angeles, California

**Report on Compliance**

***Opinion***

We have audited the County of Los Angeles’ (the County) compliance with *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) applicable to the Homeless and Housing Measure H (Measure H) revenues, expenditures, and changes in the fund balance for the fiscal year (FY) ended June 30, 2025.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure H revenues and expenditures for the FY ended June 30, 2025.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Measure H revenues and expenditures.

### ***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance with Measure H revenues and expenditures based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County’s compliance with the requirements of the Measure H revenues and expenditures as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County’s compliance with the compliance requirements referred to above and performing other procedures as necessary in the circumstances.
- Obtain an understanding of the County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Measure H revenues and expenditures, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 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 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over

compliance may exist that have not been identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 compliance requirements of Measure H revenues and expenditures. Accordingly, this report is not suitable for any other purpose.

*BCA Watson Rice, LLP*

Torrance, California

December 8, 2025

**County of Los Angeles**  
Homeless and Housing Measure H Special Revenue Fund  
Current Year Audit Findings  
For the Fiscal Year Ended June 30, 2025

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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

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**Finding FY 2023-01**

Community Career Development, a subcontractor with the Department of Economic Opportunity (DEO), was unable to provide supporting documentation for any of its claimed Measure H expenditures totaling \$78,789.

**Criteria**

Measure H, Ordinance 2017-001, *Chapter 4.73.030 to the Los Angeles County Code – Transaction and Use Tax to Prevent and Combat Homelessness*, provides that the revenues generated by the retail transactions and use tax will be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30th of each year.

**Condition**

The subcontractor, Community Career Development (CCD), engaged by the DEO for the Subsidized Employment for Homeless Adults – a strategy/expenditure plan approved by the County Board of Supervisors, failed to produce supporting documentation for two selected expenditure transactions amounting to \$17,979. Additionally, upon further inquiry, the DEO disclosed that CCD was unable to provide documentation for all claimed expenditures totaling \$78,789 for the fiscal year (FY) 2022-2023. Consequently, the DEO took the necessary action to terminate its subcontracting agreement with CCD, effective June 30, 2024.

**Cause**

The subcontractor (CCD) lacked adequate internal controls to maintain supporting documentation of claimed Measure H expenditures. The subsequent termination of the subcontracting agreement by the DEO resulted in CCD becoming uncooperative and unresponsive to DEO's requests for the required supporting documentation, thereby further hindering the expenditure verification process.

**Effect**

We are unable to substantiate the validity of the \$78,789 reimbursed to CCD for the FY ended June 30, 2023, as authorized Measure H expenditures.

**Questioned Costs**

\$78,789 of subcontractor claimed costs pertaining to the DEO's Subsidized Employment for Homeless Adults strategy.

**Recommendation**

We recommend that DEO seek reimbursement from CCD for the \$78,789 of unsupported costs. Furthermore, DEO should improve its oversight measures to ensure that all reimbursement claims from subcontractors are accompanied by valid and authorized supporting documentation before approval and disbursement of Measure H funds.

**Views of the Responsible Officials**

The DEO agrees with the auditor's finding.

**Planned Corrective Action**

DEO's agreement with subrecipient Community Career Development (CCD) Inc., lapsed June 30, 2024, and was not renewed. On October 19, 2024, DEO placed CCD in the County's Contractor Alert Reporting Database (CARD), which notifies all Los Angeles County departments of poorly performing contractors.

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

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**Finding FY 2023-01 (continued)**

Planned Corrective Action (continued)

DEO will strengthen the procedures to ensure that all reimbursement claims are accompanied by valid and authorized supporting documentation before issuance of any funds, including Measure H.

Person in-charge:

Administrative Deputy, Department of Economic Opportunity

Date to implement:

Implementation target date: June 28, 2024

June 30, 2024 Management Response

DEO acknowledges that the recommendations and planned corrective actions outlined in the FY 2022-23 Measure H Audit Report have not been implemented as scheduled. The delay in implementing the action plan, originally slated for October 2024, was due to transitions in key personnel, including the Administrative Deputy and Departmental Finance Officer, as well as, contract transitions following the public workforce system procurement, which relates to this workforce development and job center specific finding. The department is now fully staffed, responsibilities have been reassigned, and the action plan has been updated to ensure timely implementation moving forward.

Status as of June 30, 2024

The planned corrective action has not yet been implemented.

DEO has submitted the following revised plan and timeline as follows:

- Develop a mandatory expenditure summary document to be included with the monthly invoice submissions by subrecipients. The planned implementation date for the internal DEO development is January 31, 2025.
- Issue a Directive to Measure H subrecipients with the requirement for backup expenditure documentation with monthly invoices, which details the specific information and supporting documents required. The planned implementation date for subrecipient compliance with the new procedure is February 28, 2025.
- Develop a pilot quality assurance procedure for reviewing Measure H invoices to ensure compliance with the new requirement. The planned implementation date will accompany the external rollout and is February 28, 2025.
- Provide a training session to subrecipient agencies on the new requirement for including backup documentation with monthly invoices. The planned implementation date is March 20, 2025.

The target date for full implementation is March 20, 2025.

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

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**Finding FY 2023-01 (continued)**

Current Year Management Response

DEO has developed the draft pilot procedure for reviewing Measure H invoices and a mandatory expenditure summary document to be included with monthly invoices. However, implementation of the recommendation has been delayed by the required department response to the 2025 Windstorms and Wildfires, as well as change in key personnel in DEO's Workforce Development Branch (Assistant Director and Program Manager). Furthermore, DEO's Measure H program has not been rolled out for FY2025-26 as of yet and the department plans to implement these new invoice procedures once the providers for the program are in place.

Current Year Status as of June 30, 2025

The planned corrective action has been partially implemented.

DEO has submitted the following revised plan and timeline as follows:

- Development of a mandatory expenditure summary document to be included with the monthly invoice submissions by subrecipients has been completed.
- A Directive has not yet been issued to Measure H subrecipients with the requirement for backup expenditure documentation with monthly invoices, which details the specific information and supporting documents required. Target date for implementation of this milestone is June 30, 2026.
- A draft pilot quality assurance procedure for reviewing Measure H invoices to ensure compliance with the new requirement has been developed.
- Training to subrecipient agencies on the new requirement for including backup documentation with monthly invoices has not been provided as of yet. Target date for implementation of this milestone is June 30, 2026.

The target date for full implementation is June 30, 2026.