

United States Interagency Council on Homelessness Fiscal Year 2015 Performance and Accountability Report

November 2015



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



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Preface from the Executive Director



The U.S. Interagency Council on Homelessness (USICH) implements *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (*Opening Doors*), the nation's first comprehensive Federal strategic plan to prevent and end homelessness, which was launched in 2010. Between 2010 and 2014, based on the annual Point-in-Time counts, the nation has reduced homelessness by an estimated 10 percent overall, including an estimated 25 percent reduction in unsheltered homelessness. Our progress ending homelessness extends to each of the goals set forth in *Opening Doors*. Between 2010 and 2014, homelessness among people in family households is estimated to have declined by more than 15 percent, including a 53 percent reduction in the number of unsheltered families, and chronic homelessness fell by 21 percent. Additionally, homelessness among Veterans has been reduced by an estimated 33 percent, including a 43 percent drop in the number of Veterans living on the streets, in cars, or in abandoned buildings. Complementing and helping drive this national progress, a growing number of cities and states across the country have announced that they have effectively ended Veteran homelessness, proving that an end to homelessness is achievable. At the same time, while recognizing that progress must still be made in our efforts to effectively count youth experiencing homelessness, we are scaling up our efforts to end youth homelessness, to identify the most effective interventions and strategies, and to help communities to expand their capacity to meet the diverse needs of this population.

The strategies in *Opening Doors* emphasize evidence-informed practices and policies built on data and performance measurements. The Plan focuses on innovation—valuing the adoption of new practices, policies, and strategies that more effectively advance work to prevent and end homelessness. Our assessment—supported by input from hundreds of stakeholders in the field—is that the original Plan focuses on what remain the right objectives and strategies, but also that it is important to ensure that the Plan retains its relevance and effectiveness as a blueprint with the latest knowledge and best practices to prevent and end homelessness. To that end, we issued an amendment to the Plan in 2015 to update information and add new strategies to reflect lessons learned since 2010, ranging from using data to drive performance, the role of Medicaid in covering housing-related services, and various strategies that clarify the way that homelessness crisis services must be retooled.

Now, more than ever, we know what works and are using this knowledge to shape strategic approaches and influence actions that:

- Integrate mainstream systems with targeted homeless programs.
- Improve efficiencies and outcomes through better targeting of existing and new resources.
- Implement widespread adoption of evidence-informed practices.
- Form partnerships among funders, service providers, and policy makers to implement reforms.
- Use data to measure outcomes and drive performance.

The implementation of the Plan has led to measurable progress and a clear sense of what is needed to fully realize the Administration's goals of ending homelessness to ensure that everyone in this country has a safe and stable place to call home.

Management Discussion and Analysis

I. Introduction

USICH was established in 1987 by the Stewart B. McKinney Homeless Assistance Act (amended as the McKinney-Vento Homeless Assistance Act). USICH's mission 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." ¹

Pursuant to this mission, USICH launched *Opening Doors* in June 2010. The Plan serves as a roadmap for joint action by USICH and the 19 Federal departments and agencies that make up the Council, as well as national and community partners across the country. The central idea underlying *Opening Doors* is that no one in America should be without a safe and stable place to call home. The Plan provides a framework for achieving its goals, and through its implementation, forges strong and lasting partnerships with community leaders on the front lines in the fight to end homelessness. *Opening Doors* was amended in 2015 to reaffirm the strategies that continue to prove effective in preventing and ending homelessness, and adding additional strategies that have proven to be critical to success. The 2015 Amendment encompasses most of the original Plan, but with some additions and clarifications that further strengthen its value as a living blueprint for action. The most significant changes include:

- The inclusion of an operational definition for an end to homelessness;
- Updating the timing of the goal of ending chronic homelessness from 2015 to 2017, which reflects the need for additional resources to achieve this goal nationally;
- Clarifying the role of Medicaid in financing services in permanent supportive housing;
- Providing clearer guidance and adding new strategies to support the retooling of homelessness programs into effective crisis response systems; and
- Adding emphasis on the uses of data in decision-making and performance management to prevent and end homelessness.

USICH is a model of successful interagency collaboration (as highlighted in a 2014 GAO report²) and local engagement. Our ability to inform Federal policy and to represent and communicate Federal strategies and policy priorities directly to state and local stakeholders. USICH does not administer programs or have regulatory authority; rather, our tools for advancing good governance are through innovative collaborations and strategic engagements that drive smart, efficient systems change among our partners and stakeholders. Our focus on data and performance measurements seeks to maximize several billions of dollars in targeted homelessness funding by providing a foundation for evidence-informed practices.

¹ Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009.

² GAO Report GAO-14-220, *Managing for Results, Implementation Approaches Used to Enhance Collaboration in Interagency Group*. February 2014. <http://www.gao.gov/assets/670/660952.pdf>

USICH also bridges siloed areas of government to reduce fragmentation and duplication in Federal policy and programs, and strengthens the effectiveness of programs and resources through interagency and cross-sector collaboration. Our work is making a difference in communities, as exemplified in USICH's leadership in ending Veteran homelessness, where we helped coordinate a Federal call-to-action through the Mayors Challenge to End Veteran Homelessness. We have also led the development of clear interagency criteria and benchmarks for defining the end of Veteran homelessness, which are helping clarify local actions and system changes necessary, and will inform the criteria and benchmarks for the achievement of other goals of *Opening Doors*.

USICH interagency collaboration also extends to breaking down silos between health care and housing sectors. The integration of health care and supportive services with stable housing is a key objective of *Opening Doors*, and a central part of the strategy to end chronic homelessness. Over the past few years, USICH worked closely with HHS to clarify the types of supportive services that can be covered under Medicaid that are critical to fostering housing stability and to improving mental and behavioral health. In June 2015, the Center for Medicare and Medicaid Services (CMS) issued guidance to state Medicaid agencies encouraging them to cover housing-related services under Medicaid for people with disabilities, including people experiencing chronic homelessness, as well as to engage in collaborative activities with housing agencies. To further assist states to make use of these opportunities and to take such efforts to scale, USICH, HHS, and HUD developed plans for a new Federal interagency initiative that will provide states intensive technical assistance and program support to coordinate Medicaid covered housing-related services with housing resources to scale permanent supportive housing. The opportunity to participate in this initiative was announced in November 2015, and the initiative will officially kick-off in early 2016.

II. The Council

USICH is an independent agency within the Federal executive branch, and the Council consists of 19 Federal Cabinet secretaries and agency heads. The Council meets four times each year to review progress on *Opening Doors* implementation, make decisions to support collaboration among Council member agencies, and discuss opportunities to prevent and end homelessness. In addition to USICH member agencies, the White House Domestic Policy Council (DPC) and Joining Forces actively participate in Council activities. During Council meetings, members review progress on *Opening Doors'* population goals and determine and authorize activities to support the Plan's implementation. Topics the Council discussed in FY 2015 included: reviewing progress on ending Veteran homelessness, strategies to maximize mainstream resources to end homelessness, homelessness among families and youth, approving new strategies to end Native American homelessness, and actions to reduce criminal justice system involvement among people experiencing homelessness.

In July 2014, with Shaun Donovan's transition from Housing and Urban Development (HUD) Secretary to Office of Budget Management (OMB) Director, Department of Labor (DOL) Secretary Thomas E. Perez was elected Chair of the Council and Department of Health and Human Services (HHS) Secretary Sylvia Mathews Burwell was elected Vice Chair, with both serving in these roles until December 2015. In December 2015, the Council is expected to elect Secretary Burwell to serve as Chair and incoming ED Acting Secretary John King as Vice Chair.

In preparation for Council meetings, USICH meets with senior advisors to agency principals on at least a bi-monthly basis to set the strategic direction for the Council. Through our quarterly Council Policy Group (CPG) meetings, USICH also provides a regular forum for senior staff from member agencies to

coordinate policies and programs, collect data, develop special initiatives, and prepare recommendations for consideration by Council members and for Council meeting discussions. CPG meetings this year focused on key elements of implementing *Opening Doors*, including: performance management, strategies for ending family and youth homelessness, progress toward the goal of ending Veteran homelessness, issuance of the amendment to *Opening Doors*, and developing strategies to leverage mainstream resources.

III. FY 2015 Discussion of Plan/Performance Goals and Objectives

Accomplishing the goals of *Opening Doors* requires leadership at all levels of government and strong partnerships with businesses, researchers, philanthropy, and nonprofits. It also demands a commitment to reassessment and the ability to alter course based on changing conditions and lessons learned. USICH continues to work with all of these sectors to advance the implementation of *Opening Doors* and to achieve the Plan's vision that no one should experience homelessness, no one should be without a safe, stable place to call home. The Plan serves as a roadmap for joint action by the 19 member agencies and USICH staff, and has four goals, as noted above and which serve as the USICH's performance goals:

Opening Doors, as amended, contains four goals:

1. Prevent and end homelessness among Veterans in 2015.
2. Finish the job of ending chronic homelessness in 2017.
3. Prevent and end homelessness for families, youth, and children in 2020.
4. Set a path to ending all types of homelessness.

The Plan was amended in 2012 to add more information about educational outcomes for children and unaccompanied youth experiencing homelessness. USICH released another Amendment to *Opening Doors* on June 22, 2015, the fifth anniversary of the release of the original Plan, in order to update information and to reflect what we have learned since 2010. The Amendment was informed by input from Council agencies and from key stakeholders, gathered through in-person sessions and an online crowd-sourcing platform which produced 7,734 visits and 2,318 individual comments. The 2015 Amendment incorporated the 2012 Amendment and also made changes in the following key areas:

- Provided an operational definition for an end to homelessness.
- Amended the timing of the goal of ending chronic homelessness from 2015 to 2017, due to need for additional Federal investments into permanent supportive housing to achieve the goal nationally.
- Provided clarification on the role of Medicaid in financing services in permanent supportive housing.
- Provided a clearer vision and additional strategies on retooling homeless services into crisis response systems.
- Highlighted the importance of data and metrics for decision-making and performance management.

The Plan, as Amended, identifies strategies for the achievement of 10 objectives which are organized into 5 themes, as follows.

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

FY 2015 Plan/Performance Goals Progress

The 2014 Point-in-Time (PIT) count data was published in FY 2015 and showed a continued decrease in national rates of homelessness since the launch of *Opening Doors*. In addition, communities and states across the country have begun to hit historic milestones in their progress in ending homelessness,

particularly among Veterans. The progress is remarkable given that much of it took place during an economic recession, and is evidence that the Obama Administration has significantly changed the trajectory of homelessness. Key data points from the 2014 PIT count documented that between 2010 and 2014:

- Overall homelessness had been reduced by an estimated 10 percent, including an estimated 25 percent reduction in unsheltered homelessness
- Veteran homelessness had been reduced by an estimated 33 percent, including an estimated 43 percent reduction in unsheltered homelessness among Veterans.
- Chronic homelessness had fallen by an estimated 21 percent.
- Family homelessness had been reduced by an estimated 15%, including an estimated 53% reduction in unsheltered homelessness among families.

Annual Update to *Opening Doors*

Pursuant to the HEARTH Act, USICH is required to publish an annual update on progress toward achieving the goals of *Opening Doors*. The report examines the accomplishments of Council member agencies, as well as barriers to implementation. While the report serves as an update to both Congress and the public, it is also an opportunity for Council member agencies to evaluate their performance and make necessary adjustments. USICH is shifting its reporting schedule to align with the Federal Fiscal Year, and the report covering the period of July 2013 through September 2014 is currently being completed and will be published in early FY 2016. The Annual Update covering FY 2015 will be published later in FY 2016.

End Homelessness among Veterans in 2015

Ending homelessness among Veterans by 2015 is a national priority and one that has widespread bipartisan support. HUD's 2014 AHAR reported that 49,933 Veterans are experiencing homelessness. This figure reflected an estimated 33 percent reduction between 2010 and 2014, including a 43 percent reduction in Veterans living on the street, in cars, abandoned buildings, or otherwise unsheltered. In addition, communities and states across the country have been confirmed by Federal partners as having achieved an end to Veteran homelessness. Federal partners are working to help as many communities achieve the goal by the end of 2015 as possible, and will continue providing this support after 2015 so that all communities can achieve this goal.

Solving Veteran Homelessness as One

Solving Veterans Homelessness as One (SVHO) is an interagency decision making body of USICH, HUD, and Department of Veterans Affairs (VA) officials, tasked with implementing strategies to end homelessness among Veterans. SVHO plans and executes strategic actions through goal setting, policy gap identification, communication, and action.

In FY 2015, SVHO focused on the goal of ending Veteran homelessness by the end of 2015. Much of SVHO's work focused on rapidly deploying a surge in Federal resources for housing assistance, ensuring the effective targeting of resources, and supporting state and community-level efforts to engage and house Veterans experiencing or at-risk of homelessness through the Mayors Challenge and a coordinated surge in technical assistance.

Some examples of SVHO's work this year include the following:

- Finalized and implemented an Interagency Work Plan which consisted of Federal strategies to support communities in their pursuit and achievement of the goal of ending Veteran homelessness.
- Accelerated the deployment of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) and Supportive Services for Veteran Families (SSVF) programs.
- Achieved significant improvements in hiring and staffing of VA homelessness program positions, resulting in increased referrals and lease-ups within the HUD-VASH program.
- Developed, in concurrence with HUD and VA, and issued a Federal definition along with criteria and benchmarks for measuring whether a community has achieved an end to Veteran homelessness.
- Developed a confirmation process for communities, in partnership with VA and HUD, to review and validate community claims of ending Veteran homelessness. During this process, community data is reviewed against the criteria and benchmarks and Federal partners confirm whether the goal has been achieved.
- Supported Mayors' offices and other local stakeholders to use these criteria to set local goals, to measure progress, and to document the achievement of the goal.
- Identified and highlighted communities that reached the goal during 2015, including: New Orleans, Houston, Mobile, Troy, Saratoga Springs, Flagler County, Lancaster, Fayetteville, Winston-Salem, and Las Cruces.
- Disseminated guidance and materials to communities, including 10 Strategies to End Veteran Homelessness, Mayors Challenge success stories, and coordinated entry guidance.
- Identified and promoted ways communities can improve data sharing, analysis, and where feasible, data integration among VA-funded and HUD-funded providers.
- Promoted the integration of targeted Veterans programs and coordinated entry systems in communities, in order to improve local communities' abilities to match interventions to the needs of Veterans who experience or are at-risk of homelessness.
- Coordinated with the 25 Cities and Zero: 2016 technical assistance efforts to foster coordinated assessment and entry systems that align resources of CoCs and local VA programs and services.
- Worked with Joining Forces to engage philanthropy and private sector on addressing community-level needs for Welcome Home Kits, Housing Navigators, and landlord engagement strategies.

Finish the Job of Ending Chronic Homelessness in 2017

According to HUD's Annual Homeless Assessment Report (AHAR), 84,291 individuals experience chronic homelessness throughout the nation on a single night in January 2014. The human and fiscal toll of chronic homelessness is high. People experiencing chronic homelessness are extremely vulnerable and the longer they remain without housing, the more likely that their health will deteriorate. By ending chronic homelessness, the Federal government can demonstrate its ability to solve one of the most visible, costly, and seemingly intractable manifestations of homelessness.

Research indicates people experiencing chronic homelessness disproportionately contribute to public costs due to repeated encounters with publically funded systems such as shelters, jails, emergency rooms, hospitals, and behavioral health care services. Studies estimate that the average total annual

public costs generated by each individual experiencing chronic homelessness ranges from \$40,000 to over \$70,000.³ Taking the lower estimate of the annual public costs and the total current population of people experiencing chronic homeless population, this suggests that allowing chronic homelessness to persist costs the American public nearly \$3.4 billion annually.

Interagency Working Group on Chronic Homelessness

Despite a 21 percent reduction in chronic homelessness between 2010 and 2014, there is still work to do. In FY 2013, USICH launched an Interagency Working Group on Chronic Homelessness to develop key strategies needed to achieve the goal of ending chronic homelessness. The working group focuses on implementing activities to accelerate progress on ending chronic homelessness, including: increasing access to permanent supportive housing opportunities, aligning Federal policies, funding, messaging and technical assistance, and securing the requested resources in FY 2015 to bring permanent supportive housing to scale. During FY 2015, examples of the Working Group's efforts included

- Increased in the availability of permanent supportive housing for people experiencing chronic homelessness by 6,894 units, through improved targeting and reallocation of existing resources.
- Provided technical assistance and messaging around topics like Housing First, the prioritization of people experiencing chronic homelessness in permanent supportive housing, outreach and engagement, working with the criminal justice system, and systems change.
- Supported and issued guidance on the President's FY 2016 Budget request to increase the national supply and availability of permanent supportive housing to 27,000 units— the scale needed to achieve the goal of ending chronic homelessness in FY 2017.
- Created a Supportive Housing Opportunities Planner (SHOP) tool intended to help CoC Program funding make strategic decisions regarding the use of CoC Program funds for supportive services. The tool can help CoC's make assessments and learn which types of CoC program-eligible supportive services are likely to have mainstream HS-funded programs as an alternative sources.
- Began work in FY 2015 with Federal and national partners to develop and implement a technical assistance initiative (to be launched in FY 2016) to assist states in aligning housing and healthcare systems, to increase Medicaid coverage of services in permanent supportive housing, and to help bring supportive housing to scale.
- Disseminated the Medicaid Primer by developing and publishing four fact sheets, conducting two webinars, and directing state engagement in at least three states, and widely disseminated CMS' Informational Bulletin *Coverage of Housing-Related Activities and Services for Individuals with Disabilities*, issued in June 2015.
- Began work in FY 2015 to publish a report on strategies to align efforts to end chronic homelessness and efforts to comply with the community integration mandate under Title II of the ADA.
- Published a joint interagency guide, co-authored by SSA, HHS and VA, on key strategies for connecting people experiencing homelessness to SSI and SSDI.

³ Culhane, DP., Metraux, S., Hadley, T. (2002) "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing." *Housing Policy Debate* 13(1): 107-163. Economic Roundtable (2009). "Where We Sleep: Costs When Homeless and Housed in Los Angeles." http://shnny.org/uploads/Where_We_Sleep.pdf

Reentry Council: Housing/Homelessness Sub-Committee

USICH staff participates in DOJ's Reentry Council and lead the Housing and Homelessness sub-committee, as a way to increase alignment between Department of Justice (DOJ) led re-entry work and USICH-led work on ending chronic homelessness. In response to growing recognition of the overlap between chronic homelessness and involvement in institutions, such as correctional facilities and psychiatric centers, USICH worked to strengthen its partnership with the Department of Justice (DOJ) in Fiscal Year 2015. The following include examples of this partnership:

- Worked with DOJ and HUD to encourage states to align efforts to end chronic homelessness with efforts to ensure the rights to community integration for people with disabilities under *Olmstead v. L.C.* and has been working with DOJ and HUD to develop a brief encouraging this integration that will be issued in early Fiscal Year 2016.
- Led interagency planning efforts, in preparation for the October 2015 Council meeting, to identify strategies to reduce criminal justice system involvement among people experiencing homelessness, both by reducing the criminalization of homelessness and increasing access to post-incarceration housing and services, and will launch the development of new tools and guidance that increase partnerships between the criminal justice system and homeless assistance and housing.
- Advised DOJ and HUD on their joint Pay-for-Success pilot focused on creating and testing permanent supportive housing for people who are frequent users of jails and shelters. A funding solicitation was released in early Fiscal Year 2016, with program implementation and expansion continuing into Fiscal Year 2017 and beyond.

End Homelessness among Families and Children in 2020

Various data sources provide us with an understanding of the scale of homelessness and housing instability among families with children. Based upon HUD's 2014 annual Point-in-Time (PIT) count, on a single night in 2014, there were an estimated 216,261 people in families with children experiencing homelessness in 67,613 family households; most (89 percent) were sheltered in emergency shelters or transitional housing. Since 2010, the number of people in families experiencing homelessness estimated by the PIT count has declined by 11 percent. Also in 2014, HUD's Homeless Management Information Systems (HMIS) data indicated that an estimated 517,416 people in 160,301 family households used shelter programs at some point during the reporting year. People in families with children comprised 34.8 percent of the total sheltered homeless population, essentially unchanged from the previous year. According to Department of Education data, which also counts the number of children who are living in doubled-up situations or living in motels or other temporary habitatio, public schools reported that 1,360,747 students enrolled in public schools were identified as experiencing homelessness at some point during the 2013-2014 school year; about three-quarters of these students were living with families in doubled-up situations. Between the 2010-2011 and the 2013-2014 school years, the number of students identified as experiencing homelessness at some point during the school year increased by more than 33 percent.

The cost of family homelessness is high and impacts a number of systems; but more importantly families experiencing homelessness have lasting detrimental social impacts. When families become homeless the experience itself is traumatizing, especially for homeless school-age children who are also more likely to have emotional problems such as anxiety, depression, withdrawal, and manifestation of aggressive behavior. Repeated school mobility also leads to decreased academic achievement. Ending

family homelessness requires the effective tailoring of housing and services interventions to families' needs and the full engagement of mainstream systems of care in efforts to provide those interventions.

Interagency Working Group on Family Homelessness

During FY 2015, USICH co-led a 13-agency Interagency Working Group on Family Homelessness to identify resources and key strategies needed to achieve the goal of ending homelessness among families and children by 2020. The working group developed short-term and long-term strategies and implemented activities to advance those strategies. Specific activities in FY 2015 included:

- Continued to disseminate and educate communities regarding the vision of a systemic response to family homelessness as described in *Family Connection: Building Systems to End Family Homelessness*.
- Hosted a convening for 3 communities (Massachusetts, New York, and Washington, DC) focused on strategies for addressing family homelessness within right-to-shelter jurisdictions and continued to provide support to those communities.
- Assisted ED and HUD in better align agency data and promoted local data sharing between CoCs and LEAs.
- Worked with Federal partners and the National Alliance to End Homelessness (NAEH) to develop and disseminate guidance regarding the [Role of Long-Term, Congregate Transitional Housing in Ending Homelessness](#).
- Helped support the expansion of rapid rehousing opportunities for families, USICH developed a new tool, [Federal Resources that Can Fund Rapid Re-Housing](#), to help communities determine which Federal funding sources might help finance this less-costly form of crisis response.
- Developed a fact sheet, [Housing to End Homelessness How the National Housing Trust Fund Will Help](#), describing how the National Housing Trust fund would help address the nation's severe shortage of affordable housing, especially for the lowest-income Americans.
- Disseminated HHS' tools regarding the role of Head Start in improving early childhood outcomes for children experiencing homelessness and encouraging partnerships between Head Start and homeless services programs.
- Assisted HUD to refine and revise family housing interventions modeling projections to reflect findings of the Family Options Study.
- Continued to provide technical assistance and evaluation design support to grantees in ACYF family supportive housing demonstration focused on child welfare involved families.
- Supported HUD to adopt and promote stronger incentives within FY 2015 CoC Program competition NOFA to strengthen CoC's focus on ending family homelessness through retooling transitional housing.
- Began work with ASPE to disseminate key findings including resources for addressing the needs of pregnant and parenting youth experiencing homelessness as part of ASPE's targeted research project.

End Homelessness for Youth in 2020

While data collection improvement efforts through the Point-in-Time count and through RHYMIS and HMIS integration are now underway, we do not have a confident estimate on the number of unaccompanied youth (age 12-24 years) experiencing homelessness. This is because we do not have systems in place to determine rates of homelessness among the youth and young adult populations, so

current methodologies are based on counts of youth experiencing homelessness. Data that is available, however, indicates that:

- Approximately 45,000 children and youth without a parent or guardian (unaccompanied) under age 25 were living on the streets, in shelter, or in transitional housing on a given night in 2014, according to the Department of Housing and Urban Development's Point-in-Time count. The majority of youth captured in the HUD PIT count are over 18.
- More than 90,000 youth without a parent or guardian (unaccompanied) enrolled in public school districts were identified as homeless at some point over the course of the 2013-2014 school year, according to Department of Education data. These include, among others, youth who are doubled-up or "couch surfing." The majority of youth captured in the ED data are under 18.

Research and community experience continues to indicate that youth experiencing homelessness are a diverse group, many of whom have severe needs, including depression, suicide initiations, and other mental health disorders. Chronic physical health conditions are common, as are high rates of substance use disorders. Many youth who become homeless have histories of academic difficulties, including suspension and expulsion. Homeless youth often engage in risky behaviors and have high rates of arrests and convictions. Youth who are lesbian, gay, bisexual, transgender, or questioning (LGBTQ) disproportionately experience homelessness.

At the same time, the response to youth homelessness in most communities continues to lack adequate capacity to respond to the diverse and complex needs represented within this population. Programs and services tend to operate in isolation and within the "silos" of their funding sources. Moreover, the set of programs and services for youth tend to be fragmented from larger efforts to end homelessness for other populations.

Interagency Working Group on Youth Homelessness

The Council initially took steps to address youth homelessness in 2013 through the issuance of the *Framework to End Youth Homelessness: A Resource Text for Dialogue and Action*, which sets forth two areas of action for ending youth homelessness:

1. Increasing knowledge of the scope and nature of youth homelessness; and
2. Increasing community capacity to prevent and respond to youth homelessness.

This Framework was developed for Federal, State, and local stakeholders as a resource to achieve better youth outcomes in stable housing, permanent connections, education, employment, and well-being.

As part of the Federal strategy to implement the *Framework to End Youth Homelessness*, USICH developed an Interagency Working Group on Youth Homelessness focused on improving the knowledge of the prevalence and needs of youth experiencing homelessness as well as breaking down silos between programs and services that serve youth who are at risk of homelessness. During FY 2015, highlights of this group's accomplishments included:

- In April 2015, USICH partnered with DPC, ED, HHS, HUD and the True Colors Fund to host a White House Policy Briefing on Youth Homelessness focused on innovative practices, high-priority policy issues, research regarding the prevalence and characteristics of youth experiencing homelessness, and roles of Federal agencies and partners.

- Developed a set of strategies focused on assisting communities to expand their community capacity to respond to youth homelessness which were adopted at the July 2015 Council meeting.
- Developed and disseminated [*Preventing and Ending Youth Homelessness, a Coordinated Community Response*](#), which articulates a preliminary vision of the set of programs and services that are needed to effectively prevent and end youth homelessness in communities.
- Drafted a comprehensive report on Federal efforts to end youth homelessness, including recommendations that could impact practices, policies and funding, to be submitted to Congress in early FY 2016.
- Initiated modeling regarding the scale of interventions and resources needed to end youth homelessness in 2020.
- Issued guidance to clarify eligibility of youth for HUD’s homelessness assistance programs.
- Supported HUD and HHS to accelerate the integration of HHS’s Runaway and Homeless Youth Management Information System with HUD’s Homeless Management Information System (HMIS).
- Disseminated messaging on counting practices for youth during the 2015 PIT count, through targeted dissemination to all 25 PC’s and other communities and broader messaging using social media, blogs, and website info.
- Co-presented a webinar, along with HUD and HHS, on HUD guidance to assist intake workers in determining and documenting homeless status for youth using the definition of homelessness found in HUD’s ESG and CoC programs.

IV. Other Council Work to Support Opening Doors’ Implementation and Success

Increase Access to Mainstream Resources

Targeted homelessness resources alone are not adequate for ending homelessness. Accessing mainstream resources, including education, employment, housing, health care, and financial supports are critical for all populations and for the achievement of the goals of *Opening Doors*. In FY 2015, Council agencies focused on eight Federal programs to leverage resources for ending homelessness, including: public housing and Housing Choice Vouchers, multifamily housing, workforce systems, schools, TANF, Head Start, Medicaid and Social Security benefits. The Council used these policy levers to undertake six actions: bright spotting model examples, using guidance to clarify policy, messaging to elevate attention, providing technical assistance and tools, engaging industry groups, and partnering with national experts. Key accomplishments in 2015 included the following:

- Developed and disseminated a report and tools resulting from the 2014 Partnerships for Opening Doors, which focused on the integration of employment and housing strategies to prevent and end homelessness. The Summit included representatives from workforce and housing agencies in 11 communities, national organizations, and officials from the Federal government.
- Continued efforts to encourage public housing authorities and multifamily housing owners to prioritize admission to households experiencing homelessness, and worked with HUD on a toolkit for owners and managers of HUD-funded multifamily housing developments to facilitate community involvement and successful implementation of the homeless preference.
- Disseminated CMS’ information bulletin regarding how Medicaid can cover housing-related services.

- Supported Continuums of Care to engage mainstream systems in community-level efforts to prevent and end homelessness.
- Strengthened collaborations between SSA field offices and homeless services organizations.

National Implementation of *Opening Doors*

USICH continues to support local implementation of the strategies outlined in *Opening Doors* through engagement with regional and State coordinating bodies, elected officials, PHAs, and community leaders. USICH provides a range of targeted community engagement and technical expertise in communities through the implementation of place-based work, partnerships, and strategic communications. USICH's National Initiatives Team has six full time employees (FTEs), including five staff who are based in communities throughout the United States. USICH uses the majority of its travel funding to enable members the National Initiatives Team and other USICH staff to travel to communities and provide on-the-ground support and guidance, to facilitate important meetings, deliver presentations and training sessions, and help ensure that local communities are using Federal, State, and local resources in alignment with best practices. USICH's staff is also resourceful in leveraging virtual technology to support communities.

In FY 2015, USICH continued to have the greatest focus and most proactive engagement with twenty-five (25) Priority communities that accounted for 37 percent of all people counted as experiencing homelessness during the 2014 PIT count. These communities were selected by USICH and our partners based on an analysis of the PIT Count and other relevant data sources. Highlights of USICH's work with states and local communities in 2015 included the following:

- Continued to provide information to the field and shared real world challenges in implementing Federal programs back to agencies to resolve and better support community level efforts, improving crucial partnerships between states, communities, and the Federal government.
- Built collaborations at the local and state levels, directly convening people to form new collaborative structures.
- Provided guidance and strategic direction to existing local leadership to implement a more coordinated approach to homelessness.
- Provided technical assistance and capacity building through the expertise of the members of our National Initiatives Team, and through the deployment and implementation of tools and resources created by USICH and our partners.
- Guided the implementation of technical assistance being provided through other Federal agencies and foster peer-to-peer connections that enable community partners to learn from each other's innovations and successes.
- Supported the efforts of mayors and their teams in achieving their commitments under the Mayors Challenge to End Veteran Homelessness, described more fully in the section below.
- Continued to work with Federal partners to strengthen the coordination and implementation of various technical assistance efforts, including:
 - The VA-funded 25 Cities effort, a joint effort with VA and HUD that is providing the 25 Priority Communities with guidance and support for developing coordinated entry systems to ensure the most effective, targeted use of Federal, state, and local resources; and

- The HUD-funded Zero: 2016 initiative, through which more than 70 communities, including 4 states, are receiving technical assistance to strengthen their efforts to drive to the end of Veteran homelessness by the end of 2015 and the end of chronic homelessness by the end of 2016.
- Provided guidance and technical assistance to help communities continue to improve their coordinated entry systems, to take initial systems to full geographic coverage within their jurisdictions, to align mainstream systems and resources more fully with the coordinated entry systems that have been developed, and to ensure that such systems are effectively reaching all populations experiencing homelessness.
- Utilized USICH's [Supportive Housing Opportunities Planner Tool](#) to help communities assess the impact of improved targeting of their permanent supportive housing to people experiencing chronic homelessness.
- Expanded work in support of state-level planning and coordination activities, especially in the 17 states that include priority communities, including an emphasis on supporting the activities of states' interagency councils on homelessness and providing guidance on the use of mainstream resources (such as Medicaid, TANF, and affordable housing funding) to create housing and services opportunities for people exiting homelessness.
- Developed specific criteria and benchmarks for ending Veteran homelessness to help guide communities as they take action to achieve the goal and worked with communities to apply these criteria and benchmarks to their local systems and data.

Mayoral Partnerships

Mayors are critical partners in local community efforts to prevent and end homelessness, and in FY 2015 USICH expanded its strategies for engaging these local leaders. This year USICH's partnerships with mayors included the following activities:

- Continued work with HUD and Joining Forces on the implementation of the Mayors Challenge to End Veteran Homelessness, engaging a growing coalition of mayors, governors, and other local officials that signed on to the challenge and committed to ending Veteran homelessness in their communities.
- Aided the mayors in pursuit of this goal by organizing peer learning conversations between mayoral staff with shared interests and concerns.
- Partnered with HUD and the White House on technical assistance calls for mayors and their staff.
- Supported increased collaboration between mayors and other local stakeholder efforts in order to increase community and state capacity to end homelessness.
- Engaged individual mayors to provide guidance and resource ideas based on specific community needs and organized peer learning conversations between policy advisors to mayors.
- Leveraged expertise from mayors already making significant progress towards the goals of *Opening Doors* to share promising practices and create momentum with other communities across the country
- Collaborated with the U.S. Conference of Mayors (USCM) and participated in USCM's semi-annual meetings and delivered presentations at several difference committee meetings, including USCM's Hunger and Homelessness Task Force, Housing and Community Development Committee, and Veterans Task Force.

Philanthropic Partners & Advocates

USICH advances the implementation of *Opening Doors* by fostering strategic partnerships for implementing initiatives, amplifying key messages, and identifying opportunities for collaboration. The importance of public-private partnerships has never been greater. As States and communities continue to face challenges due to constrained resources, private sector and philanthropic organizations dedicated to serving populations at-risk of or experiencing homelessness will need to play even larger leadership roles. Coordination among such stakeholders is essential to achieving the goals of the Plan. In an effort to foster greater public-private partnerships in FY 2015, USICH:

- Promoted leadership in local planning efforts and awareness of evidence-based approaches among philanthropy and private funders.
- Partnered with Funders Together to End Homelessness in convenings of funder networks focused on opportunities for collaboration.
- Engaged local leaders regarding ways to involve philanthropy and coordinate efforts with funders in local community planning and implementation efforts.
- Provided guidance and technical assistance to Funders Collaboratives in several communities, including: Los Angeles, Houston, and San Diego.
- Partnered with Funders Together to End Homelessness in the implementation of a community of practice focused on ending youth homelessness.
- Engaged local leaders on better ways to involve philanthropy and coordinate efforts with funders at the community planning table.
- Collaborated with *Joining Forces* and to convene corporate and philanthropic representatives to discuss gaps within communities' efforts to end Veteran homelessness and roles the private sector has played in supporting communities' progress and achievements.

Additionally, USICH hosts quarterly meetings with national advocacy organizations and Council agencies, creating a rare opportunity for open dialogue among stakeholders and policy makers from multiple agencies. Participants of the quarterly advocates meetings planned a series of topics to facilitate ongoing opportunities for public-private collaboration. In FY 2015, the meeting dealt with topics such as: Council priorities for the year, the Amendment, mainstream systems, ending youth homelessness, coordinated entry systems, criminal justice work, SSI/SSDI strategies, ending family homelessness, and the President's FY 2016 budget.

Communications

USICH develops and deploys a comprehensive annual communications strategy to support the goals of the Agency and the implementation of *Opening Doors*. The strategy includes a variety of tools and tactics based on an ongoing analysis of our communications objectives and key audiences. USICH works in collaboration with its member agencies to share information with policymakers and leaders at the Federal, state and local levels. We also provide tools, information, and resources to enhance the capacity of communities to implement solutions to homelessness.

For example, two of USICH's top communications objectives planned for and executed in Fiscal Year 2015 included:

- Built a drumbeat nationwide to end Veteran homelessness collaboratively with Council agencies on a variety of activities to promote the achievements of communities that were making progress toward the goal and to inspire greater progress in other communities.
- Promoted the 2015 Amendment to Opening Doors through a coordinated communications strategy with our Federal and national partners, including speaking engagements, online publishing, and social media.

Online Publishing and Social Media Engagement

USICH uses our website and social media platforms to ensure that information and materials are widely disseminated and to have impact on, and inform efforts in, communities with which we may never be able to have direct contact.

- USICH's website is the go-to resource for Federal guidance on the solutions to homelessness and the tools to build the systems needed for such solutions. In Fiscal Year 2015, USICH published 25 new reports, tools, and other resources, and the number of visits to the website grew by 39 percent over Fiscal Year 2014, to 350,000 visits.
- Our website features the popular USICH Blog which drives national discussions regarding best and promising practices and explores a variety of high-priority issue areas. We published 75 blogs in Fiscal Year 2015 from USICH policy experts, nonprofit and community leaders, researchers, and Federal partners.
- Developed and distributed 23 newsletters and alerts to reinforce policy priorities, engage stakeholders, and promote understanding of the Administration's efforts to prevent and end homelessness. Our distribution list contains more than 13,000 subscribers.
- Used social media to increase the reach of our information on promising practices and successful community solutions. During Fiscal Year 2015, engagement on Facebook grew by 41 percent over Fiscal Year 2014, and the number of followers on Twitter by more than 53 percent over Fiscal Year 2014.

In-Person Engagement and Events and Media Relations

USICH staff are regularly asked to represent the agency and the Administration to a variety of audiences. In FY 2015, staff spoke at more than one hundred public events, including conferences, briefings, and meetings, that targeted key audiences. Topics covered included information related to all of *Opening Doors'* goals and objectives, with strong emphasis on topics related to Veteran homelessness, coordinated entry systems, Housing First practices, employment services, and engagement of mainstream systems. Highlights of activities included:

- USICH Executive Director Matthew Doherty and Secretaries of HUD, VA, and Labor participated on a three-city swing to draw national attention to the efforts and progress of Houston, TX, Tucson, AZ, and Las Vegas, NV through public events, press outreach, social media, and online publishing.
- In association with the U.S. Conference of Mayors' Winter Meeting, USICH's Executive Director joined leaders from the White House, VA, and New Orleans Mayor Landrieu for a workshop with mayors from across the country focused on progress toward ending Veteran homelessness,

lessons learned from New Orleans, and how mayors can lead their communities to achieve the goal.

- Facilitated workshops and trainings at conferences and convenings around the country. For example, USICH staff facilitated more than a dozen workshops at the National Conference on Ending Homelessness and the National Conference on Ending Family and Youth Homelessness in Fiscal Year 2015, and also played key roles in the Corporation for Supportive Housing Summit and the National Coalition for Homeless Veterans Conference.
- Hosted five webinars, averaging more than 700 attendees per event, on topics such as Leveraging Medicaid, Breaking the Cycle of Incarceration and Homelessness, and Early Childhood Self-Assessment Tool for Shelters. Participated in many and various webinars hosted by partners.
- Helped organize of several convenings to advance the priorities of *Opening Doors*. Examples including:
 - In October 2014, USICH partnered with HUD, DOL, and the Butler Family Fund to convene representatives from workforce and housing agencies in 11 communities, national organizations, officials from the Federal government for the Partnerships for Opening Doors Summit, which was devoted to integrating employment and housing strategies to prevent and end homelessness.
 - In April 2015, USICH partnered with DPC, ED, HHS, HUD and the True Colors Fund to host a White House Policy Briefing on Youth Homelessness focused on innovative practices, high-priority policy issues, research regarding the prevalence and characteristics of youth experiencing homelessness, and roles of Federal agencies and partners.
 - In July 2015, USICH worked with Joining Forces to convene corporate and philanthropic representatives to discuss gaps within communities' efforts to end Veteran homelessness and roles the private sector has played in supporting communities' progress and achievements.
- USICH staff are routinely interviewed by and quoted in the media and USICH or its staff were mentioned in the media more than 1,200 times.

Common Vocabulary, Data Standards, and Integration and Strategic Use of Data

USICH continue to lead efforts across agencies to develop and promote a common Federal vocabulary and data standard regarding housing status across all targeted homeless and key mainstream programs for low-income households. Work to develop a common vocabulary 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 the impact of programs. Highlights of efforts in this area in FY 2015 include the following:

- Supported HUD and HHS to accelerate the integration of HHS's Runaway and Homeless Youth Management Information System with HUD's Homeless Management Information System (HMIS).
- Agencies executed a memorandum of understanding and began efforts to provide guidance training, and technical support to grantees to advance this integration of data sources.

- USICH also worked with VA and HUD to ensure that VA’s Supportive Services for Veteran Families grantees were also reporting into HMIS and to provide guidance regarding ability of VA staff to access and share client information through HMIS.
- USICH has been developing a document that helps explain the different Federal data sources on homelessness, their different purposes, and how communities’ can use all of those data sources to inform their efforts, which will be published in early FY 2016.
- In Fiscal Year 2015, USICH also focused on efforts to increase the role of mainstream programs in identifying and tracking housing status and homelessness, focusing specifically on TANF, workforce systems, criminal justice agencies and re-entry programs, and Medicaid. Specific efforts included:
 - Assisting HHS to develop guidance to TANF agencies on assessing and tracking homelessness and housing status among TANF recipients.
 - Beginning efforts with DOL to develop guidance for workforce systems on their new obligation to track homelessness and housing status among workforce program participants under the Workforce Innovation and Opportunity Act.
 - Initiating efforts to provide information to Medicaid agencies, health care providers, and hospitals on assessing housing status and homelessness, including use of the Z59.0 homelessness diagnosis code in ICD-10.

V. Agency Operations

The success of *Opening Doors* is dependent on USICH’s ability to maintain a highly skilled staff. USICH employee performance is tied directly to the Agency’s mission, strategies, objectives, and overall performance.

In order to keep operational costs at a minimum and focus budgetary resources directly on accomplishing the Agency’s mission, USICH outsources support for several mission support components to other government entities, namely the U.S. Department of Agriculture (USDA) and the General Services Administration (GSA), via cost-sharing arrangements. These support areas include HR, finance, payroll, legal counsel, and EEO processing. USICH maintains control of the work and authorization processes, and both USDA and GSA execute transactions and performs other operations support work as directed by USICH. USICH also outsources its website and network support to private entities. These mission support areas fall under the direct responsibility of the Agency’s Director of Finance and Administration.

For FY 2015, USICH received an unmodified or clean audit opinion. USICH now utilizes USDA’s accounting system to track and report on its finances, as financial management support was transferred from GSA to USDA. No instances of improper payments occurred during FY 2015 or previous years.

VI. Financial Statements, Auditor’s Reports

As a Federal agency, USICH prepares annual financial statements in conformity with U.S. Generally Accepted Accounting Principles and undertakes an independent annual audit to ensure reliability in assessing the Council’s financial health and performance. Each year, USICH prepares the following financial statements:

- Balance Sheet
- Statement of Net Cost
- Statement of Changes in Net Position
- Statement of Budgetary Resources

These statements are accompanied by corresponding notes. For FY 2015, the Council received an unmodified or clean audit opinion that the financial statements were fairly stated in all material respects. USICH manages its finance and payroll support functions through USDA and GSA in Kansas City, MO. These transactions are supported by USDA's Pegasys accounting system, and other subsystems. During FY 2015, USDA 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*, and other applicable guidance and are audited via the *Generally Accepted Auditing Standards* issued by the AICPA and the standards of financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, and other applicable guidance.

Balance Sheet

The balance sheet presents the total dollar amounts available for use by USICH (assets) against the amounts owed (liabilities) and amounts that comprise the difference (net position). Total Assets for USICH total \$849,839 -- \$831,668 and are attributable to the Agency's Fund Balance with the Department of Treasury (Treasury), \$8,381 attributable to Accounts Receivable and \$9,789 attributable to Property, Plant and Equipment. 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 property, plants, and equipment 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 \$439,603, including accounts payable, which consists 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 is obtained from future appropriations.

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 2015 equals \$3,370,848.

Statement of Changes in Net Position

The State of Changes in Net Position presents 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 2015 is \$410,236.

Statement of Budgetary Resources

This statement provides information on how budgetary resources were made available to USICH and the status of those budgetary resources at year-end. USICH is funded through a congressional appropriation totaling \$3,530,000 for FY 2015. Net outlays for activity during FY 2015 totaled \$3,316,710.

Limitations of the Financial Statements

As required by OMB Circular A-136, *Financial Reporting Requirements*, USICH discloses the following limitations on USICH's FY 2015 financial statements, which are contained in this Report. The financial statements are prepared to report the financial position and results of operations of USICH, pursuant to the requirements of 31 U.S.C. § 3515 (b). The statements are 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. These 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.



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CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying balance sheet of the United States Interagency Council on Homelessness (USICH) as of September 30, 2015 and 2014, 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), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted government auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 15-02, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes test of compliance with provisions of applicable laws, regulations, and contracts that have a direct effect on the determination of material amounts and disclosure in the financial statements. The purpose was not to provide an opinion on compliance with provisions of applicable laws, regulations and contracts and, therefore, we do not express such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USICH as of September 30, 2015 and 2014, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the *Management's Discussion and Analysis (MD&A)* and *Required Supplementary Information (RSI)* sections be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board, who 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 required supplementary information in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. *The Message From The Executive Director* and the Other Information sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered USICH's internal control over financial reporting (internal control) to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of providing an opinion on internal control. Accordingly, we do not express such an opinion.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. During the audit of the financial statements no deficiencies in internal control were identified that were considered to be a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether USICH's financial statements are free from material misstatement, we performed tests of its compliance with applicable provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations and contracts applicable to USICH. The objective was not to provide an opinion on compliance with provisions of laws, regulations and contracts and therefore, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 15-02.

Management's Responsibility for Internal Control and Compliance

USICH's management is responsible for (1) evaluating effectiveness of internal control over financial reporting based on criteria established under the Federal Managers Financial Integrity Act (FMFIA), (2) providing a statement of assurance on the overall effectiveness of internal control, and (3) ensuring compliance with other applicable laws and regulations.

Auditor's Responsibilities

We are responsible for (1) obtaining a sufficient understanding of internal control over financial reporting to plan the audit, (2) testing compliance with certain provisions of laws and regulations that have a direct and material effect on the financial statements and applicable laws for which OMB Bulletin No. 15-02 requires testing, and (3) applying certain limited procedures with respect to the MD&A and other RSI.

We did not evaluate all internal controls relevant to operating objectives as broadly established by the FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to testing internal control over financial reporting. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our audit results to future periods is subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to USICH. We limited our tests of compliance to certain provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin No. 15-02 that we deemed applicable to USICH's financial statements for the fiscal year ended September 30, 2015. We caution that noncompliance with laws and regulations may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters

The purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters sections of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of USICH's internal control or on compliance. These reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering USICH's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

This report is intended solely for the information and use of the management of 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 16, 2015

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
BALANCE SHEET

As of September 30, 2015 and 2014

	2015	2014
Assets:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$ 831,668.49	\$ 636,448.29
Total Intragovernmental	831,668.49	636,448.29
Assets With The Public:		
Accounts Receivable, net (Note 3)	8,381.14	884.58
General Property, Plant and Equipment, Net	9,788.94	
Total Assets	\$ 849,838.57	\$ 637,332.87
Liabilities:		
Intragovernmental:		
Accounts Payable	\$ -	\$ 116,218.00
Other: (Note 6)		
Employer Contributions and Payroll Taxes Payable	15,023.85	11,373.35
Total Intragovernmental	15,023.85	127,591.35
Liabilities With the Public:		
Accounts Payable	254,282.23	199,989.44
Other: (Note 6)		
Accrued Funded Payroll and Leave	57,638.40	43,884.40
Employer Contributions and Payroll Taxes Payable	2,448.73	1,957.42
Unfunded Leave	110,209.64	89,270.13
Total Liabilities	\$ 439,602.85	\$ 462,692.74
Net Position:		
Unexpended Appropriations - All Other Funds (Consolidated Totals)	\$ 531,293.71	\$ 292,044.11
Cumulative Results of Operations - All Other Funds (Consolidated Totals)	(121,057.99)	(117,403.98)
Total Net Position - All Other Funds (Consolidated Totals)	410,235.72	174,640.13
Total Net Position	410,235.72	174,640.13
Total Liabilities and Net Position	\$ 849,838.57	\$ 637,332.87

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF NET COST

As of And For The Years Ended September 30, 2015 & 2014

	2015	2014
Program Costs:	<hr/>	<hr/>
USICH:		
Gross Costs	<u>\$ 3,370,847.93</u>	<u>\$ 3,448,271.38</u>
Net Program Costs (Note 7)	<u>3,370,847.93</u>	<u>3,448,271.38</u>
 Net Cost of Operations	 <u><u>\$ 3,370,847.93</u></u>	 <u><u>\$ 3,448,271.38</u></u>

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF CHANGES IN NET POSITION

As of And For The Years Ended September 30, 2015 & 2014

FY 2015 (CY)

	<u>Funds From Dedicated Collections (Consolidated Totals)</u>	<u>All Other Funds (Consolidated Totals)</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (117,403.98)	\$ -	\$ (117,403.98)
Budgetary Financing Sources:				
Appropriations used	-	3,272,680.42	-	3,272,680.42
			-	
Other Financing Sources (Non-Exchange):				
Imputed financing	-	94,513.50	-	94,513.50
Total Financing Sources	-	3,367,193.92	-	3,367,193.92
Net Cost of Operations	-	3,370,847.93	-	3,370,847.93
Net Change	-	(3,654.01)	-	(3,654.01)
Cumulative Results of Operations	-	(121,057.99)	-	(121,057.99)
Unexpended Appropriations:				
Beginning Balance	-	292,044.11	-	292,044.11
Budgetary Financing Sources:				
Appropriations received	-	3,530,000.00	-	3,530,000.00
Other adjustments	-	(18,069.98)	-	(18,069.98)
Appropriations used	-	(3,272,680.42)	-	(3,272,680.42)
Total Budgetary Financing Sources	-	239,249.60	-	239,249.60
Total Unexpended Appropriations	-	531,293.71	-	531,293.71
Net Position	<u>\$ -</u>	<u>\$ 410,235.72</u>	<u>\$ -</u>	<u>\$ 410,235.72</u>

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
STATEMENT OF CHANGES IN NET POSITION

As of And For The Years Ended September 30, 2015 & 2014

FY 2014 (PY)

	<u>Funds From Dedicated Collections (Consolidated Totals)</u>	<u>All Other Funds (Consolidated Totals)</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Cumulative Results of Operations:				
Beginning Balances	\$ -	\$ (84,455.81)	\$ -	\$ (84,455.81)
Budgetary Financing Sources:				
Appropriations used	-	3,294,772.70	-	3,294,772.70
Other Financing Sources (Non-Exchange):				
Imputed financing	-	120,550.51	-	120,550.51
Total Financing Sources	-	3,415,323.21	-	3,330,867.40
Net Cost of Operations	-	3,448,271.38	-	3,448,271.38
Net Change	-	(32,948.17)	-	(32,948.17)
Cumulative Results of Operations	-	(117,403.98)	-	(117,403.98)
Unexpended Appropriations:				
Beginning Balance	-	175,073.80	-	175,073.80
Budgetary Financing Sources:				
Appropriations received	-	3,500,000.00	-	3,500,000.00
Other adjustments	-	(88,256.99)	-	(88,256.99)
Appropriations used	-	(3,294,772.70)	-	(3,294,772.70)
Total Budgetary Financing Sources	-	116,970.31	-	116,970.31
Total Unexpended Appropriations	-	292,044.11	-	292,044.11
Net Position	<u>\$ -</u>	<u>\$ 174,640.13</u>	<u>\$ -</u>	<u>\$ 174,640.13</u>

U.S. INTERAGENCY COUNCIL ON HOMELESSNESS

STATEMENT OF BUDGETARY RESOURCES

As of And For The Years Ended September 30, 2015 & 2014

	<u>2015</u> <u>Budgetary</u>	<u>2014</u> <u>Budgetary</u>
BUDGETARY RESOURCES		
Unobligated balance brought forward, October 1	\$ 242,502.90	\$ 174,884.30
Unobligated balance brought forward, October 1, adjusted	242,502.90	174,884.30
Recoveries of prior year unpaid obligations (unobligated balances)	106,405.14	
Other changes in unobligated balance	<u>(18,069.98)</u>	<u>(88,256.99)</u>
Unobligated balance from prior year budget authority, net	330,838.06	86,627.31
Appropriations (discretionary and mandatory)	3,530,000.00	3,500,000.00
Spending authority from offsetting collections	34.20	11,421.61
Total budgetary resources	<u>\$ 3,860,872.26</u>	<u>\$ 3,598,048.92</u>
 STATUS OF BUDGETARY RESOURCES		
Obligations incurred	(Note 8) \$ 3,546,283.53	\$ 3,355,546.02
Apportioned	63,784.48	157,371.82
Unapportioned	<u>250,804.25</u>	<u>85,131.08</u>
Unobligated balance brought forward, end of year	<u>314,588.73</u>	<u>242,502.90</u>
Total budgetary resources	<u>\$ 3,860,872.26</u>	<u>\$ 3,598,048.92</u>
 CHANGE IN OBLIGATED BALANCE		
Unpaid obligations, brought forward, October 1 (gross)	\$ 393,945.39	\$ 91,583.57
Obligations incurred	3,546,283.53	3,355,546.02
Outlays (gross) (-)	(3,316,744.02)	(3,053,184.20)
Recoveries of prior year unpaid obligations (-)	<u>(106,405.14)</u>	
Unpaid obligations, end of year	517,079.76	393,945.39
Obligated balance, start of year (net)	<u>393,945.39</u>	<u>91,583.57</u>
Obligated balance, end of year (net)	(Note 9) <u>\$ 517,079.76</u>	<u>\$ 393,945.39</u>
 BUDGET AUTHORITY AND OUTLAYS, NET		
Budget authority, gross (discretionary and mandatory)	\$ 3,530,034.20	\$ 3,511,421.61
Actual offsetting collections (discretionary and mandatory) (-)	<u>(34.20)</u>	<u>(11,421.61)</u>
Budget authority, net (discretionary and mandatory)	3,530,000.00	3,500,000.00
Outlays, gross (discretionary and mandatory)	3,316,744.02	3,053,184.20
Actual offsetting collections (discretionary and mandatory) (-)	<u>(34.20)</u>	<u>(11,421.61)</u>
Outlays, net (discretionary and mandatory)	<u>3,316,709.82</u>	<u>3,041,762.59</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 3,316,709.82</u>	<u>\$ 3,041,762.59</u>

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS
APPROPRIATED FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015 AND 2014**

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, 2015, 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 comes from appropriations. This fund balance with treasury is a consolidated balance of five annual funds (910: FY 2011, FY 2012, FY 2013, FY 2014, and FY 2015) and one no-year fund (910X). The annual fund for FY 2010 was cancelled and the remaining fund balance of \$18,069.98 was given back to U.S. Treasury during fiscal year 2015.

	<u>FY 2015</u>	<u>FY 2014</u>
A. Fund Balance with Treasury		
Appropriated Fund	\$ 831,668.49	\$ 636,448.29
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 63,784.48	\$ 157,371.82
b) Unavailable	250,804.25	85,131.08
2) Obligated Balance not yet Disbursed	517,079.76	393,945.39
Total	<u>\$ 831,668.49</u>	<u>\$ 636,448.29</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>FY 2015</u>	<u>FY 2014</u>
A/R Claims- Non- Federal	\$ 8,381.14	\$ 884.58
Total	<u>\$ 8,381.14</u>	<u>\$ 884.58</u>

Note 4 – General Property, Plant and Equipment, Net

As of September 30, 2015 the U.S. Interagency Council on Homelessness shows Equipment – Administrative total cost of \$34,250.94 and a net book value of \$9,788.94. The Accumulated Depreciation to date shows a balance of \$24,462. The depreciation calculation method used is Straight Line with a useful life of 5 years. However, for the items that were obligated in FY 2003 and received in FY 2005, the useful life is 3 years. A \$5,000 threshold is used to determine whether items are capitalized.

FY 2015	Equipment	Furniture & Fixtures	Software	Total
Cost	\$ 34,250.94	\$ -	\$ -	\$ 34,250.94
Accum. Depr.	(24,462.00)			(24,462.00)
Net Book Value	<u>\$ 9,788.94</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,788.94</u>

FY 2014	Equipment	Furniture & Fixtures	Software	Total
Cost	\$ 22,197.94	\$ -	\$ -	\$ 22,197.94
Accum. Depr.	(22,197.94)			(22,197.94)
Net Book Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015, U.S. Interagency Council on Homelessness showed liabilities covered by budgetary resources of \$300,374.78 and liabilities not covered by budgetary resources of \$139,228.07.

Liabilities covered by budgetary resources is composed of Accounts Payable \$225,263.80, Employer Contributions and Payroll Taxes Payable \$17,472.58; and Accrued Funded Payroll and Leave \$57,638.40.

	FY 2015	FY 2014
With the Public		
Accounts Payable	\$ 29,018.43	\$ 29,018.43
Other	110,209.64	89,270.13
Total liabilities not covered by budgetary resources	<u>139,228.07</u>	<u>118,288.56</u>
Total liabilities covered by budgetary resources	<u>300,374.78</u>	<u>344,404.18</u>
Total Liabilities	<u>\$ 439,602.85</u>	<u>\$ 462,692.74</u>

Note 6 – Other Liabilities

Other liabilities with the public consist of Accrued Funded Payroll and Leave of \$57,638.40, Unfunded leave of \$110,209.64, and Employer Contributions and Payroll Taxes Payable – TSP of \$2,448.73. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable \$15,023.85.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
FY2015	Other Liabilities	\$ 110,209.64	\$ 60,087.13	\$ 170,296.77
FY2014	Other Liabilities	\$ 89,270.13	\$ 45,841.82	\$ 135,111.95
	<u>Intragovernmental</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
FY 2015	Other Liabilities	\$ -	\$ 15,023.85	\$ 15,023.85
FY 2014	Other Liabilities	\$ -	\$ 11,373.35	\$ 11,373.35

Note 7 – Intragovernmental Costs and Exchange Revenue

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

	<u>Total FY 2015</u>	<u>Total FY 2014</u>
Program A		
Intragovernmental costs	803,075.34	1,044,898.03
Public costs	2,567,772.59	2,403,373.35
Total Program A costs	<u>3,370,847.93</u>	<u>3,448,271.38</u>
Total Program A	<u>3,370,847.93</u>	<u>3,448,271.38</u>

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 FY 2015</u>	<u>Total FY 2014</u>
Direct		
Category B	\$ 3,546,283.53	\$ 3,355,546.02
Total Obligations	<u>\$ 3,546,283.53</u>	<u>\$ 3,355,546.02</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 Delivered Orders, Unpaid (amounts owed at the end of the year for goods and services received).

	Undelivered Orders	Delivered Orders, Unpaid	Obligated Balance Net
FY 2015	\$ 216,704.98	\$ 300,374.78	\$ 517,079.76
FY 2014	\$ 49,541.21	\$ 344,404.18	\$ 393,945.39

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

Liabilities not covered by budgetary resources total \$139,228.07 and the change in components requiring or generating resources in future period shows \$20,939.51. The \$20,939.51 is the net increase of future funded expenses – leave between appropriations of annual fund 2014 and annual fund 2015. 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.

	FY 2015	FY 2014
Liabilities not covered by budgetary resources	<u>\$ 139,228.07</u>	<u>\$ 118,288.56</u>
Change in components requiring/generating resources	<u>\$ 20,939.51</u>	<u>\$ 31,479.99</u>
Budgetary Resources Obligated	\$ 3,546,283.53	\$ 3,355,546.02
Spending Authority from Recoveries and Offsetting Collections	(106,439.34)	(11,421.61)
Imputed Financing from Costs Absorbed by Others	94,513.50	120,550.51
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	(167,163.77)	(49,351.71)
Resources that Finance the Acquisition of Assets	(19,549.56)	1,468.18
Financing Sources Yet to be Provided	20,939.51	31,479.99
Components Not Requiring or Generating Resources	<u>2,264.06</u>	
Net Cost of Operations	<u>\$ 3,370,847.93</u>	<u>\$ 3,448,271.38</u>

Note 11 – Operating Lease and Future Lease Payments

USICH occupies office space under a lease agreement that is accounted for as an operating lease. USICH moved office locations in November, 2013, with greatly reduced, new office space rent amounts effective October 1, 2013. The current office lease term began on October 1, 2013 and expires on October 31, 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, 2015 and 2014 were \$218,401 and \$440,320, respectively.

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

Fiscal Year	Office Space Cost Estimates
2016	\$222,037
2017	\$226,720
2018 (current lease expires 10/31/2017)	\$ 16,100
Total future payments	\$464,857