

**Brookland Center for  
Community Economic Change**

*Report on Financial Statements*

*For the year ended December 31, 2023 and 2022*

# Brookland Center for Community Economic Change

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## Independent Auditor's Report

Board of Trustees  
Brookland Center for Community Economic Change  
West Columbia, South Carolina

### ***Opinion***

We have audited the accompanying financial statements of the Brookland Center for Community Economic Change (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and the statement of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Brookland Center for Economic Change as of December 31, 2023, and its activities for the year then ended.

### ***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 the Brookland Center for Community Economic Change 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.

### ***Prior Period Financial Statements***

The financial statements of the Brookland Center for Community Economic Change, as of December 31 2022, were audited by other auditors whose report dated September 27, 2023, expressed an unmodified opinion on those financial statements.

### ***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 Brookland Center for Community Economic Change'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, including omissions, 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 Brookland Center for Community Economic Change'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 Brookland Center for Community Economic Change'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.

### ***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* (Uniform Guidance), 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Governmental Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of the Brookland Center for Community Economic Change’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 Brookland Center for Community Economic Change’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Brookland Center for Community Economic Change’s internal control over financial reporting and compliance.

*Manley Garvin, LLC*

Greenwood, South Carolina  
September 19, 2024

## Brookland Center for Community Economic Change

### Statement of Financial Position

As of December 31, 2023 and 2022

	December 31,	
	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 217,677	\$ 337,792
Accounts receivable	147,105	136,531
Property and equipment-net	2,706,697	2,700,477
Total assets	<u>\$ 3,071,479</u>	<u>\$ 3,174,800</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 179,484	\$ 157,000
Refundable advance	145,432	141,960
Notes payable	101,900	108,462
Total liabilities	<u>426,816</u>	<u>407,422</u>
<b>Net Assets</b>		
Without donor restrictions	2,493,630	1,765,359
With donor restrictions	151,033	1,002,019
Total net assets	<u>2,644,663</u>	<u>2,767,378</u>
Total liabilities and net assets	<u>\$ 3,071,479</u>	<u>\$ 3,174,800</u>

See Notes to Financial Statements

## Brookland Center for Community Economic Change

### Statement of Activities

For the years ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>						
<b>Support</b>						
Contributions of financial assets	\$ 10,581	\$ 90,217	\$ 100,798	\$ 9,048	\$ 99,205	\$ 108,253
Contributions of financial assets from related organization	24,976	-	24,976	110,500	-	110,500
Contributions of non-financial assets	-	-	-	631,566	-	631,566
Grant revenue	23,233	1,485,549	1,508,782	23,500	1,992,473	2,015,973
Other income	48,540	-	48,540	7,708	-	7,708
Total support	107,330	1,575,766	1,683,096	782,322	2,091,678	2,874,000
<b>Revenue</b>						
Tenant rental	77,605	-	77,605	45,350	-	45,350
Facilities rental	31,175	-	31,175	14,268	-	14,268
	108,780	-	108,780	59,618	-	59,618
<b>Reclassifications</b>						
Satisfaction of purpose restrictions	2,426,752	(2,426,752)	-	1,421,977	(1,421,977)	-
Total support, revenue and reclassifications	2,642,862	(850,986)	1,791,876	2,263,917	669,701	2,933,618
<b>Expenses</b>						
Program services	1,435,563	-	1,435,563	1,426,065	-	1,426,065
Supporting activities						
Management and general	445,144	-	445,144	248,426	-	248,426
Campaign expenses	33,884	-	33,884	33,202	-	33,202
Total expenses	1,914,591	-	1,914,591	1,707,693	-	1,707,693
<b>Change in net assets</b>	728,271	(850,986)	(122,715)	556,224	669,701	1,225,925
<b>Net assets, beginning of year</b>	1,765,359	1,002,019	2,767,378	1,209,135	332,318	1,541,453
<b>Net assets, end of year</b>	\$ 2,493,630	\$ 151,033	\$ 2,644,663	\$ 1,765,359	\$ 1,002,019	\$ 2,767,378

See Notes to Financial Statements

## Brookland Center for Community Economic Change

### Statement of Cash Flows

For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Change in net assets	\$ (122,715)	\$ 1,225,925
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	141,061	118,337
Contributions of non-financial assets	-	(631,566)
Contributions and grants received for long-term purposes	(147,227)	(596,428)
Changes in operating assets and liabilities		
Accounts receivable	(10,574)	9,021
Accounts payable & accrued expenses	22,484	111,062
Refundable advance	3,472	(145,023)
Net cash provided by/(used for) operating activities	<u>(113,499)</u>	<u>91,328</u>
<b>Investing activities</b>		
Purchases of property and equipment	<u>(147,281)</u>	<u>(864,641)</u>
Net cash provided by/(used for) investing activities	<u>(147,281)</u>	<u>(864,641)</u>
<b>Financing activities</b>		
Principal payments on notes payable	(6,562)	(12,262)
Contributions and grants received for long-term purposes	<u>147,227</u>	<u>596,428</u>
Net cash provided by/(used for) financing activities	<u>140,665</u>	<u>584,166</u>
Net decrease in cash and cash equivalents	(120,115)	(189,147)
<b>Cash and cash equivalents, beginning of year</b>	<u>337,792</u>	<u>526,939</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 217,677</u>	<u>\$ 337,792</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest expense	<u>\$ 3,337</u>	<u>\$ 4,213</u>
Contributions of property, plant, and equipment	<u>\$ -</u>	<u>\$ 631,566</u>

See Notes to Financial Statements



# Brookland Center for Community Economic Change

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 1. Nature of Organization

Brookland Center for Community Economic Change (Center) is incorporated under the laws of the state of South Carolina as a not-for-profit corporation. The Center is primarily supported by contributions and grants.

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Center is not a private foundation under Section 509(a)(1) of the Code.

The Center's mission is to engage and serve people of all ages and backgrounds while promoting advancements in health, education, economic empowerment and improving the lives of residents in Lexington and Richland counties and neighboring communities throughout the Midlands of South Carolina.

### Note 2. Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

#### Cash and cash equivalents:

Cash and cash equivalents consist of cash held in checking and savings accounts. While the Center maintains cash and cash equivalents in deposit accounts which, at times, may exceed federally insured limits, the Center has not experienced any losses in such accounts. At December 31, 2023, the Center's cash balance was fully collateralized. At December 31, 2022, the Center's cash balance exceeded federally insured limits by \$90,508.

#### Restricted cash:

Restricted cash consists of cash received that limits the use of that cash for long-term purposes such as building projects.

#### Accounts receivable:

Receivables consist of rent, grant, and other receivables and are reported net of any anticipated losses due to uncollectible accounts. Due to the nature of the receivables, management believes all amounts to be fully collectible and no allowance exists at December 31, 2023 and 2022. The Center does not assess finance charges against any receivables.

# Brookland Center for Community Economic Change

## Notes to Financial Statements

December 31, 2023 and 2022

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### Note 2. Summary of Significant Accounting Policies, Continued

#### Property and equipment:

The Center capitalizes property and equipment purchases with a useful life greater than one year and an original cost of \$1,500 or greater, or if donated, at market value on the date of donation. The Center reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the long-lived assets are acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	15 years
Building	39 to 40 years
Building improvements	10 to 30 years
Furniture and equipment	3 to 20 years
Vehicles	5 to 10 years

#### Classes of net assets:

The financial statements report amounts separately by class of net assets.

Net assets without donor restriction amounts are currently available at the discretion of the board for use in operations. Net equity in property and equipment represents amounts invested in property and equipment net of accumulated depreciation and related liabilities.

Net assets with donor restriction amounts are contributed with donor stipulation for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

#### Support, revenue, and expenses:

The Center recognizes support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Center. Conditional promises to give with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

A portion of the Center's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

## Brookland Center for Community Economic Change

### *Notes to Financial Statements*

*December 31, 2023 and 2022*

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#### **Note 2. Summary of Significant Accounting Policies, Continued**

##### *Support, revenue, and expenses, continued:*

The Center reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities as net assets released from restrictions. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

The Center reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Center reports expirations of donor restrictions when donated or acquired assets have been placed in service.

Rental revenue is recognized as revenue in the period in which the rent is earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the Center have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

##### *Contributions of non-financial assets:*

The Center's policy related to contributions of nonfinancial assets is to utilize the assets given in carrying out the mission of the organization. If an asset is contributed that does not allow the Center to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or by a specialist depending on the type of asset. Contributions of nonfinancial assets are reported in the statements of activities as without donor restrictions unless otherwise noted. The Center received no donations of non-financial assets during the year ended December 31, 2023.

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (topic 842 of the FASB Accounting Standards Codification). The Center adopted the provisions of this new standard during the year ended December 31, 2022, on an adoption date approach. The new standard requires organizations that lease assets with terms of more than 12 months to recognize on the statements of financial position the assets and liabilities for the right-of-use and obligations created by the leases. Lessor accounting remained largely unchanged under the new standard. The Center has elected the transition package relief option for leases commenced before the effective date of the standard, which allows the Center the option to not reassess existing or expiring contracts, lease classification or initial direct costs. The Center also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less. The standard did not materially affect the financial statements of the Center.

## Brookland Center for Community Economic Change

### Notes to Financial Statements

December 31, 2023 and 2022

#### Note 3. Liquidity and Funds Available

The following reflects the Center's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Center considers general expenditures to be all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

A summary of financial assets at December 31, 2023 is as follows:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents (including restricted cash)	\$ 217,677	\$ 337,792
Accounts receivable	147,105	136,531
Financial assets, at year-end	<u>364,782</u>	<u>474,323</u>
Financial assets available to meet cash needs for general Expenditures within one year	<u>\$ 364,782</u>	<u>\$ 474,323</u>

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2023 and 2022, the Center has \$115,969 and \$130,016 in net assets with donor restrictions other than assets held for building projects, respectively. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purpose.

#### Note 4. Property and Equipment - Net

Property and equipment-net consists of:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 980,106	\$ 10,019
Buildings	2,197,726	1,585,360
Furniture, fixtures, and equipment	343,699	276,117
Vehicles	23,000	23,000
Construction in progress	<u>12,102</u>	<u>1,514,856</u>
	3,556,633	3,409,352
Less accumulated depreciation	<u>(849,936)</u>	<u>(708,875)</u>
	<u>\$ 2,706,697</u>	<u>\$ 2,700,477</u>

## Brookland Center for Community Economic Change

### Notes to Financial Statements

December 31, 2023 and 2022

#### Note 5. Notes Payable

Notes payable consists of:

	<u>2023</u>	<u>2022</u>
Promissory note with a financial institution with an initial principal balance of \$97,040, and a fixed interest rate of 3.10%. Payments are interest only. The loan matures July 2027, and is secured by real estate.	\$ 85,390	\$ 86,224
Promissory note to Brookland Baptist Church with an initial principal balance of \$80,000, and a fixed interest rate of 3.25%. Payments of \$531 are paid monthly. The loan matures September 2026.	<u>16,510</u>	<u>22,238</u>
	<u>\$ 101,900</u>	<u>\$ 108,462</u>

The aggregate maturities of notes payable for each of the years subsequent to December 31, 2023, consist of:

<u>Years ending December 31,</u>	<u>Amounts</u>
2024	\$ 5,918
2025	6,113
2026	4,479
2027	85,390
Thereafter	-
	<u>\$ 101,900</u>

The Center was in compliance with, or had received waivers for, all financial and reporting covenants at December 31, 2023 and 2022.

#### Note 6. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the organization. These expenses include depreciation and amortization, and facilities operations and maintenance. Building depreciation and amortization and facilities operations and maintenance is allocated based on square footage.

	<b>Year ended December 31, 2023</b>			<b>Total</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Campaign Expenses</b>	
Salaries and benefits	\$ 896,181	\$ 132,941	\$ 21,518	\$ 1,050,640
Supplies and equipment	104,190	39,678	3,282	147,150
Repairs and maintenance	39,530	36,508	1,281	77,319
Depreciation	134,008	7,053	-	141,061
Professional fees	103,049	119,743	5,454	228,246
Utilities and insurance	30,961	80,252	2,349	113,562
Interest expense	-	3,337	-	3,337
Food distribution supplies	39,255	24	-	39,279
Other	<u>88,389</u>	<u>25,608</u>	-	<u>113,997</u>
Total expenses	<u>\$ 1,435,563</u>	<u>\$ 445,144</u>	<u>\$ 33,884</u>	<u>\$ 1,914,591</u>

## Brookland Center for Community Economic Change

### Notes to Financial Statements

December 31, 2023 and 2022

#### Note 6. Functional Expenses, Continued

	Year ended December 31, 2022			Total
	Program Services	Management and General	Campaign Expenses	
Salaries and benefits	\$ 875,852	\$ 105,977	\$ 21,991	\$ 1,003,820
Supplies and equipment	129,641	23,060	4,152	156,853
Repairs and maintenance	22,592	28,894	1,155	52,641
Depreciation	112,420	5,917	-	118,337
Professional fees	79,372	35,895	3,023	118,290
Utilities and insurance	45,875	48,135	2,460	96,470
Interest expense	3,244	548	421	4,213
Food distribution supplies	62,051	-	-	62,051
Other	95,018	-	-	95,018
Total expenses	<u>\$ 1,426,065</u>	<u>\$ 248,426</u>	<u>\$ 33,202</u>	<u>\$ 1,707,693</u>

#### Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions consists of:

	December 31,	
	2023	2022
Building projects	\$ 35,064	\$ 872,003
After-School Leadership Program	31,689	86,703
Community Food Hub	36,799	9,308
Other	47,481	34,005
	<u>\$ 151,033</u>	<u>\$ 1,002,019</u>

#### Note 8. Related Party

The Center is a related party with Brookland Baptist Church (BBC). BBC donated financial assets of \$24,977 and \$110,500, respectively, to the Center for the years ended December 31, 2023 and 2022. The Center paid BBC for shared employees and information technology of \$42,950 and \$54,609 in the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the Center owed \$134,526 and \$125,085, respectively, to BBC held in accounts payable and accrued expenses, which included short-term advances from the church to the Center to fund operations. As of December 31, 2023 and 2022, the Center had an outstanding loan with BBC of \$16,509 and \$22,238, respectively.

#### Note 9. Concentrations

The Center receives significant contributions and grants from time to time. For the years ended December 31, 2023 and 2022, two donors accounted for 6% of total revenue and three donors accounted for 28% of total revenue, respectively. Additionally, for the years ended December 31, 2023 and 2022, three grants accounted for 66% of total revenue and four grants accounted for 44% of total revenue, respectively. The current level of the Center's operations and program activities could be impacted if these donor and grant relationships were to be terminated and could not be replaced by new donors or grantors with comparable donations or grant revenue.

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## **Brookland Center for Community Economic Change**

*Notes to Financial Statements*

*December 31, 2023 and 2022*

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### **Note 10. Subsequent Events**

These financial statements have been updated for subsequent events through the date of the independent accountant's report, the date these financial statements were available to be issued.

**Brookland Center for Community Economic Change****Schedule of Expenditures of Federal Awards****For the year ended December 31, 2023**

Federal grantor/pass-through entity	Federal Assistance Listing Number	Pass through grantor's number	Total Federal Expenditures 2023
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Farmers Market and Local Food Promotion Program	10.175	N/A	\$ 67,275
Child Nutrition Cluster:			
Summer Food Service program for Children passed through South Carolina Department of Education	10.559	SF6445	30,695
Total Child Nutrition Cluster			97,970
Soil and Water Conservation	10.902	N/A	88,151
Total U.S. Department of Agriculture			186,121
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
CDBG-Entitlement Grants Cluster*:			
COVID-19 Community Development Block Grants/Entitlement Grants Pass through from County of Lexington	14.218	CDBG-CVI 2021-23	21,996
Total CDBG Entitlement Grants Cluster			21,996
Total U.S. Department of Housing and Urban Development			21,996
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
Homeowner Assistance Fund Program			
Pass through from United Way of the Midlands			
Total U.S. Department of Justice Pass-through Programs	21.026		14,249
Total U.S. Department of Treasury			14,249
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>			
Historic Preservation Fund Grants-in-Aid	15.904	P21AP11813-00 P22AP01986-00	35,015
Total U.S. Department of Interior			47,819
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Twenty-First Century Community Learning Centers passed through from South Carolina Department of Education	84.287C	H63010006922	176,343
Total U.S. Department of Education			176,343
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Community Programs to Improve Minority Health Grant Program	93.137	CPIMP211326	599,966
Substance Abuse and Mental Health Services Projects of National Significance	93.243	H795M084189	159,989
Total U.S. Department of Health and Human Services			759,955
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,206,483</b>



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## **Brookland Center for Community Economic Change**

### ***Notes to the Schedule of Expenditures of Federal Awards***

***For the year ended December 31, 2023***

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Brookland Center for Community Economic Change (the "Center") under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Center.

#### **Note 2. Summary of Significant Accounting Policies for Federal Awards**

Expenditures reported on the Schedule 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.

#### **Note 3. Indirect Cost Rate**

The Center has elected to utilize the ten percent de minimis indirect cost rate as of December 31, 2023.



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

Board of Trustees  
Brookland Center for Community Economic Change  
West Columbia, South Carolina

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 Brookland Center for Community Economic Change (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2023, the Statement of Activities, the Statement of Cash Flows, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2024.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

*Manley Garvin, LLC*

Greenwood, South Carolina  
September 19, 2024



**Independent Auditor’s Report on Compliance for Each Major Program and  
on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Trustees of  
Brookland Center for Community Economic Change  
West Columbia, South Carolina

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

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

We have audited the Brookland Center for Community Economic Change’s 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 Brookland Center for Community Economic Change’s major federal programs for the year ended December 31, 2023. The Brookland Center for Community Economic Change’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Brookland Center for Community Economic Change 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 December 31, 2023.

***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; 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 Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Brookland Center for Community Economic Change 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 Brookland Center for Community Economic Change’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 Brookland Center for Community Economic Change’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 Brookland Center for Community Economic Change'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 generally accepted auditing standards, *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 Brookland Center for Community Economic Change's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Brookland Center for Community Economic Change'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 Brookland Center for Community Economic Change'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 Brookland Center for Community Economic Change'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 Auditor's 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.

*Manley Garvin, LLC*

Greenwood, South Carolina  
September 19, 2024

# Brookland Center for Community Economic Change

## Schedule of Findings and Questioned Costs

December 31, 2023

### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  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 200.516(a)?  yes  no

Identification of major federal programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
93.137	Diabetes Intervention Program for Families

Dollar threshold used to distinguish between type A and type B Programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

### Section II - Financial Statement Findings

None Reported

### Section III - Federal Award Questioned Costs and Findings

None Reported

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## **Brookland Center for Community Economic Change**

*Summary Schedule of Prior Year Audit Findings*

*December 31, 2023*

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### **2022 Financial Statement Findings**

None Reported