

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS FY 2009 PERFORMANCE AND ACCOUNTABILITY REPORT



November 16, 2009



UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS FY 2009 Performance and Accountability Report

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MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

The United States Interagency Council on Homelessness (USICH) is an independent federal agency created in 1987 by Title II of the Stewart B. McKinney Homeless Assistance Act. The agency was revitalized in early 2002 after a six year dormancy. The Council is responsible for providing federal leadership for activities to assist homeless families and individuals, and its major activities include:

1. planning and coordinating the federal government's activities and programs to assist homeless people, and making or recommending policy changes to improve such assistance;
2. monitoring and evaluating assistance to homeless persons provided by all levels of government and the private sector;
3. ensuring that technical assistance is provided to help community and other organizations effectively assist homeless persons; and
4. disseminating information on federal resources available to assist the homeless population.

The Interagency Council continues its implementation of the federal strategy on homelessness and a comprehensive national strategy to forward the goal of ending homelessness through interagency, intergovernmental, intragovernmental, and intercommunity partnerships and collaborations, particularly in fostering relationships with Governors and Mayors to create jurisdictional 10-Year Plans to end chronic homelessness. There are 53 Governors of States and territories that have moved forward to establish State Interagency Councils on Homelessness and over 650 mayors and county executives have partnered in more than 350 jurisdictional 10-Year Planning processes to end chronic homelessness.

The Interagency Council is staffed by its Executive Director, and employees at its headquarters office. The Council's initiatives are also supported by the work of full-time regional coordinators, who are employees of the U.S. Department of Housing and Urban Development and report programmatically to the Council's Executive Director. Together, these resources support the work of the 20 federal agency members of the Council's goal to end homelessness in America.

MANAGEMENT INFORMATION

Summary

Through its work and initiatives end homelessness, the Council is seeking to establish a standard of expectation on the issue of homelessness. That measure requires that resources be considered more than simply expenditures or funding to manage the problem of homelessness. Rather, resources are to be investments which are data-driven, performance-based, results-oriented, and responsive to consumers (homeless people). Investments should result in visible, measurable, and quantifiable change in communities, on the streets, and in the lives of homeless people.

In its operations, the Council seeks to provide effective stewardship of taxpayer funds by:

- Ensuring an efficient, high-performing, diverse, competitively sourced workforce, aligned with mission priorities and working cooperatively with Interagency Council partners;
- Enhancing internal controls, data integrity, management information and program and policy improvements as reflected by an unqualified audit opinion;
- Implementing business processes and information technology necessary to make information available electronically; and
- Linking budget decisions and program priorities more closely with program performance.

Strategic Management of Human Capital

The agency recognizes that the key to meeting its program performance goals and achieving the desired results is a high performing staff, focused on delivering services to the American people. The success of the Interagency Council will be determined, in part, to how well it meets its “people needs.” As the Interagency Council moves into the future, some challenges are ahead such as implementation of a Performance Management Program and retaining a highly skilled workforce.

Competitive Sourcing

This initiative calls on federal agencies to create a more market-based government that enhances services and reduces costs through public-private competition.

The Interagency Council continues to out-source several major components of its operations after cost-effectiveness determinations; maintaining agreements with divisions of the General Services Administration to provide operational support that would be exorbitant to perform in-house and also outsourcing its information technology requirements for its network, website hosting and maintenance, and weekly e-newsletter.

Improved Financial Performance.

For FY 2009, the Interagency Council received its fifth, consecutive clean opinion from independent auditors, indicating no material weaknesses involving the Council's internal controls and its operations, and no instances of noncompliance with federal laws and regulations.

Expanded Electronic Government.

The Interagency Council employs advanced and secure information technology for speed, efficiency and improved customer service. The www.usich.gov website continues to be an important part of delivering reliable and up-to-date information on all Council member initiatives and results to all stakeholders in public policymaking, the private sector, and the homeless community. The site is also slated to be revamped in the future to be more user friendly.

The Interagency Council currently disseminates its weekly electronic newsletter to more than 17,000 decision makers in public and private sector policy roles. The e-news uses a highly cost-effective and rapid electronic email format which is regularly updated.

Budget and Performance Integration

This initiative challenges agencies to set measurable goals, to monitor progress toward achieving results, and to make management and funding decisions based on these outcomes. This cost-benefit approach helps to highlight where the American taxpayer is receiving real value and where federal agencies have room for improvement. The Interagency Council views this initiative as a valuable tool that helps the agency fulfill program objectives most effectively by establishing clear performance targets, tracking progress in achieving stated objectives, and making adjustments to improve results. Investments in personnel are linked directly to specific deliverables in federal, state, and local government partnerships.

The Interagency Council's strategy, its principles, and objectives as outlined in the Detailed Performance Information section of this Report are aligned with this initiative of the President's Management Agenda by requiring investments of federal resources based on research and evidence-based practices, accountability to the customer (homeless people), and clearly definable and measurable results. Investments in personnel are linked directly to specific deliverables in federal, state, and local partnerships.

The Council has initiated ongoing tracking of outcomes for the federal collaborative initiatives and targeted agency initiatives, to provide continuous measures of numbers of persons whose homelessness has been ended through federal investment and to quantify the chronicity of those housed or served. Tracking of jurisdictional actions by states and cities to commit to 10-Year Plans, to develop plans, and to implement plans provides an ongoing and quantifiable record of partnership. Further, in regard specifically to plans already in implementation, tracking is targeted to commitments of permanent housing and services and the investment resources leveraged by Governors, Mayors, and private sector partners and targeted to persons experiencing chronic homelessness. Progress in meeting these commitments is also tracked.

Management Challenges

The Interagency Council continues its mission to coordinate the federal response to homelessness and to create a national partnership at every level of government and every element of the private sector to reduce and end homelessness in the nation. Its major challenges, as noted in its PART, center on the challenges and limited foundation from which the Council can encourage member agencies to consolidate their efforts into a single federal plan to end chronic homelessness and to forward collaborative initiatives that combine current federal funding opportunities into common funding calendars and pool and target federal agency resources to support the field in strategically leveraging resources to the goals of 10-Year Plans.

SYSTEMS, CONTROLS AND COMPLIANCE

As part of the independent auditor's review of the Interagency Council's FY 2009 financial statements under OMB Bulletin 07-04, Audit Requirements for Federal Financial Statements, internal control testing and testing of the Council's compliance with applicable laws and regulations was performed. Based on the Independent Auditor's Report dated November 16, 2009 no material weaknesses involving the Council's internal controls and its operations, and no instances of noncompliance with federal laws and regulations were found or noted.

Further, our service provider, GSA, received a favorable opinion on its Report on Controls Placed in Operation and Tests of Operating Effectiveness for the Period July 1, 2008 – June 30, 2009. This audit focused on GSA's Pegasys Financial Management, and was prepared in accordance with standards established by the American Institute of Certified Public Accountants. Commonly known as a "SAS 70 Review", the report details the auditor's examination of the processing of transactions by GSA.

As a service organization, GSA uses the Pegasys system to provide financial and administrative services to external client agencies such as the Interagency Council.

The Interagency Council reports no improper payments for FY 2009 as defined by the Improper Payments Information Act of 2002.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

As a federal agency, the Interagency Council 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, Statement of Budgetary Resources, and Statement of Financing; these statements are accompanied by corresponding notes. For FY 2009, the Council received a clean audit opinion that the financial statements were fairly stated in all material respects.

The Interagency Council contracts the largest portion of its accounting and payroll functions to 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. For FY 2009, GSA received a favorable opinion on its SAS 70 audit.

The Interagency Council'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 the Interagency Council (assets) against the amounts owed (liabilities) and amounts that comprise the difference (net position).

Total Assets equal \$202,633 and Fund Balance with Treasury, and \$6,648 in accounts receivables. Fund Balance with Treasury is funding available through the Department of Treasury accounts from which the Interagency Council is authorized to make expenditures and pay amounts due. 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 is used in depreciation calculations. Acquisitions not meeting these criteria are recorded as expenses.

Total Liabilities equal \$242,307, including accounts payable which consist of liabilities to other government agencies, commercial vendors, contractors and disbursements in transit. At fiscal year end, the Interagency Council accrues the amount of estimated unpaid expenses. At fiscal year-end, the Interagency Council accrues payroll for services rendered by Council 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 the Interagency Council's program. The gross cost less any offsetting revenue is used to arrive at the net cost of operations. All of the Interagency Council's costs incurred were directly related to the support and advancement of its mission and performance goals.

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. The Interagency Council's net position for FY 2009 was \$70,178.

Statement of Budgetary Resources

This statement provides information on how budgetary resources were made available to the Interagency Council's and the status of those budgetary resources at year-end. USICH is funded through congressional appropriations totaling \$2.33 million in FY 2009.

Limitations of the Financial Statements

As required by OMB Circular A-136, *Financial Reporting Requirements*, we disclose the following limitations on the Interagency Council's FY 2007 financial statements, which are contained in this Report. The financial statements have been prepared to report the financial position and results of operations of the Interagency Council, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the Interagency Council 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.

PERFORMANCE INFORMATION



PERFORMANCE INFORMATION

Homelessness is a national problem with local solutions. The Council seeks visible, measurable, quantifiable change on the streets, in homeless programs, and in the lives of homeless people. Federal partnerships with state and local governments are key to achieve the objectives of preventing and ending chronic homelessness. These partnerships are central to the quantifiable results expected from the Council's regional coordinators and the Washington staff. No one level of government or one sector of the community can reach the goal alone as homelessness is a national problem with local solutions which can be advanced by a broad range of intergovernmental partnerships that ensure a multi-jurisdictional strategy and investment approach. Federal partnerships with state and local governments and the private sector are key to achieve the objectives of preventing and ending chronic homelessness. The Council seeks visible, measurable, quantifiable change on the streets, in homeless programs, and in the lives of homeless people.

For FY 2009, the Council gauged its performance on the following goals, which have now been replaced by new, revised goals for FY 10 and thereafter:

1. Number of cities and counties that have committed to or have created 10-Year Plans to end chronic homelessness.
2. Number of cities and counties that have implemented 10-Year Plans to end chronic homelessness.
3. Of cities and counties that have implemented 10-Year Plans to end chronic homelessness, the number that are reporting prevention and/or a decrease in the number of chronic homeless individuals in their communities.
4. Number of key federal agencies that have endorsed a federal plan to end chronic homelessness and have implemented internal working groups to forward their agency's participation.
5. Of the cities and counties that are implementing 10-Year Plans to end chronic homelessness, the percentage that are leveraging additional investment resources to decrease the number of chronically homeless individuals in their communities as a result of the Council's efforts.

For FY 2010 and thereafter, the Council has proposed to OMB the following performance measurements:

1. Coordinate and improve the response to homelessness at the federal, state, and local government levels;
 - a. Issue: Possible overlap and/or no deliberate connections between entities' responses to homelessness.
 - b. Goal to be accomplished: Improved coordination of federal, state and local efforts to reduce and end homelessness.
2. Provide information and technical assistance to state and local governments and to other groups involved in homelessness work;
 - a. Issue: State and local governments and public/private organizations need assistance in obtaining information and access to federal government's programs, policies and procedures.
 - b. Goals to be accomplished: Improved overall access to/knowledge about the federal government's homeless initiatives/programs, etc.
 - c. Development of regional-specific recommendations/programs to tackle homelessness; Encouraging the creation of State Interagency Councils and 10 year plans.
3. Conduct research and evaluations of homelessness programs, policies, practices and new developments and disseminate findings to stakeholders.
 - a. Issue: The Council is at the forefront of the movement on issues concerning homelessness. Therefore, it is a logical role for the Council to initiate its own and disseminate others' research on the latest research and innovations on homelessness to all stakeholders.
 - b. Goals to be accomplished: Effective and germane research on the issues of homelessness as well as collection and dissemination on others' research, innovations, programs and associated outcomes on the issue of homelessness; Timely, accurate reporting on homelessness efforts

These new, revised goals better reflect the most recent direction for the Council's work from the Administration and Congress.

FINANCIALS





BROWN & COMPANY CPAs, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

United States Interagency Council on Homelessness
Members of the Council
Washington, D.C.

We have audited the accompanying balance sheet of the United States Interagency Council on Homelessness (USICH) as of September 30, 2009 and 2008, 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.

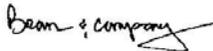
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and, Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 07-04 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, 2009 and 2008 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, we have also issued a report dated November 16, 2009 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.

The USICH's Management's Discussion & Analysis contains a wide range of information, some of which is not directly related to the financial statements. We do not express an opinion on this information. However, we compared this information for consistency with the financial statements and discussed the methods of measurement and presentation with USICH officials. Based on this limited work, we found no material inconsistencies with the financial statements, U.S. generally accepted accounting principles, or OMB guidance.

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 specific parties.



Largo, Maryland
November 16, 2009

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**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

United States Interagency Council on Homelessness
Members of the Council
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, 2009 and have issued our report thereon dated November 16, 2009. 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*.

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. 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, a significant deficiency is a deficiency in internal control, or a combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. 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 a material weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that result in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected. 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.

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

United States Interagency Council on Homelessness
Members of the Council
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, 2009, and have issued our report thereon dated November 16, 2009. 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*.

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. 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.

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.

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U.S. INTERAGENCY COUNCIL ON HOMELESSNESS

BALANCE SHEET

As Of September 30, 2009 and 2008

		2009	2008
		<u> </u>	<u> </u>
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 202,633	\$ 268,343
Total Intragovernmental		202,633	268,343
Accounts Receivable, net	(Note 3)	6,648	
General Property, Plant and Equipment	(Note 4)		
Other	(Note 5)		(2,009)
Total Assets		<u>\$ 209,281</u>	<u>\$ 266,334</u>
Liabilities:	(Note 6)		
Intragovernmental:			
Accounts Payable		\$ 13,695	\$
Other	(Note 7)	<u>4,853</u>	
Total Intragovernmental		18,548	
Accounts Payable		67,550	61,596
Other	(Note 7)	<u>53,005</u>	<u>180,710</u>
Total Liabilities		139,103	242,307
Net Position:			
Unexpended Appropriations - Other Funds		99,564	170,544
Cumulative Results of Operations - Other Funds		<u>(29,385)</u>	<u>(146,517)</u>
Total Net Position		<u>70,178</u>	<u>24,027</u>
Total Liabilities and Net Position		<u>\$ 209,281</u>	<u>\$ 266,334</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Program Costs:		
Program A:		
Gross Costs (Note 8)	<u>\$ 2,137,468</u>	<u>\$ 2,235,148</u>
Net Program Costs	<u>2,137,468</u>	<u>2,235,148</u>
Net Cost of Operations	<u>\$ 2,137,468</u>	<u>\$ 2,235,148</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 CHANGES IN NET POSITION

For The Years Ended September 30, 2009 and 2008

2009

	Earmarked Funds	All Other Funds	Eliminations	Consolidated Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cumulative Results of Operations:				
Beginning Balances	\$	\$ (146,517)	\$	\$ (146,517)
Beginning Balances, as Adjusted	\$	\$ (146,517)	\$	\$ (146,517)
Budgetary Financing Sources:				
Appropriations Used		2,241,040		2,241,040
Other Financing Resources (Non-Exchange):				
Imputed Financing		13,561		13,561
Total Financing Sources		2,254,600		2,254,600
Net Cost of Operations (+/-)		2,137,468		2,137,468
Net Change		117,132		117,132
Cumulative Results of Operations	<u>\$</u>	<u>\$ (29,385)</u>	<u>\$</u>	<u>\$ (29,385)</u>
Unexpended Appropriations:				
Beginning Balances	\$	\$ 170,544	\$	\$ 170,544
Adjustments:				
(b) Corrections of Errors (+/-)		2,009		\$ 2,009
Beginning Balances, as Adjusted	\$	\$ 172,554	\$	\$ 172,554
Budgetary Financing Sources:				
Appropriations Received		2,333,000		2,333,000
Other Adjustments		(164,951)		(164,951)
Appropriations Used		(2,241,040)		(2,241,040)
Total Budgetary Financing Sources		(72,990)		(72,990)
Total Unexpended Appropriations		99,564		99,564
Net Position	<u>\$</u>	<u>\$ 70,178</u>	<u>\$</u>	<u>\$ 70,178</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 CHANGES IN NET POSITION

For The Years Ended September 30, 2009 and 2008

2008

	Earmarked Funds	All Other Funds	Eliminations	Consolidated Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cumulative Results of Operations:				
Beginning Balances	\$	\$ (72,471)	\$	\$ (72,471)
Beginning Balances, as Adjusted	\$	\$ (72,471)	\$	\$ (72,471)
Budgetary Financing Sources:				
Appropriations Used		2,149,874		2,149,874
Other Financing Resources (Non-Exchange):				
Imputed Financing		11,227		11,227
Total Financing Sources		2,161,102		2,161,102
Net Cost of Operations (+/-)		2,235,148		2,235,148
Net Change		(74,047)		(74,047)
Cumulative Results of Operations	<u>\$</u>	<u>\$ (146,517)</u>	<u>\$</u>	<u>\$ (146,517)</u>
Unexpended Appropriations:				
Beginning Balances	\$	\$ 208,516	\$	\$ 208,516
Budgetary Financing Sources:				
Appropriations Received		2,150,000		2,150,000
Other Adjustments		(38,097)		(38,097)
Appropriations Used		(2,149,874)		(2,149,874)
Total Budgetary Financing Sources		(37,971)		(37,971)
Total Unexpended Appropriations		170,544		170,544
Net Position	<u>\$</u>	<u>\$ 24,027</u>	<u>\$</u>	<u>\$ 24,027</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 BUDGETARY RESOURCES
For The Years Ended September 30, 2009 and 2008

	2009	2009	2008	2008
	Budgetary	Non-Budgetary Credit Program Financing Accounts	Budgetary	Non-Budgetary Credit Program Financing Accounts
Budgetary Resources:				
Unobligated Balance:				
Beginning of Period	\$ 171,554	\$	\$ 210,525	\$
Recoveries of Prior Year Obligations	3,072		3,025	
Budget Authority:				
Appropriations Received	2,333,000		2,150,000	
Collected			395	
Subtotal	<u>\$ 2,333,000</u>		<u>\$ 2,150,395</u>	
Permanently Not Available	(164,951)		(38,097)	
Total Budgetary Resources	<u>\$ 2,342,676</u>	<u>\$</u>	<u>\$ 2,325,848</u>	<u>\$</u>
Status of Budgetary Resources:				
Obligations Incurred		(Note 9)		
Direct	\$ 2,287,727	\$	\$ 2,154,294	\$
Subtotal	<u>\$ 2,287,727</u>		<u>\$ 2,154,294</u>	
Unobligated Balances				
Apportioned	50,411		697	
Subtotal	<u>\$ 50,411</u>		<u>\$ 697</u>	
Unobligated Balances - Not Available	4,537		170,857	
Total Status of Budgetary Resources	<u>\$ 2,342,676</u>	<u>\$</u>	<u>\$ 2,325,848</u>	<u>\$</u>
Change in Obligated Balances:				
Obligated Balance, Net:				
Unpaid Obligations, Brought Forward, October 1	\$ 96,789	\$	\$ 42,048	\$
Total, Unpaid Obligated Balance, Brought Forward, Net	\$ 96,789		\$ 42,048	
Obligations Incurred	2,287,727		2,154,294	
Gross Outlays (-)	(2,233,759)		(2,096,528)	
Recoveries of Prior-Year Unpaid Obligations, Actual (-)	(3,072)		(3,025)	
Change in Uncollected Customer Payments from Federal Sources				
Obligated Balance, Net, End of Period:				
Unpaid Obligations (+)	147,685		96,789	
Total, Unpaid Obligated Balance, Net, End of Period	<u>\$ 147,685</u>	<u>\$</u>	<u>\$ 96,789</u>	<u>\$</u>
Net Outlays:				
Gross Outlays (+)	2,233,759		2,096,528	
Offsetting Collections (-)			(395)	
Net Outlays	<u>\$ 2,233,759</u>	<u>\$</u>	<u>\$ 2,096,133</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

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 Council is responsible for providing federal leadership for activities to assist homeless families and individuals.

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, 2009, 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.

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 2005, FY 2006, FY 2007, FY 2008 and FY 2009) and one no-year fund (910X). The annual fund for FY 2004 and one multi-year fund (909: FY 02/04) were cancelled and the remaining fund balance of \$94,424 and \$70,527 were given back to US Treasury during fiscal year 2009.

	<u>2009</u>	<u>2008</u>
A. Fund Balance with Treasury		
Appropriated Fund	<u>\$202,633</u>	<u>\$268,343</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	50,411	697
b) Unavailable	4,537	170,857
2) Obligated Balance not yet Disbursed	<u>147,685</u>	<u>96,789</u>
Total	<u>\$202,633</u>	<u>\$268,343</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>2009</u>	<u>2008</u>
A/R Claims- Federal	\$2,110	\$0
A/R Claims- Non-ederal	<u>\$4,538</u>	<u>\$0</u>
Total	<u>\$6,648</u>	<u>\$0</u>

Note 4 - General Property, Plant and Equipment, Net

As of September 30, 2009 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>2009</u>	<u>Equipment</u>	<u>Furniture & Fixtures</u>	<u>Software</u>	<u>Total</u>
Cost	\$22,198			\$22,198
Accum. Depr.	(<u>\$22,198</u>)			(<u>\$22,198</u>)
Net Book Value	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>2008</u>	<u>Equipment</u>	<u>Furniture & Fixtures</u>	<u>Software</u>	<u>Total</u>
Cost	\$22,198			\$22,198
Accum. Depr.	(<u>\$22,198</u>)			(<u>\$22,198</u>)
Net Book Value	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Note 5 – Other Assets

This line item represents Advances to Associates.

	<u>Total 2009</u>	<u>Total 2008</u>
Advances to Associates	<u>0</u>	<u>(2,009)</u>
Total Other Assets	<u>0</u>	<u>(2,009)</u>

Note 6 – 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, 2009, U.S. Interagency Council on Homelessness showed liabilities covered by budgetary resources of \$109,717 and liabilities not covered by budgetary resources of \$29,385.

Liabilities covered by budgetary resources is composed of Accounts Payable \$81,245, Employer Contributions and Payroll Taxes Payable \$4,853 and Accrued Funded Payroll and Leave \$23,619.

	<u>2009</u>	<u>2008</u>
With the Public		
Other	<u>29,385</u>	<u>146,517</u>
Total liabilities not covered by budgetary resources	29,385	146,517
Total liabilities covered by budgetary resources	<u>109,717</u>	<u>95,789</u>
Total Liabilities	<u><u>\$139,103</u></u>	<u><u>\$242,307</u></u> *

* rounding

Note 7 – Other Liabilities

Other liabilities with the public consist of Accrued Funded Payroll and Leave of \$23,619 and Unfunded leave in the amount of \$29,385. Other Intragovernmental liabilities consist of employer contributions and payroll taxes payable \$4,853.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2009 Other Liabilities		29,385	23,619	\$53,005 *
2008 Other Liabilities		146,517	34,193	\$180,710
	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2009 Other Liabilities		0	4,853	\$4,853
2008 Other Liabilities		0	0	\$0

*Rounding

Note 8 – Intragovernmental Costs and Exchange Revenue

Intragovernmental costs are those of goods/services purchased from a federal entity.

	Total 2009	Total 2008
Program A		
Intragovernmental costs	831,899	424,064
Public costs	<u>1,305,569</u>	<u>1,811,085</u>
Total Program A costs	<u>2,137,468</u>	<u>2,235,148</u>
Total Program A	<u><u>2,137,468</u></u>	<u><u>2,235,148</u></u> *

* rounding

Note 9 – 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.

	Total 2009	Total 2008
Direct		
Category B	<u>2,287,727</u>	<u>2,154,294</u>
Total Obligations	<u><u>2,287,727</u></u>	<u><u>2,154,294</u></u>

Note 10 – 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).

	Undelivered Orders	Accounts Payable	Unpaid Obligated Balance Net
2009	<u>37,968</u>	<u>109,717</u>	<u>\$147,685</u>
2008	1,000	95,789	\$96,789

Note 11 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)

Liabilities not covered by budgetary resources total \$29,385 and the change in components requiring or generating resources in future period shows (\$117,132). The (\$117,132) is the net decrease of future funded expenses – leave between appropriations of annual fund 2008 and annual fund 2009. 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>2009</u>	<u>2008</u>
Liabilities not covered by budgetary resources	\$ 29,385	\$ 146,517
Change in components requiring/generating resources	\$ (117,132)	\$ 70,651

* rounding

Note 11 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing), Continued

	2009	2008
<i>Resources Used to Finance Activities:</i>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 2,287,727	\$ 2,154,294
Less: Spending Auth and Recoveries	<u>3,072</u>	<u>3,420</u>
Net Obligations	2,284,655	2,150,874
Other Resources		
Imputed Financing from Costs Absorbed by Others	<u>13,561</u>	<u>11,227</u>
<i>Net Other Resources Used to Finance Activities</i>	<u>13,561</u>	<u>11,227</u>
<i>Total Resources Used to Finance Activities</i>	2,298,216	2,162,102
<i>Resources Used to Finance Items not Part of the Net Cost of Operations</i>		
Change in Budgetary Resources Obligated for Goods		
Services and Benefits Ordered But Not Yet Provided	36,968	1,000
Other	<u>6,648</u>	
<i>Total Resources Used to Finance Items Not Part of the Net Cost of Operations</i>	<u>43,615</u>	<u>1,000</u>
<i>Total Resources Used to Finance the Net Cost of Operations</i>	2,254,600	2,161,102
<i>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</i>		
Components Requiring or Generating Resources in Future Periods:		
Increase in Annual Leave Liability	<u>(117,132)</u>	<u>70,651</u>
<i>Total Components of Net Cost of Operations that will Require or Generate Resources in Future Periods</i>	(117,132)	70,651
<i>Components Not Requiring or Generating Resources:</i>		
Depreciation and Amortization		<u>3,396</u>
<i>Total Components of Net Cost of Operations that will not Require or Generate Resources</i>		<u>3,396</u>
<i>Total Components of Net Cost of Operations that will not Require or Generate</i>		