

PROJECT SAVVY
dba DARKROOM FAITH
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
March 31, 2024, and 2023

PROJECT SAVVY dba DARKROOM FAITH

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Independent Auditor's Report

Board of Directors
Project Savvy dba Darkroom Faith
Sugar Land, Texas

Opinion

We have audited the financial statements of Project Savvy dba Darkroom Faith, which comprise the statement of financial position as of March 31, 2024, and 2023, and the related statement of activities, statement of functional expenses and statement of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Project Savvy dba Darkroom Faith as of March 31, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Savvy dba Darkroom Faith and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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 of Project Savvy dba Darkroom Faith's ability to continue as a going concern for a reasonable period.

Independent Auditor's Report (continued)

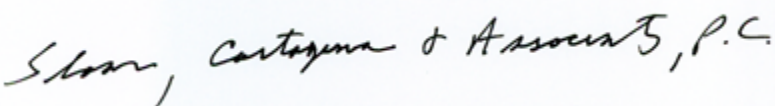
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Project Savvy dba Darkroom Faith 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 Project Savvy dba Darkroom Faith'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.



Shon, Cartagena & Associates, P.C.

July 26, 2024
Houston, Texas

PROJECT SAVVY dba DARKROOM FAITH

STATEMENT OF FINANCIAL POSITION

March 31, 2024, and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 57,619	\$ 47,413
TOTAL CURRENT ASSETS	57,619	47,413
FIXED ASSETS		
Darkroom Faith Video Series - Net	<u>626,164</u>	<u>703,628</u>
TOTAL FIXED ASSETS		
TOTAL ASSETS	<u>\$ 683,783</u>	<u>\$ 751,041</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Interest Payable	\$ 2,851	\$ 2,290
Loan From Board Member	<u>148,465</u>	<u>175,000</u>
TOTAL CURRENT LIABILITIES	<u>151,316</u>	<u>177,290</u>
TOTAL LIABILITIES	151,316	177,290
NET ASSETS		
With Donor Restrictions	-	-
Without Donor Restrictions	<u>532,467</u>	<u>573,751</u>
TOTAL NET ASSETS	<u>532,467</u>	<u>573,751</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 683,783</u>	<u>\$ 751,041</u>

See independent auditor's report and notes to financial statements

PROJECT SAVVY dba DARKROOM FAITH

STATEMENT OF ACTIVITIES

For the years ended March 31, 2024, and 2023

	<u>2024</u>	<u>2023</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS:		
Contributions	\$ 137,806	\$ 149,662
	<u>137,806</u>	<u>149,662</u>
TOTAL REVENUE AND GAINS WITHOUT DONOR RESTRICTIONS	137,806	149,662
EXPENSES AND LOSSES:		
Program Expenses	161,667	211,311
General & Administrative	14,126	10,500
Fundraising Expense	<u>3,297</u>	<u>16,574</u>
TOTAL EXPENSES AND LOSSES	<u>179,090</u>	<u>238,385</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(41,284)	(88,723)
Net Assets, Beginning of Year	<u>573,751</u>	<u>662,474</u>
Net Assets, End of Year	<u>\$ 532,467</u>	<u>\$ 573,751</u>

See independent auditor's report and notes to financial statements

PROJECT SAVVY dba DARKROOM FAITH

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended March 31, 2024

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expense	\$ 54,000	\$ -	\$ -	\$ 54,000
Accounting	-	1,900	-	1,900
Bank Charges	-	941	-	941
Depreciation	77,464	-	-	77,464
Interest	-	11,026	-	11,026
Office Expense	-	259	-	259
Travel	227	-	-	227
Conference Expense	900	-	-	900
Content Expense	7,700	-	-	7,700
Study Guide	1,600	-	-	1,600
Fundraising	-	-	3,297	3,297
Website	3,241	-	-	3,241
Research	495	-	-	495
Communication	16,040	-	-	16,040
	<u>\$ 161,667</u>	<u>\$ 14,126</u>	<u>\$ 3,297</u>	<u>\$ 179,090</u>

See independent auditor's report and notes to financial statements

PROJECT SAVVY dba DARKROOM FAITH

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended March 31, 2023

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expense	\$ 54,000	\$ -	\$ -	\$ 54,000
Accounting	-	1,550	-	1,550
Bank Charges	-	2,052	-	2,052
Depreciation	71,008	-	-	71,008
Interest	-	6,641	-	6,641
Office Expense	-	257	-	257
Travel	1,460	-	-	1,460
Study Guide	46,744	-	-	46,744
Production	1,304	-	-	1,304
Fundraising	-	-	16,574	16,574
Website	5,674	-	-	5,674
Research	568	-	-	568
Communication	30,553	-	-	30,553
	<u>\$ 211,311</u>	<u>\$ 10,500</u>	<u>\$ 16,574</u>	<u>\$ 238,385</u>

See independent auditor's report and notes to financial statements

PROJECT SAVVY dba DARKROOM FAITH

STATEMENT OF CASH FLOWS

For the years ended March 31, 2024, and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (41,284)	\$ (88,723)
Adjustments to Reconcile Change in Net Assets to Net Cash used by Operating Activities		
Depreciation	77,464	71,008
Increase (Decrease) in Interest Payable	<u>561</u>	<u>2,290</u>
NET CASH FROM OPERATING ACTIVITIES	36,741	(15,425)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Proceeds		25,000
Loan Payments	<u>(26,535)</u>	<u> </u>
NET CASH FROM FINANCING ACTIVITIES	<u>(26,535)</u>	<u>25,000</u>
NET INCREASE (DECREASE) IN CASH	<u>10,206</u>	<u>9,575</u>
Cash, Beginning of Year	<u>47,413</u>	<u>37,838</u>
Cash, End of Year	<u><u>\$ 57,619</u></u>	<u><u>\$ 47,413</u></u>

See independent auditor's report and notes to financial statements

PROJECT SAVVY dba DARKROOM FAITH

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Note 1 – Organization

Project Savvy dba Darkroom Faith, a 501(c)(3) organization was founded April 2020. Project Savvy dba Darkroom Faith produced the series Darkroom Faith which empowers students to think critically and talk openly about their doubts and questions, helping them build a biblical foundation for life-giving and lasting faith.

Note 2 – Summary of Significant Accounting Policies

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Project Savvy dba Darkroom Faith reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Project Savvy dba Darkroom Faith reports gifts of goods and equipment as net assets 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 or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Project Savvy dba Darkroom Faith reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated Services, Goods, and Facilities

Donated professional services and or property and equipment, if any, are reflected in the statement of activities at their fair value. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

PROJECT SAVVY dba DARKROOM FAITH

NOTES TO FINANCIAL STATEMENTS

March 31, 2024, and 2023

Note 2 – Summary of Significant Accounting Policies - Continued

Use of 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.

Financial Statement Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in *Accounting Standards Codification 958: Not-for-Profit Entities*. Under ASC 958, Project Savvy dba Darkroom Faith is required to report information regarding its financial position and activities according to two classes of net assets:

1. Net assets without donor restrictions include those assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects such as by contract or board designation.
2. Net assets with donor restrictions include contributions by the donor for specific purposes or future time periods. When a purpose restriction is accomplished or a time restriction ends, these net assets with donor restrictions are released to net assets without donor restrictions. Other donor restrictions can be permanent in nature, i.e., those assets that donors have restricted in perpetuity.

See Note 4 for discussion of the Project Savvy dba Darkroom Faith's net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and other short-term investments of a liquid nature with maturities of less than 90 days. At year end and throughout the year, Project Savvy dba Darkroom Faith maintains its cash balances in one financial institution located in Sugar Land, Texas. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At no time were balances in the bank that were over the FDIC limit. There were no uninsured cash balances on March 31, 2024, and 2023.

PROJECT SAVVY dba DARKROOM FAITH

NOTES TO FINANCIAL STATEMENTS

March 31, 2024, and 2023

Note 2 – Summary of Significant Accounting Policies - Continued

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions on the existence or nature of any donor restrictions.

Federal Income Taxes

Project Savvy dba Darkroom Faith is a nonprofit corporation as defined by section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes. Project Savvy dba Darkroom Faith is up to date with all of its tax filings. Tax years ended March 31, 2021, 2022, and 2023 are open to examination by the Internal Revenue Service.

Communications Costs

Communications costs are expensed as incurred. Communications expenses for the year ended March 31, 2024 were \$16,040, and 2023 were \$30,553.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among our program, general and administrative, and fundraising expenses.

Concentration

In the year ended March 31, 2024, and 2023, a significant amount of contributions were provided by a few major contributors. The founder of the Organization contributed approximately 29% of Project Savvy dba Darkroom Faith's revenue for the year ended March 31, 2024, and 47% for the year ended March 31, 2023.

General Fixed Assets

Property and equipment are recorded at cost. Depreciation is calculated using the straight- line method with assets depreciated over the following useful lives:

Video Content Production	10 years
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PROJECT SAVVY dba DARKROOM FAITH

NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

Note 3 – Fundraising Income & Expenses

Fundraising income and expenses are derived from the various fundraising events. Income includes amounts paid by participants of the events as well as amounts donated by sponsors to offset costs incurred by these events. Expenses reflect the total costs incurred for these events and are not reduced by the donations described above.

Note 4 – Restrictions on Net Assets

At March 31, 2024 and 2023, Project Savvy dba Darkroom Faith did not have restricted net assets.

Note 5 – New Accounting Pronouncements

The effects of accounting pronouncements that have been issued but have not yet taken effect are not believed to be material to the financial statements.

Note 6 – Leases

At March 31, 2024 and 2023, Project Savvy dba Darkroom Faith did not have any leases.

Note 7 – Related Party Transactions

During the year ended March 31, 2024, and 2023 Project Savvy dba Darkroom Faith received contributions in the amount of \$140,692 from it's Board members. These contributions are reported as revenues without donor restrictions.

Note 8 – Fixed Assets

Fixed assets as of March 31, 2024, and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Video Content Production	774,636	774,636
Less - Accumulated Depreciation	<u>148,472</u>	<u>71,008</u>
Total Fixed Assets	<u>\$ 626,164</u>	<u>\$ 703,628</u>

PROJECT SAVVY dba DARKROOM FAITH

NOTES TO FINANCIAL STATEMENTS

March 31, 2024, and 2023

Note 9 - Liquidity and availability of Financial Assets

The following reflects the Project Savvy dba Darkroom Faith's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

	<u>2024</u>	<u>2023</u>
Financial assets at year end		
Cash and cash equivalents	\$ 57,619	\$ 47,413
Less financial assets unavailable for general expenditures within one year due to:		
Net assets with donor restrictions - See note 4	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 57,619</u>	<u>\$ 47,413</u>

Project Savvy dba Darkroom Faith maintains an operating checking account and a savings account which are available to meet the needs of the general expenditures. Cash is managed through a budget approved by the Board and reviewed by the Board quarterly.

Note 10 – Subsequent Events

Subsequent events have been evaluated through July 26, 2024, which is the date the financial statements were issued.