STUDENTS FOR LIBERTY, INC.

FINANCIAL STATEMENTS

For the Years Ended April 30, 2024 and 2023

SEBER TANS, PLC
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

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SEBER TANS, PLC
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Students for Liberty, Inc.
McLean, VA

Opinion

We have audited the accompanying financial statements of Students for Liberty, Inc.. (a nonprofit organization), which comprise the statement of financial position as of April 30, 2024, and the related statement of activities and changes in net assets, 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 Students for Liberty, Inc. as of April 30, 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 Students for Liberty, 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.

Adjustments to Prior Period Financial Statements

The financial statements of Students for Liberty, Inc.as of April 30, 2023 were audited by other auditors whose opinion dated January 10, 2024 were unmodified. As more fully described in Note F, the Organization has restated its 2023 financial statements during the current year to correct for an error. The other auditors report is on the 2023 financial statements before the restatement.

As part of our audit of the 2024 financial statements, we also audited adjustments described in Note F that were applied to restate 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2023 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2023 statements as a whole.

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 Students for Liberty, 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 Responsibility

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, including omissions, 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 Students for Liberty, 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 Students for Liberty, 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.

Seber Tans, PLC
Kalamazoo, Michigan

September 27, 2024

Students for Liberty, Inc.
Statements of Financial Position
April 30, 2024 and 2023 (Restated)

	2024	2023
ASSETS		
Current Assets		
Cash	$ 2,045,227	$ 3,369,372
Pledges receivable	9,229	646,934
Prepaid expenses	377,749	157,934
Digital assets	16,564	14,066
Total Current Assets	2,448,769	4,188,306
Property and Equipment		
Equipment	11,000	11,000
Accumulated depreciation	(2,567)	(367)
Net Property and Equipment	8,433	10,633
Total Assets	**$ 2,457,202**	**$ 4,198,939**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 86,648	$ 135,553
Accrued payroll and other current liabilities	4,067	81,948
Deferred revenue	200,000	-
Total Current Liabilities	290,715	217,501
Net Assets		
Net assets without donor restrictions	1,237,755	1,464,580
Net assets with donor restrictions	928,732	2,516,858
Total Net Assets	2,166,487	3,981,438
Total Liabilities and Net Assets	**$ 2,457,202**	**$ 4,198,939**

The Accompanying Notes are an Integral Part of These Financial Statements.

Students for Liberty, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended April 30, 2024 and 2023 (Restated)

Net Assets without Donor Restrictions	**2024**	**2023**
Revenue, Support, and Releases		
Contributions	$ 4,352,384	$ 3,926,558
Program service revenue	299,771	316,432
Interest income	147,791	90,987
In-kind contributions	84,044	106,798
Net loss on foreign currency exchange	(6,669)	(8,780)
Total Revenue and Support	4,877,321	4,431,995
Net assets released form restrictions	1,900,704	946,290
Total Revenue, Support and Releases	6,778,025	5,378,285
Expenses		
Program services	5,759,144	4,833,361
Management and general	638,199	553,310
Fundraising	607,507	510,513
Total Expenses	7,004,850	5,897,184
Change in Net Assets without Donor Restrictions	(226,825)	(518,899)
Net Assets with Donor Restrictions		
Contributions	312,578	448,989
Net assets released from restrictions	(1,900,704)	(946,290)
Change in Net Assets with Donor Restrictions	(1,588,126)	(497,301)
Change in Net Assets	**(1,814,951)**	**(1,016,200)**
Net Assets at Beginning of Year	3,981,438	4,997,638
Net Assets at End of Year	**$ 2,166,487**	**$ 3,981,438**

The Accompanying Notes are an Integral Part of These Financial Statements.

Students for Liberty, Inc.
Statement of Functional Expenses
For the Year Ended April 30, 2024

	Program Services	Management and General	Fundraising	Total
Accounting and legal	$ -	$ 18,677	$ -	$ 18,677
Advertising	174,057	877	2,589	177,523
Bank fees	616	45,187	-	45,803
Conferences and travel	1,929,046	33,672	20,399	1,983,117
Consultants and contractors	2,110,918	72,325	98,541	2,281,784
Depreciation	-	2,200	-	2,200
Dues and subscriptions	124,320	58,720	3,722	186,762
Employee benefits	-	86,349	-	86,349
Employee wages	960,733	244,314	444,607	1,649,654
In-kind expenses	84,044	-	-	84,044
Insurance	11	9,512	-	9,523
Office supplies	9,979	14,090	844	24,913
Payroll taxes	69,134	18,585	31,216	118,935
Postage and delivery	8,150	2,122	2,661	12,933
Printing	71,596	122	2,771	74,489
Scholarship and stipends	152,348	13,793	-	166,141
Taxes and licenses	12,243	8,720	-	20,963
Technology	43,487	30	-	43,517
Utilities	5,169	2,055	61	7,285
Workers Compensation	-	2,850	-	2,850
Miscellaneous	3,293	3,999	96	7,388
Total Expenses	**$ 5,759,144**	**$ 638,199**	**$ 607,507**	**$ 7,004,850**

The Accompanying Notes are an Integral Part of These Financial Statements.

Students for Liberty, Inc.
Statement of Functional Expenses
For the Year Ended April 30, 2023

	Program Services	Management and General	Fundraising	Total
Accounting and legal	$ -	$ 19,055	$ -	$ 19,055
Advertising	150,574	1,936	363	152,873
Bank fees	829	30,458	-	31,287
Conferences and travel	1,443,379	136,296	28,588	1,608,263
Consultants and contractors	1,854,881	76,216	17,086	1,948,183
Depreciation	-	367	-	367
Dues and subscriptions	118,049	50,894	5,715	174,658
Employee benefits	-	47,348	-	47,348
Employee wages	830,665	130,033	425,884	1,386,582
In-kind expenses	106,798	-	-	106,798
Insurance	-	7,903	-	7,903
Office supplies	7,433	15,191	433	23,057
Payroll taxes	60,027	9,428	30,078	99,533
Postage and delivery	2,259	402	432	3,093
Printing	56,514	585	1,809	58,908
Rent	2,005	-	-	2,005
Scholarship and stipends	123,941	8,840	-	132,781
Taxes and licenses	7,211	9,432	-	16,643
Technology	57,834	10	-	57,844
Utilities	5,202	3,297	-	8,499
Workers Compensation	-	1,992	-	1,992
Miscellaneous	5,760	3,627	125	9,512
Total Expenses	**$ 4,833,361**	**$ 553,310**	**$ 510,513**	**$ 5,897,184**

The Accompanying Notes are an Integral Part of These Financial Statements.

Students for Liberty, Inc.
Statements of Cash Flows
For the Years Ended April 30, 2024 and 2023 (Restated)

	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets	$ (1,814,951)	$ (1,016,200)
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,200	367
Changes in:		
Accounts receivable	-	3,761
Pledges receivable	637,705	1,401,083
Prepaid expenses and other current assets	(219,815)	(42,013)
Digital assets	(2,498)	(7,733)
Accounts payable	(48,905)	(20,160)
Accrued expenses	(77,881)	37,735
Accrued federal income taxes	-	(100)
Deferred event revenue	200,000	-
Net Cash (Used In) Provided By Operating Activities	(1,324,145)	356,740
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(11,000)
Net Change in Cash	(1,324,145)	345,740
Cash at Beginning of Year	3,369,372	3,023,632
Cash at End of Year	**$ 2,045,227**	**$ 3,369,372**
Supplemental cash flow information:		
Cash paid for interest	$ -	$ -

The Accompanying Notes are an Integral Part of These Financial Statements.

NOTE A – Summary of Significant Accounting Policies

Organization Purpose

Students for Liberty, Inc. (the "Organization") located in McLean, Virginia is a 501(c)(3) non-profit whose mission is to provide a unified, student-driven forum of support for students and student organizations dedicated to liberty. The Organization endorses the principles that comprise liberty: economic freedom to choose how to provide for one's life; social freedom to choose how to live one's life; and intellectual and academic freedom.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. 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 Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no perpetually restricted net assets as of April 30, 2024 and 2023.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash is defined as cash and short-term investments with maturities of three months or less at the date of acquisition. Cash held by the Organization in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. The Organization did not have any funds in excess of the $250,000 FDIC insurance limit as of the year ended April 30, 2024. Money market funds of approximately $1,830,000 included in cash, are held at a brokerage firm and are not insured by the FDIC. Management does not consider uninsured cash to be a significant risk.

Digital Assets

The Organization uses digital assets, primarily Bitcoin, for certain operations abroad. The Organization classifies digital assets as an intangible asset, which initially is translated to US dollars and recorded at cost. Digital assets are tested annually for impairment.

Pledges Receivable

Pledges and grants receivable are recorded when a donor has made a firm commitment to contribute to the Organization that is unconditional and all available information suggest that the donor has the ability to honor the commitment. Pledges and grants receivable are recorded based on estimated future cash flows. Management believes, the amounts reported on the statements of financial position to be fully collectable within twelve months of the year end dates.

***NOTE A* – Summary of Significant Accounting Policies (Continued)**

Property and Equipment

The Organization capitalizes purchased property and equipment greater than $500 at original cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment is depreciated over each asset's economic useful life using the straight-line method.

Revenue Recognition and Contributions

Program fees consist of event registrations and sponsorships. Revenue from program fees is recognized when control, consisting of the rights and obligations associated with the sale, passes to the purchaser. This typically occurs when the event is held. Revenue received for future programs is deferred and recognized in the applicable year.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give,. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence of any donor-imposed restrictions. When a restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restricted contributions whose restrictions are met in the same reporting period are shown as net assets without donor restrictions.

Concentrations of credit risk with respect to grants revenue exist due to the limited diversity of the Organization's funding base. During the year ended April 30, 2024, the Organization received 30 percent of its total support and revenue from two donors. During the year ended April 30, 2023, the Organization received 39 percent of its support and revenue from two donors.

Donated Services

The Organization records the value of donated goods when there is an objective basis available to measure their value. Donated materials are reflected as contributions in the accompanying financial statements at their estimated fair value.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with its program and supporting services. No amounts have been recognized in the accompanying financial statements because these volunteers' efforts do not meet the criteria for recognition.

Foreign Currency

The Organization has certain contracts that are denominated in foreign currencies. The net foreign currency transaction gains or losses resulting from exchange rate fluctuations on transactions denominated in a currency other than the US dollar are included in the accompanying statement of activities. The Organization had net foreign currency transaction losses of $6,669 and $8,780 for the years ended April 30, 2024 and 2023, respectively.

***NOTE A* – Summary of Significant Accounting Policies (Continued)**

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel, payroll taxes and benefit expenses are allocated on the basis of estimated time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Advertising Costs

All advertising costs are expensed in the period in which they are incurred. Advertising expenses approximated $177,500 and $152,800 for the years ended April 30, 2024 and 2023, respectively.

Tax Status

The Internal Revenue Service has determined the Organization to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies as a charitable organization as described in Section 170(c) and has been classified under Section 170(b)(1)(A)(vi) as an organization that is not a private foundation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

***NOTE B* – Liquidity and Availability**

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2024	2023 (As Restated)
Cash	$ 2,045,227	$ 3,369,372
Digital assets	16,564	14,065
Pledges receivable	9,229	646,934
Financial assets at December 31	2,071,020	4,030,371
Less: Restricted net assets	928,732	2,516,858
Financial assets available to meet cash needs for general expenses within one year	**$ 1,142,288**	**$ 1,513,513**

***NOTE B* – Liquidity and Availability (Continued)**

The Organization receives significant restricted grants each year from individual donors and various organizations, which are central to meeting the annual cash needs for program expenses. The Organization manages its liquidity to operate within a prudent range of financial soundness and stability and to fund near-term and long-term needs utilizing budgets and monthly monitoring.

***NOTE C* – Net Assets with Donor Restrictions**

Net assets with donor restrictions were restricted for the following purposes:

	2024	2023 (As Restated)
Alumni	$ -	$ 5,249
Alumni Policy Summits	100,000	-
Asia Women's Free Market Initiative	16,800	-
Australia Liberty Leaders	5,000	-
European Students for Liberty Top Leadership Retreat	-	10,710
Europe Studio Liberty Training	7,000	-
Free Market Climate Policy Education projects	15,000	47,000
Free Market Environmentalism, as restated	-	381,030
Human Respect Partnership	90,000	-
Learn Liberty	10,000	-
Marketing	-	14,157
New Frontiers of Objectivism	-	371,791
New York Term Limits	83,778	-
Prometheus Fellowship	601,154	1,681,920
Travel Scholarships - Libertycon	-	5,000
Total Net Assets With Donor Restrictions	$ 928,732	$ 2,516,857

***NOTE D* – Related Parties**

In 2020, the Organization spun off one of its programs into a separate IRC Section 501(c)(4) organization. The new entity is a related party due to a shared board member creating significant influence. As part of the transaction, the new entity received certain intellectual property valued at approximately $660,000. The new entity pays 10% of its revenue to the Organization, on a quarterly basis, until the full amount is paid. The Organization has elected to treat these payments as unenforceable and will record any payments received as contributions. The Organization received $158,800 and $300,000 from this agreement during the years ended April 30, 2024 and 2023, respectively. The payments made during the year ended April 30, 2024 completed the payments required under the agreement.

NOTE E – Commitments

The Organization has entered into a contract with an event center for its fiscal year 2025 convention. The agreement requires payment of specified amounts for cancelation of the contract. Cancellation charges range from $62,000 to $248,262 depending on how soon before the event the cancellation occurs.

NOTE F – Correction of an Error

During the year ended April 30, 2024, management identified a multiyear pledge receivable that was properly recorded in 2023 however there was significant doubt about it's collection and an allowance for doubtful accounts should have been recorded at that time. As a result, management restated the Organization's 2023 statement of financial position and statement of activities to remove this pledge. The following lines items were restated:

	As Previously Reported	Adjustment	As Restated
Pledges receivable	$ 1,611,268	$ (964,333)	$ 646,935
Contributions with donor restrictions	1,413,322	(964,333)	448,989
Change in Net Assets with Donor Restrictions	467,032	(964,333)	(497,301)
Change in Net Assets	(51,835)	(964,333)	(1,016,200)

NOTE G – Subsequent Events

Management has evaluated subsequent events through September 27, 2024, the date on which the financial statements were available to be issued.