

**You Have the Power...**  
**Know How to Use It, Inc.**

Financial Statements  
For the Years Ended December 31, 2020 and 2019

**You Have the Power...Know How to Use It, Inc.**  
Financial Statements  
For the Years Ended December 31, 2020 and 2019

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## Independent Auditor's Report

Board of Directors

You Have the Power...Know How to Use It, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of You Have the Power...Know How to Use It, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years 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 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 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 the You Have the Power...Know How to Use It, Inc. as of December 31, 2020 and 2019, 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.

Blankenship CPA Group, PLLC

Brentwood, Tennessee

September 27, 2021

# You Have the Power...Know How to Use It, Inc.

## Statements of Financial Position

December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current assets		
Cash	\$ 90,180	\$ 81,452
Short-term investment	20,460	20,186
Grants receivable	10,811	26,161
Accounts receivable	4,838	834
Prepaid expenses	4,000	4,000
Inventory	<u>3,484</u>	<u>1,395</u>
Total current assets	133,773	134,028
Office equipment	21,559	20,914
Less: accumulated depreciation	<u>(15,720)</u>	<u>(13,695)</u>
Office equipment, net	5,839	7,219
Intangible asset	3,868	3,868
Less: accumulated amortization	<u>(2,095)</u>	<u>(1,777)</u>
Intangible asset, net	1,773	2,091
 Total assets	 <b>\$ 141,385</b>	 <b>\$ 143,338</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 293	\$ 321
Net assets		
Without donor restrictions	103,839	107,946
With donor restrictions	<u>37,253</u>	<u>35,071</u>
Total net assets	<u>141,092</u>	<u>143,017</u>
Total liabilities and net assets	<b>\$ 141,385</b>	<b>\$ 143,338</b>

# You Have the Power...Know How to Use It, Inc.

## Statement of Activities For the Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Contributions	\$ 196,203	\$ -	\$ 196,203
Grants	156,187	18,445	174,632
Special events	54,014	-	54,014
Program	909	-	909
Interest income	281	-	281
Miscellaneous income	-	-	-
Net assets released from restrictions	16,263	(16,263)	-
Total support and revenues	<u>423,857</u>	<u>2,182</u>	<u>426,039</u>
<b>Expenses</b>			
Program services	346,989	-	346,989
Supporting services			
Management and general	43,686	-	43,686
Fundraising	37,289	-	37,289
Total supporting services	<u>80,975</u>	<u>-</u>	<u>80,975</u>
Total expenses	<u>427,964</u>	<u>-</u>	<u>427,964</u>
Change in net assets	(4,107)	2,182	(1,925)
Net assets, beginning of year	107,946	35,071	143,017
Net assets, end of year	<b>\$ 103,839</b>	<b>\$ 37,253</b>	<b>\$ 141,092</b>

# You Have the Power...Know How to Use It, Inc.

## Statement of Activities For the Year Ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Contributions	\$ 130,492	\$ -	\$ 130,492
Grants	88,176	36,571	124,747
Special events	105,697	-	105,697
Program	3,488	-	3,488
Interest income	196	-	196
Miscellaneous income	-	-	-
Net assets released from restrictions	33,104	(33,104)	-
Total support and revenues	<u>361,153</u>	<u>3,467</u>	<u>364,620</u>
<b>Expenses</b>			
Program services	292,400	-	292,400
Supporting services			
Management and general	41,717	-	41,717
Fundraising	36,929	-	36,929
Total supporting services	<u>78,646</u>	<u>-</u>	<u>78,646</u>
Total expenses	<u>371,046</u>	<u>-</u>	<u>371,046</u>
Change in net assets	(9,893)	3,467	(6,426)
Net assets, beginning of year	117,839	31,604	149,443
Net assets, end of year	<b>\$ 107,946</b>	<b>\$ 35,071</b>	<b>\$ 143,017</b>

# You Have the Power...Know How to Use It, Inc.

## Statement of Functional Expenses For the Year Ended December 31, 2020

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries and related expenses	\$ 196,674	\$ 24,584	\$ 24,601	\$ 245,859
Amortization	-	318	-	318
Depreciation	2,128	266	266	2,660
Event expense	2,571	-	563	3,134
Insurance	-	2,084	-	2,084
Maintenance	6,027	638	1,105	7,770
Postage	395	110	165	670
Printing and publications	6,043	1,038	-	7,081
Professional services	41,043	8,877	6,935	56,855
Rent	22,005	2,734	2,734	27,473
Supplies	65,767	1,852	122	67,741
Taxes, licenses, and fees	698	732	595	2,025
Telephone	1,624	203	203	2,030
Travel	263	81	-	344
Video production	143	-	-	143
Miscellaneous	1,608	169	-	1,777
	<b>\$ 346,989</b>	<b>\$ 43,686</b>	<b>\$ 37,289</b>	<b>\$ 427,964</b>

# **You Have the Power...Know How to Use It, Inc.**

## **Statement of Functional Expenses For the Year Ended December 31, 2019**

	<b>Program services</b>	<b>Supporting services</b>		<b>Total</b>
		<b>Management and general</b>	<b>Fundraising</b>	
Salaries and related expenses	\$ 166,406	\$ 20,800	\$ 20,815	\$ 208,021
Advertising	337	-	-	337
Amortization	-	318	-	318
Depreciation	1,933	242	242	2,417
Event expense	19,745	-	7,669	27,414
Insurance	-	1,834	-	1,834
Maintenance	3,563	515	1,246	5,324
Postage	665	111	110	886
Printing and publications	3,510	1,558	-	5,068
Professional services	44,081	8,577	3,002	55,660
Rent	21,349	2,669	2,669	26,687
Supplies	26,281	3,429	161	29,871
Taxes, licenses, and fees	160	285	749	1,194
Telephone	1,901	238	238	2,377
Travel	1,093	395	28	1,516
Video production	84	-	-	84
Miscellaneous	1,292	746	-	2,038
	<b>\$ 292,400</b>	<b>\$ 41,717</b>	<b>\$ 36,929</b>	<b>\$ 371,046</b>



**You Have the Power...Know How to Use It, Inc.**

## Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash, beginning of year	\$ 81,452	\$ 103,475
<b>Cash flows from operating activities</b>		
Change in net assets	(1,925)	(6,426)
Adjustments to reconcile change in net assets (deficits) to net cash provided (used) by operating activities:		
Amortization	318	318
Depreciation	2,660	2,417
Change in:		
Grants receivable	15,350	(19,849)
Accounts receivable	(4,004)	932
Prepaid expenses	-	(50)
Inventory	(2,089)	1,472
Accounts payable	(28)	(98)
Net cash provided (used) by operating activities	10,282	(21,284)
<b>Cash flows from investing activities</b>		
Purchase of office equipment	(1,280)	(560)
Interest reinvested in investments	(274)	(179)
Net cash provided (used) by investing activities	(1,554)	(739)
Net change in cash	8,728	(22,023)
Cash, end of year	\$ 90,180	\$ 81,452

**You Have the Power...Know How to Use It, Inc.**  
Notes to Financial Statements  
For the Years Ended December 31, 2020 and 2019

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**Note 1. Organization and Nature of Activities**

You Have the Power...Know How to Use It, Inc. (the Organization) was incorporated in 1995 as a Tennessee not-for-profit corporation 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 public about issues related to violent crimes, and victim's 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.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with US GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no net assets with perpetual restrictions at December 31, 2020 and 2019.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Use of Estimates**

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

**Cash**

Cash consists principally of checking and savings account balances with financial institutions.

**Investment**

The Organization routinely invests excess cash on hand in a certificate of deposit. A certificate of deposit with an original maturity of greater than 90 days and less than one year is classified in the statements of financial position as a short-term investment.

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**Note 2. Summary of Significant Accounting Policies**

**Cost Reimbursement Grants**

Cost reimbursement grants are earned and reported as revenues of the applicable grant when the Organization has incurred expenses and are treated as exchange transactions. Expenses incurred for grant funds, which have not been received at year-end, are reported as grants receivable.

**Inventory**

Inventory consists of items donated for auction at a future special event to be held by the Organization. Items are stated at estimated fair value.

**Office Equipment and Depreciation**

The Organization capitalizes all costs in excess of \$500 for office equipment. Donated office equipment is recorded at its estimated fair value at the date of the gift. Depreciation is provided over the assets' estimated useful lives of 5 to 10 years using the straight-line method.

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

**Intangible Asset**

During 2012, the Organization created a trademark. Legal fees incurred to submit the application and related documents to the United States Trademark Office for this trademark have been capitalized. Direct expenses incurred to establish the trademark in 2012 were capitalized. Amounts paid to renew or extend the trademark's life are capitalized as incurred. Management has determined that the trademark has a finite life of 15 years and will be amortized on a straight-line basis over that period.

**Contributions and Other Grants**

Contributions and other grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and other grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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**Note 2. Summary of Significant Accounting Policies**

**Donated Goods and Services**

Donated goods are recorded as in-kind contributions in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance nonfinancial assets or the donated services requires specialized skills, was performed by a donor who possess such skills, and would have been purchased by the Organization, if not donated. Such services are recognized at estimated fair value as support and expense in the period the services were performed.

The value of donated goods and services included in support and revenues in the statements of activities for the years ended December 31 are as follows:

	<b>2020</b>	<b>2019</b>
Event expenses	\$ 10,464	\$ 18,146
Professional services	<u>25,769</u>	<u>25,769</u>
	<b>\$ 36,233</b>	<b>\$ 43,915</b>

A number of unpaid volunteers have made contributions of their time to assist the Organization in various ways. The value of contributed time is not reflected in these financial statements since it is not susceptible to objective measure or valuation.

**Income Taxes**

The Organization is exempt from income tax under Internal Revenue Code (IRC) section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**Video Production**

The Organization incurs significant costs to produce videos. These videos are used in forums to educate the public and are sold at or below cost to organizations that use the videos for educational purposes. Under US GAAP, film costs related to the production of a film are reported as a separate asset on the Organization's statements of financial position. This asset is amortized using the individual-film-forecast-computation method, which amortizes such costs in the same ratio that current period actual revenue bears to estimate remaining unrecognized ultimate revenue as of the beginning of the year. Management has determined that the cost of complying with this requirement exceeds the benefit that would be received and accordingly expenses production costs as incurred.

**Advertising Costs**

The Organization expenses all advertising costs as they are incurred. The advertising expense for years ended December 31, 2020 and 2019 are \$0 and \$337, respectively.

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**Note 2. Summary of Significant Accounting Policies**

**PPP Loan**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as a conditional contribution and is reported in contributions in the accompanying statement of activities for the year ended December 31, 2020.

**Reclassifications**

Certain reclassifications have been made to the 2019 financial statements to make them comparable to the 2020 financial statement presentation.

**Functional Expenses**

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or supporting services based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

The expenses that are allocated include the following:

	<b>Method of allocation</b>
Depreciation	Square footage
Salaries and related expenses	Time and effort
Taxes, licenses, and fees	Time and effort
Event expense	Time and effort
Maintenance	Time and effort
Miscellaneous	Time and effort
Postage	Time and effort
Professional services	Time and effort
Printing and publication	Time and effort
Professional services	Time and effort
Rent	Time and effort
Supplies	Time and effort
Telephone	Time and effort
Travel	Time and effort

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**Note 3. Availability and Liquidity**

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

	<b>2020</b>	<b>2019</b>
Financial assets		
Cash	\$ 90,180	\$ 81,452
Short-term investment	20,460	20,186
Grants receivable	10,811	26,161
Accounts receivable	<u>4,838</u>	<u>834</u>
Total financial assets at year-end	126,289	128,633
Less amounts not available to be used within one year		
Net assets with donor restrictions	37,253	35,071
Net assets with purpose restrictions to be met in less than a year	<u>(37,253)</u>	<u>(35,071)</u>
	-	-
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 126,289</b>	<b>\$ 128,633</b>

**Note 4. Lease Commitments**

The Organization leases office space through an operating lease that expires in 2021. Lease expense related to the office space is included in rent expense and amounted to \$24,000 and \$23,400 for the years ended December 31, 2020 and 2019, respectively.

Future minimum payments by year and in the aggregate under non-cancelable leases consist of the following:

<b>Year ended December 31,</b>	
2021	\$ 24,000

In addition to the future minimum lease payments, the Organization must also pay a portion of operating costs associated with the property under lease. These amounts may vary.

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**Note 5. Net Assets with Donor Restrictions**

Net assets with donor restrictions were as follows for the years ended December 31:

	<b>2020</b>	<b>2019</b>
Video production and salaries	\$ 11,059	\$ 13,000
Youth workshops	22,000	12,000
Other	<u>4,194</u>	<u>10,071</u>
	<b>\$ 37,253</b>	<b>\$ 35,071</b>

**Note 6. Concentration of Revenue Sources**

During 2020 and 2019, the Organization received approximately 25% and 22% of its total support and revenues from a single donor.

**Note 7. PPP Loan**

On April 19, 2020, the Organization received a loan in the amount of \$41,659 in accordance with the PPP section of the CARES Act. Under this loan program, the Organization may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on future financial reporting. As of the report date, management is actively monitoring qualifying conditions to maximize future loan forgiveness and has expended 100% on potential qualifying costs as defined by the legislation. Subsequent to year-end, the Organization received full forgiveness of this loan.

**Note 8. Subsequent Events**

Management has evaluated subsequent events through September 27, 2021, the date on which the financial statements were available for issuance.

The Organization has applied for and received a second PPP loan in the amount of \$47,560 on February 20, 2021. This loan will be forgiven if the Organization does the following:

- Spends the funds on eligible expenses such as payroll, interest on already incurred debt, rent, and utilities during the eight-week period after the funding of the loan, and
- Spends less than 25% of the funds on non-payroll type eligible expenses.

The amount of the loan that is not forgiven will be converted to a five-year loan at 1% interest.