

**HUNGER TASK FORCE, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**(With Summarized Totals for the Year Ended September 30, 2017)**

**HUNGER TASK FORCE, INC.**

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## Independent Auditor's Report

Board of Directors  
Hunger Task Force, Inc.

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

We have audited the accompanying financial statements of Hunger Task Force, Inc. which comprise the balance sheet as of September 30, 2018, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 of 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, 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 financial statements referred to above present fairly, in all material respects, the financial position of Hunger Task Force, Inc. as of September 30, 2018, 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.

#### ***Ritz Holman LLP***

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Board of Directors  
Hunger Task Force, Inc.

### **Report on Summarized Comparative Information**

We have previously audited Hunger Task Force, Inc.'s September 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, 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 schedule of hunger relief fund and DHS cost reimbursement award schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as 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) and in accordance with the *State Single Audit Guidelines* and is also not a required part of the basic 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 basic financial statements. The 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 to the 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 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 basic 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 January 16, 2019, on our consideration of Hunger Task Force, Inc.'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 Hunger Task Force, Inc.'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 Hunger Task Force, Inc.'s internal control over financial reporting and compliance.



RITZ-HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
January 16, 2019

**HUNGER TASK FORCE, INC.**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2018**  
(With Summarized Totals for September 30, 2017)

ASSETS	2018	2017
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,806,266	\$ 1,769,491
Grants Receivable	414,687	720,006
Current Pledges Receivable	55,113	540,000
Accounts Receivable	3,468	11,878
Inventory	539,118	558,685
Inventory - From USDA	1,152,380	1,082,016
Prepaid Expenses	86,328	83,109
Total Current Assets	\$ 5,057,360	\$ 4,765,185
<b>FIXED ASSETS</b>		
Land and Building	\$ 1,299,000	\$ 1,299,000
Office Equipment	226,380	226,380
Warehouse Equipment	1,965,064	1,954,742
Building Improvements	1,740,877	1,666,685
Intangible Assets	61,884	82,671
Total Fixed Assets	\$ 5,293,205	\$ 5,229,478
Less: Accumulated Depreciation and Amortization	(2,576,137)	(2,171,955)
Net Fixed Assets	\$ 2,717,068	\$ 3,057,523
<b>OTHER ASSETS</b>		
Investments	\$ 3,616,167	\$ 3,255,758
Net Long-Term Pledges Receivable	19,002	23,981
Beneficial Interest in Greater Milwaukee Foundation	306,113	282,191
Total Other Assets	\$ 3,941,282	\$ 3,561,930
<b>TOTAL ASSETS</b>	\$ 11,715,710	\$ 11,384,638
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 238,579	\$ 420,707
Accrued Salaries	69,646	64,822
Accrued Vacation	111,457	125,265
Flexible Benefits Payable	6,114	5,918
Current Portion of Loan Payable	9,032	8,723
Current Portion of Capital Lease Obligation	79,499	109,876
Total Current Liabilities	\$ 514,327	\$ 735,311
<b>NON-CURRENT LIABILITIES</b>		
Loan Payable	\$ 17,515	\$ 26,238
Less: Current Portion of Loan Payable	(9,032)	(8,723)
Capital Lease Obligation	273,494	383,369
Less: Current Portion of Capital Lease	(79,499)	(109,876)
Total Non-Current Liabilities	\$ 202,478	\$ 291,008
Total Liabilities	\$ 716,805	\$ 1,026,319
<b>NET ASSETS</b>		
Unrestricted	\$ 10,183,247	\$ 9,214,662
Temporarily Restricted	815,658	1,143,657
Total Net Assets	\$ 10,998,905	\$ 10,358,319
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 11,715,710	\$ 11,384,638

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

**HUNGER TASK FORCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(With Summarized Totals for the Year Ended September 30, 2017)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUE</b>				
Federal Emergency Management Act Grant	\$ 423,671	\$ ---	\$ 423,671	\$ 488,077
Emergency Food Assistance Program	205,921	---	205,921	212,188
Commodity Supplemental Food Program	659,104	---	659,104	639,483
No Kid Hungry Social Innovation Fund	164,184	---	164,184	270,049
SNAP Outreach	361,907	---	361,907	360,259
Other Grants	457,053	---	457,053	309,126
Donations - Current Year Use	5,658,173	---	5,658,173	5,457,584
Donations - Future Year Use	---	253,822	253,822	143,159
Hunger Relief Fund	223,366	---	223,366	229,306
Donated Food and Services	2,932,954	---	2,932,954	3,718,897
USDA Food Received	4,381,913	---	4,381,913	4,520,512
Change in Beneficial Interest	1,408	23,921	25,329	32,328
Net Investment Income	364,182	---	364,182	438,554
In-Kind Revenue	22,956	---	22,956	47,267
Miscellaneous	11,676	---	11,676	16,732
Net Assets Released from Restrictions	605,742	(605,742)	---	---
<b>Total Revenue</b>	<u>\$ 16,474,210</u>	<u>\$ (327,999)</u>	<u>\$ 16,146,211</u>	<u>\$ 16,883,521</u>
<b>EXPENSES</b>				
Program Services	\$ 14,393,565	\$ ---	\$ 14,393,565	\$ 15,730,038
Development	722,833	---	722,833	745,326
Management and General	389,227	---	389,227	364,856
<b>Total Expenses</b>	<u>\$ 15,505,625</u>	<u>\$ ---</u>	<u>\$ 15,505,625</u>	<u>\$ 16,840,220</u>
<b>CHANGE IN NET ASSETS</b>	\$ 968,585	\$ (327,999)	\$ 640,586	\$ 43,301
Net Assets, Beginning of Year	<u>9,214,662</u>	<u>1,143,657</u>	<u>10,358,319</u>	<u>10,315,018</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 10,183,247</u>	<u>\$ 815,658</u>	<u>\$ 10,998,905</u>	<u>\$ 10,358,319</u>

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

**HUNGER TASK FORCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(With Summarized Totals for the Year Ended September 30, 2017)**

	Food Program	Outreach	Advocacy	Development	Management and General	2018 Total	2017 Total
Salaries	\$ 1,557,542	\$ 831,008	\$ 429,799	\$ 356,789	\$ 216,517	\$ 3,391,655	\$ 3,312,320
Payroll Taxes	149,590	79,823	41,272	34,295	20,790	325,770	332,080
Retirement Expense	108,688	57,805	30,105	24,441	15,180	236,219	233,277
Employee Benefits	245,635	131,430	67,686	57,508	35,141	537,400	503,162
Food Expenses	486,431	87,180	25	---	---	573,636	706,113
Donated Food and Services	2,944,333	---	---	---	---	2,944,333	3,844,195
USDA Food Distributed	4,311,549	---	---	---	---	4,311,549	4,603,769
Special Event Expense	98	8,838	644	12,821	---	22,401	47,757
Staff Development	3,574	348	430	1,778	7,912	14,042	15,959
Printing	19,255	105,084	38,643	24,158	501	187,641	174,559
Postage	1,325	14,341	1,496	34,670	1,551	53,383	44,538
Travel	2,737	12,731	10,635	1,060	1,999	29,162	33,347
Accounting/Audit Fees	5,615	2,999	1,548	1,293	18,380	29,835	27,420
Dues and Subscriptions	26,298	8,229	7,758	35,444	20,099	97,828	88,773
Advertisements	---	146,605	58,388	21,600	---	226,593	224,679
Program Supplies and Expense	4,523	350,507	188,485	40,000	---	583,515	740,267
Office Supplies	3,683	1,733	485	1,774	1,656	9,331	14,966
Professional Services	7,722	33,687	24,608	1,379	6,746	74,142	100,326
Maintenance and Supplies	166,780	16,762	3,844	5,248	6,642	199,276	199,347
Occupancy	104,011	44,740	4,198	6,297	1,574	160,820	150,616
Telephone	54,243	32,419	11,067	9,435	4,587	111,751	104,175
Conferences, Conventions and Meetings	350	435	6,089	685	1,963	9,522	10,760
Insurance	57,749	11,206	6,543	8,377	6,789	90,664	91,475
Volunteer Expenses	16,664	13,348	3,844	2,650	3,327	39,833	47,408
Sales Tax	---	---	---	---	---	---	1,187
Grants to Others	---	651,444	---	---	---	651,444	684,242
Non-Capitalized Equipment	37,646	9,024	598	1,891	956	50,115	50,600
IT/Hardware	2,689	4,482	4,367	5,733	5,940	23,211	22,817
Depreciation and Amortization	406,071	15,139	5,511	7,340	5,909	439,970	358,496
In-Kind Expense	22,956	---	---	---	---	22,956	22,267
Miscellaneous	19,718	6,421	254	26,167	5,068	57,628	49,323
Totals	<u>\$ 10,767,475</u>	<u>\$ 2,677,768</u>	<u>\$ 948,322</u>	<u>\$ 722,833</u>	<u>\$ 389,227</u>	<u>\$ 15,505,625</u>	<u>\$ 16,840,220</u>

**HUNGER TASK FORCE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**  
**(With Summarized Totals for the Year Ended September 30, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 640,586	\$ 43,301
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	439,970	358,496
Realized/Unrealized Investment Loss (Gain)	(174,333)	(308,226)
(Increase) Decrease in Grants Receivable	305,319	(135,944)
(Increase) Decrease in Net Pledges Receivable	489,866	474,411
(Increase) Decrease in Accounts Receivable	8,410	(2,857)
(Increase) Decrease in Inventory	19,567	(27,943)
(Increase) Decrease in Inventory - From USDA	(70,364)	83,257
(Increase) Decrease in Prepaid Expenses	(3,219)	47,341
(Increase) Decrease in Beneficial Interest	(23,922)	(32,329)
Increase (Decrease) in Accounts Payable	(182,128)	(326,000)
Increase (Decrease) in Accrued Salaries	4,824	207
Increase (Decrease) in Accrued Vacation	(13,808)	9,465
Increase (Decrease) in Flexible Benefits Payable	196	(530)
	<u>\$ 1,440,964</u>	<u>\$ 182,649</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	\$ (186,076)	\$ (216,939)
Sale of Investments	---	99,999
Purchase of Fixed Assets	(99,515)	(898,806)
	<u>\$ (285,591)</u>	<u>\$ (1,015,746)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Note Payable	\$ (8,723)	\$ (8,425)
Proceeds from Capital Lease	---	211,748
Payments on Capital Leases	(109,875)	(112,393)
	<u>\$ (118,598)</u>	<u>\$ 90,930</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 1,036,775	\$ (742,167)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,769,491</u>	<u>2,511,658</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,806,266</u>	<u>\$ 1,769,491</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Donated Stock	\$ 94,250	\$ 120,022
Interest Paid	20,412	19,225
New Fixed Assets Financed by Capital Leases	---	211,748

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



**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE A - Summary of Significant Accounting Policies**

**Organization**

Hunger Task Force, Inc. ("HTF") works to prevent hunger and malnutrition by providing food to people in need today and by promoting social policies to achieve food security tomorrow.

**Accounting Method**

The financial statements of HTF have been prepared on the accrual basis of accounting.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

**Accounts Receivable**

Accounts receivable are stated at unpaid balances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Allowance for Uncollectible Accounts**

Management believes all grants and pledges will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

**Fixed Assets**

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Fixed assets are recorded at cost or at the estimated fair market value at the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

**Inventory**

Inventory consists of purchased and donated food. Purchased food is valued at the lower of cost or market and donated food is valued at the lower of fair market value on the date of donation or market. The specific identification method is used for inventory. The inventory system identifies the inventory with the earliest expiration date to be used first.

**Inventory - From USDA**

Inventory from USDA consists of food allocations by The Emergency Food Assistance Program (TEFAP) and The Commodity Supplemental Food Program (CSFP). The value of inventory from USDA is based on pricing information provided by USDA. The specific identification method is used for inventory. The inventory system identifies the inventory with the earliest expiration date to be used first.

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE A - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

HTF reports 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. Assets of the restricted classes are created only by donor-imposed restrictions.

**Contributions**

All contributions are considered available for HTF's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Contributions of donated property are recorded at fair market value on the date of donation.

**NOTE B - Comparative Financial Information**

The financial information shown for 2017 in the accompanying financial statements is included to provide a basis for comparison with 2018. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with HTF's financial statements for the year ended September 30, 2017, from which the summarized information was derived.

For comparability, certain 2017 amounts have been reclassified to conform with classifications adopted in 2018. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

**NOTE C - Concentration of Credit Risk**

HTF maintains cash balances in banks. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. As of September 30, 2018, the uninsured portion of this balance was \$2,462,051.

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE D - Investment Income**

Net investment income (loss) is summarized as follows:

Interest and Dividend Income	\$202,378
Realized/Unrealized Gain (Loss)	174,333
Fees	<u>(12,529)</u>
Total	<u>\$364,182</u>

**NOTE E - Beneficial Interest in Assets Held by Others**

Generally Accepted Accounting Principles requires that a specified beneficiary recognize its rights to the assets held by a recipient organization unless the donor has explicitly granted the recipient organization variance power. HTF transferred some of its investment portfolio to the Greater Milwaukee Foundation to establish a fund in a prior year. At September 30, 2018, the fund held at the Greater Milwaukee Foundation has a value of \$306,113, which is reported on the balance sheet as Beneficial Interest in Greater Milwaukee Foundation.

**NOTE F - Fair Value Measurements**

HTF has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, HTF's assets at fair value as of September 30, 2018:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
GMF Beneficial Interest	\$ 306,113	\$ ---	\$ ---	\$306,113
Exchange Traded Equity Funds	748,413	748,413	---	---
Bond Funds	719,168	719,168	---	---
Equity Mutual Funds	<u>2,148,586</u>	<u>2,148,586</u>	---	---
Total	<u>\$3,922,280</u>	<u>\$3,616,167</u>	<u>\$ ---</u>	<u>\$306,113</u>

**HUNGER TASK FORCE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE F - Fair Value Measurements (continued)**

GMF Beneficial Interest includes equities securities, fixed income securities, absolute return hedge funds, and long/short equity hedge funds. The funds are held by the Greater Milwaukee Foundation which reports on a calendar year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</u>
	<u>GMF Investments</u>
Beginning Balance, October 1, 2017	\$282,191
Total gains or losses (realized/unrealized)	23,990
Purchases, issuances, and settlements	2,310
Fees	(2,378)
Transfers in and/or out of Level 3	---
Ending Balance, September 30, 2018	<u>\$306,113</u>

All assets have been valued using a market approach, except for Level 3 assets. Level 3 assets are valued using the income approach. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. Fair values for assets in Level 3 are calculated using assumptions about discounted cash flow and other present value techniques. There were no changes in the valuations techniques during the current year.

**NOTE G - Grants Receivable**

Grants receivable consists of the following amounts at September 30, 2018:

<u>Source</u>	<u>Amount</u>
Wisconsin Department of Health Services	
SNAP-ED	\$190,396
Commodity Supplemental Food Program	105,786
SNAP - OUTREACH	69,790
Temporary Emergency Food Assistance Program	12,315
Share our Strength, Inc.	26,553
USDA - Food Insecurity Nutrition Incentive	9,847
Total	<u>\$414,687</u>

**HUNGER TASK FORCE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE H - Pledges Receivable**

Pledges receivable consists of the following amounts at September 30, 2018:

<u>Source</u>	<u>Amount</u>
Foundations	\$75,113
Less: Present Value Discount	<u>(998)</u>
Total	<u>\$74,115</u>

The discount rate used to determine the present value of pledges receivable was 5.25%.

Pledges receivable is comprised of the following amounts at September 30, 2018:

<u>Account</u>	<u>Amount</u>
Current Pledges Receivable	\$55,113
Net Long-Term Pledges Receivable	<u>19,002</u>
Total Pledges Receivable	<u>\$74,115</u>

All amounts are expected to be fully collected as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2019	\$55,113
2020	<u>20,000</u>
Total	<u>\$75,113</u>

**NOTE I - Operating Leases and Maintenance Agreements**

HTF leases real estate at the Milwaukee County Parks in Franklin to use for the operation of an urban work farm at a cost of \$1 per year through 2027. The rent expense for the year ended September 30, 2018, totaled \$1.

HTF leases office equipment at a monthly rate of \$130. This lease expires October 19, 2019. The lease expense for the year ended September 30, 2018, totaled \$1,564.

HTF entered into a maintenance agreement for the semi-tractor at a monthly rate of \$235. The expense for the year ended September 30, 2018, totaled \$1,880.

HTF entered into a lease for a tractor at a monthly rate of \$326. The expense for the year ended September 30, 2018, totaled \$3,913.

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE I - Operating Leases (continued)**

On March 15, 2016, HTF entered into a five-year lease agreement for the premises located at 723 W. Historic Mitchell Street. The lease expense for the year ended September 30, 2018, totaled \$37,683.

Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2019	\$ 46,570
2020	46,714
2021	<u>24,684</u>
Total	<u>\$117,968</u>

**NOTE J - Intangible Assets**

Net intangible assets of \$61,884 presented on the balance sheet as of September 30, 2018, consists of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Inventory Computer System	\$33,765	\$33,765	\$ ---	3 years
Raiser's Edge Enhancements	6,719	6,719	---	3 years
O-Matic Import Software and License	6,400	6,400	---	3 years
Website	<u>15,000</u>	<u>---</u>	<u>15,000</u>	3 years
Total	<u>\$61,884</u>	<u>\$46,884</u>	<u>\$15,000</u>	

Amortization expense was \$10,935 for the year ended September 30, 2018.

Future amortization is expected as follows for the year ending September 30:

<u>Year</u>	<u>Amount</u>
2019	\$ 5,000
2020	5,000
2021	<u>5,000</u>
Total	<u>\$15,000</u>

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE K - Loan Payable**

HTF entered into a \$51,298 loan payable for the purchase of a vehicle. The loan has a 72 month term, an interest rate of 3.49% and a monthly payment of \$792. The loan payable balance was \$17,515 at September 30, 2018.

Future minimum payments on the loan are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 9,032	\$468	\$ 9,500
2020	<u>8,483</u>	<u>148</u>	<u>8,631</u>
Total	<u>\$17,515</u>	<u>\$616</u>	<u>\$18,131</u>

**NOTE L - Capital Lease**

HTF entered into capital lease obligations for six freight trucks and seven copiers. The cost of \$726,729 is included in fixed assets. Total accumulated depreciation for the leased assets amounts to \$461,185 at September 30, 2018.

The items are depreciated over the life of the leases. Amortization of the capital leases of \$106,836 is included in depreciation expense for the year ended September 30, 2018.

Future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 79,499	\$14,815	\$ 94,314
2020	63,528	10,688	74,216
2021	58,724	6,891	65,615
2022	49,277	3,123	52,400
2023	<u>22,466</u>	<u>669</u>	<u>23,135</u>
Total	<u>\$273,494</u>	<u>\$36,186</u>	<u>\$309,680</u>



**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE M - Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Hunger Relief Fund	\$ 42,315
Amani Neighborhood	13,647
Farm	287,362
Turkey Ticker	26,600
Holiday Cards	13,921
Beneficial Interest	306,113
Food for Families	100,000
Holiday Bins	700
Other Purpose	<u>25,000</u>
Total	<u>\$815,658</u>

At September 30, 2018, HTF had \$191,302 of temporarily time- and purpose-restricted net assets, \$23,000 of temporarily time-restricted net assets, and \$601,356 of temporarily purpose-restricted net assets.

**NOTE N - Donated Food and Services**

HTF records donated food and services at fair market value on the date of the donation. Food is valued based on food studies. This amount is included in both revenue and expenses. HTF received \$7,314,867 of donated food for the fiscal year ended September 30, 2018.

**NOTE O - In-Kind Revenue**

During the year ended September 30, 2018, HTF received \$2,952 of donated printing services, and \$20,004 of donated milk vouchers.

**NOTE P - Hunger Relief Fund**

HTF administers the Hunger Relief Fund of Wisconsin. Hunger Relief Fund does not charge fees of any kind to its participants.

**NOTE Q - Retirement Savings Plan**

HTF has an employee retirement savings plan in which all employees are eligible to receive a matching employer contribution to the plan. The matching contribution from HTF was 100% of the employee contribution up to a limit of 5% of an employee's gross wages. In addition, HTF made a discretionary contribution. Total retirement savings plan contributions for the fiscal year ended September 30, 2018, were \$236,219.

**NOTE R - Advertising Costs**

HTF uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the year ended September 30, 2018, was \$226,593.

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE S - Produce Harvested on Farm**

HTF operates a farm in Franklin, Wisconsin, under a long-term lease agreement with Milwaukee County. The value of produce harvested for the year ended September 30, 2018, amounted to \$833,501. This amount is not reflected in the financial statements.

**NOTE T - Income Taxes**

HTF is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions taken in previous fiscal years and those expected to be taken in future fiscal years. As of September 30, 2018, HTF had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. HTF does not anticipate any significant changes to unrecognized income tax benefits over the next year.

**NOTE U - Subsequent Events**

HTF entered into two 72-month leases for refrigerated trucks. The trucks were delivered in October 2018 and November 2018. Monthly payments for each lease total \$1,795.

Subsequent events were evaluated events through January 16, 2019, which is the date the financial statements are available to be issued.

**HUNGER TASK FORCE, INC.  
SCHEDULE OF HUNGER RELIEF FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

BALANCE, BEGINNING OF YEAR		\$ 49,469
<b>REVENUE</b>		
Combined Federal Campaign	\$ 9,553	
City of Milwaukee	37,835	
Milwaukee County	13,275	
State Employees Combined Campaign	100,494	
Milwaukee Area Technical College	11,791	
Milwaukee Public Schools	21,798	
Other	28,620	
Total Revenue	223,366	223,366
<b>EXPENSES</b>		
Payments		
HTF Designations	\$ 29,813	
Payments to Other Organizations	202,033	
Total Expenses	231,846	231,846
 BALANCE, END OF YEAR		 \$ 40,989

**HUNGER TASK FORCE, INC.**  
**DHS COST REIMBURSEMENT AWARD SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

GRANT	TEFAP-HTFM	CSFP	SNAP Nutrition	SNAP Outreach	
DHS Identification Number	70011	154780	154661	445406	
AWARD AMOUNT	\$ 206,117	\$ 659,104	\$ 249,919	\$ 361,907	
AWARD PERIOD	<u>10/1/17-9/30/18</u>	<u>10/1/17-9/30/18</u>	<u>10/1/17-9/30/18</u>	<u>10/1/17-9/30/18</u>	<u>Total</u>
<b>EXPENDITURES REPORTED TO DHS FOR PAYMENT</b>					
Payment from DHS	\$ 205,921	\$ 659,104	\$ 358,738	\$ 361,907	\$ 1,585,670
Match	---	---	---	361,909	361,909
Total Expenditures Reported to DHS	<u>\$ 205,921</u>	<u>\$ 659,104</u>	<u>\$ 358,738</u>	<u>\$ 723,816</u>	<u>\$ 1,947,579</u>
<b>TOTAL ALLOWABLE COSTS OF AWARD</b>					
Salaries and Wages	\$ 169,638	\$ 438,221	\$ 140,443	\$ 628,615	\$ 1,376,917
Consulting	---	4,523	43,420	---	47,943
Program Supplies	---	107,134	106,880	---	214,014
Agency Operations	23,365	109,226	---	---	132,591
Copying/ Printing	---	---	67,601	4,954	72,555
Internet/Telephone	---	---	---	23,994	23,994
Equipment	12,918	---	---	8,505	21,423
Supplies	---	---	---	347	347
Building/Space	---	---	---	37,394	37,394
Other	---	---	---	15,167	15,167
Travel	---	---	394	4,840	5,234
Total Allowable Costs of Award	<u>\$ 205,921</u>	<u>\$ 659,104</u>	<u>\$ 358,738</u>	<u>\$ 723,816</u>	<u>\$ 1,947,579</u>
Expenditures Reported Less Allowable Costs	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**HUNGER TASK FORCE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Federal Grantor/ State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal/State CFDA Program Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipients
<b>FEDERAL ASSISTANCE</b>				
The United States Department of Agriculture, Food and Nutrition Services				
Direct Funding				
Food Insecurity Incentive Grants Program	10.331		\$ 43,568	
Wisconsin Department of Health Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	445406	\$ 361,907	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	154661	358,738	
Total CFDA 10.561/SNAP Cluster			<u>\$ 720,645</u>	
Wisconsin Department of Health Services				
Commodity Supplemental Food Program	10.565	154780	\$ 659,104	
Commodity Supplemental Food Program (Food Commodities)	10.565		2,374,822	\$ 1,352,696
Total CFDA 10.565			<u>\$ 3,033,926</u>	<u>\$ 1,352,696</u>
Wisconsin Department of Health Services				
Emergency Food Assistance Program (Administrative Costs)	10.568	70011	\$ 185,947	
Wisconsin Department of Health Services				
Emergency Food Assistance Program (Food Commodities)	10.569		2,007,091	1,986,718
Total Food Distribution Cluster			<u>\$ 5,226,964</u>	<u>\$ 3,339,414</u>
Total United States Department of Agriculture, Food and Nutrition Services			<u>\$ 5,991,177</u>	
The United States Department of Housing and Urban Development				
Milwaukee County				
Community Development Block Grants/Entitlement Grants Cluster	14.218		\$ 54,747	
Corporation for National and Community Service				
Share Our Strength				
Social Innovation Fund	94.019	1451HD6002	\$ 164,184	
The United States Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024		\$ 423,671	419,434
TOTAL FEDERAL EXPENDITURES			<u>\$ 6,633,779</u>	<u>\$ 3,758,848</u>
<b>STATE ASSISTANCE</b>				
Wisconsin Department of Health Services				
Emergency Food Assistance Program (Administrative Costs)		70011	\$ 19,974	
TOTAL STATE EXPENDITURES			<u>\$ 19,974</u>	

The accompanying notes are an integral part of this schedule.

**HUNGER TASK FORCE, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**NOTE 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Hunger Task Force, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The Organization has not elected to use the 10% de minimus cost rate. The Organization allocates indirect costs based on direct salaries.

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

To the Board of Directors  
Hunger Task Force, 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 Hunger Task Force, Inc., which comprise the balance sheet as of September 30, 2018, 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 January 16, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hunger Task Force, Inc.'s internal control over financial reporting (internal control) to determine the 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 Hunger Task Force, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Hunger Task Force, Inc.'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 Hunger Task Force, Inc.'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
January 16, 2019



Report on Compliance for Each Major Federal Program and Report on  
Internal Control Over Compliance Required by the *Uniform Guidance*

Independent Auditor's Report

To the Board of Directors of  
Hunger Task Force, Inc.

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

We have audited Hunger Task Force, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Hunger Task Force, Inc.'s major federal programs for the year ended September 30, 2018. Hunger Task Force, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Hunger Task Force, Inc.'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 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 Hunger Task Force, Inc.'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 Hunger Task Force, Inc.'s compliance.

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

In our opinion, Hunger Task Force, Inc. 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, 2018.

To the Board of Directors of  
Hunger Task Force, Inc.  
Page Two

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

Management of Hunger Task Force, 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 our audit of compliance, we considered Hunger Task Force, 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 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 Hunger Task Force, 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 a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
RITZ-HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
January 16, 2019

Report on Compliance for Each Major State Program and Report on  
Internal Control Over Compliance Required by the *State Single Audit Guidelines*

Independent Auditor's Report

To the Board of Directors of  
Hunger Task Force, Inc.

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

We have audited Hunger Task Force, Inc.'s compliance with the types of compliance requirements described in the *State Single Audit Guidelines* that could have a direct and material effect on each of Hunger Task Force, Inc.'s major state programs for the year ended September 30, 2018. Hunger Task Force, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Hunger Task Force, Inc.'s major state 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 *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards and the *State Single Audit Guidelines* 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 state program occurred. An audit includes examining, on a test basis, evidence about Hunger Task Force, Inc.'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 state program. However, our audit does not provide a legal determination of Hunger Task Force, Inc.'s compliance.

***Opinion on Each Major State Program***

In our opinion, Hunger Task Force, Inc. 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 state programs for the year ended September 30, 2018.

To the Board of Directors of  
Hunger Task Force, Inc.  
Page Two

### Report on Internal Control Over Compliance

Management of Hunger Task Force, 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 our audit of compliance, we considered Hunger Task Force, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State Single Audit Guidelines*, 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 Hunger Task Force, 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 a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 state 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 state 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 *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

  
RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
January 16, 2019

**HUNGER TASK FORCE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? No

Identification of major programs:

10.565, 10.568, 10.569 Food Distribution Cluster

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

Auditee qualified as low-risk auditee? Yes

**State Awards**

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

**HUNGER TASK FORCE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)**

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? No

Identification of major state programs, not included under federal programs

The Emergency Food Assistance Program 70011

Dollar threshold used to distinguish between Type A and Type B programs under the State Single Audit Guidelines:

Type A - \$250,000  
Type B - \$62,500

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No matters were reported.

**SECTION V - OTHER ISSUES**

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with applicable *State Single Audit Guidelines*?  
Department of Health Services No

**HUNGER TASK FORCE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

No

4. Name and signature of partner

  
Diana Luttmann

5. Date of report

January 16, 2019