YOU HAVE THE POWER . . .
KNOW HOW TO USE IT, INC.

Financial Statements

December 31, 2007 and 2006

(With Independent Auditors' Report Thereon)

LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Table of Contents

LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
You Have the Power . . . Know How to Use It, Inc.:

We have audited the accompanying statements of financial position of You Have the Power . . . Know How to Use It, Inc. (the "Organization") as of December 31, 2007 and 2006, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of You Have the Power . . . Know How to Use It, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lattimore Black Morgan + Cain, PC

Brentwood, Tennessee
May 29, 2008

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Statements of Financial Position

December 31, 2007 and 2006

Assets

	2007	2006
Current assets:		
Cash and cash equivalents	$ 48,694	$ 150,707
Short-term investments	143,847	80,745
Grants receivable	12,456	-
Other accounts receivable	283	600
Prepaid expenses	1,025	1,032
Total current assets	206,305	233,084
Computer equipment	6,418	14,443
Less: Accumulated depreciation	4,839	11,580
	1,579	2,863
	$ 207,884	$ 235,947

Liabilities and Net Assets

	2007	2006
Current liabilities:		
Accrued expenses and liabilities	$ 1,024	$ -
Total current liabilities	1,024	-
Net assets:		
Unrestricted	200,860	160,947
Temporarily restricted	6,000	75,000
Total net assets	206,860	235,947
	$ 207,884	$ 235,947

See accompanying notes to the financial statements.

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Statements of Activities

Years ended December 31, 2007 and 2006

	2007	2006
Changes in unrestricted net assets:		
Public support:		
Contributions	$ 123,550	$ 133,399
Grants	53,838	18,137
Total public support	177,388	151,536
Revenue:		
Program revenue	60,002	41,314
Interest income	7,637	6,974
Miscellaneous income	1,603	1,893
Total revenue	69,242	50,181
Total unrestricted public support and revenue	246,630	201,717
Expenses:		
Program services	248,948	203,874
Supporting services	32,769	42,849
Total expenses	281,717	246,723
Net assets released from restrictions	75,000	17,593
Increase (decrease) in unrestricted net assets	39,913	(27,413)
Changes in temporarily restricted net assets:		
Contributions	6,000	75,000
Net assets released from restrictions	(75,000)	(17,593)
Increase (decrease) in temporarily restricted assets	(69,000)	57,407
Increase (decrease) in net assets	(29,087)	29,994
Net assets at beginning of year	235,947	205,953
Net assets at end of year	$ 206,860	$ 235,947

See accompanying notes to the financial statements.

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Statements of Cash Flows

Years ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (29,087)	$ 29,994
Adjustments to reconcile changes in net assets to cash flows provided (used) by operating activities:		
Depreciation	1,284	1,245
(Increase) decrease in operating assets:		
Grants receivable	(12,456)	-
Other accounts receivable	317	-
Prepaid expenses	7	(7)
Decrease in operating liabilities:		
Accrued expenses and liabilities	1,024	(9)
Total adjustments	(9,824)	1,229
Net cash provided (used) by operating activities	(38,911)	31,223
Cash flows from investing activities:		
Purchases of computer equipment	-	(1,440)
Proceeds from sale of short-term investments	80,745	77,211
Purchases of short-term investments	(143,847)	(80,745)
Net cash used by investing activities	(63,102)	(4,974)
Increase (decrease) in cash and cash equivalents	(102,013)	26,249
Cash and cash equivalents at beginning of year	150,707	124,458
Cash and cash equivalents at end of year	$ 48,694	$ 150,707

See accompanying notes to the financial statements.

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Statement of Functional Expenses

Year ended December 31, 2007

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Grand Total
Salaries and related expenses	$ 129,308	$ 1,901	$ 15,736	$ 17,637	$ 146,945
Insurance	-	1,518	-	1,518	1,518
Depreciation	1,065	26	193	219	1,284
Printing and publications	11,700	212	-	212	11,912
Postage	3,261	181	181	362	3,623
Professional services	10,782	8,585	-	8,585	19,367
Rent	13,584	870	639	1,509	15,093
Supplies	5,276	101	-	101	5,377
Taxes, licenses and fees	-	521	-	521	521
Training	500	-	-	-	500
Travel	1,720	-	-	-	1,720
Telephone	3,628	191	-	191	3,819
Miscellaneous	766	914	-	914	1,680
Video production	67,358	-	-	-	67,358
Event expense	-	-	1,000	1,000	1,000
Total	$ 248,948	$ 15,020	$ 17,749	$ 32,769	$ 281,717

See accompanying notes to the financial statements.

YOU HAVE THE POWER . . . KNOW HOW TO USE IT, INC.

Statement of Functional Expenses

Year ended December 31, 2006

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Grand Total
Salaries and related expenses	$ 120,602	$ 2,792	$ 23,544	$ 26,336	$ 146,938
Insurance	-	1,766	-	1,766	1,766
Depreciation	1,035	23	187	210	1,245
Printing and publications	4,191	90	360	450	4,641
Postage	3,838	85	341	426	4,264
Professional services	4,528	4,933	-	4,933	9,461
Rent	13,864	501	756	1,257	15,121
Supplies	2,964	55	92	147	3,111
Taxes, licenses and fees	-	468	-	468	468
Travel	2,377	-	-	-	2,377
Telephone	3,466	72	72	144	3,610
Miscellaneous	1,735	692	-	692	2,427
Video production	45,274	-	-	-	45,274
Event expense	-	-	6,020	6,020	6,020
Total	$ 203,874	$ 11,477	$ 31,372	$ 42,849	$ 246,723

See accompanying notes to the financial statements.

(1) Nature of operations

The purpose of You Have the Power . . . Know How to Use It, Inc. (the "Organization") is to operate as a direct-support organization to receive, hold, invest, and administer assets and to make expenditures to and for the benefit of public education. The Organization educates the general public about issues related to violent crime and victims' rights, and heightens public awareness about the resources available to them in regard to such issues. The Organization is supported primarily through donor contributions and grants.

(2) Summary of significant accounting policies

The financial statements of the Organization are presented on the accrual basis. The significant accounting policies followed are described below.

(a) Basis of presentation

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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

(b) Cash equivalents

The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

(c) Pledges and grants receivable

Pledges to make contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges receivable over several years are recognized at their expected discounted cash flow. Pledges receivable are stated at their net realizable value. The carrying amount is reduced by a valuation allowance, when necessary, that reflects management's best estimate of the amounts that will not be collected.

Grant funds are earned and reported as revenues of the applicable grant when the Organization has incurred expenses in compliance with the specific restrictions of the grant agreement. Expenses incurred for grants funds which have not been received are reported as grants receivable.

(d) Computer equipment

Computer equipment is stated at cost. Donated computer equipment is recorded at its estimated market value at the date of the gift. Depreciation is provided over the assets' estimated useful lives using the straight-line method over five years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(e) Income taxes

The Organization is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements.

(f) Video production

The Organization incurs significant costs to produce videos. These videos are used in forums to educate the general public and are sold at or below cost to organizations that use the videos for educational purposes. The Organization expenses these costs as incurred, as the recoverability of these costs through the sales of videos is uncertain.

(g) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(i) New accounting pronouncement

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. SFAS 157 also requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy as defined in the standard. Additionally, companies are required to provide enhanced disclosure regarding financial instruments, including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and therefore the Company expects to adopt SFAS 157 at the beginning of 2008. However, in February 2008, the FASB issued *FASB Staff Position No. FAS 157-2, Effective Date of FASB Statement No. 157* ("FSP 157-2"). FSP 157-2 delays the effective date of SFAS 157 for certain nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008. The Company is currently assessing the impact of adopting these accounting standards.

(3) Credit risk and other concentrations

The Organization generally maintains cash on deposit at banks in excess of federally insured amounts. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

(4) Short-term investments

The Organization routinely invests excess cash on hand in certificates of deposit. These certificates of deposit generally have maturity dates of one year or less. Interest income amounted to $7,637 in 2007 and $6,974 in 2006 and was unrestricted.

(5) Net assets

As of December 31, 2007 and 2006, temporarily restricted net assets in the amount of $6,000 and $75,000, respectively, were available for the production of various educational videos.

(6) Lease commitments

The Company leases office space and various office equipment under operating leases. Rent expense under these leases amounted to $15,093 and $15,121 in 2007 and 2006, respectively.