SINGLE AUDIT REPORT

Fiscal Year Ending
June 30, 2025

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LACDA
Los Angeles County Development Authority

Los Angeles County, California

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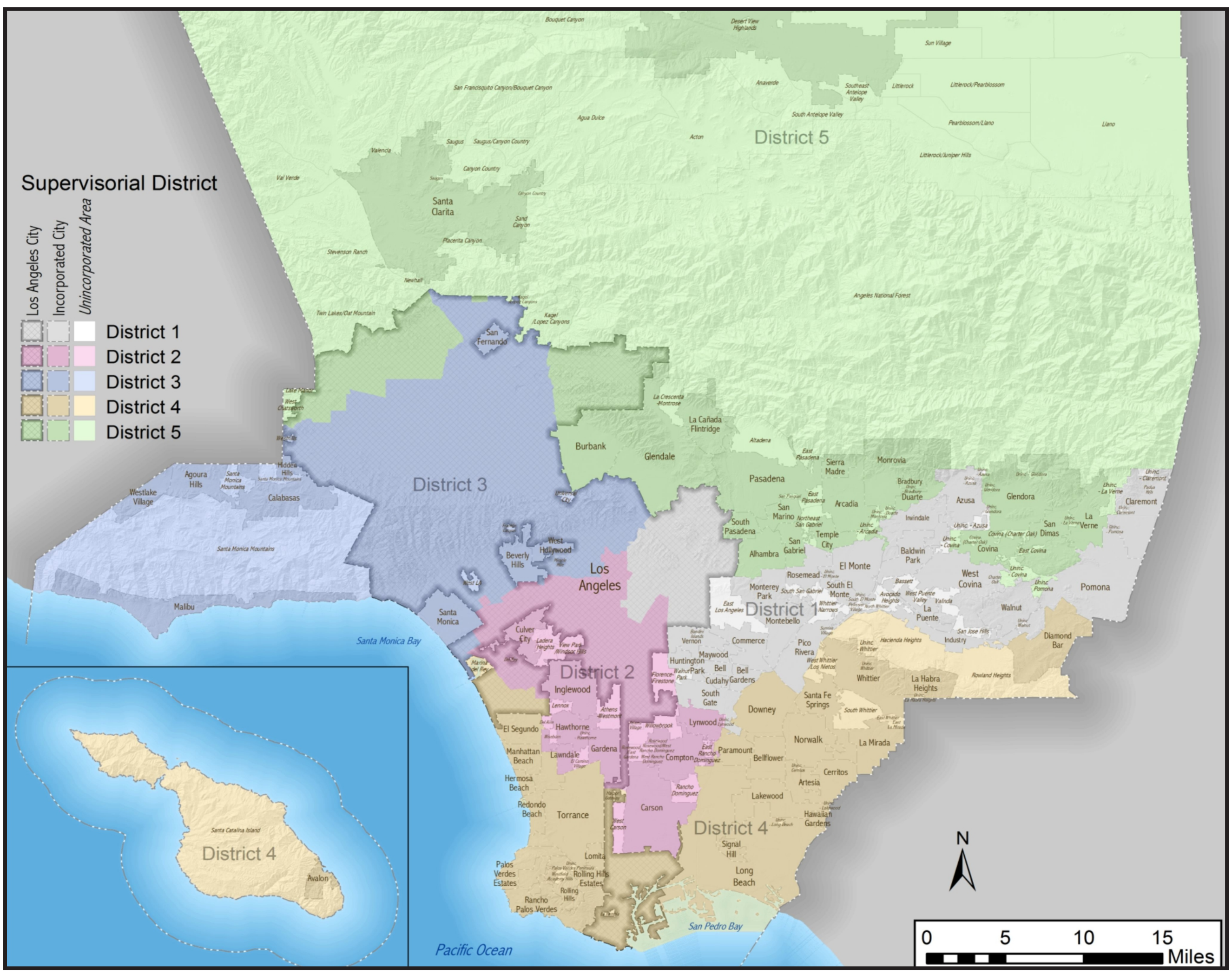

LOS ANGELES COUNTY
DEVELOPMENT AUTHORITY

SINGLE AUDIT REPORT

June 30, 2025

BERMAN HOPKINS
CPAs & ASSOCIATES, LLP

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2025

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2025

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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Los Angeles County Development Authority
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Los Angeles County Development Authority (the "LACDA"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the LACDA's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LACDA'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LACDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the LACDA 's internal control.

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

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

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Orlando, FL 32801
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Report on Compliance and Other Matters

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

Purpose of This Report

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

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

December 9, 2025
Melbourne, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Los Angeles County Development Authority
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Los Angeles County Development Authority's, ("LACDA"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of LACDA's major federal programs for the year ended June 30, 2025. LACDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LACDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LACDA 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 on compliance for each major federal program. Our audit does not provide a legal determination of LACDA's compliance with the compliance requirements referred to above.

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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 LACDA's federal programs.

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 LACDA's compliance 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 LACDA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 LACDA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LACDA'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of LACDA'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 and any 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 with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 were not 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of LACDA as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the LACDA's basic financial statements. We issued our report thereon dated December 9, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

March 2, 2026
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	*Assistance Listing Number*	*Pass Through Entity Identifying Number*	*Passed-Through to Subrecipients*	*Total Federal Expenditures*
Economic Development Cluster:				
Department of Commerce Direct Programs:				
COVID-19-Economic Adjustment Assistance * **	11.307	N/A	$ -	$ 11,182,855
Total Economic Development Cluster			**-**	**11,182,855**
Section 8 Project-Based Cluster:*				
Department of Housing and Urban Development Direct Programs:				
Section 8 Housing Assistance Payments Program	14.195	N/A	-	3,602,334
Total Section 8 Project-Based Cluster			**-**	**3,602,334**
CDBG - Entitlement Grants Cluster:				
Department of Housing and Urban Development Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	14,886,165	23,216,234
COVID-19-Community Development Block Grants/Entitlement Grants	14.218	N/A	682,242	790,111
CDBG Revolving Loan Program	14.218	N/A	-	1,273,329
Other CDBG Loans	14.218	N/A	-	175,000
Total CDBG - Entitlement Grants Cluster			**15,568,407**	**25,454,674**
Housing Voucher Cluster:*				
Department of Housing and Urban Development Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	N/A	-	508,155,242
Emergency Housing Vouchers	14.871	N/A	-	37,306,087
Subtotal - Assistance Listing Number 14.871			-	545,461,329
Mainstream Vouchers Program (MV)	14.879	N/A	-	4,470,484
Total Housing Voucher Cluster			**-**	**549,931,813**
Other Direct Programs:				
Department of Housing and Urban Development:				
Emergency Solutions Grant Program	14.231	N/A	1,398,433	1,481,355
Subtotal - Assistance Listing Number 14.231			1,398,433	1,481,355
Community Development Block Grants - Section 108 Loan Beginning Balance	14.248	N/A	-	1,750,000
Subtotal - Assistance Listing Number 14.248			-	1,750,000
Continuum of Care Program	14.267	N/A	-	34,621,549
Home Investment Partnerships Program	14.239	N/A	-	20,341,848
Public and Indian Housing	14.850	N/A	-	11,825,144
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	-	240,364
Public Housing Capital Fund	14.872	N/A	-	10,616,891
Jobs-Plus Pilot Initiative	14.895	N/A	-	1,030,608
Family Self-Sufficiency Program	14.896	N/A	-	1,175,492
Lead Hazard Reduction Demonstration Grant Program	14.905	N/A	-	1,522,302
Subtotal			1,398,433	84,605,553

The accompanying notes are an integral part of this schedule.

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	*Assistance Listing Number*	*Pass Through Entity Identifying Number*	*Passed-Through to Subrecipients*	*Total Federal Expenditures*
Department of Transportation:				
Airport Improvement Program	20.106	N/A	$ -	$ 4,109,851
Total Other Direct Programs			**1,398,433**	**88,715,404**
Other Pass-Through Programs:				
Department of Housing and Urban Development pass-through the				
State of California Department of Housing and Community Development:				
Emergency Solutions Grant Program	14.231	80-748-7608	937,312	966,470
Subtotal - Assistance Listing Number 14.231			937,312	966,470
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	80-748-7608	-	85,171
City of Los Angeles:				
Housing Opportunities for Persons with AIDS	14.241	06-992-8349	-	997,302
Total Department of Housing and Urban Development Programs			937,312	2,048,943
Department of the Treasury pass-through the County of Los Angeles:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	17-015-0440	11,623,882	11,784,860
COVID-19-Emergency Rental Assistance Program	21.023	17-015-0440	-	1,922,629
Total Department of the Treasury Programs			11,623,882	13,707,489
Total Other Pass-Through Programs			**12,561,194**	**15,756,432**
Total Expenditures of Federal Awards			**$ 29,528,034**	**$ 694,643,512**

• Major Program

** In determining Type A Programs, this program requires that the following be considered as part of expenditures of federal awards:

1. Balance of CARES RLF loans outstanding at the end of the fiscal year	$ 8,693,557
2. Cash and investment balance in the CARES RLF at the end of the fiscal year	2,363,139
3. Administrative expenses paid out of CARES RLF income during the fiscal year	62,726
4. Unpaid principal of all loans written off during the fiscal year	63,433
Total expenditures of federal awards considered in determining Type A Programs	$ 11,182,855

Note A: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.
Note B: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note 1: General

The accompanying schedule presents only the expenditures incurred by the Los Angeles County Development Authority (the "LACDA"), a discretely presented component unit of the County of Los Angeles, California, that are reimbursable under federal programs of federal assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the LACDA from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local, or other non-federal funds are excluded from the accompanying schedule.

Note 2: Basis of Accounting

The accompanying schedule is presented using the basis of accounting prescribed by the respective granting agencies. Differences between the granting-agencies' basis of accounting and the modified-accrual basis of accounting used by the LACDA in preparing its governmental fund financial statements are as follows:

- Amounts disbursed in exchange for notes receivable are treated as expenditures under the granting-agencies' basis of accounting.
- Notes receivable collections are treated as grant income under the granting-agencies' basis of accounting.
- Principal payments of long-term debt are treated as a reduction of the long-term debt and are not considered to be expenditures under the granting-agencies' basis of accounting.

Note 3: Relationship to Federal Financial Reports

Total expenditure amounts reported in the accompanying schedule of expenditures of federal awards agree with the total expenditure amounts reported in the related federal financial reports in all material respects, except for the effect of timing differences described in Note 2.

The LACDA has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

Note 4: Relationship to the Basic Financial Statements

Federal award activities are recorded in the LACDA's special revenue funds and enterprise funds in the basic financial statements.

Note 5: Federal Loan Programs

The loan programs relating to assistance for low-income, elderly, and handicapped persons and development projects are administered directly by the LACDA; and balances and transactions relating to these programs are included in the LACDA's basic financial statements.

Note 5: Federal Loan Programs (Continued)

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the accompanying schedule. The balance of loans outstanding at June 30, 2025, consists of:

Assistance Listing Number	Program Name	Balance at June 30, 2025
11.307	EDA Loan Program	$ 8,693,557
14.218	CDBG Revolving Loan Program	1,063,834
14.218	Other CDBG Loans	175,000
14.248	Section 108 Loan Program	1,625,000
		$ 11,557,391

Note 6: Public Housing Capital Fund

Public Housing Capital Fund (Assistance Listing Number 14.872) expenditures by program identification were as follows:

Program Identification Number	Amount
CA16P002-501-22	$ 498
CA16P002-501-23	1,163,809
CA16P002-501-24	8,019,584
CA16H002-501-20 Hazard	537,364
CA16H002-501-22 Hazard	874,590
CA16E002-501-24	21,046
	$ 10,616,891

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

• Material weaknesses identified?	__ Yes	X No
• Significant deficiencies identified?	__ Yes	X None reported
Noncompliance material to financial Statements noted?	__ Yes	X No

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	__ Yes	X No
• Significant deficiencies identified?	__ Yes	X None reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be Reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)?	__ Yes	X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.871, 14.879	Housing Voucher Cluster
14.195	Section 8 Project-Based Cluster
11.307	Economic Development Cluster

Dollar threshold used to distinguish between type A and type B program	$3,000,000	
Auditee qualified as low risk auditee?	X Yes	__ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Emilio Salas, Executive Director

Los Angeles County Development Authority

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