

Life Issues Institute, Inc.

Financial Statements and
Independent Auditor's Report

Year ended December 31, 2024 (with
summarized comparative totals for the year
ended December 31, 2023)

Life Issues Institute, Inc.

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Independent Auditors' Report

To the Board of Directors
Life Issues Institute, Inc.
New Port Richey, Florida

Opinion

We have audited the accompanying financial statements of Life Issues Institute, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, 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 Life Issues Institute, Inc. as of December 31, 2024, and the changes in its net assets 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 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 Life Issues Institute, 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 Life Issues Institute, Inc.'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

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ACCOUNTANTS

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 Life Issues Institute, Inc.'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 Life Issues Institute, Inc.'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.

Report on Summarized Comparative Information

We previously audited Life Issues Institute, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in their report dated August 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kelly Partners + FRS, LLC

St. Petersburg, Florida
August 25, 2025

Life Issues Institute, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	December 31,	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	791,460	\$ 884,474
Total current assets	791,460	884,474
Non-current assets		
Property and equipment, net	10,153	12,030
Total assets	\$ 801,613	\$ 896,504
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 14,336	\$ 16,186
Net assets		
Without donor restrictions	687,277	780,318
With donor restrictions	100,000	100,000
Total net assets	787,277	880,318
Total liabilities and net assets	\$ 801,613	\$ 896,504

Life Issues Institute, Inc.
Statement of Activities and Changes in Net Assets
Year ended December 31, 2024
(with summarized comparative totals for 2023)

	December 31,			2023
	Without Donor Restrictions	With Donor Restrictions	2024 Total	
PUBLIC SUPPORT				
Public support				
Grants and contributions	\$ 364,851	\$ 100,000	\$ 464,851	\$ 482,565
In-kind contributions			-	
Total public support	<u>364,851</u>	<u>100,000</u>	<u>464,851</u>	<u>482,565</u>
Net assets released from restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Total public support	<u>464,851</u>	<u>-</u>	<u>464,851</u>	<u>482,565</u>
EXPENSES				
Program services	<u>376,244</u>	<u>-</u>	<u>376,244</u>	<u>341,212</u>
Supporting services:				
General administration	146,925	-	146,925	146,228
Fundraising	<u>47,051</u>	<u>-</u>	<u>47,051</u>	<u>54,619</u>
Total supporting services	<u>193,976</u>	<u>-</u>	<u>193,976</u>	<u>200,847</u>
Total expenses	<u>570,220</u>	<u>-</u>	<u>570,220</u>	<u>542,059</u>
Change in net assets before other changes	<u>(105,369)</u>	<u>-</u>	<u>(105,369)</u>	<u>(59,494)</u>
Other changes				
Loss on disposal of property and equipment	(11)	-	(11)	-
Interest income	<u>12,339</u>	<u>-</u>	<u>12,339</u>	<u>10,099</u>
Total other changes	<u>12,328</u>	<u>-</u>	<u>12,328</u>	<u>10,099</u>
Change in net assets	<u>(93,041)</u>	<u>-</u>	<u>(93,041)</u>	<u>(49,395)</u>
Net assets, beginning of year	<u>780,318</u>	<u>100,000</u>	<u>880,318</u>	<u>929,713</u>
Net assets, end of year	<u>\$ 687,277</u>	<u>\$ 100,000</u>	<u>\$ 787,277</u>	<u>\$ 880,318</u>

See independent auditors' report and accompanying notes to financial statements.

Life Issues Institute, Inc.
Statement of Functional Expenses
Year ended December 31, 2024
(with summarized comparative totals for 2023)

	Supporting Services				Total Expenses	
	Program Services	General Administration	Fundraising	Total Supporting Services	December 31,	
					2024	2023
Salary	\$ 158,589	\$ 87,222	\$ 18,501	\$ 105,723	\$ 264,312	\$ 208,188
Payroll tax	13,664	7,515	1,594	9,109	22,773	18,327
Employee benefits	12,381	6,809	1,444	8,254	20,635	21,899
Personnel expense total	<u>184,634</u>	<u>101,546</u>	<u>21,539</u>	<u>123,086</u>	307,720	<u>248,414</u>
Other Expenses						
Advertising	134,568	-	1,195	1,195	135,763	139,184
Conference and travel	20,496	-	-	-	20,496	19,585
Professional fees	17,829	30,023	23,730	53,753	71,582	107,556
Information technology	-	8,927	-	8,927	8,927	8,756
Licenses and registration fees	-	4,136	-	4,136	4,136	8,730
Office	2,848	1,566	332	1,898	4,746	4,214
Donations	-	-	-	-	-	540
Mailing, postage and printings	13,927	-	124	124	14,051	3,450
Other	814	108	-	108	922	1,279
Total expenses before depreciation	<u>375,117</u>	<u>146,306</u>	<u>46,920</u>	<u>193,226</u>	568,343	<u>541,708</u>
Depreciation	<u>1,126</u>	<u>619</u>	<u>131</u>	<u>751</u>	1,877	<u>351</u>
Total expenses	<u>\$ 376,244</u>	<u>\$ 146,925</u>	<u>\$ 47,051</u>	<u>\$ 193,976</u>	\$ 570,220	<u>\$ 542,059</u>

See independent auditors' report and accompanying notes to financial statements.

Life Issues Institute, Inc.
Statement of Cash Flows
Year ended December 31, 2024 and 2023

	December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (93,041)	\$ (49,395)
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation	1,877	351
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	(1,850)	5,593
Net cash used in operating activities	(93,014)	(43,451)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(12,381)
Net cash used in investing activities	-	(12,381)
Net change in cash and cash equivalents	(93,014)	(55,832)
Cash and cash equivalents, beginning of year	884,474	940,306
Cash and cash equivalents, end of year	\$ 791,460	\$ 884,474

NOTE 1 NATURE OF THE ORGANIZATION

Life Issues Institute, Inc. (the “Organization”) is a 501(c)3 tax-exempt not-for-profit organization incorporated in the State of Florida in 2021. The Organization was a subsidiary of Susan B. Anthony List, Inc. (“SBA List”) until June 30, 2021 and its financial statements were included in separately issued consolidated financial statements of SBA List and Subsidiaries. The Organization fully separated from SBA list as of July 1, 2021 and registered in the State of Florida.

The Organization’s mission is to change hearts and minds of millions of people through pro-life education. The Organization provides the latest information and effective tools to protect innocent human life from fertilization to natural death.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Organization has adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 958, *Not-for-Profit Entities* (“ASC 958”). Under ASC 958, the Organization is required to provide financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. As such, the Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and, if applicable, with donor restrictions.

Support and Revenue Recognition

The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the

Life Issues Institute, Inc.
Notes to financial statements
December 31, 2024 and 2023

- contract
- Recognize revenue when or as performance obligations are satisfied

Gifts and contributions are recorded at their fair market value on the date of receipt.

The Organization reports contributions with donor restrictions as increases in net assets with donor restrictions. When a restriction expires, 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.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs, or other barriers.

Support arising from contributed nonfinancial assets (or in-kind) of goods, property, and services is recognized in the financial statements at its fair value. GAAP requires recognition of contributed nonfinancial assets, if such services (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by individuals possessing those skills, who would typically charge a fee.

For the year ended December 31, 2024 and 2023, volunteers provided services to assist the Organization's program and management functions for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under GAAP.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with maturities of three months or less when purchased to be cash equivalents.

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Notes to financial statements
December 31, 2024 and 2023

Property and Equipment

Property and equipment are recorded at cost or, if donated, the estimated fair value at the date of donation. The Organization has a policy of capitalizing expenditures for property and equipment with costs greater than \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of assets which generally range from five to seven years for furniture and equipment and fifteen to forty years for buildings and improvements. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was approximately \$135,000 and \$140,000 for the years ended December 31, 2024 and 2023 respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of bank deposits.

The Organization maintains bank accounts with balances which, at times, may exceed federally insured limits. As of December 31, 2024, the Organization had approximately \$43,000 of uninsured cash. The Organization has not experienced any losses on such accounts, and by managing the deposit concentration risk by placing cash with a creditworthy financial institution, management believes it is not exposed to any significant risk on bank deposit accounts.

Use of Estimates

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

Allocation of Functional Expenses

The costs of providing program services and other activities have been summarized on a functional basis. Expenses are allocated on a reasonable basis that is consistently applied. Allocated expenses include salaries, payroll taxes, employee benefits, occupancy, office, insurance, and depreciation, which are allocated on the basis of estimates of time and effort by the Organization's

Life Issues Institute, Inc.
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personnel. Other expenses are presented based on management's estimate of the function benefitted by each activity.

Federal Income Tax

Favor is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Management has evaluated Favor's tax position and concluded that no uncertain tax positions have been taken that would require adjustment to the financial statements to comply with the provisions of the Income Tax Topic of the FASB ASC. With few exceptions, the Organization is subject to income tax examinations for up to three years after tax returns are filed.

Going Concern Evaluation

On an annual basis, as required by FASB ASC 205, Presentation of Financial Statements, the Organization performs an evaluation to determine whether there are conditions or events (known or reasonably knowable), considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are available to be issued. The Organization's assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

Summarization of 2023 Financial Information

The financial information for the year ended December 31, 2023, presented for comparative purposes, is not intended to be a complete presentation.

Subsequent Events

In accordance with FASB ASC 855, Subsequent Events, the Organization evaluated subsequent events through August 25, 2025, the date the financial statements were available for issue.

Life Issues Institute, Inc.
Notes to financial statements
December 31, 2024 and 2023

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at December 31:

	December 31,	
	2024	2023
Financial assets at year-end available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 791,460	\$ 884,474

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist as of December 31 as follows:

	December 31,	
	2024	2023
Furniture and equipment	\$ 13,781	\$ 13,781
	13,781	13,781
Less accumulated depreciation	(3,628)	(1,751)
Total property and equipment, net	\$ 10,153	\$ 12,030

Depreciation expense in 2024 and 2023 was approximately \$1,880 and \$351, respectively.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of December 31:

	December 31,	
	2024	2023
Subject to purpose restriction:		
Pro-life education	\$ 100,000	\$ 100,000

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NOTE 6 COMMITMENTS

In an effort to further the Organization's mission, the Organization entered into several contractual agreements, generally cancelable with seven to 30 days written notice, with outside vendors and service providers.

NOTE 7 CONTINGENCIES

The Organization may be periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations.