



CONGRESSIONAL HUNGER CENTER, INC.

Financial Statements

For the Year Ended September 30, 2022

(With Summarized Financial Information for the Year Ended September 30, 2021)



**and
Report Thereon**



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

For the Year Ended September 30, 2022



CONGRESSIONAL HUNGER CENTER, INC.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Congressional Hunger Center, Inc. (the Center), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of September 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Center's 2021 financial statements, and in our report dated March 9, 2022, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 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 schedule of expenditures of federal awards 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 6, 2023, 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 6, 2023

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2022

(With Summarized Financial Information as of September 30, 2021)

	2022	2021
ASSETS		
Cash	\$ 1,805,990	\$ 1,497,249
Grants and contributions receivable	143,238	270,798
Prepaid expenses	65,393	49,967
Property and equipment, net of accumulated depreciation of \$26,201	14,071	9,592
Security deposits	8,400	4,764
TOTAL ASSETS	\$ 2,037,092	\$ 1,832,370
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 56,076	\$ 55,585
Grant advance	703,853	729,644
TOTAL LIABILITIES	759,929	785,229
Net Assets		
Without donor restrictions	853,013	863,772
With donor restrictions	424,150	183,369
TOTAL NET ASSETS	1,277,163	1,047,141
TOTAL LIABILITIES AND NET ASSETS	\$ 2,037,092	\$ 1,832,370

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

CONGRESSIONAL HUNGER CENTER, INC.

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

(With Summarized Financial Information for the Year Ended September 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
OPERATING SUPPORT AND REVENUE				
Federal grants	\$ 2,239,682	\$ -	\$ 2,239,682	\$ 2,096,897
Grants and contributions	245,737	824,839	1,070,576	654,088
Site match contributions	395,852	-	395,852	408,710
Other revenue	16,334	-	16,334	11,333
Net assets released from restrictions:				
Satisfaction of program restrictions	584,058	(584,058)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	3,481,663	240,781	3,722,444	3,171,028
OPERATING EXPENSES				
Program Services:				
Emerson National Fellows	1,352,008	-	1,352,008	1,226,963
Leland International Fellows	937,270	-	937,270	934,977
Zero Hunger Academy	373,240	-	373,240	194,689
Alum Engagement	17,610	-	17,610	-
Total Program Services	2,680,128	-	2,680,128	2,356,629
Support Services:				
General and administrative	679,899	-	679,899	618,501
Fundraising	132,395	-	132,395	72,800
Total Supporting Services	812,294	-	812,294	691,301
TOTAL OPERATING EXPENSES	3,492,422	-	3,492,422	3,047,930
CHANGE IN NET ASSETS	(10,759)	240,781	230,022	123,098
NET ASSETS, BEGINNING OF YEAR	863,772	183,369	1,047,141	924,043
NET ASSETS, END OF YEAR	\$ 853,013	\$ 424,150	\$ 1,277,163	\$ 1,047,141

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, 2022

(With Summarized Financial Information for the Year Ended September 30, 2021)

	Program Services				Supporting Services			2022 Total	2021 Total	
	Emerson National Fellows	Leland International Fellows	Zero Hunger Academy	Alum Engagement	Total Program Services	General and Administrative	Fundraising			Total Supporting Services
Fellow stipends	\$ 869,952	\$ 504,645	\$ 84,075	\$ -	\$ 1,458,672	\$ -	\$ -	\$ -	\$ 1,458,672	\$ 1,457,034
Salaries, benefits and payroll taxes	256,335	232,838	103,619	14,075	606,867	499,358	51,658	551,016	1,157,883	1,077,210
Professional services	64,490	62,553	144,441	1,499	272,983	115,969	1,500	117,469	390,452	241,701
Training and events	106,171	77,066	16,900	450	200,587	8,515	58,606	67,121	267,708	117,732
Travel and meetings	19,709	27,898	7,312	5	54,924	2,742	16,647	19,389	74,313	26,157
Occupancy	11,234	10,653	10,924	599	33,410	20,893	-	20,893	54,303	63,795
Dues and subscriptions	7,262	6,480	2,540	364	16,646	13,125	106	13,231	29,877	23,085
Telephone	5,603	5,939	1,182	177	12,901	6,170	-	6,170	19,071	16,023
Insurance	4,333	4,109	1,544	231	10,217	7,151	908	8,059	18,276	14,867
Supplies and office expense	5,621	3,858	241	141	9,861	3,562	2,970	6,532	16,393	5,441
Depreciation and amortization	1,298	1,231	462	69	3,060	2,414	-	2,414	5,474	3,885
Bad debt	-	-	-	-	-	-	-	-	-	1,000
TOTAL EXPENSES	\$ 1,352,008	\$ 937,270	\$ 373,240	\$ 17,610	\$ 2,680,128	\$ 679,899	\$ 132,395	\$ 812,294	\$ 3,492,422	\$ 3,047,930

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, 2022

(With Summarized Financial Information for the Year Ended September 30, 2021)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 230,022	\$ 123,098
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,474	3,885
Loss on disposal of fixed assets	-	288
Changes in assets and liabilities:		
Grants and contributions receivable	127,560	11,062
Prepaid expenses	(15,426)	(17,125)
Security deposits	(3,636)	14,511
Accounts payable and accrued expenses	491	(17,187)
Grant advance	(25,791)	726,282
NET CASH PROVIDED BY OPERATING ACTIVITIES	318,694	844,814
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(9,953)	(3,502)
NET CASH USED IN INVESTING ACTIVITIES	(9,953)	(3,502)
NET INCREASE IN CASH	308,741	841,312
CASH, BEGINNING OF YEAR	1,497,249	655,937
CASH, END OF YEAR	\$ 1,805,990	\$ 1,497,249

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, 2022

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, 2022

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, 2022**

2. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following as of September 30, 2022:

Grants and contributions	\$ 80,357
Federal grants	61,371
Other	<u>1,510</u>
Grants and Contributions Receivable, Net	<u>\$ 143,238</u>

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

During the year ended September 30, 2022, the Center was awarded new conditional federal grants totaling \$2,000,000, which require certain milestones and/or the incurrence of qualifying expenditures to be incurred prior to revenue recognition. During the year ended September 30, 2022, the Center recognized \$2,239,682 associated with its awarded federal grants as the associated conditions were substantially met during the year ended September 30, 2022. As of September 30, 2022, the Center had not yet recognized \$859,277 under these awards as associated milestones and/or qualifying expenditures had not yet been completed or incurred.

3. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of September 30 2022:

Subject to purpose restrictions:	
Emerson National Fellows program	\$ 281,962
Alum Engagement program	92,188
Zero Hunger Initiative program	<u>50,000</u>
Total Net Assets Without Donor Restrictions	<u>\$ 424,150</u>

4. Commitments and Contingencies

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, and most recently in August 2022, to extend office lease term through November 30, 2023.

Future minimum payments related to the lease as of September 30, 2022 is as follows:

For the Year Ending September 30,	
<u>2023</u>	\$ 42,024
2024	<u>7,004</u>
Total Future Minimum Payments	<u>\$ 49,028</u>

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2022

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, 2022, the balance exceeded the FDIC maximum insured limit by approximately \$1,540,000. 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 \$2,239,682, which represents approximately 60% of the Center's total revenue and support for the year ended September 30, 2022.

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 \$31,617 to the Plan for the year ended September 30, 2022.

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, 2022, 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 recognized in an entity's financial statements and prescribe a threshold of "more likely than not"

CONGRESSIONAL HUNGER CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022**

6. Income Taxes (continued)

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, 2022, 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, 2022, 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	\$ 1,805,990
Grants and contributions receivable	<u>143,238</u>
Total Financial Assets Available	1,949,228
Less amounts not available to be used within one year:	
Grant advance	(703,853)
Amount unavailable for general expenditures within one year due to donor's purpose restriction	<u>(424,150)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 821,225</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, 2021, from which the summarized information was derived.

CONGRESSIONAL HUNGER CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

9. Subsequent Events

In preparing these financial statements, the Center's management has evaluated events and transactions for potential recognition or disclosure through March 6, 2023, 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 THE 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, 2022, 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 6, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Washington, DC
March 6, 2023

**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

Opinion on Each Major Federal Program

We have audited Congressional Hunger Center, Inc.'s (the Center) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The Center's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses

or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 6, 2023

CONGRESSIONAL HUNGER CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

<u>Federal Grantor and Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE				
Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Programs	10.593	N/A	\$ -	\$ 2,025,791
TOTAL DEPARTMENT OF AGRICULTURE			-	2,025,791
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas	98.001	N/A	-	213,891
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT			-	213,891
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 2,239,682

See accompanying notes to this schedule.

CONGRESSIONAL HUNGER CENTER, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022**

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, 2022. 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, 2022

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

Noncompliance 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, 2022**

(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.