



**Students for Life Action, Inc.
Financial Statements
December 31, 2019**

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Independent Auditor's Report

To the Board of Directors of
Students for Life Action, Inc.

Prager Metis CPAs, LLC

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We have audited the accompanying financial statements of Students for Life Action, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the period from January 10, 2019 (date of inception) to December 31, 2019, 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 Action; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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 Students for Life Action, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the period January 10, 2019 (date of inception) to December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Prager Metis CPAs, LLC

Prager Metis CPAs, LCC
McLean, Virginia
August 19, 2020

Students for Life Action, Inc.
Statement of Financial Position
December 31, 2019

Assets

Current assets

Cash	\$ 242,494
Prepaid expenses	1,710
Total current assets	<u>244,204</u>

Total assets

\$ 244,204

Liabilities and net assets

Liabilities

Accounts payable	<u>\$ 76,998</u>
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Total liabilities (all current)

76,998

Net assets without donor restrictions

167,206

Total liabilities and net assets

\$ 244,204

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

Students for Life Action, Inc.
Statement of Activities
For the Period January 10, 2019 (date of inception) to December 31, 2019

Revenue and support	
Contributions	<u>\$ 521,113</u>
Total revenue and support	<u>521,113</u>
Expenses	
Program services	
Outreach and awareness	162,284
GOTV	137,473
Field resources	<u>12,638</u>
Total program services	<u>312,395</u>
Supporting services	
Management and general	11,755
Fundraising	<u>29,757</u>
Total supporting services	<u>41,512</u>
Total expenses	<u>353,907</u>
Change in net assets	167,206
Net assets, beginning of period	<u>-</u>
Net assets, end of period	<u><u>\$ 167,206</u></u>

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

Students for Life Action, Inc.
Statement of Functional Expenses
For the Period January 10, 2019 (date of inception) to December 31, 2019

	Program Services				Supporting Services		
	Outreach and Awareness	GOTV	Field Resources	Total Program Services	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 2,331	\$ 2,331	\$ 2,331	\$ 6,993	\$ 532	\$ 76	\$ 7,601
Bank charges	3,083	3,083	3,083	9,249	254	1,420	10,923
Caging	-	-	-	-	2,636	-	2,636
Consulting	33,799	25,360	-	59,159	-	3,221	62,380
Information technology	1,949	1,949	1,949	5,847	161	898	6,906
Licenses and permits	2,631	2,631	2,631	7,893	217	1,212	9,322
List rental	35,969	-	-	35,969	-	8,082	44,051
Meals and food	1,000	1,594	-	2,594	-	-	2,594
Occupancy	633	633	633	1,899	52	291	2,242
Outreach devices	14,619	75,370	-	89,989	-	-	89,989
Postage and shipping	34,227	-	1,946	36,173	-	9,098	45,271
Printing	20,446	-	-	20,446	-	5,435	25,881
Professional fees	-	-	-	-	7,900	-	7,900
Supplies	1,393	16,451	65	17,909	3	24	17,936
Travel	10,204	8,071	-	18,275	-	-	18,275
	<u>\$ 162,284</u>	<u>\$ 137,473</u>	<u>\$ 12,638</u>	<u>\$ 312,395</u>	<u>\$ 11,755</u>	<u>\$ 29,757</u>	<u>\$ 353,907</u>

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

Students for Life Action, Inc.
Statement of Cash Flows
For the Period January 10, 2019 (date of inception) to December 31, 2019

Cash flows from operating activities	
Change in net assets	\$ 167,206
(Increase) decrease in assets	
Prepaid expenses	(1,710)
Increase (decrease) in liabilities	
Accounts payable	<u>76,998</u>
Net cash provided by operating activities	<u>242,494</u>
Net increase in cash	242,494
Cash, beginning of period	<u>-</u>
Cash, end of period	<u><u>\$ 242,494</u></u>

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

Note 1 Organization

Students for Life Action, Inc. (the Organization) is a not-for-profit corporation organized in 2019 in Virginia. The Organization is a national organization created to educate students and the general public about the pro-life message and train and mobilize this generation of pro-life leaders to impact public policy and influence key elections in order to restrict and abolish abortion state by state.

Contributions are received primarily as a result of direct mail and telemarketing solicitations to individuals and other entities throughout the country. Contributions are recognized as support when received.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Without donor restrictions – Net assets not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The Organization reports gifts of cash and other assets as with donor restricted revenue if they are received with donor stipulations that limit the use of the donated assets. 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 activities as net assets released from restriction. Donor restrictions met in the same reporting period are recorded as net assets without donor restrictions.

The Organization had no net assets with donor restrictions as of December 31, 2019.

Note 2 Summary of Significant Accounting Policies (continued)

Allocation of Expenses

The Organization allocates costs between program and supporting services based on the function they directly benefit or on management's estimates of the proportion of these costs applicable to each function. Direct mail and telemarketing activity is allocated based on a direct line count method of allocating joint costs. Salaries and related taxes and benefits are allocated based on estimated time spent by employees. Remaining expenses are either directly charged to program or supporting services or allocated using the average of percentage per the line count and estimated time spent by employees.

Functional Expenses

Expenses are classified according to the programs and supporting services for which they were incurred and reported on a functional basis in the accompanying statement of activities. The program and supporting services of the Organization are as follows:

Outreach and Awareness – All expenses incurred to educate students and the general public about the pro-life message and to motivate them to take an active role in public policy related to the pro-life movement. Additionally, all expenses incurred for conferences and events hosted by the Organization to educate students and the general public.

Field Resources – All expenses incurred to start and improve pro-life groups on college and high school campuses across the nation.

GOTV – The SFLA GOTV "Get Out and Vote" is an exclusive opportunity for activism with individual Students for Life groups. Each Regional Coordinator is required to bring displays to Universities and Colleges in their regions both in the Fall and Spring semesters. This program provides in-depth training to the SFL groups and equip them on the most pressing issues for millennials regarding the motivation and participation in the democratic process. Each event comes with one-on-one group training, national and local media press releases, 5-6 display panels, postcards, and the Regional Coordinator presence with the SFL group at the display. Events improve the quality of SFL groups through equipping and working with them one-on-one to engage their campuses in a direct manner.

Management and General – All other operating expenses incurred by the Organization in the accomplishment of its tax-exempt purposes.

Fundraising – All expenses incurred in requesting current or potential donors to contribute to the Organization through money, time, materials, or facilities.

Income Taxes

The Organization has received a tax determination letter from the Internal Revenue Service and is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code (Code) and related sections of the State Code. As such, only unrelated business income is subject to income tax. At December 31, 2019, there was no unrelated business income.

Note 2 Summary of Significant Accounting Policies (continued)

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements.

The Organization's federal Return of Organization Exempt from Income Tax is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Note 3 Allocation of Joint Costs

For the year ended December 31, 2019, the Organization incurred joint costs of \$129,128 for direct mail and telemarketing informational materials and activities that included fundraising appeals. Of those costs, \$103,292 was allocated to program services and \$25,836 was allocated to fundraising.

Note 4 Concentration of Credit Risk

The Organization maintains cash balances that may exceed Federally insured limits. The cash accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Organization has not experienced any losses in such accounts.

Note 5 Liquidity

The Organization's financial assets available to meet cash needs for general expenditure consists of cash of \$242,494 which is not subject to donor or other contractual restrictions that would make it unavailable within one year of the statement of financial position date. The Organization is substantially supported by contributions without donor restrictions. The Organization anticipates collecting sufficient revenue to cover general expenditures and typically generates positive cash flows from operations, as evidenced by the statement of cash flows.

Note 6 Related Party Transactions

The Organization's president is also the president of Students For Life of America (SFL America), a youth pro-life organization. During the year ended December 31, 2019, the Organization paid SFL America \$55,844 for various expenses.

Note 7 Subsequent Events

Management has evaluated subsequent events through August 19, 2020, when the financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen. Management believes such uncertainties are temporary in nature. Other financial impacts could occur, although such potential impacts are unknown at this time.