

**2018 Iowa Balance of State Continuum of Care (CoC)**

**Final New Project Application: Deadline: Wednesday, August 15, 2018, 11:59 PM (LOI due August 1, 2018)**

Instructions: Answer the questions below. Include a "Self-Score" as indicated.

**APPLICANT NAME AND LOCATION**

Organization Name:	Cedar Valley Friends of the Family		
Project Name:	Safely Home		
Type of Project (Permanent Supportive Housing, Rapid Rehousing, Joint Transitional Housing & Rapid Rehousing, DV Bonus Rapid Re-Housing, or DV Bonus Joint TH-RRH)	DV Bonus Joint TH-RRH		
Project Name:	Safely Home		
Anticipated Renewal Amount:	300,000	City:	
Address:	Street: 3835 W. 9th Street Waterloo, Iowa Zip: 50702		
Primary Contact (w/Email & Phone):	Ben Brustkern, <a href="mailto:Ben@fofia.org">Ben@fofia.org</a> , 319-352-1108 ext. 207		
Secondary Contact (w/Email & Phone):	Carrie Diesburg, <a href="mailto:Carrie@fofia.org">Carrie@fofia.org</a> , 319-352-1108 ext. 200		
Is your agency currently registered in the Federal System for Award Management?:	Circle or Enter: Yes	DUNS #:	845062777

**THRESHOLD ASSURANCES (required)**

**Projects MUST meet ALL of these requirements to be eligible for consideration.**

Will the project be free of the following barriers to accessing housing and services? Verify that each barrier described will NOT exist:	Self-Score: Assurances met?	CoC-Score: Assurances met?	Threshold Notes
a. Client having too little or no income:	Not a barrier		
b. Client having a criminal record with exceptions for state-mandated restrictions:	Not a barrier		
c. Client fleeing domestic violence (e.g., lack of a protective order, period of separation from abuser, or law enforcement involvement):	Not a barrier		
d. Client having (or not having) a previous address within Iowa:	Not a barrier		
e. Project failing to comply with HUD's 2016 Gender Identity Rule: ( <a href="https://www.hudexchange.info/resource/1991/equal-access-to-housing-final-rule/">https://www.hudexchange.info/resource/1991/equal-access-to-housing-final-rule/</a> )	Not a barrier		
	Yes		

<b>CONTINUUM OF CARE PARTICIPATION (9 points, questions 1-4)</b>						
<b>1 Local Participation: Since January 2017, have representatives of your agency attended meetings as part of organizing a Coordinated Services Region (CSR) that includes your local service area OR attended meetings of your organized local planning group? Posted meeting minutes must be able to verify attendance. List meetings below. (1 point for each meeting attended, up to 3 points)</b>						
Representative (Name of Individual)	Region or Planning Group	Date Attended	Self-Score (up to 3)	CoC Score (up to 3)	Scoring Notes	
KarLee Kearns	Northeast Iowa Service Region- <b>Postville</b>	3/28/2018	3			
KarLee Kearns	Northeast Iowa Service Region- <b>Oelwein</b>	3/28/2018				
Ben Brustkern	Northeast Iowa Service Region- <b>Decorah and Waverly</b>	8/24/2018				
<b>2 ICH Participation: Since January 2017, have representatives of your agency attended at least three bimonthly meetings of the Iowa Council on Homelessness? Note that anyone can participate in Council meetings even if not a voting member. Posted meeting minutes must verify attendance. (1 point if at least three meetings attended)</b>						
Representative (Name of Individual)	Date Attended	Three meetings attended? Circle or enter: yes	Self-Score (up to 1)	CoC Score (up to 1)	Scoring Notes	
KarLee Kearns	3/20/2018		1			
KarLee Kearns	5/18/2018					
Jessica Jepsen-Rupp	6/20/2018					
<b>3 ICH Committee Participation: Since January 2017, have representatives of your project attended at least three meetings of one or more Iowa Council on Homelessness committees, including work groups such as the Coordinated Entry Workgroup? Note that anyone can participate in committee meetings even if not a Council member. Posted meeting minutes must verify attendance. (1 point for each meeting attended, up to 3 points)</b>						
Representative (Name of Individual)	Committee	Date Attended	Self-Score (up to 3)	CoC Score (up to 3)	Scoring Notes	
Ben Brustkern	Executive	4/21/2017	3			
Ben Brustkern	Executive	6/16/2017				
Ben Brustkern	Executive	10/20/2017				
<b>4 Other CoC Participation: Have representatives of your project participated in any of the following activities? Participation records must verify attendance. (1 point for each activity, up to 2 points)</b>						
Activity	Representative (Name of Individual)	Self-Score (up to 2)	CoC Score (up to 2)	Scoring Notes		
2017 or 2018 HUD Peer-to-Peer Symposium; Symposium planning meeting or 2017 HousingIowa Conference	KarLee Kearns, William Aukes, William Bird, Ben					

		Brustkern, Jessica Jepsen- Rupp			
	Local Unsheltered 2018 Point-in-Time Street Count	County/ies: Allamakee, Bremer, Buchanan, Butler, Chickasaw, Clayton, Fayette, Howard and Winneshiek	KarLee Kearns, Felicia Shumpert, Katrina Klyn, Megan Lindner, Morgan Dodge, Alexis Alfaro, Sarah Wilcox, Talye Anderson, Karen Siler, Ben Brustkern	2	

**AGENCY EXPERIENCE (49 points, questions 5-10)**

**5 Agency History: Describe the agency's experience in effectively addressing homelessness, including permanent supportive housing and/or supportive services or prevention services for those experiencing or at risk of homelessness. (10 points)**

<p>Friends of the Family has successfully managed HUD-funded Continuum of Care grants to address homelessness since 1999 and been awarded further grant projects due to the quality of work we do. Starting with the Turning Point Rural Housing Project and adding the Northeast Iowa Permanent Housing Program in 2011, the agency has served a wide array of persons affected by homelessness. In 2014, Friends of the Family received its first Emergency Solutions Grant to serve domestic violence survivors with rapid rehousing and homeless prevention services across 13 counties. In 2017, Friends of the Family received funding to add the Rapid Housing Initiative Program to 5 counties in rural North Iowa. Over time, the agency changed from operating its programs on a first-come, first-served basis, to using the VI-SPDAT and placing participants using a needs-based, prioritized waitlist, and using a Housing First model. Persons with the highest barriers to stability are now prioritized and lower-barrier persons are diverted to other supportive resources for assistance, as appropriate. Friends of the Family's programs have a history of effectiveness. Last grant year, in the Turning Point Program 100% of participants exited into permanent housing, the Rapid Housing Initiative of North Iowa exited 91% of participants into permanent housing, in the Permanent Support housing Program 93% exited into permanent housing, and in the Emergency Solutions Grant program, 92% of rapid re-housing participants and 100% of homeless prevention participants exited into permanent housing. In 2017, Friends of the Family was designated as the Coordinated Services Region lead for the 9 rural counties served by the Turning Point and Permanent Supportive Housing Programs. The NEI region was one of the first to be up and running the weekly prioritization list and pull meetings. FOF's Emergency Solutions Grant funding provides housing services in 13 counties and is actively participating in the 4 local CSRs and able to provide confidential priority lists to weekly pull meetings for other regions. The history</p>	<p><b>Self-Score (up to 10)</b></p>	<p><b>CoC Score (up to 10)</b></p>	<p><b>Scoring Notes</b></p>
	10		

	of the agency indicates a strong ability to address homelessness and implement new programming.			
6	<p><b>Grant and Fundraising History: Describe the agency's experience in utilizing funds to address homelessness from sources including federal, state, local governments and private funds such as United Way, community foundation and individual donors. (10 points; 2 for each type of source described here)</b></p>			
	<p>Friends of the Family has a history of maintaining a diverse operating budget. We have been managing HUD funds since 1999, and continue to grow our local support and fundraising efforts. The support that the agency receives locally helps assure we can meet the demand for services, keep up with rising costs of implementing programs, and have room for innovation. Local grantors that help us address homelessness include: Cedar Valley United Way, Waverly-Shell Rock Area United Way, Winneshiek County United Way, Community Foundation of Northeast Iowa, Greater Cedar Rapids Community Foundation, and Community Foundation of Greater Dubuque. Corporations that support homeless programming include: Principal Financial Group, Veridian Credit Union, and CUNA Mutual Group. Friends of the Family also utilizes state and federal victim service dollars to provide limited rapid rehousing and homeless prevention services, along with other types of aid, to survivors of domestic violence.</p>	<p><b>Self-Score (up to 10)</b></p> <p>10</p>	<p><b>CoC Score (up to 10)</b></p>	<p><b>Scoring Notes</b></p>
7	<p><b>Describe your agency's basic organization and management structure as it relates to this proposed project. Include relationship of any sub-contractors: (10 points)</b></p>			
	<p>There are no sub-contractor relationships related to this project. The organization maintains a management structure that supports program quality. Direct services staff are supervised by the Outreach Services Manager. The Outreach Services Manager, in addition to supervision, training, and coaching duties, oversees data collection and quality assurance, monitors program outcomes, networks with community partners, and more. The Outreach Services Manager is supervised by the Director of Operations. This position supervises all of the agency's program managers, and has extensive experience in program management and program development. The Director of Operations is supervised by the Executive Director. The Executive Director has 17 years of experience in homeless services and has taken on several leadership roles outside of the agency to help end homelessness in Iowa. The agency's Fiscal Director works closely with the program managers, Director of Operations, and Executive Director to implement and monitor the program's budget and expenditures.</p>	<p><b>Self-Score (up to 10)</b></p> <p>10</p>	<p><b>CoC Score (up to 10)</b></p>	<p><b>Scoring Notes</b></p>

8	<p>Explain the current homelessness need that this project proposes to address and why and how this particular project is likely to reduce or eliminate this need. Cite available data relevant to the community/ies to be served and to the identified need. Describe any resources currently addressing this need. How would this project be truly "new" in terms of the services provided and the population to be served?          For example, if the need addresses a particular subset of those experiencing/at risk of homelessness, (i.e. chronically homeless individuals), include information about the number of such individuals in the proposed service area. Indicate the number of units currently available for the population, the existing programs managing any such units and cite waiting lists if they exist. Describe the additional units this project would make available and your agency's ownership and/or relationship with ownership of the units. (10 points)</p>	Self-Score (up to 10)	CoC Score (up to 10)	Scoring Notes	
	<p>A TH/RRH program offered in Benton, Black Hawk, Delaware, Dubuque, Jones, and Linn will address the needs of survivors seeking safety through housing assistance and crisis housing. In FY 2018 Friends of the Family internally documented that 4,042 nights of shelter were provided to 473 people. We also served 186 households with short term rental assistance out of the 509 housing assessments that were completed. This reflects only 37% of people who completed VI-SPDATS with Friends of the Family were served and 63% of the survivors were placed on waitlist and remained homeless and at an increased safety risk. As the designated shelter provider for survivors of violence in 14 counties we are not able to fulfill all the needs in the communities we serve through the 21-bed shelter located in Waverly. The first reason why this project is new relates to the TH component that will allow us to provide 8 units of crisis housing that allows a survivor to stay in their community of choice and transition into permanent housing. The second reason the Safely Home project is truly new in the 6 county region will be the ability to offer a medium to long term rental assistance (6-24 months) opportunity for those most in need affected by domestic violence, it will offer supportive services for mental health, education, employment assistance, mileage and more after exiting from financial rental assistance, the crisis housing option will assist tenants in developing a positive rental experience, provide flexible mobile advocacy, and offer those leaving an unsafe relationship more options to flee to. Safely Home will focus on safety and housing and will provide 20 new units of housing that prioritizes survivors who are most in need. This truly makes it a unique new project. Within the 6-county region Waypoint and HACAP offer Rapid Rehousing programs for the general homeless population. ECDC in Dubuque (COC-SNAP) and Community Housing Initiative offer Permanent Supportive housing within the Dubuque and Waterloo communities for general homeless population. Friends of the Family offers an average of 10 slots for a short to medium term (1-6 month) Rapid Rehousing program which prioritizes the domestic violence population. With this project being concentrated within three major cities it will be an important piece in the fight against homelessness. Many of these communities' interventions are based around a shelter response and have a shortage of permanent housing options. We look forward to helping end homelessness for families and individuals affected by violence.</p>	10			
9	<p><b>Financial Capacity:</b> (2 points for yes; must attach letter)</p>	<p><b>Circle or enter:</b></p>	Self-Score (0 or 2)	CoC Score (0 or 2)	Scoring Notes
	<p>Does your agency undergo annual audits by a CPA?</p>	<p>Yes</p>	2		

Attach letter from your most recent audit.		Self-Score (up to 2)	CoC Score (up to 2)	Scoring Notes
10	<b>Administration Costs:</b> (2 points if 7.0% or less)			
	a) What percentage of the budget requested will be used as administrative costs, i.e., costs other than direct program expenses and salary/benefits of staff working directly on the project?	6 %	2	
	b) Briefly describe your agency's financial staffing and capacity: (up to 5 points)			
	The agency staffs a full-time Fiscal Director who oversees the accounting and financial services department by monitoring budgeting expenditures, applying budget policies and procedures to programming, preparing financial reports, participating in annual budget development, and submitting appropriate fiscal documentation to assure compliance with budget and funder requirements. The Fiscal Director receives support from the Office Manager, Director of Operations, and Executive Director with claims, payroll and other fiscal related tasks. Friends of the Family has successfully met all standards from HUD and has the capacity to add this program.		5	
<b>PROJECT DESIGN (23 points, questions 11-14)</b>				
		Self-Score (0 or 10)	CoC Score (0 or 10)	Scoring Notes
11	<b>Project Type:</b> (10 points)			
	<b>Mark one:</b> <input type="radio"/> -Permanent supportive housing project that meet requirements of DedicatedPLUS or 100% dedicated for chronically homeless individuals and families (10 points) <input type="radio"/> -Rapid Rehousing project that serve individuals and families, including unaccompanied youth who meet the criteria outlined in HUD's 2018 NOFA (10 points) <input type="radio"/> -Hybrid Joint TH and PH-RRH component project (10 points) <input type="radio"/> -DV Bonus Rapid Re-Housing (10 points) <input checked="" type="radio"/> -DV Bonus Joint TH-RRH Program (10 points)	10		
12	<b>Housing First: Will the project ensure participants are NOT terminated for the following reasons, as evidenced by a written termination policy attached to the application? (select all that apply)</b> (5 points; MUST attach written termination policy for points)	Self-Score (up to 5)	CoC Score (up to 5)	Scoring Notes
	Failure to participate in supportive services and/or failure to make progress on a service plan: (1 point if yes AND matches attached termination policy)			
	Loss of income or failure to improve income: (1 point if yes AND matches attached Termination Policy)			
	Active substance abuse: (1 point if yes AND matches attached termination policy)		5	

	Any other activity not covered in a lease agreement typically found in the project's geographic area: (1 point if yes AND matches attached termination policy)	Circle or enter: Yes			
	and ensure that:				
	Every effort is made to help participants transition to other housing options when continuation in this project is jeopardized or about to expire? (1 point if yes)	Circle or enter: Yes			
13	<b>Supportive Services: Indicate how clients will be served. (Up to 5 for a; 1 each for b-d)</b>		Self-Score (Up to 5)	Self-Score (Up to 5)	Scoring Notes
	<b>a. Briefly describe how clients will be assisted with obtaining and remaining in permanent housing:</b> The 20 unit TH/RRH program offered in Benton, Black Hawk, Delaware, Dubuque, Jones and Linn counties will fund 2 full time Housing Support Specialists to provide the case management and supportive services to participants. A participant is pulled into the program through the confidential Coordinated Entry system and prioritized by the current VI-SPDAT score and current housing situation. Weekly case management meetings are offered to the participant to assist in progressing on identified needs. During the housing search staff will be able to connect participants with landlords for a more streamlined housing search and will also be able to advocate to the landlord to house participants with higher barriers or little to no rental history. This will decrease the amount of time participants are literally homeless as well as decrease the safety risk. As case management continues there will be focus on establishing community connection and safety increasing the likelihood of housing stability after program exit. Safety, flexibility, mobile advocacy, community engagement, and a trauma-informed approach are important components to the Housing First Case Management model when working with survivors. Wrap around services and community referrals will be given as the client identifies needs during ongoing interactions. Client-driven and client-centered case management services include but are not limited to: housing and counseling services, life skills education, and outreach services. Specific services included in the supportive services budget, as detailed in the project budget below, include: mental health care assistance, outpatient care services, education services, utility deposits, mileage reimbursement, and assistance to access employment related needs. Giving participants access to the various supportive services in the TH/RRH program will assist them in overcoming complex barriers survivors often experience when relocating into crisis housing and a permanent RRH program. As participants exit staff will continue to follow up with them to ensure safety and housing stability remains in place.		5		
14	<b>Check below for each statement that is true for this project. (1 point for each "yes")</b>		Self-Score (up to 3)	CoC Score (up to 3)	

	b. At least semi-annual follow-ups will be conducted with participants after project exit to ensure and verify that mainstream benefits are received and renewed (and for RRH projects, to ensure and verify that housing stability is maintained).	Yes			
	c. Project participants will have access to SSI/SSDI technical assistance provided by the applicant, a sub-recipient, or partner agency.	Yes			
	d. Transportation assistance will be provided to clients to attend mainstream benefit appointments, employment training, or jobs.	Yes	3		
<b>PROJECT EVALUATION PLAN (5 points, question 15)</b>					
<b>15</b>	<b>Project Evaluation: (up to 5 points for a.; b-d for establishing baseline only)</b>				
	a. Number of participants to be served in project year.	Number: 96	<b>Self-Score (0 to 5)</b>	<b>CoC Score (0 to 5)</b>	<b>Scoring Notes</b>
	Justify estimated number, citing previous history and other relevant factors, including local homeless data: This project is built to resemble the Turning Point Rural Housing Project that we currently operate in 9 rural counties. This program has been highly successful for over 20 years. The number of participants served and budget reflect the work we have done in existing programs. We estimate maintaining 8 units of transitional housing, and 12 units of rapid rehousing. Based on the historical turnover of Friends of the Family's transitional and rapid rehousing programs, we estimate serving 32 households per year, at an average of 3 people per household, for an estimated total of 96 persons served.		5		
	b. Estimate the percentage of all adult participants who increased <u>total income</u> (earned AND non-employment) from entry to exit:	70%			
	c. Estimate the percentage of successful exits:	90%			
	d. Percentage of all participant leavers who exit to shelter, streets or unknown:	0%			
<b>BUDGET (14 points, question 16)</b>					
<b>16</b>	<b>Budget request:</b> Provide a summary budget for the proposed project. Include the amounts that will be requested in each relevant category, according to HUD's rules for the particular proposed project. Include the total budget request. Also include the amount that will be requested for administration, referencing #9 above. Use space below or attach separately. (14 points)				



Budget Category	Description	Total Request	Self Score (Up to 14)	CoC Score (Up to 14)	Scoring Notes
8 TH Housing Units (Rental Assistance)	Leasing Assistance for 8 units scattered in 6 counties	57,600			
12 RRH Units (Rental Assistance)	Rental Assistance for 12 units scattered in 6 counties	57,600			
Assessment of Service Needs	Portion of Salaries and Benefits for Housing Resource Specialist and Housing Manager	14,543			
Case Management	Portion of Salaries and Benefits for 2 FT Housing Resource Specialist, Housing Manager, cell phone, office phone, internet, utilities cost, office supplies, contracted services for IT, repair and maintenance, Equipment purchase computers, phones, etc	58,202			
Utility Deposits	Utility Deposits for clients to access housing	2,360			
Education Services	10 Clients access GED testing or partial school tuition	1,000			
Employment Assistance	Work Uniforms , mandatory work equipment	1,000			
Housing/Counseling Services	Portion of Annual Salaries for Housing Manager and 2 Housing Resource Specialist	13,464			
Life Skills	Portion of Annual Salaries and benefits for Housing Resource Specialist	12,057			
Mental Health Services	10 mental health sessions for clients	1,000			
Outpatient Health Services	outpatient medical cost and prescription coverage	2,000			
Outreach Services	Portion of Salaries and Benefits for Housing Manager, 2 FT Housing Resource Specialist, Operations Director, Executive Director, Office	51,174	14		

	Manager, Manager of Community Engagement			
Transportation	Mileage for program staff to meet with clients and conduct program outreach, mileage for clients to attend work or appointments, car repairs for clients	10,000		
Admin	Fiscal Director, Office Manager, ED salary and professional liability insurance, property insurance, copier and other equipment and supplies	18,000		
Budget Total		300,000		

**CERTIFICATION**

I certify that to the best of my knowledge and belief, the responses provided above in this application are true, accurate and complete. I further understand that false or incomplete information may result in this application being ineligible for funding.



8-15-18

Primary Contact Date

**SUBMISSION CHECKLIST**

Be sure you have:

- \* completed a response and self-score for each item appropriate to your project
- \* attached a copy of your termination policy
- \* attach a copy of your most recent audit letter
- \* attach an itemized budget (if not in text of application)
- \* provided the appropriate signature on the CERTIFICATION box above (You may insert a signature electronically or print the page, sign and send as a scanned attachment.)
- \* Indicate the agency/project name on each final page of the submitted application.
- \* If applying for the DV Bonus, include the DV BONUS SUPPLEMENT application questions and responses in the application package.

\* submit as ONE PDF by 11:59 pm Wednesday August 15, 2018 to [amber.lewis@iowa.gov](mailto:amber.lewis@iowa.gov).

## 10. Participant Benefits and Expectations

- A. Program participants may not enter Safely Home and receive only support services. Entry into the project is based upon homelessness and the first need being rental housing assistance.
- B. Costs associated with providing supportive services include salaries paid to providers of supportive services and any other costs directly associated with providing such services.
- C. Supportive services costs also include the costs of services provided to former residents of the rapid rehousing to assist their adjustment to self-sufficient living. Such services may be provided for up to six months after they leave the rapid rehousing program.
- D. HUD defines support services to mean services which are designed to address the special needs of the homeless persons to be served by the project. The generally accepted HUD supportive services include, but are not limited to:
  - 1. Providing employment counseling and assistance to obtain and maintain employment. Assistance may consist of mileage reimbursement, financial assistance for work attire, resume building, completing applications, etc.;
  - 2. Provide education assistance to complete high school education or further education. Assistance may consist of mileage reimbursement, financial assistance for school needs, etc.;
  - 3. Providing childcare assistance. Assistance may consist of financial assistance, referrals to appropriate childcare services, accessing childcare assistance through the Department of Human Services, etc.;
  - 4. Providing financial assistance, referrals, and access to outpatient health services including medical, mental health and substance abuse treatment. This does not include major medical equipment;
  - 5. Providing Case Management;
  - 6. Providing assistance in obtaining permanent housing;
  - 7. Providing life skills training;
  - 8. Providing security arrangements necessary for the protection of residents of supportive housing;
  - 9. Providing assistance to obtain permanent housing, housing subsidies and other entitlements such as income support, mental health benefits, employment counseling, Veteran's benefits, food and medical assistance.
- E. Specific support services to be made available to each participant will be identified by the caseworker assigned to work with the homeless household. Determination of need for support services will be based on individual household needs.
- F. In order for a participant to receive support services, the caseworker must submit a written request for all support services to the Housing Director. Written pre-approval from the Housing Services Manager and Executive Director must precede any commitment for support services or any obligation of grant funds.
- G. Each participant and assigned caseworker will develop weekly participation goals. A case plan will be developed within first 30 days of obtaining housing and will be reviewed as needed, but at minimum of every 3 months.
- H. Each participant and assigned caseworker will complete an assessment at regular intervals to objectively identify progress towards self-sufficiency and re-evaluate barriers to maintaining housing. The Service Prioritization Decision Assistance Tool (SPDAT) assessment will be completed at the social history, 3 months, 6 months, 9 months, 1 year, every 6 months after the first year, and at discharge. Depending on the length of time to secure housing, an additional SPDAT may be completed at the time of move-in. This information will be used to assist in developing the case plan.
- I. Safely Home participation is contingent upon meeting the terms of the current lease signed and the participant's written agreement to program guidelines (which must be signed prior to the first month's rent payment) which include but are not limited to the following:
  - 1. The participant agrees that employment is a key factor in becoming self-sufficient and maintaining housing. The participant will work with the caseworker to reduce employment barriers and become employed within a mutually agreed upon timeframe. If employment is not secured within the mutually agreed upon timeframe, the participant will be able to submit a 30-day extension request. Employment will vary depending on the participant's need and availability of employment options.
  - 2. It is the responsibility of the participant to provide documentation of ALL income to the caseworker for the month.

3. Pay a portion of the household's rent and utilities according to the current lease requirements. Utilities that are not included in the program participant's rent may be paid using rental assistance funds. The participant can choose to accept the utility allowance reimbursement or have the utility allowance amount sent directly to the utility company upon signed utility payment consent form. If the tenant pays separately for the utilities, the monthly allowance for utilities established by the public housing authority (PHA) for the area in which the housing is located.
4. Verification of participant rent and utility payments must be given to the Housing support specialist by the 5<sup>th</sup> of the month. Where the utility reimbursement is paid directly to the utility company, written permission of the program participant to pay the utility company directly as well as documentation provided to the program participant that the utility was paid.
5. The participant agrees that developing connections in the local community helps increase informal supports which may assist in maintaining housing. Positive community engagement and involvement in the local community is strongly encouraged. This could be done through volunteer work, participating in local support groups, attending a local church, etc. Barriers to becoming involved in the local community will be addressed during in-home visits. Written verification of volunteer time and/or positive community engagement will be given to the caseworker by the 5<sup>th</sup> of the following month.
6. Utilize support services and access mainstream benefits as defined in the individual case plan.
7. Agree to weekly in-home visits by caseworker. Must meet with the caseworker at a minimum of once a month.
8. The participant agrees that mental wellness and well-being is a key factor in maintaining housing. The participant is encouraged to address mental health and/or substance abuse concerns at a level the participant feels will help them be the most successful. Verification of attendance needs to be given to the caseworker by the 5<sup>th</sup> of the month.

## 11. Termination of Participation

- A. HUD regulations give Safely Home authority to terminate assistance to a participant who violates program requirements. Participants will receive and sign a written participation agreement. Reasons for termination will be clearly defined. Termination of assistance will occur after in-depth review of the individual situation by the individual caseworker and approval of Friends of the Family Housing Services Manager.
- B. If a participant is struggling to follow the expectations listed in the written agreement and it is leading to the participant being at-risk of losing their housing, the participant will be given a "Breach of Contract" 10-day notice. This notice will inform the participant of the reasons housing is at risk and a time frame to address the concerns listed. If the participant does not address the concerns as stated in the letter, they will be given a termination letter or may be given the opportunity to voluntarily withdraw from the program.
- C. Assistance may be reinstated for a participant whose assistance was previously terminated. Six months following termination, if the former participant still meets program eligibility requirements, they will be able to reapply for assistance.
- D. In terminating assistance to a participant, Friends of the Family must guarantee that a formal process is followed which recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:
  1. Written notice to the participant containing a clear statement of the reasons for termination;
  2. A review of the decision, in which the participant is given the opportunity to present written or oral objections before the Executive Director; and
  3. Prompt written notice of the final decision to the participant.
- D. If a formal appeal or grievance is filed, Housing Services Manager will make a determination to ensure the Friends of the Family grievance procedure was followed.
- E. Caseworkers or any other personnel working in Safely Home are required to refer participant complaints to the Housing Services Manager.
- F. Any questions regarding the grievance procedure, as it relates to Safely Home, will be considered by Friends of the Family Executive Director.

**Keith Oltrogge, CPA, P.C.**

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201 East Main Street  
PO Box 310  
Denver, Iowa 50622  
(319) 984-5292  
FAX (319) 984-6408

December 21, 2017

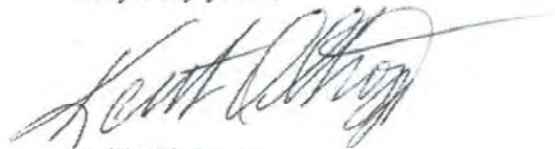
To: Friends of the Family, Inc.  
PO Box 807  
Waverly IA 50677

Re: Management Letter

There was no management letter issued in connection with the audit for the fiscal year ended June 30, 2017.

Please contact us if you have any questions.

Very truly yours,



Keith Oltrogge  
Certified Public Accountant

**FRIENDS OF THE FAMILY, INC.**

**Waverly, Iowa**

**June 30, 2017 and 2016**

Board of Directors  
Friends of the Family, Inc.  
Waverly, Iowa

### **Report on the Financial Statements**

I have audited the accompanying statements of financial position of the Friends of the Family, Inc. as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related Notes to 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 accounting principles generally accepted in the United States of America. 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Organization'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 Organization's internal control. Accordingly, I express no 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Family, Inc., as of June 30, 2017 and 2016, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

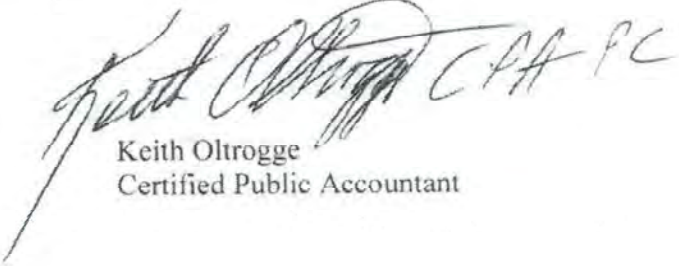
### *Supplementary Information*

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Friends of the Family, Inc.'s basic financial statements. The supplementary information included in Schedule 1, which is the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated December 18, 2017 on my consideration of Friends of the Family, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Friends of the Family, Inc.'s internal control over financial reporting and compliance.



Keith Oltrogge  
Certified Public Accountant

December 18, 2017



FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

STATEMENTS OF FINANCIAL POSITION  
June 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Current Assets:		
Cash in bank	\$ 82,347	\$ 98,896
Investments	19,730	17,901
Grants receivable	416,145	446,179
Prepaid expenses	3,135	-
Total Current Assets	\$ 521,357	\$ 562,976
Property and Equipment:		
Building and improvements	\$ 626,624	\$ 626,624
Office equipment and furniture	100,711	99,652
Vehicles	72,217	86,418
Total Property and Equipment	\$ 799,552	\$ 812,694
Less: accumulated depreciation	-268,026	-266,825
	\$ 531,526	\$ 545,869
Land	40,111	40,111
Net Property and Equipment	\$ 571,637	\$ 585,980
<b>TOTAL ASSETS</b>	<b>\$ 1,092,994</b>	<b>\$ 1,148,956</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 30,398	\$ 24,343
Accrued payroll taxes	10,466	27,498
Accrued paid time off	64,045	80,681
Total Current Liabilities	\$ 104,909	\$ 132,522
Net Assets:		
Unrestricted	\$ 988,085	\$ 1,016,434
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,092,994</b>	<b>\$ 1,148,956</b>

See accompanying notes to financial statements.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2017 and 2016

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
<b>REVENUES:</b>				
Government grants	\$ 1,229,498	\$ 459,440	\$ 1,688,938	\$ 1,605,746
Public support	189,730	104,449	294,179	307,926
Fundraising	56,583	-	56,583	54,029
Total Revenues	\$ 1,475,811	\$ 563,889	\$ 2,039,700	\$ 1,967,701
<b>EXPENSES:</b>				
<b>Program Services:</b>				
Advertising	\$ 81,952	\$ -	\$ 81,952	\$ 28,714
Client assistance	442,618	-	442,618	422,329
Depreciation	38,371	-	38,371	31,886
Dues and subscriptions	5,957	-	5,957	12,099
Education and conferences	3,385	-	3,385	4,544
Employee benefits	106,256	-	106,256	97,647
Contract labor	3,670	-	3,670	-
Rent	33,680	-	33,680	23,372
Insurance	21,727	-	21,727	16,935
Lease expense	10,744	-	10,744	10,202
Miscellaneous expense	2,642	-	2,642	1,105
Office expense	16,716	-	16,716	15,197
Payroll tax expense	84,481	-	84,481	72,013
Repairs and maintenance	43,790	-	43,790	50,914
Supplies	27,717	-	27,717	27,290
Telephone expense	25,014	-	25,014	22,574
Travel and mileage	59,532	-	59,532	52,699
Utilities	14,317	-	14,317	13,074
Wages and salaries	963,307	-	963,307	871,004
Total Program Services	\$ 1,985,876	\$ -	\$ 1,985,876	\$ 1,773,598
<b>Supporting Services:</b>				
Accounting	\$ 6,380	\$ -	\$ 6,380	\$ 5,500
Legal	950	-	950	-
Payroll taxes	4,392	-	4,392	5,017
Benefits	8,187	-	8,187	-
Miscellaneous	235	-	235	-
Wages and salaries	49,910	-	49,910	56,055
Total Supporting Services	\$ 70,054	\$ -	\$ 70,054	\$ 66,572
<b>Fundraising:</b>				
Supplies	\$ 16,505	\$ -	\$ 16,505	\$ 15,532
Total Expenses	\$ 2,072,435	\$ -	\$ 2,072,435	\$ 1,855,702
Increase (Decrease) in net assets	\$ -596,624	\$ 563,889	\$ -32,735	\$ 111,999

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2017 and 2016

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
<b>OTHER REVENUE:</b>				
Interest and dividends	\$ 929	\$ -	\$ 929	\$ 958
Unrealized gain (loss)	1,829	-	1,829	-2,747
Miscellaneous	4,440	-	4,440	710
(Loss) on sale of equipment	-2,812	-	-2,812	
Net assets released from restriction	563,889	-563,889	-	-
Total Other Revenue	\$ 568,275	\$ -563,889	\$ 4,386	\$ -1,079
Increase (Decrease) in Net Assets	\$ -28,349	\$ -	\$ -28,349	\$ 110,920
Net Assets at Beginning of Year	\$ 1,016,434	\$ -	\$ 1,016,434	\$ 944,460
Prior period adjustment	-	-	-	-38,946
Adjusted net assets at Beginning of Year	\$ 1,016,434	\$ -	\$ 1,016,434	\$ 905,514
Net Assets at End of Year	\$ 988,085	\$ -	\$ 988,085	\$ 1,016,434

See accompanying notes to financial statements.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
(Decrease) Increase in net assets	\$ -28,349	\$ 110,920
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	38,371	31,886
(Decrease) Increase in accrued payroll taxes	-17,032	6,879
(Increase) Decrease in grants receivable	30,034	-50,317
(Increase) Decrease in prepaid expenses	-3,135	-
(Decrease) Increase in accounts payable	6,055	14,868
(Decrease) Increase in accrued paid time off	-16,636	6,938
Unrealized (gain) loss	-1,829	2,747
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 7,479</b>	<b>\$ 123,921</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	\$ -24,028	\$ -146,117
<b>Net Increase (Decrease) in Cash</b>	<b>\$ -16,549</b>	<b>\$ -22,196</b>
Cash at Beginning of Year	98,896	121,096
<b>Cash at End of Year</b>	<b>\$ 82,347</b>	<b>\$ 98,896</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash Paid During the Year For:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -
<b>CASH IS COMPRISED OF:</b>		
Checking	\$ 18,628	\$ -39
Savings	63,645	98,885
Cash on hand	74	50
	<b>\$ 82,347</b>	<b>\$ 98,896</b>

See accompanying notes to financial statements.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES**

Friends of the Family, Inc. is a private non-profit corporation, which serves 14 counties in Northeastern Iowa. The purpose of this agency is to provide services which will aid in the empowerment of victims of domestic violence, sexual assault and human trafficking and to prevent further victimization through community education. This purpose is accomplished through offering a 24-hour crisis line, medical and court advocacy, emergency temporary shelter, transitional housing, transportation, group and individual counseling and literature for survivors and their families as well as information and referral services. These services are free and confidential. During the current fiscal year, the agency served 541 people with transitional and permanent housing and 365 crisis service clients. Crisis service includes court and medical services.

A summary of the significant accounting policies used by the Organization in the preparation of the accompanying financial statements is presented below.

Basis of Accounting

The financial statements of Friends of the Family, Inc. have been prepared on the accrual cash basis of accounting, which is in accordance with U.S. generally accepted accounting principles.

Financial Statement Presentation

The Organization adopted Professional Financial Accounting Standards for "Financial Statements of Not-for-Profit Organizations". Under these standards the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. There are no temporarily or permanently restricted net assets as of June 30, 2017 and 2016.

Government Grants

Government grants are generally available for unrestricted use in the current year. These grants are recorded as unrestricted funds due to the fact that they are received only after expense vouchers have been submitted to the various governmental departments. After the vouchers are approved, a check is issued to Friends of the Family, Inc. for the reimbursement of those expenses.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES (continued)**

Public Support and Revenue

Public support is recorded as revenue when received. Contributions are classified as temporarily restricted support if they are received with donor stipulations that limit the use of the donated funds. Unrestricted public support may be temporarily restricted by the Board, if it deems necessary. The Board will retain control over these funds and may, at their discretion, subsequently use them for other purposes.

Property and Equipment

All purchased property and equipment is recorded at cost. Donated property and equipment is recorded at its fair market value on the date contributed. Repairs and maintenance are expensed as incurred; major renewals and betterments are capitalized. The Organization uses the straight-line method of depreciation over the estimated useful lives of the assets. The estimated useful lives of buildings and improvements are 15 to 39 years. Office equipment and furniture have estimated useful lives of 5 to 10 years. Vehicles have estimated useful lives of 5 years.

Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from the estimates that were used.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid debt instruments, with a maturity of three months or less when purchased, to be cash equivalents.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF  
SIGNIFICANT ACCOUNTING POLICIES (continued)**

Total (Memorandum Only) – The total column on the comparative statements is captioned “Memorandum Only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles.

**NOTE 2 – TAX EXEMPT STATUS**

The Organization continues to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. A similar exemption is in effect with respect to Iowa income tax. The Organization has been classified as an organization that is not a private foundation under 509(a)(1) of the Internal Revenue Code.

**NOTE 3 – FEDERAL AND STATE GRANTS**

The federal and state grants were received from various agencies. The following are the amounts received in cash from these different agencies for the fiscal years ended June 30, 2017 and 2016.

	2017	2016
Federal Emergency Food and Shelter Grant *	\$ 9,700	\$ 4,700
Federal Victim of Crime Assistance Grant *	568,822	361,045
Federal Family Violence Prevention Grant *	183,941	154,876
Iowa Child Abuse Prevention Grant	21,742	21,893
Iowa Domestic Abuse Grant	325,608	383,821
U.S. Department of Housing and Urban Development Transitional Housing Program *	235,514	312,162
Permanent Housing Grant*	174,193	256,875
Rapid Housing Initiative*	40,032	-
Iowa Coordinated Services Regions*	1,971	-
Housing Trust Fund*	3,751	-
Federal Emergency Solutions Grant*	84,539	110,374
Total Federal and State Grants Received	<u>\$ 1,649,813</u>	<u>\$ 1,605,746</u>

\* Denotes Federal Financial Assistance

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 4 – PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Buildings and improvements	\$ 626,624	\$ -	\$ -	\$ 626,624
Office equipment and furniture	99,652	1,059	-	100,711
Vehicles	86,418	25,782	39,983	72,217
Land	40,111	-	-	40,111
	<u>\$ 852,805</u>	<u>\$ 26,841</u>	<u>\$ 39,983</u>	<u>\$ 839,663</u>

**NOTE 5 – OPERATING LEASE COMMITMENTS**

As of July 1, 2016, the Organization entered into a two year lease for office space in Cedar Rapids, Iowa, for \$485 per month.

As of October 1, 2016, the Organization entered into a sub-lease for office space in Dubuque, Iowa at \$450 per month.

As of April 1, 2016, the Organization entered into a lease for office space in Waterloo, Iowa, for one year, at \$691.00 per month until April 2017.

As of April 21, 2014, the Organization entered into a five year operating lease for a Konica BizHub, requiring a lease payment of \$770.49 per month.

The Organization is leasing storage space on a month to month basis in Waverly, Iowa for \$34.50 per month and in Cedar Rapids for \$41.20 per month.

As of April 1, 2017, the Organization entered into a lease for office space in Waterloo, Iowa for three years at \$2,080 per month. The building owner is a related party. See Note 16 for more information.

**NOTE 6 -- ECONOMIC DEPENDENCY**

Friends of the Family, Inc. receives grant funds from the U.S. Department of Justice. The amount of income received each year is totally dependent on the amount of qualified expenditures incurred each year. During the current fiscal year ended June 30, 2017, income from the Federal Victims of Crime Act Assistance Funds grant represented 28% of Friends of the Family, Inc.'s operating income.



FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 7 – CONTINGENCIES**

Friends of the Family, Inc. participates in state and federal assisted grant programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

**NOTE 8 – GRANTS RECEIVABLE**

The Organization has \$416,145 of outstanding receivables at June 30, 2017. This represents outstanding vouchers that have been submitted for reimbursement.

**NOTE 9 – INVESTMENTS**

Investments in stocks and mutual funds, are stated at fair market value, and are summarized as follows at June 30, 2017:

Mutual Funds	Cost	Fair Value
Hartford Mutual Funds Capital Appreciation Fund	\$ 146	\$ 194
Stocks	Cost	Fair Value
Century Link	\$ 3,886	\$ 2,913
Wells Fargo & Co	4,546	16,623
	\$ 8,432	\$ 19,536
<b>TOTAL INVESTMENTS</b>		<b>\$ 19,730</b>

Interest Rate Risk – The Organization manages interest rate risk with segmented time distribution.

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2017 and 2016:

	2017	2016
	Unrestricted	Unrestricted
Interest Income	\$ 929	\$ 958
Net realizes and unrealized gains (losses)	1,829	-2,747
Total investment return	\$ 2,758	\$ -1,789

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 10 – FAIR VALUE MEASUREMENTS**

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2017 are as follows:

Description	Fair Value	Publicly Quoted Price (Level 1)	Significant Observable Inputs (Level 2)
Short-term Investments:			
Mutual Funds:			
Hartford Mutual Funds Capital Appreciation Fund	\$ 194	\$ -	\$ 194
Stocks:			
Century Link	\$ 2,913	\$ 2,913	\$ -
Wells Fargo & Co	16,623	16,623	-
Total Short-term Investments	\$ 19,730	\$ 19,536	\$ 194

SFAS on Fair Value Measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 3 investments were held.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization's financial statements, none of which are held for trading purposes, include cash and investments. The Organization estimates that the fair value of all financial instruments at June 30, 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by investment companies using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

**NOTE 12 – ACCRUED ABSENCES**

Organization employees accumulate a limited amount of earned but unused vacation time benefits payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on current rates of pay.

**NOTE 13 – ENDOWMENT FUND**

The Community Foundation of Waterloo/Cedar Falls and Northeast Iowa (the "Foundation") acts as an agent for the Organization in administering an endowment fund. The Foundation accepts donations into this fund and pays Friends of the Family Inc the income from the fund each year. The assets of the fund are deemed to belong to the Foundation for the benefit of Friends of the Family, Inc. The balance at June 30, 2017 was \$68,636.

**NOTE 14 – RISK MANAGEMENT**

Friends of the Family, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2017, which is the date the financial statements were available to be issued.

**NOTE 16 – RELATED PARTY TRANSACTIONS**

As of April 1, 2017, the Organization entered into a lease for office space in Waterloo, Iowa for three years at \$2,080 per month. The Executive Director of the Organization that owns the building is the Executive Director's father. \$8,320 of rent was paid during the year ended June 30, 2017.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Grantor/Program	CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>Indirect:</b>			
U.S. Department of Justice:			
Iowa Department of Justice:			
Federal Victims of Crime Assistance Grant	16.575	VA-17-67-SH	\$ 353,807
Federal Victims of Crime Assistance Grant	16.575	NI-17-114-HT	215,015
Federal Family Violence Prevention and Services	93.671	VS-17-67-SH	183,941
			<u>\$ 752,763</u>
U.S. Department of Housing and Urban Development:			
Iowa Finance Authority:			
Emergency Solutions Grant	14.231	09001-17	\$ 84,539
Iowa Coordinated Services Region	14.267	COC2017-004	1,971
			<u>\$ 86,510</u>
Waterloo Housing Trust Fund:			
Housing Trust Fund	14.275	N/A	\$ 3,751
U.S. Department of Homeland Security:			
Linn County, Iowa			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 1,500
Black Hawk County, Iowa			
Emergency Food and Shelter National Board Program	97.024	N/A	5,000
Bremer County, Iowa			
Emergency Food and Shelter National Board Program	97.024	N/A	2,800
Buchanan County, Iowa			
Emergency Food and Shelter National Board Program	97.024	N/A	400
			<u>\$ 9,700</u>
<b>Direct:</b>			
U.S. Department of Housing and Urban Development:			
Continuum of Care Homeless Assistance Program	14.267	N/A	\$ 174,193
Supportive Housing Program	14.267	N/A	235,514
Rapid Housing Initiative	14.267	N/A	40,032
			<u>\$ 449,739</u>
<b>Total</b>			<u>\$ 1,302,463</u>

See accompanying auditor's report.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Friends of the Family, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Friends of the Family, Inc., it is not intended to and does not present the financial position, changes in financial position or cash flows of Friends of the Family, Inc.

Summary of Significant Policies – Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles on OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – Friends of the Family, Inc. has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance  
with Government Auditing Standards

To the Board of Directors of  
Friends of the Family, Inc.

I have audited audit, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Friends of the Family, Inc. as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the Organization's basic financial statements, and have issued my report thereon dated December 18, 2017.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Friends of the Family, Inc.'s internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Friends of the Family, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Friends of the Family Inc.'s internal control.

My consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, I identified a deficiency in internal control I consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Friends of the Family, Inc.'s financial statements will not be prevented or detected and corrected in a timely basis. I consider the deficiency described in Part II of the accompanying Schedule of Findings as item 2017-001 to be a material weakness.



## **Compliance and Other Matters**

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

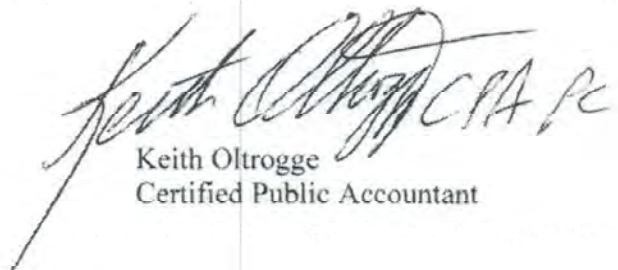
## **Friends of the Family, Inc.'s Responses to the Findings**

Friends of the Family, Inc.'s responses to the findings identified in my audit are described in the accompanying Schedule of Findings. Friends of the Family, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

## **Purpose of this Report**

This purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of the Friends of the Family, Inc. during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Keith Oltrogge  
Certified Public Accountant

December 18, 2017

**Independent Auditor's Report on Compliance  
for Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

Independent Auditor's Report on Compliance  
for Each Major Federal Program, and on Internal Control over Compliance  
Required by the Uniform Guidance

To the Board of Directors of  
Friends of the Family, Inc.

**Report on Compliance for Each Major Federal Program**

I have audited Friends of the Family, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. Friends of the Family, Inc.'s major federal programs are identified in Part I of the accompanying Schedule of Findings.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of Friends of the Family, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Friends of the Family, Inc.'s compliance with those requirements and performing such other procedures I considered necessary in the circumstances.

I believe my audit provides a reasonable basis for my opinion on compliance for each of the major federal programs. However, my audit does not provide a legal determination of Friends of the Family, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In my opinion, Friends of the Family, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effects on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

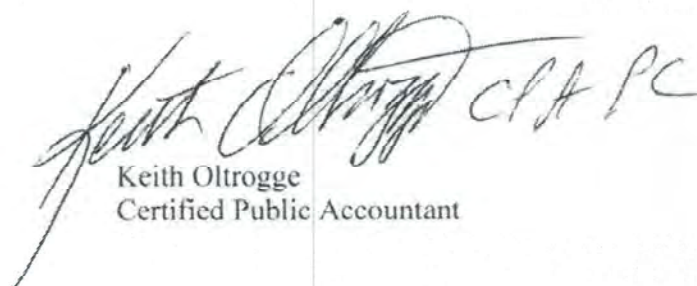
The management of Friends of the Family, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Friends of the Family, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Friends of the Family, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a deficiency in internal control over compliance I consider to be a material weakness. It is described in the accompanying Schedule of Findings as item 2017-002.

Friends of the Family, Inc.'s response to the internal control over compliance finding identified in my audit is described in the accompanying Schedule of Findings. Friends of the Family, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Oltrogge  
Certified Public Accountant

December 18, 2017

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

SCHEDULE OF FINDINGS  
Year Ended June 30, 2017

**Part I – Summary of the Independent Auditor’s Results:**

- a) An unmodified opinion was issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) A material weakness in internal control over the major programs was disclosed by the audit of the financial statements.
- e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.515.
- g) Major programs were as follows:
  - U.S Department of Justice
    - CFDA Number 16.575 – Federal Victims of Crime
  - U.S. Department of Housing and Urban Development
    - CFDA Number 14.267 – Continuum of Care Homeless Assistance Program
    - CFDA Number 14.267 – Supportive Housing Program
    - CFDA Number 14.267 – Rapid Housing Initiative
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i) Friends of the Family, Inc. did not qualify as a low-risk auditee.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

SCHEDULE OF FINDINGS  
Year Ended June 30, 2017

**Part II - Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2017-001 **Segregation of Duties**

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Organization's financial statements.

Condition – Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded and checks are prepared by the same person.

Cause – The Organization has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Organization's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – I realize segregation of duties is difficult with a limited number of office employees. However, the Organization should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including the Board of Directors.

Response – We will continue to review our procedures and implement additional controls where possible.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

SCHEDULE OF FINDINGS  
Year Ended June 30, 2017

**Part III - Findings For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

**CFDA NUMBER 16.575 – Federal Victims of Crime**  
**Federal Award Year: 2017**  
**Prior Year Finding Number: 2016-002**  
**U.S. Department of Justice**

**CFDA NUMBER 14.267 – Continuum of Care Homeless Assistance Program**  
**CFDA NUMBER 14.267 – Supportive Housing Program**  
**CFDA NUMBER 14.267 – Rapid Housing Initiative**  
**Federal Award Year: 2017**  
**Prior Funding Number: 2016-002**  
**U.S. Department of Housing and Urban Development**

2017-002 Segregation of Duties – The Organization did not properly segregate custody, record-keeping and reconciling functions for revenues and expenses, including those related to federal programs. See 2017-001.



FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

Summary Schedule of Prior Federal Audit Findings

Year Ended June 30, 2017

Comment Reference	Comment Title	Status	If not corrected, provide planned corrective action or other explanation
2016-001	Segregation of Duties	Not corrected	Plan to segregate duties as the opportunity arises
2016-002	Segregation of Duties	Not Corrected	Plan to segregate duties as the opportunity arises

FRIENDS OF THE FAMILY, INC.  
Waverly, Iowa

Corrective Action Plan

Year Ended June 30, 2017

Comment Reference	Comment Title	Corrective Action Plan	Contact Person, Title Phone Number	Anticipated Date of Completion
2017-001	Segregation of Duties	Plan to segregate duties as the opportunity arises.	Ben Brustkern, Executive Director, (319) 352-1108	June 30, 2018
2017-002	Segregation of Duties	Plan to segregate duties as the opportunity arises.	Ben Brustkern, Executive Director, (319) 352-1108	June 30, 2018

In accordance with Uniform Guidance Section 200.511(a), the Corrective Action Plan must include findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards.

## 2018 Iowa Balance of State CoC DV BONUS SUPPLEMENT to 2018 New Project Application Form

See the 2018 CoC Application, Ranking, & Reallocation Plan for additional information on New Project applications. **If applying for the DV Bonus, applicants must ALSO submit responses to the items below.**

*These questions are directly from HUD's required 2018 CoC Consolidated Application (character limits reduced to allow for multiple projects in final submission). If a project is selected by the CoC to include in the overall Consolidated Application and Priority Rankings to HUD, these questions will be required, and HUD will evaluate responses to these questions along with information in the individual project application, in order to determine their funding selections.*

Note that character limits INCLUDE SPACES!

**A. Describe (limit 1,000 characters):**

**(1) how many domestic violence survivors the CoC is currently serving in the CoC's geographic area; (2) the data source the CoC used for the calculations; and (3) how the CoC collected the data.**

From July 1, 2017 to June 30, 2018, there were a total of 11,718 adults served in the CoC's geographic area. Of those, 37.5% (4,404) had a reported history of abuse, and 18% (2,147) indicated they were fleeing abuse at the time of service. Data was collected from the Institute of Community Alliances, combining available data within both the HMIS system and the comparable DV Database. Local programs reported individual program data to the Institute of Community Alliances who compiles and monitors data across the state. Programs prioritizing services for domestic violence survivors utilize the comparable DV database to deliver program data similar to the HMIS system.

**B. Describe (limit 1,000 characters):**

**(1) how many domestic violence survivors need housing or services in the CoC's geographic area; (2) data source the CoC used for the calculations; and (3) how the CoC collected the data.**

In SFY17, victim service agencies served 35,228 victims, an 18% increase from the previous year's 29,805 victims served. Although 7,786 housing assessments were conducted, just 5.4% of clients (1,898 of 35,228) received rental/utility assistance. 8,151 people were diverted from shelter using problem-solving, and many of those could have become homeless as a result. The 1,898 individuals who received rental/utility assistance could likely use more help, as those funds are restricted to only 3 months of assistance. Because victim service agencies do not have the capacity to provide adequate housing services, and because survivors report access to housing as one of their highest barriers, there is room for

expansion of services for survivors. Data was provided by the Iowa Attorney General's Office, showing an overview of victim service data in the CoC geographic area. Agencies gather and report to the Iowa AG's Office on a bi-annual basis and the AG's Office compiles and distributes it.

**C. Based on questions above (limit 1,500 characters):**

**(1) describe the unmet need for housing and services for DV survivors, or if the CoC is applying for a DV Coordinated Entry project, describe how the current Coordinated Entry is inadequate to address the needs of DV survivors; (2) quantify the unmet need for housing and services for DV survivors; (3) describe the data source the CoC used to quantify the unmet need for housing and services for DV survivors; and (4) describe how the CoC determined the unmet need for housing and services for DV survivors.**

There exists a clear gap in services related to transitional housing and rapid rehousing services for survivors. Shelters continue to be overwhelmed and crisis housing options which prioritize victims are limited. For the few programs that do exist, funding often runs out before the end of the grant cycle. Some programs even restrict survivors from accessing housing if they are living with their abuser and trying to flee, which is a huge hurdle for someone trying to avoid homelessness. Allowing people to directly flee from abusive households to permanent or transitional housing would increase access to services, increase victim safety, and lead to more positive outcomes. In FY 2017 FOF completed 509 housing assessments and served 186 households which left 323 families and individuals requesting services without an intervention. To further expand according to the Iowa Attorney General's report 8,151 victims were diverted in FY 2017. This shows a high unmet need. Data was used from Friends of the Family's VI-SPDAT tracking. The number of assessments conducted was compared with survivors actually housed. Data was also used from the Iowa Attorney General's Annual Report showing shelter diversion information. The unmet need was determined using the number of people on our waitlist, in partnership with the shelter diversion data from the Iowa Attorney General's Office.

**D. Describe how the DV Bonus project(s) being applied for will address the unmet needs of domestic violence survivors. (limit 1,000 characters)**

This project will address the unmet need of transitional housing and rapid rehousing in the 6 county area, by offering the only transitional housing option for domestic abuse survivors in the area. This will also be the only medium-to-long term rapid rehousing program in the area that prioritizes survivors of domestic violence. The 6 county area currently has very limited shelter, rapid rehousing, and permanent housing options. Having a crisis housing option in place of shelter will be a better fit for those higher-barrier clients who require more time to stabilize. The project will also meet the need of the many survivors who are attempting to flee an abusive home and enter directly into permanent housing in their community of choice.

**E. Address the capacity of each project applicant applying for DV bonus projects to implement a DV Bonus project by describing (limit 2,000 characters):**

**(1) rate of housing placement of DV survivors; (2) rate of housing retention of DV survivors; (3) improvements in safety of DV survivors; and (4) how the project applicant addresses multiple barriers faced by DV survivors.**

In FY 2017 the average length of time from enrollment to housed was 21 days for rehousing victims of domestic violence. Because Friends of the Family already operates some rapid rehousing programming in the area, it has developed impactful relationships with property owners, landlords, and service providers. Because of these working relationships, we have been able to successfully place victims into permanent housing in a variety of communities. Friends of the Family has a history of improving survivors' safety. In 2013, the agency implemented a brief, evidence-based lethality assessment with every survivor seeking services. This assessment has helped the agency successfully respond to high-danger situations and place victims in safe and confidential locations all across the region in its shelter program. These assessments also help when the survivor is working on their housing plan, as we can use them to develop the safety and housing stability plan moving forward. Other critical components of client safety include our partnerships with other victim service agencies, ongoing, client-centered case management services, and referrals to community resources for other needs. Friends of the Family addresses multiple barriers faced by survivors by operating under a Housing First model, along with trauma-informed and client-centered case management services. The Housing Support Specialist works with program participants on a weekly basis to help meet basic needs such as: food and personal care, mental health, employment/income, childcare, social and professional networks, and more. Case management services help assure the participant and Housing Support Specialist can problem-solve around any on-going needs, as well as identify any emerging needs. Friends of the Family maintains a wide network of professional partners and community resources to assist with various client needs.