



CONGRESSIONAL HUNGER CENTER, INC.

Financial Statements

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)



**and
Report Thereon**



**Reports Required in Accordance with the
Uniform Guidance**

For the Year Ended September 30, 2021



CONGRESSIONAL HUNGER CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Congressional Hunger Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Congressional Hunger Center, Inc. (the Center), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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 auditors' 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 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

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the financial position of Congressional Hunger Center, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Center's 2020 financial statements, and in our report dated February 26, 2021, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our 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 Center's 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 the Center's internal control over financial reporting and compliance.

Marcum LLP

Washington, DC
March 9, 2022

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2021

(With Summarized Financial Information as of September 30, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 1,497,249	\$ 655,937
Grants and contributions receivable	270,798	281,860
Prepaid expenses	49,967	32,842
Property and equipment, net of accumulated depreciation of \$20,727	9,592	10,263
Security deposits	<u>4,764</u>	<u>19,275</u>
TOTAL ASSETS	<u>\$ 1,832,370</u>	<u>\$ 1,000,177</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 55,585	\$ 72,772
Grant advance	<u>729,644</u>	<u>3,362</u>
TOTAL LIABILITIES	<u>785,229</u>	<u>76,134</u>
Net Assets		
Without donor restrictions	863,772	762,312
With donor restrictions	<u>183,369</u>	<u>161,731</u>
TOTAL NET ASSETS	<u>1,047,141</u>	<u>924,043</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,832,370</u>	<u>\$ 1,000,177</u>

The accompanying notes are an integral part of these financial statements.

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
OPERATING SUPPORT AND REVENUE				
Federal grants	\$ 2,096,897	\$ -	\$ 2,096,897	\$ 2,265,698
Grants and contributions	250,945	403,143	654,088	695,239
Site match contributions	408,710	-	408,710	338,722
Other revenue	11,333	-	11,333	-
Net assets released from restrictions:				
Satisfaction of program restrictions	381,505	(381,505)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	3,149,390	21,638	3,171,028	3,299,659
OPERATING EXPENSES				
Program Services:				
Emerson National Fellows	1,226,963	-	1,226,963	1,380,673
Leland International Fellows	934,977	-	934,977	882,848
Zero Hunger Academy	194,689	-	194,689	190,300
Total Program Services	2,356,629	-	2,356,629	2,453,821
Support Services:				
General and administrative	618,501	-	618,501	576,159
Fundraising	72,800	-	72,800	96,942
Total Supporting Services	691,301	-	691,301	673,101
TOTAL OPERATING EXPENSES	3,047,930	-	3,047,930	3,126,922
CHANGE IN NET ASSETS	101,460	21,638	123,098	172,737
NET ASSETS, BEGINNING OF YEAR	762,312	161,731	924,043	751,306
NET ASSETS, END OF YEAR	\$ 863,772	\$ 183,369	\$ 1,047,141	\$ 924,043

The accompanying notes are an integral part of these financial statements.

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)

	Program Services			Supporting Services			2021 Total	2020 Total	
	Emerson National Fellows	Leland International Fellows	Zero Hunger Academy	Total Program Services	General and Administrative	Fundraising			Total Supporting Services
Fellow stipends	\$ 803,698	\$ 572,491	\$ 80,845	\$ 1,457,034	\$ -	\$ -	\$ -	\$ 1,457,034	\$ 1,478,850
Salaries, benefits and payroll taxes	262,113	237,877	71,047	571,037	439,580	66,593	506,173	1,077,210	1,033,480
Professional services	54,532	56,178	27,006	137,716	103,985	-	103,985	241,701	233,849
Occupancy	15,887	13,747	4,274	33,908	29,887	-	29,887	63,795	145,761
Training and events	56,157	34,503	7,592	98,252	14,553	4,927	19,480	117,732	115,256
Travel and meetings	17,347	6,232	-	23,579	2,578	-	2,578	26,157	50,037
Dues and subscriptions	5,847	4,910	1,514	12,271	10,585	229	10,814	23,085	34,817
Insurance	3,702	3,204	996	7,902	6,014	951	6,965	14,867	14,336
Telephone	5,494	3,936	825	10,255	5,768	-	5,768	16,023	9,258
Supplies and office expense	1,218	1,062	330	2,610	2,731	100	2,831	5,441	7,122
Depreciation and amortization	968	837	260	2,065	1,820	-	1,820	3,885	3,406
Bad debt	-	-	-	-	1,000	-	1,000	1,000	750
TOTAL EXPENSES	\$ 1,226,963	\$ 934,977	\$ 194,689	\$ 2,356,629	\$ 618,501	\$ 72,800	\$ 691,301	\$ 3,047,930	\$ 3,126,922

The accompanying notes are an integral part of these financial statements.

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021

(With Summarized Financial Information for the Year Ended September 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 123,098	\$ 172,737
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,885	3,406
Provision for bad debt	-	(11,250)
Loss on disposal of fixed assets	288	
Changes in assets and liabilities:		
Grants and contributions receivable	11,062	(94,748)
Prepaid expenses	(17,125)	6,954
Security deposits	14,511	-
Accounts payable and accrued expenses	(17,187)	4,208
Grant advance	<u>726,282</u>	<u>(599,320)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>844,814</u>	<u>(518,013)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(3,502)</u>	<u>(3,528)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,502)</u>	<u>(3,528)</u>
NET INCREASE (DECREASE) IN CASH	841,312	(521,541)
CASH, BEGINNING OF YEAR	<u>655,937</u>	<u>1,177,478</u>
CASH, END OF YEAR	<u>\$ 1,497,249</u>	<u>\$ 655,937</u>

The accompanying notes are an integral part of these financial statements.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies

Organization

Congressional Hunger Center, Inc. (the Center) was founded by Representative Tony P. Hall, Chair of the former Select Committee on Hunger, after the Select Committee was eliminated by Congress on March 31, 1993. The Center was incorporated on August 23, 1993, as a District of Columbia non-profit corporation with the mission of keeping Congress and the general public focused on the problems and solutions to domestic and international hunger. Additionally, the Center fights hunger by developing anti-hunger leaders, particularly emerging leaders who will serve as the anti-hunger leaders of tomorrow.

The Center's mission is to train and inspire leaders who work to end hunger, and advocate public policies that create a food-secure world. The Center is a leader in the movement to ensure access to food as a basic human right for all people. The Center creates and nurtures a community of innovative and inspiring leaders who act as change agents, bridging the gap between grassroots efforts and national and international public policy to provide access to nutritious, affordable and culturally appropriate food. These activities are funded primarily through federal grants and corporate and individual grants and contributions.

Basis of Accounting

The Center prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when obligations are incurred.

Receivables

The Center uses the allowance method to record potentially uncollectible grants and contributions receivable. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible.

Property and Equipment

Property and equipment with an original cost in excess of \$1,000 and a useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives, which range from three to five years. Expenditures for maintenance and repairs are charged to expenses as incurred. Upon the retirement or disposal of the assets, the cost and accumulated depreciation or amortization are eliminated from the accounts, and the resulting gain or loss is included in revenue and support or expenses.

Classification of Net Assets

The net assets of the Center are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of the operations of the Center.
- Net assets with donor restrictions are specifically restricted by donors for various programs or future periods.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Center has grants with U.S. government agencies. Revenue from these grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue from these U.S. government grants is recognized when the Center has incurred expenditures in compliance with the specific grant provisions plus allowable indirect expenses. Revenue recognized on these grants for which billings have not been presented to, or collected from, the awarding agencies is included in grants and contributions receivable in the accompanying statement of financial position. Amounts received in advance are recorded as grant advance in the accompanying statement of financial position.

Unconditional grants and contributions are recognized as revenue in the period in which payments are received and/or unconditional promises to give are made. Grants and contributions are considered to be without donor restrictions unless specifically restricted by the donor. The Center reports such contributions as having donor restrictions if they are received with donor stipulations that limit the use of the contribution. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Unconditional grants and contributions that have been awarded to the Center, but not yet received, are reflected as grants and contributions receivable in the accompanying statement of financial position. Grants and contributions, including site match contributions, are considered conditional if the agreement includes measurable performance obligations or barriers and a right of return. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are met. Conditional promises to give for which payments have been received but barrier(s) have not been met are recorded as grant advance in the accompanying statement of financial position.

Functional Expenses

The costs of providing the Center's services and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributable to a specific functional area have been reported as an expense of that function. Salaries and benefits of employees as well as shared costs, such as occupancy, supplies and office expense and depreciation and amortization, are allocated based on time sheets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONGRESSIONAL HUNGER CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

2. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following as of September 30, 2021:

Grants and contributions	\$ 226,695
Federal grants	43,140
Other	<u>963</u>
Grants and Contributions Receivable, Net	<u>\$ 270,798</u>

All grants and contributions receivable are expected to be collected within one year and deemed fully collectible.

During the year ended September 30, 2021, the Center received conditional grants totaling \$2,392,600, which require certain milestones and/or the incurrence of qualifying expenditures to be incurred prior to revenue recognition. During the year ended September 30, 2021, the Center recognized \$2,505,607 under these awards as the associated conditions were substantially met during the year ended September 30, 2021. As of September 30, 2021, the Center had not yet recognized \$957,714 under these awards as associated milestones and/or qualifying expenditures had not yet been completed or incurred.

3. Net Assets With Donor Restrictions

As of September 30, 2021, net assets with donor restrictions of \$183,369 were restricted for Emerson National Fellows program.

4. Commitments and Contingencies

Risk and Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Center has been able to continue operations virtually; however, at this point, the extent to which COVID-19 will impact the Center's financial condition or results of operations is necessarily uncertain. Management and the Board are continuously engaged in strategic and generative discussion to develop methods of providing the Center's programs under alternative operating scenarios.

Operating Lease

On December 26, 2017, the Center entered into an operating lease for office space effective January 1, 2018. The lease was renewed several times, including in February 2021, and most recently in August 2021, to extend office lease term through September 30, 2022. As of September 30, 2021, future minimum lease payments due under the lease totaled \$30,308 for the year ended September 30, 2022.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2021

4. Commitments and Contingencies (continued)

Concentration of Credit

The Center maintains its cash with certain commercial financial institutions, which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of September 30, 2021, the balance exceeded the FDIC maximum insured limit by approximately \$1,231,000. The Center monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash.

Major Grantor

The Center receives a large percentage of its funding through an appropriation from the federal government. This appropriation is administered by the U.S. Department of Agriculture through a Food and Nutrition Service award. The Center recognized federal grants of \$2,096,897, which represents approximately 66% of the Center's total revenue and support for the year ended September 30, 2021.

Compliance Audit

The Center has received federal grants that are subject to review, audit and adjustments by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursements to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although the Center expects such amounts, if any, to be insignificant.

5. Retirement Plan

The Center adopted a salary deferral plan in accordance with Section 401(k) of the Internal Revenue Code (the IRC) (the Plan) whereby employees may elect to defer a portion of their annual salary. Employees who have completed at least one year of service and are at least 21 years of age are eligible to participate in the Plan. The Center makes matching contributions on behalf of eligible employees at a rate of 3%-4% of their compensation under the Plan. The Center contributed \$24,987 to the Plan for the year ended September 30, 2021.

6. Income Taxes

The Center is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the IRC. For the year ended September 30, 2021, no provision for income taxes was made, as the Center had no net unrelated business income.

The Center has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes

CONGRESSIONAL HUNGER CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

6. Income Taxes (continued)

recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Center evaluated its uncertainty in income taxes for the year ended September 30, 2021, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. U.S. federal jurisdiction and/or the various states and local jurisdictions in which the Center files tax returns are open for examination, however there are currently no examinations pending or in progress. It is the Center's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of September 30, 2021, the Center had no accruals for interest and/or penalties.

7. Liquidity and Availability of Resources

The Center's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year-end:	
Cash	\$ 1,497,249
Grants and contributions receivable	<u>270,798</u>
Total Financial Assets Available	1,768,047
Less amounts not available to be used within one year:	
Amount unavailable for general expenditures within one year due to donor's purpose restriction	<u>(183,369)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,584,678</u>

The Center structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. To manage liquidity, the Center retains excess working capital in its checking account in order to be able to fund future operating expenses. Collections of grant funds occur throughout the year and are normally in advance of the programmatic activity taking place. The Center can adjust the timing of disbursements when necessary.

8. Prior Year Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

9. Subsequent Events

In preparing these financial statements, the Center's management has evaluated events and transactions for potential recognition or disclosure through March 9, 2022, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

**INDEPENDENT AUDITORS' 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
Congressional Hunger Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Congressional Hunger Center, Inc. (the Center), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Marcum LLP

Washington, DC
March 9, 2022

**INDEPENDENT AUDITORS' 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
Congressional Hunger Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited Congressional Hunger Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended September 30, 2021. The Center's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center'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 that are 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center'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 a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Marcum LLP

Washington, DC
March 9, 2022

CONGRESSIONAL HUNGER CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Programs	10.593	N/A	\$ -	\$ 1,918,363
TOTAL DEPARTMENT OF AGRICULTURE			-	1,918,363
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas	98.001	N/A	-	178,534
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT			-	178,534
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 2,096,897

See accompanying notes to this schedule.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Center under programs of the federal government for the year ended September 30, 2021. The information on the SEFA 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 SEFA presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

2. Basis of Accounting

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Center has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

CONGRESSIONAL HUNGER CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

None compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditors’ report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)?

_____ Yes X No

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Programs	10.593

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? X Yes _____ No

CONGRESSIONAL HUNGER CENTER, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021**

(continued)

SECTION II — FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

Financial Statement Audit Findings

None required to be reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None required to be reported.