

**DARKNESS TO LIGHT, INC.**  
**CHARLESTON, SOUTH CAROLINA**

**AUDITORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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# JOHNSTON, MARION & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
Darkness to Light, Inc.  
Charleston, South Carolina

### Opinion

We have audited the accompanying financial statements of Darkness to Light, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and 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 Darkness to Light as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Darkness to Light, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Darkness to Light'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Darkness to Light'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 Darkness to Light'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.

*Johnston, Marion & Co, CPA*

Johnston, Marion & Company, CPA's  
Charleston, South Carolina  
March 16, 2026

**DARKNESS TO LIGHT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**

**Exhibit "A"**

**ASSETS**

**Current Assets**

Cash and cash equivalents (Note 1)	\$ 1,424,073
Accounts receivable, net (Note 2)	35,742
Prepaid expenses	27,521
Total current assets	1,487,336

**Property and Equipment**

(net of accumulated depreciation) (Note 1 & 3)	556,878
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<b>TOTAL ASSETS</b>	<b>\$ 2,044,214</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 28,902
Accrued wages	11,971
Accrued annual leave (Note 1)	18,666
Total current liabilities	59,539

**Long-Term Liabilities**

Note payable - South State Bank (Note 5)	0
Total long-term liabilities	0
Total liabilities	59,539

**Net Assets**

Without Donor Restriction:	
Operations	1,229,807
Fixed assets	556,878
With Donor Restrictions	197,990
Total net assets	1,984,675

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,044,214</b>
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**DARKNESS TO LIGHT, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Exhibit "B"

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Support:			
Contributions	\$ 1,493,644	\$ 5,000	\$ 1,498,644
Grants	153,250	220,000	373,250
Total Support	1,646,894	225,000	1,871,894
Revenue:			
Investment income	22,412	0	22,412
Total Revenue	22,412	0	22,412
Net assets released from restrictions:			
Satisfaction of usage restrictions	107,928	(107,928)	0
Total Support and Revenue	1,777,234	117,072	1,894,306
<b><u>EXPENSES</u></b>			
Program services	998,151	0	998,151
General and administrative	202,710	0	202,710
Fund raising	83,289	0	83,289
Total Expenses	1,284,150	0	1,284,150
Change in net assets - operations	493,084	117,072	610,156
Net assets, beginning of year	1,293,601	80,918	1,374,519
Net assets, end of year	\$ 1,786,685	\$ 197,990	\$ 1,984,675

See accompanying notes and accountants' report

**DARKNESS TO LIGHT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Exhibit "C"

	<u>Program Services</u>	<u>Support Services</u>		<u>Total Program and Support Services</u>
		<u>Management and General</u>	<u>Fund- Raising</u>	
Salaries and contract wages	\$ 612,765	\$ 79,272	\$ 52,848	\$ 744,885
Employee benefits and taxes	87,065	13,060	8,706	108,831
<b>Total salaries and related expenses</b>	<b>699,830</b>	<b>92,332</b>	<b>61,554</b>	<b>853,716</b>
SOC Processing	17,227	0	0	17,227
SOC Production	76,052	0	0	76,052
SOC Shipping	18,732	0	0	18,732
SOC Facilitator training costs	7,500	0	0	7,500
Marketing	2,494	0	2,494	4,988
Travel, lodging and meals	17,226	2,584	1,723	21,533
Bank charges	38,260	5,739	3,826	47,825
Postage	1,900	285	190	2,375
Office supplies	1,071	161	107	1,339
Tech hard equipment programs	2,176	0	2,175	4,351
Software and website expenses	14,666	2,200	1,466	18,332
Telephone and internet	3,637	545	364	4,546
Depreciation	39,273	5,891	3,927	49,091
Insurance	21,532	3,230	2,153	26,915
Professional fees	30,789	0	0	30,789
Legal fees	0	540	0	540
Accounting fees	0	88,336	0	88,336
Payroll fees	1,832	275	183	2,290
Fundraising fees	0	0	2,729	2,729
Dues & subscriptions	640	96	64	800
Rent	2,497	375	250	3,122
Interest expense	463	69	46	578
Miscellaneous	90	12	12	114
Professional development	264	40	26	330
	<u>\$ 998,151</u>	<u>\$ 202,710</u>	<u>\$ 83,289</u>	<u>\$ 1,284,150</u>

See accompanying notes and accountants' report

**DARKNESS TO LIGHT, INC.**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Exhibit "D"**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Cash received from donors - unrestricted	\$ 1,627,745
Cash received from donors - temporarily restricted	225,000
Cash paid to employees and benefits	(772,772)
Cash paid for supplies and services	(486,401)
Interest received	22,412
Net cash provided (used) by operating activities	<u>615,984</u>

**CASH FLOW FROM INVESTING ACTIVITIES:**

Fixed asset purchases	<u>(133,295)</u>
Net cash used for investing activities	<u>(133,295)</u>

**CASH FLOW FROM FINANCING ACTIVITIES:**

Payments to South State on the line of credit/note payable	<u>(39,022)</u>
Net cash provided by financing activities	<u>(39,022)</u>

Net increase in cash and cash equivalents 443,667

Cash and cash equivalents - beginning of year 980,406

Cash and cash equivalents - end of year \$ 1,424,073

**Reconciliation of net assets to net cash provided by operating activities:**

Change in net assets \$ 610,156

**Adjustments not affecting cash:**

Depreciation expense 49,091

**Changes in assets and liabilities:**

Increase in accounts receivable (19,149)

Increase in prepaid expenses (19,464)

Decrease in accrued wages (828)

Decrease in accrued annual leave (2,378)

Decrease in accounts payable (1,444)

Total adjustments 5,828

Net cash provided by operating activities \$ 615,984

**DARKNESS TO LIGHT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. **General Information**

Headquartered in Charleston, South Carolina, Darkness to Light (D2L) has championed the movement to end child sexual abuse since its founding in 2000. With partners and affiliates in all 50 states and across 102 countries, D2L provides organizations and individuals with the knowledge and tools to protect children from sexual abuse. To date, over 2.4 million educators, youth serving professionals, organization volunteers, and community members have been trained in D2L's award-winning Stewards of Children® child sexual abuse prevention program. Visit [www.D2L.org/Stewards](http://www.D2L.org/Stewards) to learn how you can bring Stewards of Children to your community. Darkness to Light, Inc. was incorporated on February 9, 2000, and their mailing address is 3022 S. Morgans Point Road, # 118, Mt. Pleasant, SC 29466.

b. **Income Taxes**

The Corporation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

c. **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Without Donor Restrictions net assets – Net assets that are not subject to donor-imposed stipulation. With Donor Restrictions net assets – Net assets subject to donor-imposed stipulation that may or will be met, either by actions of the Corporation and/or the passage of time. 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.

d. **Property and Equipment**

Depreciation of property and equipment is provided over the estimated useful lives of depreciable properties principally on the straight-line method. The lives assigned to the various classes of assets are: Software – 5 years. Stewards of Children is amortized on the straight-line method – 10 years.

e. **Cash and Cash Equivalents**

Cash and cash equivalents were held at two FDIC insured banks. The Corporation had bank account balances in excess of the FDIC limit during the year while it was in the process of establishing a new brokerage account which will have an FDIC insured cash sweep function and the ability to resume investments in short-term U.S. Treasury securities to facilitate management of cash and increase investment earnings on the cash.

**DARKNESS TO LIGHT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**f. Use of Estimates**

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

**g. Accrued Vacation, Annual Leave, and Wages.**

Darkness to Light's policy is to permit employees to accumulate a limited amount of earned but unused vacation leave, which will be paid to employees upon separation from service. As of June 30, 2025, the liability for accrued vacation of \$18,666 has been recorded in the current liabilities.

**h. Accounting For Deferred Contribution Revenue**

Darkness to Light has adopted FASB ASC 958-605, regarding the accounting contributions, in the fiscal year ended June 30 2018. One of the provisions of the ASC addresses when contribution income should be deferred due to the conditions present in the agreement related to the contribution. Darkness to Light defers the recognition of contribution income when it is determined that the conditions articulated in the ASC are present and will recognize the income as the conditions are satisfied.

**Note 2: RECEIVABLES**

Accounts receivable – Represents the balance due related to the provision of Stewards of Children training for which the related contribution was received after year-end

	\$35,742
- Net of allowance for doubtful accounts	( 0 )
Net accounts receivable	<u>\$35,742</u>

The Corporation collected all of the above accounts receivable by August 31, 2025, and therefore, no allowance for doubtful accounts was required to be reported at year end June 30, 2025.

**Note 3: ASSETS AND DEPRECIATION**

Depreciation and amortization expense are calculated on the straight-line basis over the estimated useful lives of the assets. The cost of such assets at June 30, 2025 is as follows:

New Stewards of Children	\$ 371,100
Software and Website Development	91,618
New Stewards – Spanish (in progress)	157,349
Rebranding (in progress)	37,500
Curriculum Development (in progress)	8,942
Less: Accumulated Amortization	<u>(109,631)</u>
 Net Fixed Assets	 <u>\$ 556,878</u>

New Stewards 2.0 is the current version of the training program and documentary film designed to teach adults how to prevent, recognize, and react responsibly to child sexual abuse, which

**DARKNESS TO LIGHT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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Note 3: **ASSETS AND DEPRECIATION (continued)**

was rolled out in April of 2023. The Spanish version of the New Stewards is in the process of being completed at year end, with an expected completion date of September 2025.

There have been restricted funds granted for company rebranding, which is currently in progress, as well as more curriculum development.

Note 4: **LIQUIDITY AND AVAILABILITY**

Darkness to Light regularly monitors the availability of resources to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, Darkness to Light considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities to be general expenditures.

Darkness to Light's policy goal is to maintain cash and cash equivalents equal to six months general expenditures. This includes both unrestricted and restricted cash and cash equivalent balances. All restricted assets relate to cash contributions. Restrictions are short-term and are generally released to unrestricted within the following twelve months. To the extent restrictions last more than twelve months the variable component of the related program expense would not be incurred during that period. Unrestricted cash is available for all general expenditures during the following twelve-month period and beyond. Typically, additional unrestricted cash contributions would be received for new program commitments thereby providing the liquidity for such new commitments.

As of June 30, 2025, the following tables show the total financial assets held by Darkness to Light and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets at Year-end:	
Cash and cash equivalents	\$1,424,074
Contributions receivable, net	<u>35,742</u>
Total financial assets at year-end	<u>\$1,459,816</u>

Financial assets available to meet general expenditures over the next twelve months:	
Cash and equivalents	\$1,424,074
Contributions receivable, net	35,742
Less restricted assets	(197,990)
Anticipated satisfaction of usage restrictions on restricted assets	<u>197,990</u>
Total financial assets available to meet general expenditures	<u>\$1,459,816</u>

Note 5: **PROVISIONS OF LONG-TERM DEBT**

Darkness to Light, Inc. had a revolving line of credit in place with South State Bank for \$75,000 through August 27, 2021 at an interest rate of 300 bps over the 30-day LIBOR. Darkness to Light borrowed the \$75,000 on July 21, 2020 to fund the acquisition of new furniture and

**DARKNESS TO LIGHT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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Note 5: **PROVISIONS OF LONG-TERM DEBT (continued)**

fixtures for the new office space related to the new lease (see Note 6). Later in that year, this borrowing was converted to a note payable with a 7.5 year term with an interest rate of 3.63%. This loan was paid in full on November 21, 2024, leaving a zero balance due at year end June 30, 2025.

Note 6: **SUBSEQUENT EVENT**

Management has evaluated subsequent events through March 16, 2026.

Note 7: **METHODS USED FOR ALLOCATION OF EXPENSES FROM GENERAL AND ADMINISTRATIVE ACTIVITIES**

The financial statements report certain categories of expenses that are attributable to the programs and to the supporting functions of fundraising and general management of the entity in Exhibit C. Those expenses that are common to all three functions include rent, depreciation, telephone, office machine lease, facilities and liability insurance, office supplies and postage, interest, technology costs and salaries.

Salaries are allocated based on time spent by employees in different functions. The amount of time in each of the functions is based on the bi-weekly time sheets submitted by the employees in which they allocate their time each pay period between the different functions.

The total salaries that are allocated among the three functions and those that are only allocated to one function such as programs are then tabulated to arrive at the percentages of all staff in expenses listed in the paragraph above. Those common expenses that are allocated are combined with those that are only charged to one of the functions, such as programs and fundraising.