



**Students for Life Action, Inc.  
Financial Statements  
December 31, 2020**

<b>Independent Auditor’s Report</b>	1 – 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
<b>Notes to Financial Statements</b>	7 – 10

## Independent Auditor's Report

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

*Prager Metis CPAs, LLC*

1360 BEVERLY ROAD  
SUITE 300  
MCLEAN, VA 22101

T 703.821.0702  
F 703.448.1236

[www.pragermetis.com](http://www.pragermetis.com)

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2020, 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.

*Prager Metis CPAs, LLC*

Prager Metis CPAs, LLC  
McLean, Virginia  
August 11, 2021

Students for Life Action, Inc.  
Statement of Financial Position  
December 31, 2020

---

**Assets**

Current assets

Cash	\$ 1,035,093
Prepaid expenses	<u>41,021</u>

**Total assets (all current)** \$ 1,076,114

**Liabilities and net assets**

**Liabilities**

Accounts payable	\$ 83,505
Due to related party	136,636
Accrued expense	<u>3,076</u>

**Total liabilities (all current)** 223,217

**Net assets without donor restrictions** 852,897

**Total liabilities and net assets** \$ 1,076,114

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

Students for Life Action, Inc.  
Statement of Activities  
Year Ended December 31, 2020

---

<b>Support</b>	
Contributions	\$ 3,285,462
	<u>3,285,462</u>
Total support	<u>3,285,462</u>
<b>Expenses</b>	
Program services	
Outreach and awareness	1,590,746
GOTV	466,741
Field resources	2,936
Total program services	<u>2,060,423</u>
Supporting services	
Management and general	180,367
Fundraising	<u>358,981</u>
Total supporting services	<u>539,348</u>
<b>Total expenses</b>	<u>2,599,771</u>
<b>Change in net assets</b>	685,691
Net assets without donor restrictions, beginning of year	<u>167,206</u>
<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ 852,897</u></u>

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

Students for Life Action, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2020

	Program Services				Supporting Services		
	Outreach and Awareness	GOTV	Field Resources	Total Program Services	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 98,267	\$ 26,171	\$ -	\$ 124,438	\$ 3,146	\$ 4,331	\$ 131,915
Bank charges	-	-	-	-	53,983	-	53,983
Caging	-	-	-	-	54,626	-	54,626
Consulting	402,626	141,615	-	544,241	10,800	89,203	644,244
Information technology	4,328	83,378	-	87,706	53	1,051	88,810
Insurance	5,372	308	-	5,680	66	1,305	7,051
Licenses and permits	8,122	467	-	8,589	100	1,972	10,661
List rental	219,456	-	-	219,456	-	52,678	272,134
Meals and food	1,243	39,044	300	40,587	-	-	40,587
Occupancy	2,237	128	-	2,365	28	543	2,936
Outreach devices	24,343	61,875	-	86,218	-	-	86,218
Postage and shipping	514,355	2,352	515	517,222	-	120,746	637,968
Printing	255,396	-	-	255,396	-	85,046	340,442
Professional fees	-	-	-	-	57,496	-	57,496
Supplies	25,274	16,637	2,121	44,032	15	2,106	46,153
Telephone	1,026	-	-	1,026	54	-	1,080
Travel	28,701	94,766	-	123,467	-	-	123,467
	<u>\$ 1,590,746</u>	<u>\$ 466,741</u>	<u>\$ 2,936</u>	<u>\$ 2,060,423</u>	<u>\$ 180,367</u>	<u>\$ 358,981</u>	<u>\$ 2,599,771</u>

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

Students for Life Action, Inc.  
Statement of Cash Flows  
Year Ended December 31, 2020

---

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 685,691
(Increase) decrease in assets	
Prepaid expenses	(39,311)
Increase (decrease) in liabilities	
Accounts payable	6,507
Due to related party	136,636
Accrued expense	3,076
<b>Net cash provided by operating activities</b>	<u>792,599</u>
<b>Net increase in cash</b>	792,599
Cash, beginning of year	<u>242,494</u>
<b>Cash, end of year</b>	<u><u>\$ 1,035,093</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, telemarketing, and email 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**

GAAP requires the Organization 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, 2020.

**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* – Is a program predominantly focused on recruiting large numbers of students to be involved in phone banking, personal text messaging, and door-to-door canvassing efforts to expose politicians pushing the abortion lobby's radical agenda. Additionally, through a cutting-edge program unique to the pro-life and conservative movement, voters in the key targeted demographic age 18-35, are targeted to become involved in the process through a proven issue education advocacy, literacy and motivational campaign. This grassroots and data-driven mobilization plan resulted in a nationwide effort to increase the number of pro-life voters in states across the country.

*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, 2020, 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.

**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, 2020, the Organization incurred joint costs of \$1,592,459 for direct mail, telemarketing and email informational materials and activities that included fundraising appeals. Of those costs, \$1,244,786 was allocated to program services and \$347,673 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 \$1,035,093 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, 2020, the Organization incurred expenses of \$292,642 for various back-office expenses provided by SFL America. The Organization has a payable of \$136,636 due to SFL America as of December 31, 2020 related to these services.

In March 2021, SFL America and SFL Action combined into one entity under SFL Action.

**Note 7 Subsequent Events**

Management has evaluated subsequent events through August 11, 2021, when the financial statements were available to be issued.