



**United States Interagency Council on Homelessness
Fiscal Year 2012 Performance and Accountability Report (PAR)**

“No one should experience homelessness—no one should be without a safe, stable place to call home.”

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I. Introduction

Since launching *Opening Doors* (the Plan), USICH has made progress toward preventing and ending homelessness despite the economic downturn and the subsequent, incremental recovery. In the wake of an economic recession, we supported the prevention of a surge in homelessness overall, in partnership with HUD providing one-time funds to local communities through the Recovery Act. These funds prevented or ended homelessness for over 1.3 million individuals and families; it also permanently changed, for the better, the way homeless service systems operate—facilitating local efforts to focus on Housing First, rapid re-housing, and targeting of homeless individuals most in need. USICH’s role was to promote these best practices, foster local collaborations, and encourage our federal partners to embed these practices in other federal programs. Through interagency collaboration, strategic investment, and the adoption of proven tools, we have made particular progress in reducing the number of homeless Veterans, and have witnessed a 12 percent reduction between 2010 and 2011.

With a very small complement of staff, and modest operating budget, USICH staff constantly challenges itself to do more with what we have given the current economic times, to do more with possibly even less. The government’s, Congress’, and taxpayers’ return on investment for USICH is excellent given what we’ve been able, along with our stakeholders, to accomplish since the passage of the HEARTH Act in 2009 and the June 2010 launch of *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. We continue our focus and hard work in fulfilling our mission and setting an example for results-based work and effective collaboration for other agencies and organizations.

Preventing and ending homelessness is an ambitious but achievable goal. It requires equally ambitious collaboration, innovation, investment, data driven and outcome-focused planning, and, above all, an aggressive commitment to getting to the finish line. Communities across the country are providing examples of this commitment every day. USICH and our federal partners are weaving together our resources and reforms to ease the journey. Together, we will continue to make great strides toward our goal of preventing and ending homelessness in America.

II. Mission, Overview, and Scope of Responsibilities

The United States Interagency Council on Homelessness (USICH) was established in 1987 by the Stewart B. McKinney Homeless Assistance Act (later renamed the McKinney-Vento Homeless Assistance Act). USICH’s mission, per the HEARTH Act of 2009, is to:

"Coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness."

In executing our duties and achieving our mission, USICH is responsible to the citizens of our country – taxpayers, the White House, Congress, governmental, nonprofit, and philanthropic organizations, and, ultimately, those affected by homelessness

USICH measures and evaluates progress relative to executing its duties and fulfilling its mission on two levels – 1) the USICH Council level, through goals and objectives included in *Opening Doors*, and 2) the agency level, through internal goals and measures

reviewed/approved by OMB.

III. Organizational Structure

USICH is currently comprised of the heads (or the designees) of 19 Federal departments and agencies:

- Department of Agriculture (USDA)
- Department of Commerce (Commerce)
- Department of Defense (DoD)
- Department of Education (ED)
- Department of Energy (DOE)
- Department of Health and Human Services (HHS)
- Department of Homeland Security (DHS)
- Department of Housing and Urban Development (HUD)
- Department of the Interior (DOI)
- Department of Justice (DOJ)
- Department of Labor (DOL)
- Department of Transportation (DOT)
- Department of Veterans Affairs (VA)
- Corporation for National and Community Service (CNCS)
- General Services Administration (GSA)
- Social Security Administration (SSA)
- U.S. Postal Service (USPS)
- White House Office of Faith Based and Community Initiatives (OFBCI)
- White House Office of Management and Budget (OMB)

Additionally, the White House Domestic Policy Council actively participates in Council activities.

Council

HHS Secretary Sebelius was elected chair in December, and VA Secretary Shinseki was elected vice chair. In FY 2012, the full Council met four times: December 2011, April 2012, June 2012, and September 2012.

During these meetings, discussions included improved and additional activities to support Plan implementation, including better collaboration among Council Member Agencies and other opportunities to prevent and end homelessness specifically related to chronic homelessness (April), youth homelessness (December and June), and family homelessness (September). Additionally, the Council developed and submitted to OMB for clearance an amendment to *Opening Doors*.

Policy Group

The Council Policy Group (CPG) consists of at least one senior representative from each of the nineteen member agencies. The CPG provides a regular forum for coordinating policies and programs, collecting data, developing special initiatives, and preparing recommendations for consideration by Council members.

In FY 2012, the CPG met four times with high participation rates from all member agencies. Meetings focused on implementation of *Opening Doors*, preparation for meetings of the Council, *Opening Doors*

performance management, work with national organizations, and development of the Amendment and Annual Update to *Opening Doors*. CPG meetings will continue to occur at least four times per year in the future.

Staff

The daily activities of USICH are managed by Executive Director Barbara Poppe. Executive Director Poppe reports directly to the USICH Chair, and is supported by policy, regional, and administrative staff.

IV. USICH Council Goals and Objectives

Consistent with its mission, USICH is working with all levels of government, nonprofit organizations, and the private sector through the vehicle of its Council-Level strategic plan, *Opening Doors*, as required by the HEARTH Act of 2009, to prevent and end homelessness.

Opening Doors, adopted in 2010, incorporates the following six core values:

- Homelessness is unacceptable.
- There are no “homeless people,” but rather people who have lost their homes who deserve to be treated with dignity respect.
- Homelessness is expensive; it is better to invest in solutions.
- Homelessness is solvable; we have learned a lot about what works.
- Homelessness can be prevented.
- There is strength in collaboration and USICH can make a difference.

The Plan serves as a five-year roadmap, FY 2010 – FY 2014, for joint action by the 19 USICH Council member agencies and USICH staff, and has four goals:

- Finish the job of ending chronic homelessness by 2015;
- Prevent and end homelessness among Veterans by 2015;
- Prevent and end homelessness for families, youth, and children by 2020; and
- Set a path to ending all types of homelessness.

The goals are supported by 10 objectives that cover five themes. The Plan was amended in September 2012 to add more information about educational outcomes for children and unaccompanied homeless youth, The Plan amendment is current in OMB clearance.

Increase leadership, collaboration, and civic engagement

Objective 1: Provide and promote collaborative leadership at all levels of government and across all sectors to inspire and energize Americans to commit to preventing and ending homelessness

Objective 2: Strengthen the capacity of public and private organizations by increasing knowledge about collaboration, homelessness, and successful interventions to prevent and end homelessness

Increase access to stable and affordable housing

Objective 3: Provide affordable housing to people experiencing or most at risk of homelessness

Objective 4: Provide permanent supportive housing to prevent and end chronic homelessness

Increase economic security

Objective 5: Improve access to education and increase meaningful and sustainable employment for people experiencing or most at risk of homelessness

Objective 6: Improve access to mainstream programs and services to reduce people's financial vulnerability to homelessness

Improve health and stability

Objective 7: Integrate primary and behavioral health care services with homeless assistance programs and housing to reduce people's vulnerability to and the impacts of homelessness

Objective 8: Advance health and housing stability for unaccompanied youth experiencing homelessness and youth aging out of systems such as foster care and juvenile justice

Objective 9: Advance health and housing stability for people experiencing homelessness who have frequent contact with hospitals and criminal justice

Retool the homeless crisis response system

Objective 10: Transform homeless services to crisis response systems that prevent homelessness and rapidly return people who experience homelessness to stable housing

Accomplishing the goals of *Opening Doors* requires leadership at all levels of government, and strong partnerships with businesses, researchers, philanthropy, and nonprofits. It requires collaboration across many disciplines. It requires good data and a commitment to changing course based on changing conditions and lessons learned. Progress on the goals and their underlying objectives are heavily reliant on adequate funding of various programs and initiatives of several Cabinet-level Council member Agencies.

V. Progress on USICH Council Goals and Objectives

To measure progress towards the Plan's goals, *Opening Doors* established six key measures. The first four are population measures that tie directly to the goals (i.e., the change in the number of people experiencing homelessness, the change in the number of individuals experiencing chronic homelessness, the change in the number of Veterans experiencing homelessness, and the change in the number of people in families experiencing homelessness). The other two measures are intended to track progress against two overarching strategies in the Plan: the change in the number of permanent supportive housing units; and the change in the number of households exiting homeless assistance programs with earned income and/or mainstream benefits.

1. Finish the job of ending chronic homelessness by 2015

During FY 2012 USICH has been deepening our understanding of the nature of chronic homelessness and the effective targeting of permanent supportive housing by communities. For instance, at our April 5, 2012 Council meeting, thought leaders shared with the Council trends, innovations, and ways to improve targeting of permanent supportive housing for this population.

A significant amount of work is also under way related to promoting Medicaid as a tool for providing services to this population. In FY 2012, USICH, in partnership with HHS and many national organizations, worked with communities across the country to help them understand the opportunities that exist under Medicaid expansion and to encourage consideration by state policymakers of the role of Permanent Supportive Housing in helping achieve the goals of health reform and how Medicaid can be designed to pay for services in supportive housing.

FY 2013 and FY 2014

Work in FY 2013 will focus on identifying strategies that can be implemented in local communities to increase the number of permanent supportive housing units available to end chronic homelessness through increased use of mainstream resources, improved targeting, and opportunities to exit supportive housing for people who are ready to live in unsupported settings. USICH is also developing content to encourage communities to improve targeting and alignment with health care and supportive services. People with histories of incarceration coupled with substance abuse and/or mental illness are at risk of experiencing chronic homelessness, we are therefore also exploring to what extent discharge strategies that prevent people from becoming homeless as they exit institutions correctional facilities could reduce chronic homelessness.

USICH will continue work with HHS and in communities across the country to understand ways in which it permissible to link Medicaid-funded services to permanent supportive housing, and how to take advantage of other new opportunities in the Affordable Care Act to deliver better care to disabled individuals with long histories of homelessness.

USICH is also supporting work CNCS is doing through the Social Innovation Fund to demonstrate the impact of using Medicaid to target high cost patients who are chronically homeless for supportive housing.

2. Prevent and end homelessness among Veterans by 2015

USICH has continued to focus on achieving this goal through encouragement of the adoption of evidence-based practices, strategic deployment of available resources, and rigorous use of available data to improve performance. Leadership representatives from HUD, VA, and USICH have instituted a structured process for joint decision making and through that mechanism are developing consensus on the definition of what it means to end homelessness for Veterans, the metrics that will define success for 2015, and the assumptions related to measurement, investment, and program performance improvements. USICH has worked closely with VA to incorporate emerging and evidence-based practices into their programs and enhance collaboration with other Council agencies, and we are currently finalizing a report for Congress that assesses the HUD-VASH program in terms of it addressing the needs of Veterans in rural areas and on Native American reservations.

During FY 2012, USICH worked with national and federal partners and communities to focus on targeting permanent supportive housing to the most vulnerable, chronically homeless Veterans through the HUD-VASH program. As of May 2012, the VA reported that 55 percent of VASH vouchers were targeted to chronically homeless Veterans. The goal is that 65 percent of VASH vouchers are targeted to chronically homeless Veterans by December 2012. To achieve this target, HUD and the VA are collaborating at the federal and local levels, and both are working with community stakeholders to increase their understanding of chronic homelessness and best practices for identifying, engaging, and housing Veterans experiencing chronic homelessness. In March 2012, USICH published an online HUD-VASH Toolkit targeted to providers, local VAMCs, and others directly involved with placing Veterans in housing. Additionally, USICH collaborated with HUD, VA, and a national nonprofit (Community Solutions) to sponsor Rapid Results Housing Boot Camps (RRHBC) with key communities in order to better target VASH and reduce processing times to house homeless Veterans. We supported an in-person, 100 day sustainability review with all of the these RRHBC communities to support their success and promote peer-to-peer learning.

FY 2013 and FY 2014

USICH is coordinating with HUD, VA, and Community Solutions on a possible second round of Rapid Rehousing Boot Camps. USICH is also updating and creating new materials to help communities better use VA and other federal resources to achieve the 2015 goal. There will be continued focus on engaging other federal partners, beyond the VA, in providing assistance to our efforts to prevent and end homelessness among Veterans. USICH will also continue pushing out into the field best practices and information that will support action at the local level. Additionally, USICH will continue its work in encouraging federal partners, including VA and HUD, to align mainstream and targeted resources.

3. Prevent and end homelessness for families and children by 2020

USICH is encouraging and supporting several efforts currently at HHS and HUD to inform the work that must be done for families, both at an intervention level and a systems level. These include but are not limited to:

- HHS-ASPE study on Linking Human Services and Housing Assistance for Homeless Families.
- HUD-PD&R research on Impact of Housing and Services Interventions on Homeless Families.
- HHS-ACF demonstration project on Partnerships to Demonstrate the Effectiveness of Supportive Housing for Families in the Child Welfare System.

FY 2013 and FY 2014

USICH will support work by its partners to align both homelessness systems and mainstream systems toward preventing and ending homelessness for families and children homeless as they:

- Continue to support communities and federal policy to make rapid re-housing a primary strategy for family homelessness;
- Promote conversion of transitional housing into rapid re-housing, transition-in-place models, and, where needed, permanent supportive housing;
- Improve coordination between schools, their homeless education liaisons, and HUD-funded Continuums of Care; and,

- Identify and promote effective collaborations that include mainstream systems and the child welfare system to reduce family homelessness.

4. Prevent and end homelessness for youth by 2020

An interagency work group including representatives from USICH, HUD, HHS, ED, DOJ, SSA, VA, and DHS worked to develop a federal framework for ending youth homelessness that was presented and adopted at the June Council meeting. The framework provided short-, medium-, and long-term strategies for addressing data quality and collection and the capacity of federal programs that serve homeless youth. In developing this framework, the group focused on necessary first steps for getting a confident estimate of the number of youth experiencing homelessness and creating an evidence-based intervention model for youth subpopulations. The recommendations in the framework included a youth Point-in-Time count, better data coordination between HUD and HHS programs serving homeless youth, a future national survey on youth homelessness, and opportunities to build evidence and knowledge of best practices and effective interventions for serving youth experiencing homelessness.

FY 2013 and FY 2014

To get to a more confident and credible count of the number homeless youth, HUD has changed how all communities will report data from their 2013 counts. USICH and its federal partners are working with nine communities for the January 2013 count to learn the best strategies for counting unaccompanied youth experiencing homelessness. Additionally, USICH will support work to develop a national survey (dependent on future funding). USICH is facilitating discussions between HHS and HUD on RHYMIS – HMIS integration USICH is also helping disseminate the youth intervention model. We will continue to support interagency efforts to build knowledge of effective interventions, including support for the implementation of the any new demonstration projects coming out of HHS.

5. The change in the number of permanent supportive housing units

One of the most critical strategies in Opening Doors centers on increasing the number of permanent supportive housing units in the country. Almost 24,000 units came online between 2010 and 2011—an increase of 14 percent. In 2011, 45 percent of the new supportive housing units assisted people experiencing chronic homelessness. While this is positive news, more significant gains in the coming years and improved targeting of units towards individuals experiencing chronic homelessness will be needed if the nation is to meet Plan goals (particularly in those states and communities that have the greatest numbers of people experiencing chronic homelessness). Since we cannot expect all of the needed units to come through new appropriations, communities must continue to examine local performance outcomes to identify the most strategic and cost effective use of resources in order to help more people avoid or end their homelessness.

6. The change in the number of households exiting homeless assistance programs with earned income and/or mainstream benefits.

The last key set of measures focuses on the number of households exiting homeless assistance programs with earned income and/or mainstream benefits. Baseline data on this measure was captured from 2009 HUD Annual Performance Reports (APRs) during the creation of Opening Doors. (Due to HUD's conversion to a new performance reporting system and changes in the way the data was collected during the 2010 transition year, comparable data for 2010 is unavailable and data from the 2011 program year was not yet available.).

VI. Plan Implementation and Mission Support Work

In addition to work specifically relative to preceding six key measures, in order to make overall progress on our mission, during FY 2012, USICH accomplished the following work and activities to support Plan implementation.

Interagency Collaborations

A key activity and core function of USICH is to work with all the member agencies that form the Council to align mainstream systems and targeted homeless programs with the approaches outlined in *Opening Doors*. This includes understanding the regulations and policies that guide these programs, understanding the data that is collected and what it says about performance, and helping communities and grantees shift their thinking from operating programs that “help the homeless” to designing and implementing programs that will prevent and end homelessness. USICH has no direct responsibility for any of these programs, but it is incumbent on our staff to stay abreast of opportunities to communicate with federal agencies (to ensure federal agencies are communicating with one another), assist with messaging to state and local leaders and grantees, identify opportunities to improve the collection and use of data, create collaborations between programs both federally and locally, and help articulate the vision of how realigned federal resources, coupled with local and private resources, can be used to make dramatic reductions in homelessness. Some of this activity is small, some of it is transformational. For example:

During FY 2012, USICH and HUD hosted two convenings of Public Housing Agency (PHA) Directors and Continuum of Care (CoC) leadership: one in Los Angeles in February and another in Washington, DC in May. Attendees were from large metropolitan communities. The goals of the convening were to facilitate partnership development, identify challenges PHAs face in serving households experiencing homelessness, and to share information on best practices and innovative solutions.

USICH will continue to respond to opportunities to further federal interagency partnerships. These opportunities emerge as we work closely with our federal partners based on their respective agency plans as well as in response to requests from the Council.

Working with Local Communities and States

FY 2012 and ongoing

USICH, in coordinating the development and implementation of *Opening Doors*, is strategically engaging a network of cross-sector partners across the country to help create, invigorate, and support their State Interagency Councils on Homelessness, work with mayors and community leaders to align their local plans to end homelessness with *Opening Doors*, and create awareness and guidance to public housing authorities, Medicaid Directors, TANF agencies, and others on their role in ending homelessness.

Additionally, USICH holds a regular quarterly meeting with national advocacy organizations that is very well attended by advocates and federal agencies. These meetings provide a place for open dialogue about the Plan and other issues related to the federal response to homelessness. These regular collaborations with national partner organizations have created both buy-in and ownership of the Plan and have resulted in significant support on Plan implementation.

In FY 2012, USICH filled the new regional positions provided by the FY 2012 appropriations. One of the primary methods USICH uses to advance the national effort to prevent and end homelessness is direct engagement with states and communities throughout the country. This work is accomplished through the ongoing work of the National Programs team (our regional staff) in concert with the Deputy Director and the Executive Director, as well as through a number of specific national initiatives.

Communities Work

FY 2012

In order to make a noticeable difference nationally and make progress on the goals set forth in *Opening Doors*, it is essential to make significant movement in communities that represent a large share of homelessness in this country. These communities - along with three states - are home to the majority of people who are homeless in this country. Taking into account the work of federal agencies and other national partners, and our understanding of these cities, USICH is complementing and supporting efforts underway in these communities. The work of the USICH National Programs team will enhance the capacity in these crucial areas in preventing and ending homelessness. Working directly on the ground with these communities is critical to the success of this effort.

In FY 2012, USICH identified a set of communities, as described above, in order to support our strategy of coordinated, strategic investments, and a larger goal of coordinating the federal government's response to homelessness, to maximize the reach and impact of federal resources. USICH staff as well as USICH Council Member agencies are working together to implement strategic and aligned activities in these communities. Measurable outcomes are being tracked to identify progress and opportunities for improved performance.

Other FY 2012 activities:

- The National Programs team provided continued support to states and communities in Plan implementation, by providing information to key community, state and jurisdictional partners about federal investments, innovations, and partnerships and lending technical expertise in developing State Interagency Councils on Homelessness.
- Regional Coordinators have helped to facilitate Rapid Results Housing Placement Boot Camps to improve targeting to chronically homeless Veterans while streamlining the housing placement process for the HUD-VASH program. At these convenings, VAMCs, PHAs, and community partners (e.g., Continuum of Care leads, homeless planning leaders, and homeless service providers) worked together to map the current housing placement process, identify inefficiencies, and redesign the process to make it simpler and faster, while still meeting the necessary regulatory requirements. Staff from Community Solutions, HUD, VA, and USICH served as facilitators.

FY 2013 and FY 2014 planned activities:

- USICH National Programs team will broaden community engagement efforts in FY 2013 and FY 2014. Pending Congressional approval in FY 2013, USICH will hire an additional Regional Coordinator to support engagement with states and communities. The extent of state and community engagement is and will continue to be dependent on the number of RCs and the level of travel funds available to support their work. As an ongoing activity, USICH will continue

to support states and communities in *Opening Doors* implementation, as FY 2014 is a crucial year for meeting the Plan goals.

- Together with HUD, USICH is implementing the Dedicating Opportunities to End Homelessness initiative (DOEH) in ten communities. DOEH is a joint effort between HUD and USICH designed to help communities identify opportunities to more strategically target mainstream resources to achieve their goals of ending homelessness.

The initiative is beginning with ten critically important communities: Atlanta, Chicago, Fresno County, Los Angeles County, Houston, New Orleans, Philadelphia, Phoenix / Maricopa County, Seattle, and Tampa. These communities were selected based on the number and rate of homelessness and other data that signals the opportunity to make substantial local progress with national impact.

In each of these communities, HUD and USICH will engage mainstream housing providers and community stakeholders to identify mainstream resources that can be committed and targeted toward ending homelessness, including resources from across the full range of HUD-funded programs, including Community Planning and Development, Public and Indian Housing, and Multifamily Housing, as well as other federally-funded programs and services. Through these efforts, communities will create and implement community-driven plans, drawing upon local data and supporting existing local initiatives and plans. HUD plans to study and monitor the implementation of this initiative to inform broader efforts throughout the nation

- Building on successful efforts in FY 2012, in FY 2013 USICH will partner with HUD, VA and national partners to continue to support strategic implementation of HUD-VASH and resources to end homelessness among Veterans through Rapid Results Housing Placement Boot Camps. If national partners are successful at raising sufficient funds, USICH will assist in facilitating participation by up to 15 new communities, and support the sustainability and momentum of the initial sixteen communities in FY 2013. In addition, USICH will work with national partners on the design and implementation of a curriculum to adapt the Rapid Results methodology to sessions to facilitate improved outcomes on efforts to end chronic homelessness.
- USICH National Programs team will increase the depth of engagement in select communities, with a proactive and intentional focus on efforts expected to yield the greatest results. In our national work, USICH facilitates the implementation of federal policies that originate from the Council's policy work in Washington. This work typically includes convening stakeholders, supporting systems changes required by HEARTH to effectively retool homeless crisis response systems, increase access to mainstream benefits, and use data to drive improved outcomes. The national team further builds capacity throughout the country by facilitating peer-to-peer relationships and disseminating information on strategic practices.

Strong Cities, Strong Communities (SC2)

This initiative was launched by the White House to strengthen and revitalize communities' economic capacity and neighborhood growth. USICH participates in SC2 to advance goals of preventing and ending homelessness. USICH engagement plans developed for specific communities, as described above in the Communities Work section, are being coordinated with SC2 teams in cities that are also a part of USICH communities work. Presently, these communities include Fresno, Detroit, and New Orleans. In

other SC2 communities, including Chester, Cleveland, and Memphis, USICH engagement is more limited, but Regional Coordinators and headquarters staff are responsive to SC2 engagement. Additionally, USICH convenes a quarterly call of SC2 teams to share experiences, learn from each other, and generate new ideas and strategies related to ending homelessness in SC2 communities.

Technical Assistance

USICH plays an important role in connecting communities to existing federal technical assistance resources and, where multiple agencies are providing technical assistance, enhancing the coordination and effectiveness of these efforts. USICH has developed, as part of our website, a common portal for communities to access technical assistance (TA) from various federal agencies. Communities and service providers are now able to easily access information about available federally provided technical assistance that can help them develop and implement strategies that prevent and end homelessness. Federal technical assistance can help ensure that local strategies are based on best practices and in alignment with Opening Doors while still being tailored to the needs on the ground. In communities where multiple agencies are providing technical assistance, such as Atlanta, Los Angeles and Detroit, USICH has coordinated efforts to ensure non-duplication, consistency and assist with prioritization of activities.

Communications, Information Management, and Research

FY 2012

Through both our website and our regular electronic newsletters (with over 16,000 subscribers), USICH disseminated information on open federal requests for proposals, other new funding opportunities to assist in ending homelessness, and provided linkages to key federal agency partners, programs and initiatives. We also highlighted important information for the field through webinars that have had high participation rates. We enhanced coverage of the issue of homelessness, including educating the public on its causes, consequences, and effective solutions, through national and regional media outlets. USICH staff spoke at over two dozen public events in FY 2012 which highlighted our work on the issue of homelessness. FY 2012 also included an increase in communication to the field through social media platforms (Facebook and Twitter), improving the accessibility of information on promising practices, successful community solutions and profiles, and research.

USICH worked in coordination with Council member agencies to create an interactive State Homeless Resources map providing key statistics and contact information for each state's liaisons at the Department of Veterans Affairs and State Interagency Councils, as well as links for homeless liaisons in each Governor's office and public school. USICH updates information on the map regularly.

USICH launched an agency blog that further expanded the reach of communications on solutions to homelessness, specific issues facing the field, and USICH staff work. Notably, this platform has enabled USICH to feature blogs from nonprofit leaders, researchers, and federal partners working in a variety of issue areas related to ending homelessness. The USICH blog is updated with new information about twice a week.

USICH also conducted webinars to support HEARTH rollout, specifically related to crisis response and coordinated access and assessment, and webinars that relate to permanent supportive housing financing and the use of data to drive systems change.

FY 2013 and FY 2014

In FY 2013, USICH plans to release a virtual Public Housing Agency Resource Center that highlights the different public housing agency initiatives across the federal government and national nonprofit sector that assist in ending homelessness. This online resource center is targeted towards public housing agencies and those who are involved with the program implementation of the specified federal initiatives (such as the HUD-VASH program).

USICH will continue to communicate strategic information to public, private, and nonprofit stakeholders through all of its existing online platforms. USICH looks to improve the usability and navigability of its website by improving the design of toolkits for the field and update all current fact sheets on the website on subpopulations experiencing homelessness. In FY 2013, USICH will launch a searchable Solutions Database through the USICH website. The Solutions Database will provide a simple way to access information about evidence-based practices and promising program models. This work also supports USICH's overall research efforts and will be expandable and allow us to continue to add solutions in FY 2014.

Research

FY 2012, FY 2013, and FY 2014

USICH and its federal partners developed and released a federal research agenda on homelessness. The agenda identifies gaps in our knowledge base and information needed to advance the implementation of *Opening Doors*. The intent is that the federal research agenda will be used by federal agencies and academic institutions to guide future investments in research. The research agenda is available on our website.

In FY 2013, USICH will develop a dissemination strategy for the federal research agenda and work with its federal partners to support a national dialogue on research that is needed to advance *Opening Doors*. The implementation of the dissemination strategy and national dialogue will carry over to FY 2014. USICH will also continue to coordinate research efforts across federal agencies to ensure we are leveraging available opportunities and learning from one another's efforts.

Common Data Standard Initiative and HMIS Expansion

FY 2012

USICH continued its work in developing and promoting a common federal vocabulary and data standard regarding housing status across all targeted homeless programs and key mainstream programs for low-income households. This work began in 2011 as part of a Congressional mandate in the HEARTH Act and is critical to our ability to identify people served by government programs that are experiencing or at-risk of homelessness and to measure program impact and effectiveness as it relates to housing stability. Over the last year, we have been reaching out across federal agencies to promote the use of a common vocabulary and data standard based on the "Prior Living Situation" data element in HUD's Homeless Management and Information Systems (HMIS) Data Standards. When HUD's updated Data Standards are published, this "Prior Living Situation" element will reflect collaborative discussions with the VA, SAMHSA, and ACYF. Making changes to the data collection practices of federal programs is a slow process but we have made some important breakthroughs.

For targeted homeless programs, we promoted and continue promoting the common data standard through the shared use of HMIS. We are in the process of facilitating discussions between HUD and HHS on the integration of the Runaway and Homeless Youth Management Information System (RHYMIS) into HMIS, as ACYF/HHS and HUD made the decision to integrate the Runaway and Homeless Youth Management Information System (RHYMIS) with HMIS. We are also promoting the use of HMIS for HHS' Projects for Assistance in Transition from Homelessness (PATH) program, and participating in the process of more fully integrating data from VA's homeless programs into HMIS as well.

USICH started working and will continue work with the VA to have Grant and Per Diem (GPD) program and Supportive Services for Veteran Families program use HMIS. As of March 2012, 71 percent of GPD providers were participating in their CoC's HMIS. VA is working towards 100 percent participation of GPD providers through guidance and monitoring SSVF grantees are required to participate in HMIS and the VA reports nearly 100 percent compliance. CoCs regularly upload data from SSVF grantees into the VA's Homeless Registry.

FY 2013 and FY 2014

USICH will work with HUD and ACYF/HHS to develop key points of agreement regarding process, timeline, and staff responsibilities regarding the integration of RHYMIS with HMIS. USICH will continue upon these efforts in FY 2014.

Overall, USICH will continue supporting and encouraging opportunities to expand use of HMIS.

Opening Doors' Annual Update and Plan Performance Management

FY 2012

Pursuant to the *HEARTH Act*, USICH prepared an annual report and released it on October 3, 2011 describing progress towards *Opening Doors'* goals, including a discussion of key activities and accomplishments by Council member agencies. The report examines the impact of environmental factors (such as the recession) and includes a discussion on barriers to implementation. While the report serves as an update to both Congress and the public, it also serves as an opportunity for reflection by Council member agencies and staff on needed adjustments to plan implementation. The report provides additional Council level performance information and can be found on our website.

USICH expects its latest Plan update to be issued in the first quarter of FY 2013.

Reports

- Alternatives to Criminalization

Pursuant to a Congressional mandate in *HEARTH* and *Opening Doors*, USICH published *Searching Out Solutions: Constructive Alternatives to the Criminalization of Homelessness* during FY 2012. The report was disseminated broadly and USICH hosted a joint webinar with the Department of Justice which provided details ways that communities can utilize Department of Justice resources and programs to help implement the strategies in the report. The webinar focused on effective law enforcement and justice systems strategies that benefit people experiencing homelessness and the community as a whole.

- Addressing Rural and Indian Homelessness

USICH surveyed best practices in housing and homelessness in rural and Indian reservation communities. As a result of this research, USICH published a newsletter with information on the topic of rural homelessness. This information relayed the specific challenges faced by communities to implement *Opening Doors* strategies, but also shared successful program models from areas like rural Washington State that have been able to make significant progress in ending chronic homelessness with innovative uses of data management and systems alignment. USICH also co-hosted a SAMSHA expert panel on Rural and Frontier Homelessness in April 2012. In addition to the SAMSHA Expert Panel on rural and frontier homelessness, another panel occurred in the fall of 2012 on American Indian, Native Alaskan and Hawaiian Homelessness.

- Addressing Homelessness Among Veterans

As requested by the Senate Committee on Appropriations, USICH prepared a report that provides an assessment of the progress of the Department of Housing and Urban Development –Department of Veterans Affairs Supportive Housing (HUD-VASH) Program and of efforts to address homelessness experienced by Veterans in rural communities and on Native American reservations.

VII. FY 2012 - USICH Internal Performance Goals Updates

USICH reports the following on FY 2012 internal performance goals:

Measure #1a: USICH will compile, catalog, and make available online a homeless research compendium by December 30, 2011.

Update: USICH compiled and developed abstracts for approximately 150 studies conducted over the past decade and made these studies available at www.usich.gov by the end of 2011. USICH periodically updates the compendium of research to include new research on homelessness.

Measure #1b: USICH will develop a federal research agenda that prioritize areas of study and focuses efforts to fill gaps in knowledge by December 30, 2011.

Update: The majority of development work was done before December, 2011, and was made available for public use in September, 2012 due to the final information vetting being slower than originally anticipated.

Measure #2a: USICH will disseminate information on best practices and model programs and facilitate peer-to-peer sharing through the creation of a searchable, online best practices database. This database will be populated and launched by December 30, 2011.

Update: Due to challenges with identifying best practices that met the project criteria, USICH has not yet populated and launched the database. USICH is in the process of finalizing content for the database and will launch the database by December 30, 2012.

Measure #3a: USICH will identify/adopt an engagement strategy for a set of communities that represent a large share of homelessness in this country by January 1, 2011.

Update: USICH met this goal in April 2011.

Measure #3b: Each community will undergo an assessment and develop a “next steps” plan that identifies high priority needs and key areas for action. USICH will assist in coordinating federal technical assistance resources to address the needs identified in the plans. These plans will be completed by September 1, 2011.

Update: USICH met this goal for the first ten communities in November 2011. Now with a National Programs team in place, USICH is working to create plans for additional communities in FY 2013.

VIII. FY 2013 and Beyond - USICH Internal Performance Goals

For FY 2013 and beyond, USICH proposed to OMB the following revised, internal performance goals:

1. Strengthen the capacity of public and private organizations by increasing knowledge about specific subpopulations, the costs, and consequences of homelessness, and effective solutions and models for preventing and ending homelessness.

Preventing and ending homelessness will only be possible through coordinated efforts of strong public and private organizations. Across the country, capacity varies from community to community, especially as it relates to the ability to use data for system and program design, evaluate program effectiveness and nimbly make changes where needed, and target interventions to people for whom they are best suited. The Federal government can lead by making best practices standard operating procedure as we adopt an increasingly evidence-driven approach.

Significant research and evaluation has been and is being conducted on homelessness and strategies to prevent and end it. There is tremendous opportunity to better understand and apply what is being learned by coordinating and sharing research across federal agencies and with states and local communities. Research must be conducted to understand more about how to end homelessness for victims of domestic violence and sexual assault, unaccompanied youth, youth aging out of foster care, and other unique groups. Defining a federal research agenda focused on gaps in knowledge about preventing and ending homelessness could ensure that future investment and policies contribute to solutions.

Specific strategies and measures related to increasing knowledge and strengthening capacity are as follows:

Strategy #1: Compile and disseminate research findings; identify information gaps.

USICH will compile and catalog research in an effort to more effectively distill and disseminate findings and lessons learned to the field, as well as to identify gaps in the body of knowledge.

Measure #1a: USICH will update the federal research agenda on homelessness to include areas where new research is being conducted and where there are gaps in research. The research agenda will be updated annually.

Strategy #2: Disseminate, promote, and facilitate use of best practices.

USICH will identify best practices and model programs and make this information more readily available to stakeholders - including national partners, funders, advocates, grantees, and service providers. USICH will use multiple methods to disseminate information about best practices, including its website and newsletter, social media, webinars, partnerships with national partners and direct contact/meetings with stakeholders. The database will cover system-level, program-level, and client-level practices and will span the strategies and populations covered in the Federal Strategic Plan.

Measure #2a: In FY 2013, USICH and its federal partners will develop and implement a Point-in-Time Count initiative to learn how best to collect data on unaccompanied homeless youth through innovative implementations of HUD's 2013 PIT count. The intent is to have nine study sites participate in the initiative. The outcome of this initiative will be to compile and disseminate lessons learned from the PIT count initiative and develop guidance on effective youth strategies for counting unaccompanied

homeless youth in HUD's 2014 and 2015 PIT counts. This initiative implements a strategy identified in the 2012 amendment to *Opening Doors*.

Measure #2b: USICH will launch a "solutions database" (an online, searchable web tool) to disseminate information about evidence-based and promising practices to the field. The database will be launched by December 30, 2012 with a minimum of 50 profiles. USICH will update the database to remove outdated profiles and add new profiles annually.

2. Coordinate the federal government's response to homelessness to maximize the reach and impact of federal resources.

The need for homeless assistance and services in this country far outweighs available resources. Compounding this challenge is the fact that federal funding for homeless assistance flows through programs administered separately by multiple Departments, each of which has its own set of priorities and processes. Over time, separate programs and budget streams have created some inconsistencies and overlap in administrative requirements, resulting in unnecessary complexity and cost. As such, strengthening the country's capacity to prevent and end homelessness will require effective collaboration within the federal government to address inconsistencies, reduce duplication of effort, increase economies of scale, and identify points of synergy.

True collaboration means being open and transparent about resources, data, assumptions, perceptions, and decisions and takes concerted effort and leadership to be realized. USICH is a unique agency in a unique position, offering the Federal government the opportunity to test and model interagency collaboration.

Strategy #3: Coordinated, Strategic Investments.

Over one-half of the overall population of people experiencing homelessness is located in just 45 (or 10 percent) of the Continuum of Care jurisdictions. In order to move the needle nationally and make progress against the Federal Strategic Plan, it is essential to focus our efforts and invest our resources more strategically. For example, Federal agencies currently invest extensively in technical assistance, but it is generally not coordinated across agencies, or even programs within agencies. Towards this end, USICH has identified a set of 25 communities for monitoring, engagement, and technical assistance, as needed. These communities also serve as laboratories for testing and modeling collaboration, systems change, and innovative strategies.

Measure #3a: Through the HUD technical assistance and the Continuum of Care (CoC) Self-Assessment, 23 communities have completed an assessment and developed a "next steps" plan that identifies high priority needs and key areas for action; the balance of communities will develop these plans during FY 2013. USICH will assist in coordinating federal technical assistance resources to support the needs identified in the plans and bridge this work with the larger community efforts on homelessness. USICH Engagement Plans for the initial 10 communities were completed by September 2012. Now with a National Programs team in place, USICH has increased the depth of support offered as well as proactively and more consistently engaging in these communities. USICH will be engaged in all 25 communities in FY 2013 and have USICH Engagement Plans for all.

Measure #3b: In FY 2013 and FY 2014, USICH will determine the degree to which select communities, the places where USICH Regional Coordinators are most deeply engaged, have aligned their efforts with key strategic solutions in *Opening Doors* in the areas of partnerships, access to housing, increasing income,

retooling crisis response systems and have adopted population-specific strategies with regards to youth and veterans. USICH will examine the degree to which the implementation of these strategic practices can be linked to improved community-level outcomes, and engage federal and national partners in areas where adequate progress is not being made.

Measure #3c: In FY 2013 USICH will partner with HUD to implement the Dedicating Opportunities to End Homelessness Initiative in ten communities. This initiative will increase the capacity of communities to project the quantity and types of housing interventions needed to reach the Opening Doors population goals and engage mainstream affordable housing and service providers to increase housing that is specifically targeted to meeting these goals. USICH will document new housing opportunities and their funding sources through this effort and provide a summary report by September 30, 2013.

Measure #3d: Building on successful efforts in FY 2012, in FY 2013 USICH will partner with HUD, VA, and national partners to continue to support strategic implementation of HUD-VASH and resources to end homelessness among Veterans through Rapid Results Housing Placement Boot Camps. If national partners are successful at raising sufficient funds, USICH will assist in facilitating participation by up to 15 new communities, and support the sustainability and momentum of the initial sixteen communities in FY 2013.

Strategy #4: Coordinated Data Collection.

Collection, analysis, and reporting of quality, timely data on homelessness is essential for targeting interventions, tracking results, strategic planning, and resource allocation. Currently, each Federal program uses a different vocabulary, different data standards, different reporting systems, and different reporting requirements. This creates both confusion and duplication of effort in the field, as providers that rely on multiple funders have to respond to each independently. Movement towards a common vocabulary and data standard across targeted federal programs would – for localities – simplify procedures and reduce administrative costs. Nationally, it would provide us with better data and consequently a more comprehensive understanding of the scope and dimensions of homelessness in the country.

Measure #4a: In FY 2013 and FY 2014, USICH will work to increase the number of programs (targeted and mainstream) capturing data on the housing status of program beneficiaries using a common data standard. Goal is to add at least one new program each year.

Measure #4b: USICH will continue to explore, promote, and support the use of HUD's Homeless Management Information System (HMIS) by grantees of other Federal agencies with the goal of two other Federal agencies transitioning to the use of HMIS by December 31, 2014. Work was done in the development and support of HUD's not-yet-released new HMIS data standards to get conformance with RHYA, VA, and SAMHSA programs. 3 VA programs are now in the process of using HMIS. Planning is being done within HHS' SAMHSA to begin using HMIS. As of September 2012, HHS' ACYF has indicated intent to move the three RHYA programs to HMIS. This work is ongoing and will continue into FY 2014.

IX. Agency Operations

Human Capital

In FY 2012, USICH drafted its new employee performance management system. The policy progressed through internal administrative and legal reviews, and now is pending OPM approval before

implementation, which is expected in 2013. This new system will support fair and objective measurement of job performance and regularly scheduled employee reviews, thus enabling USICH to ensure it employs and maintains a high level staff. Additionally, employees' performance goals will tie directly to the mission, strategies, objectives and overall performance of USICH.

In FY 2012, USICH conducted strategic training in areas such as EEO for supervisors and communications skills development for the National Programs team. USICH plans to continue to develop its employees in areas that serve to support their professional development and the mission of the Agency.

Contracting

USICH continues to strategically outsource several major components of its operations to other entities after cost-effectiveness determinations. Via the Economy Act, USICH maintains agreements with divisions of the General Services Administration to provide operational support that would be exorbitant to perform in-house, as well as website and network support from other outside sources.

Financial Management

USICH has received consecutively clean audit opinions since its initial FY 2005 audit by an independent, outside CPA firm. For FY 2012, USICH again received a clean audit opinion.

USICH utilizes GSA's accounting system to track its finances. No instances of improper payments have occurred during FY 2012, and subsequent years.

X. Financial Statements and Auditor's Reports

As a federal agency, USICH prepares annual financial statements in conformity with U.S. generally accepted accounting principles and then subjects them to an independent audit to ensure their reliability in assessing the Council's performance. The following annual financial statements are prepared: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources; these statements are accompanied by corresponding notes. For FY 2012, the Council received unqualified audit opinion that the financial statements were fairly stated in all material respects.

USICH contracts to and manages its accounting and payroll support functions through the General Services Administration's (GSA) Heartland Finance Center, in Kansas City, MO. GSA utilizes the Pegasys accounting system, and other subsystems to process financial transactions. During FY 2012, GSA received a favorable opinion on its SSAE No. 16 audit.

USICH's financial statements and notes are presented in the format required for the current year by OMB guidance such as Circular A-136, *Financial Reporting Requirements*.

Balance Sheet

The balance sheet presents the total amounts available for use by USICH (assets) against the amounts owed (liabilities) and amounts that comprise the difference (net position).

Total Assets equal \$535,065 and Fund Balance with Treasury equals \$532,799 and \$2,266 in accounts receivables. Fund Balance with Treasury is funding available for specific fiscal years through the Department of Treasury accounts from which USICH is authorized to make expenditures and pay amounts due.

For depreciation purposes, a threshold of \$5,000 per item is used in order to determine capitalization. Capitalized PP&E is recorded at original acquisition cost. Straight line depreciation and a useful life of five years are used in depreciation calculations. Acquisitions not meeting these criteria are recorded as expenses.

Total Liabilities equal \$415,167 including accounts payable which consist of liabilities to other government agencies, commercial vendors, contractors and disbursements in transit. At fiscal year end, USICH accrues the amount of estimated unpaid expenses. Also, at fiscal year-end, USICH accrues payroll for services rendered by USICH employees and leave accrued, but not yet paid out. To the extent current and prior-year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future appropriations for unfunded leave liabilities.

Statement of Net Cost

This statement presents the annual cost of operating USICH. The gross cost less any offsetting revenue is used to arrive at the net cost of operations. All of USICH's costs incurred were directly related to the support and advancement of its mission and directives per the Administration and Congress. Net Cost of Operations for FY 2012 equal \$3,333,551.

Statement of Changes in Net Position

This statement presents those accounting items that caused the net position section of the Balance Sheet to change from the beginning to the end of the reporting period. USICH's net position for FY 2012 was \$119,898.

Statement of Budgetary Resources

This statement provides information on how budgetary resources were made available to USICH's and the status of those budgetary resources at year-end. USICH was funded through a congressional appropriation totaling \$3.3 million for FY 2012. Net outlays during FY 2012 totaled \$3,064,260, for activity attributable for FY 2012 and other fiscal years.

Limitations of the Financial Statements

As required by OMB Circular A-136, *Financial Reporting Requirements*, we disclose the following limitations on USICH's FY 2012 financial statements, which are contained in this Report. The financial statements have been prepared to report the financial position and results of operations of USICH, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of USICH in accordance with generally accepted accounting principles (GAAP) for federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Directors
United States Interagency Council on Homelessness
Washington, D.C.

We have audited the accompanying balance sheet of the United States Interagency Council on Homelessness (USICH) as of September 30, 2012 and 2011, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements). These financial statements are the responsibility of USICH's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and, Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04, as amended, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the USICH as of September 30, 2012 and 2011 and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *U.S. Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued a report dated November 14, 2012 on our consideration of the USICH internal control over financial reporting and its compliance with provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with *U.S. Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by OMB Circular A-136, *Financial Reporting Requirements*, as revised, that considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the



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CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Board of Directors
United States Interagency Council on Homelessness
Washington, D.C.

We have audited the financial statements of the United States Interagency Council on Homelessness (USICH) as of and for the year ended September 30, 2012 and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

In planning and performing our audit, we considered the USICH's internal control over financial reporting by obtaining an understanding of the USICH's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04, as amended. The objective of our audit was not to provide an opinion on internal control and therefore, we do not express an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies. Under standards issued by the American Institute of Certified Public Accountants and OMB Bulletin No. 07-04, as amended, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency in internal control, 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. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we considered to be significant deficiencies or material weaknesses as defined above.

This report is intended solely for the information and use of the management of the USICH, OMB and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Largo, Maryland
November 14, 2012



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS**

Board of Directors
United States Interagency Council on Homelessness
Washington, D.C.

We have audited the financial statements of the United States Interagency Council on Homelessness (USICH) as of and for the year ended September 30, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

The management of the USICH is responsible for complying with laws and regulations applicable to the USICH. As part of obtaining reasonable assurance about whether the USICH's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 07-04, as amended. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the USICH.

The results of our tests of compliance disclosed no reportable instances of noncompliance with other laws and regulations discussed in the preceding paragraph that are required to be reported under *U.S. Government Auditing Standards* or OMB Bulletin No. 07-04, as amended.

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion. However, we noted no noncompliance with laws and regulations, which could have a direct and material effect on the determination of financial statement amounts.

This report is intended solely for the information and use of the management of the USICH, OMB and Congress, and is not intended to be and should not be used by anyone other than these specified parties.


Largo, Maryland
November 14, 2012

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
BALANCE SHEET
As of September 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|-------------------|
| Assets: | | |
| Intragovernmental: | | |
| Fund Balance With Treasury (Note 2) | \$ 532,799 | \$ 298,499 |
| Total Intragovernmental | 532,799 | 298,499 |
| Accounts Receivable, net (Note 3) | 2,266 | - |
| General Property, Plant and Equipment (Note 4) | - | - |
| Other | - | - |
| Total Assets | <u>\$ 535,065</u> | <u>\$ 298,499</u> |
| | | |
| Liabilities (Note 5): | | |
| Intragovernmental: | | |
| Accounts Payable | - | \$ 15,389 |
| Other | 6,320 | 5,335 |
| Total Intragovernmental | <u>6,320</u> | <u>20,724</u> |
| Accounts Payable | 327,228 | 139,045 |
| Other (Note 6) | 81,620 | 72,852 |
| Total Liabilities | 415,167 | 232,620 |
| | | |
| Net Position: | | |
| Unexpended Appropriations - Other Funds | 165,468 | 116,518 |
| Cumulative Results of Operations - Other Funds | <u>(45,570)</u> | <u>(50,639)</u> |
| Total Net Position | <u>\$ 119,898</u> | <u>\$ 65,879</u> |
| Total Liabilities and Net Position | <u>\$ 535,065</u> | <u>\$ 298,499</u> |

*Amounts may be off by a dollar due to rounding.

The accompanying notes are an integral part of these statements.

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF NET COST
For The Years Ended September 30, 2012 and 2011

| | 2012 | 2011 |
|------------------------|--------------|--------------|
| Program Costs: | | |
| Program A: | | |
| Gross Costs (Note 7) | \$ 3,333,551 | \$ 2,879,361 |
| Net Program Costs | 3,333,551 | 879,361 |
| Net Cost of Operations | \$ 3,333,551 | \$ 2,879,361 |

*Amounts may be off by a dollar due to rounding.

The accompanying notes are an integral part of these statements

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF CHANGES IN NET POSITION
For The Years Ended September 30, 2012 and 2011

| | 2012 | | | |
|--|--------------------|--------------------|--------------|-----------------------|
| | Earmarked Funds | All Other Funds | Eliminations | Consolidated Total |
| Cumulative Results of Operations: | | | | |
| Beginning Balances | \$ | \$ (50,639) | \$ | \$ (50,639) |
| Adjustments: | | | | |
| (b) Corrections of Errors (+/-) | | - | | - |
| Beginning Balances, as Adjusted | | (50,639) | | (50,639) |
| Budgetary Financing Sources: | | | | |
| Appropriations Used | | 3,249,610 | | 3,249,610 |
| Other Financing Resources (Non-Exchange): | | | | |
| Imputed Financing | | 89,009 | | 89,009 |
| Total Financing Sources | | 3,338,619 | | 3,338,619 |
| Net Cost of Operations (+/-) | | 3,333,551 | | 3,333,551 |
| Net Change | | 5,069 | | 5,069 |
| Cumulative Results of Operations | \$ | \$ (45,570) | \$ | \$ (45,570) |
| Unexpended Appropriations: | | | | |
| Beginning Balances | \$ | \$ 116,518 | \$ | \$ 116,518 |
| Adjustments: | | | | |
| (b) Corrections of Errors (+/-) | | - | | - |
| Beginning Balances, as Adjusted | \$ | \$ 116,518 | \$ | \$ 116,518 |
| Budgetary Financing Sources: | | | | |
| Appropriations Received | | 3,300,000 | | 3,300,000 |
| Other Adjustments | | (1,440) | | (1,440) |
| Appropriations Used | | (3,249,610) | | (3,249,610) |
| Total Budgetary Financing Sources | | 48,950 | | 48,950 |
| Total Unexpended Appropriations | | 165,468 | | 165,468 |
| Net Position | \$ | \$ 119,898 | \$ | \$ 119,898 |

*Amounts may be off by a dollar due to rounding.

The accompanying notes are an integral part of these statements.

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF CHANGES IN NET POSITION
For The Years Ended September 30, 2012 and 2011

2011

| | Earmarked Funds | All Other Funds | Eliminations | Consolidated Total |
|--|--------------------|--------------------|--------------|-----------------------|
| Cumulative Results of Operations: | | | | |
| Beginning Balances | \$ | \$ (50,408) | \$ | \$ (50,408) |
| Beginning Balances, as Adjusted | \$ | \$ (50,408) | \$ | \$ (50,408) |
| Budgetary Financing Sources: | | | | |
| Appropriations Used | | 2,805,782 | | 2,805,782 |
| Other Financing Resources (Non-Exchange): | | | | |
| Imputed Financing | | 73,349 | | 73,349 |
| Total Financing Sources | | 2,879,130 | | 2,879,130 |
| Net Cost of Operations (+/-) | | 2,879,361 | | 2,879,361 |
| Net Change | | (231) | | (231) |
| Cumulative Results of Operations | \$ | \$ (50,639) | \$ | \$ (50,639) |
| Unexpended Appropriations: | | | | |
| Beginning Balances | | 250,240 | | 250,240 |
| Adjustments: | | | | |
| (a) Changes in Accounting Principles (+/-) | | | | |
| (b) Corrections of Errors (+/-) | | - | | - |
| Beginning Balances, as Adjusted | | 250,240 | | 250,240 |
| Budgetary Financing Sources: | | | | |
| Appropriations Received | | 2,680,000 | | 2,680,000 |
| Other Adjustments | | (7,940) | | (7,940) |
| Appropriations Used | | (2,805,782) | | (2,805,782) |
| Total Budgetary Financing Sources | | (133,722) | | (133,722) |
| Total Unexpended Appropriations | | 116,518 | | 116,518 |
| Net Position | \$ | \$ 65,879 | \$ | \$ 65,879 |

*Amounts may be off by a dollar due to rounding.

The accompanying notes are an integral part of these statements.

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF BUDGETARY RESOURCES
For The Years Ended September 30, 2012 and 2011**

| | 2012 | 2012 | 2011 | 2011 |
|---|---------------------|--|---------------------|--|
| | <u>Budgetary</u> | <u>Non-Budgetary Credit Program Financing Accounts</u> | <u>Budgetary</u> | <u>Non-Budgetary Credit Program Financing Accounts</u> |
| Budgetary Resources: | | | | |
| Unobligated Balance: | | | | |
| Beginning of Period | \$ 110,668 | \$ | \$ 247,231 | \$ |
| Recoveries of Prior Year Obligations | 3,702 | | 51,696 | |
| Budget Authority: | | | | |
| Appropriations Received | 3,300,000 | | 2,680,000 | |
| Borrowing Authority | | | | |
| Contract Authority | | | | |
| Spending Authority from Offsetting Collections (Gross): | | | | |
| Earned | | | | |
| Collected | <u>2,245</u> | | <u>6,041</u> | |
| Change in Receivables from Federal Sources | | | | |
| Change in Unfilled Customer Orders (+/-) | | | | |
| Advance Received | | | | |
| Without advance from Federal Sources | | | | |
| Anticipated for Rest of Year, Without Advance | | | | |
| Previously Unavailable | | | | |
| Expenditure Transfers from Trust Funds | | | | |
| Subtotal | 3,302,245 | | 2,686,041 | |
| Nonexpenditure Transfers, Net | | | | |
| Temporarily Not Available Pursuant to Public Law (-) | | | - | |
| Permanently Not Available | - | | (7,940) | |
| Total Budgetary Resources | <u>\$ 3,302,245</u> | <u>\$</u> | <u>\$ 2,977,028</u> | <u>\$</u> |
| Status of Budgetary Resources: | | | | |
| Obligations Incurred (Note 8) | | | | |
| Direct | <u>\$ 3,266,551</u> | <u>\$</u> | <u>\$ 2,866,360</u> | <u>\$</u> |
| Reimbursable | | | - | |
| Subtotal | 3,266,551 | | 2,866,360 | |
| Unobligated Balances | | | | |
| Apportioned | <u>33,984</u> | | <u>2,850</u> | |
| Exempt from Apportionment | | | | |
| Subtotal | 33,984 | | 2,850 | |
| Unobligated Balances - Not Available | <u>114,640</u> | | <u>107,818</u> | |
| Total Status of Budgetary Resources | <u>\$ 3,415,175</u> | <u>\$</u> | <u>\$ 2,977,028</u> | <u>\$</u> |
| Change in Obligated Balances: | | | | |
| Obligated Balance, Net: | | | | |
| Unpaid Obligations, Brought Forward, October 1 | \$ 187,831 | \$ | \$ 274,121 | \$ |
| Uncollected Customer Payments from Federal Sources, Brought Forward, October 1 (-) | | | | |
| Total, Unpaid Obligated Balance, Brought Forward, Net | 187,831 | | 274,121 | |
| Obligations Incurred | 3,266,551 | | 2,866,360 | |
| Gross Outlays (-) | (3,066,505) | | (2,900,953) | |
| Obligated Balance Transfers, Net: | | | | |
| A. Actual Transfers, Unpaid Obligations (+/-) | | | | |
| B. Actual Transfers, Uncollected Customer Payments from Federal Sources (+/-) | | | | |
| Total Unpaid Obligated Balance Transferred, Net | | | - | |
| Recoveries of Prior-Year Unpaid Obligations, Actual (-) | (3,702) | | (51,696) | |
| Change in Uncollected Customer Payments from Federal Sources | | | | |
| Obligated Balance, Net, End of Period: | | | | |
| Unpaid Obligations (+) (Note 9) | 384,175 | | 187,831 | |
| Uncollected Customer Payments from Federal Sources (-) | | | | |
| Total, Unpaid Obligated Balance, Net, End of Period | <u>\$ 384,175</u> | <u>\$</u> | <u>\$ 187,831</u> | <u>\$</u> |
| Net Outlays: | | | | |
| Gross Outlays (+) | 3,066,505 | | 2,900,953 | |
| Offsetting Collections (-) | (2,245) | | (6,041) | |
| Less: Distributed Offsetting Receipts | | | | |
| Net Outlays | <u>\$ 3,064,260</u> | <u>\$</u> | <u>\$ 2,894,912</u> | <u>\$</u> |

*Amounts may be off by a dollar due to rounding.

The accompanying notes are an integral part of these statements.

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
APPROPRIATED FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012 AND 2011**

Note 1 – Significant Accounting Policies

Reporting Entity

Congress established the U.S. Interagency Council on Homelessness in 1987 with the passage of the *Stewart B. McKinney Homeless Assistance Act*. The mission of the United States Interagency Council on Homelessness (USICH) is to coordinate the federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness.

Basis of Presentation

These financial statements have been prepared from the accounting records of The U.S. Interagency Council on Homelessness in accordance with generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and OMB (Office of Management and Budget) Circular A-136, “Financial Reporting Requirements.” GAAP for Federal entities is the Hierarchy of accounting principles prescribed in the American Institute of Certified Public Accountant’s (AICPA) Statement on Auditing Standards No. 91, *Federal GAAP Hierarchy*.

OMB Circular A-136 requires agencies to prepare principal statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2012, amounts of future economic benefits owned or managed by The U.S. Interagency Council on Homelessness (assets), amounts owed by The U.S. Interagency Council on Homelessness (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within The U.S. Interagency Council on Homelessness and other reporting entities. The Statement of Budgetary Resources reports an agency’s budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with general government practice. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Note 1 – Significant Accounting Policies (Continued)

Revenues and Other Financing Sources

The U.S. Interagency Council on Homelessness is an appropriated fund and receives appropriations. Other financing sources for The U.S. Interagency Council on Homelessness consist of imputed financing sources which are costs financed by other Federal entities on behalf of The U.S. Interagency Council on Homelessness, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

Note 2 – Fund Balance With Treasury

All of The U.S. Interagency Council on Homelessness fund balance with treasury is coming from appropriations. This fund balance with treasury is a consolidated balance of five annual funds (910: FY 2008, FY 2009, FY 2010, FY 2011, and FY 2012) and one no-year fund (910X). The annual fund for FY 2007 was cancelled and the remaining fund balance of \$1,440 was given back to US Treasury during fiscal year 2012.

| | <u>2012</u> | <u>2011</u> |
|---|------------------|------------------|
| A. Fund Balance with Treasury | | |
| Appropriated Fund | <u>\$532,799</u> | <u>\$298,499</u> |
| B. Status of Fund Balance with Treasury | | |
| 1) Unobligated Balance | | |
| a) Available | 33,984 | 2,850 |
| b) Unavailable | 114,640 | 107,818 |
| 2) Obligated Balance not yet Disbursed | <u>384,175</u> | <u>187,831</u> |
| Total | <u>\$532,799</u> | <u>\$298,499</u> |

Note 3 – Accounts Receivable, Net

The line item represents the Account Receivable Claims from Associates. It is showing a debit balance. The direct write-off method is used for uncollectible receivables.

| | <u>2012</u> | <u>2011</u> |
|--------------------------|----------------|-------------|
| A/R Claims- Non- Federal | <u>\$2,266</u> | <u>\$0</u> |
| Total | <u>\$2,266</u> | <u>\$0</u> |

Note 4 - General Property, Plant and Equipment, Net

As of September 30, 2012 the U.S. Interagency Council on Homelessness shows Equipment – Administrative total cost of \$22,198 and a net book value of \$0. The Accumulated Depreciation to date shows a balance of \$22,198. The depreciation calculation method used is Straight Line with a useful life of 5 years. However, for the items that were obligated in FY03 and received in FY05, the useful life is 3 years. A \$5,000 threshold is used to determine whether items are capitalized.

| <u>2012</u> | <u>Equipment</u> | <u>Furniture & Fixtures</u> | <u>Software</u> | <u>Total</u> |
|----------------|------------------|-------------------------------------|-----------------|--------------|
| Cost | \$22,198 | | | \$22,198 |
| Accum. Depr. | (\$22,198) | | | (\$22,198) |
| Net Book Value | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>2011</u> | <u>Equipment</u> | <u>Furniture & Fixtures</u> | <u>Software</u> | <u>Total</u> |
|----------------|------------------|-------------------------------------|-----------------|--------------|
| Cost | \$22,198 | | | \$22,198 |
| Accum. Depr. | (\$22,198) | | | (\$22,198) |
| Net Book Value | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Note 5 – Liabilities Not Covered by Budgetary Resources

Liabilities of U.S. Interagency Council on Homelessness are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2012, U.S. Interagency Council on Homelessness showed liabilities covered by budgetary resources of \$367,331 and liabilities not covered by budgetary resources of \$47,836.

Liabilities covered by budgetary resources is composed of Accounts Payable \$321,276; Disbursements in Transit \$5,952; Employer Contributions and Payroll Taxes Payable \$7,360; and Accrued Funded Payroll and Leave \$32,744.

| | <u>2012</u> | <u>2011</u> |
|--|------------------|------------------|
| With the Public | | |
| Other | 47,836 | 50,639 |
| Total liabilities not covered by budgetary resources | 47,836 | 50,639 |
| Total liabilities covered by budgetary resources | 367,331 * | 181,981 * |
| Total Liabilities | <u>\$415,167</u> | <u>\$232,620</u> |

*Rounding

Note 6 – Other Liabilities

Other liabilities with the public consist of Accrued Funded Payroll and Leave of \$32,744; Unfunded leave of \$47,836; and Employer Contributions and Payroll Taxes Payable – TSP of \$1,040. Other Intra-governmental liabilities consist of Employer Contributions and Payroll Taxes Payable \$6,320.

| | <u>With the Public</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u> |
|------|--------------------------|--------------------|----------------|--------------|
| 2012 | Other Liabilities | 47,836 | 33,784 | \$81,620 |
| 2011 | Other Liabilities | 50,639 | 22,213 | \$72,852 |
| | <u>Intragovernmental</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u> |
| 2012 | Other Liabilities | 0 | 6,320 | \$6,320 |
| 2011 | Other Liabilities | 0 | 5,335 | \$5,335 |

Note 7 – Intra-governmental Costs and Exchange Revenue

Intra-governmental costs are those of goods/services purchased from a federal entity.

| | <u>Total 2012</u> | <u>Total 2011</u> |
|-------------------------|-------------------------|-------------------------|
| Program A | | |
| Intragovernmental costs | 1,049,153 | 1,138,246 |
| Public costs | 2,284,398 | 1,741,116 |
| Total Program A costs | <u>3,333,551</u> | <u>2,879,361</u> * |
| Total Program A | <u><u>3,333,551</u></u> | <u><u>2,879,361</u></u> |

*Rounding

Note 8 – Apportionment Categories of Obligations Incurred

All obligations for the U.S. Interagency Council on Homelessness, is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132.

| | <u>Total 2012</u> | <u>Total 2011</u> |
|-------------------|-------------------------|-------------------------|
| Direct | | |
| Category B | <u>3,266,551</u> | <u>2,866,360</u> |
| Total Obligations | <u><u>3,266,551</u></u> | <u><u>2,866,360</u></u> |

Note 9 – Undelivered Orders at the End of the Period

The amount of Unpaid Obligated Balance, Net, End of Period includes obligations relating to Undelivered Orders (good and services contracted for but not yet received at the end of the year) and Accounts Payable (amounts owed at the end of the year for goods and services received).

| | <u>Undelivered Orders</u> | <u>Accounts Payable</u> | <u>Unpaid Obligated Balance Net</u> |
|------|-------------------------------|-----------------------------|---|
| 2012 | 16,844 | 367,331 | \$384,175 |
| 2011 | 5,850 | 181,981 | \$187,831 |

Note 10 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)

Liabilities not covered by budgetary resources total \$47,836 and the change in components requiring or generating resources in future period shows (\$2,803). The (\$2,803) is the net decrease of future funded expenses – leave between appropriations of annual fund 2011 and annual fund 2012. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

| | <u>2012</u> | <u>2011</u> |
|---|-------------|-------------|
| Liabilities not covered by budgetary resources | \$ 47,836 | \$ 50,639 |
| Change in components requiring/generating resources | \$ (2,803) | \$ 138 |

Note 10 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing), Continued

| | 2012 | 2011 |
|---|----------------|----------------|
| Budgetary Resources Obligated | \$ 3,266,551 | \$ 2,866,360 |
| Spending Authority from Recoveries and Offsetting Collections | (5,947) | (57,737) |
| Imputed Financing from Costs Absorbed by Others | 89,009 | 73,349 |
| Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided | (10,994) | (2,841) |
| Resources that Finance the Acquisition of Assets | (2,266) | 93 |
| Financing Sources Yet to be Provided | (2,803) | 138 |
| Net Cost of Operations | \$ 3,333,551 * | \$ 2,879,361 * |

*Rounding

Note 11 - Operating Leases

USICH occupies office space under a lease agreement that is accounted for as an operating lease. The lease term begins on September 10, 2010 and expires on August 5, 2015. Lease payments are increased annually based on the USICH's proportionate share of the building's operating expenses and real estate taxes. The total operating lease expenses as of September 30, 2012 and 2011 were \$438,058 and \$436,163, respectively.

Below is a schedule of estimated future payments for the term of the lease.

| Fiscal Year | Office Space Costs |
|-------------------------------|--------------------|
| 2013 | \$ 437,459 |
| 2014 | \$ 438,698 |
| 2015 (through August 5, 2015) | \$ 375,300 |
| Total future payments | \$1,251,457 |