

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

Financial Statements
For the Years Ended December 31, 2021 and 2020

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

Financial Statements

For the Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors

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

Opinion

We have audited the 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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
November 7, 2022

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

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash	\$ 121,088	\$ 90,180
Short-term investment	20,460	20,460
Grants receivable	8,232	10,811
Accounts receivable	-	4,838
Prepaid expenses	4,100	4,000
Inventory	<u>3,364</u>	<u>3,484</u>
Total current assets	157,244	133,773
Office equipment	21,559	21,559
Less: accumulated depreciation	<u>(16,252)</u>	<u>(15,720)</u>
Office equipment, net	5,307	5,839
Intangible asset	3,868	3,868
Less: accumulated amortization	<u>(2,413)</u>	<u>(2,095)</u>
Intangible asset, net	1,455	1,773
Total assets	\$ 164,006	\$ 141,385
Liabilities and Net Assets		
Accounts payable	\$ 337	\$ 293
Net assets		
Without donor restrictions	95,049	103,839
With donor restrictions	<u>68,620</u>	<u>37,253</u>
Total net assets	<u>163,669</u>	<u>141,092</u>
Total liabilities and net assets	\$ 164,006	\$ 141,385

You Have the Power...Know How to Use It, Inc.Statement of Activities
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions	\$ 193,567	\$ -	\$ 193,567
Grants	200,675	44,550	245,225
Special events	67,136	-	67,136
Program	665	-	665
Interest income	4	-	4
Miscellaneous income	3,037	-	3,037
Net assets released from restrictions	13,183	(13,183)	-
Total support and revenues	<u>478,267</u>	<u>31,367</u>	<u>509,634</u>
Expenses			
Program services	401,773	-	401,773
Supporting services			
Management and general	47,474	-	47,474
Fundraising	<u>37,810</u>	<u>-</u>	<u>37,810</u>
Total supporting services	<u>85,284</u>	<u>-</u>	<u>85,284</u>
Total expenses	<u>487,057</u>	<u>-</u>	<u>487,057</u>
Change in net assets	(8,790)	31,367	22,577
Net assets, beginning of year	<u>103,839</u>	<u>37,253</u>	<u>141,092</u>
Net assets, end of year	\$ 95,049	\$ 68,620	\$ 163,669

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
Support and Revenues			
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
Net assets released from restrictions	<u>16,263</u>	<u>(16,263)</u>	<u>-</u>
Total support and revenues	423,857	2,182	426,039
Expenses			
Program services	346,989	-	346,989
Supporting services			
Management and general	43,686	-	43,686
Fundraising	<u>37,289</u>	<u>-</u>	<u>37,289</u>
Total supporting services	<u>80,975</u>	<u>-</u>	<u>80,975</u>
Total expenses	427,964	-	427,964
Change in net assets	(4,107)	2,182	(1,925)
Net assets, beginning of year	<u>107,946</u>	<u>35,071</u>	<u>143,017</u>
Net assets, end of year	\$ 103,839	\$ 37,253	\$ 141,092

You Have the Power...Know How to Use It, Inc.Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries and related expenses	\$ 202,742	\$ 25,308	\$ 25,309	\$ 253,359
Advertising	9,340	-	3,079	12,419
Amortization	-	318	-	318
Depreciation	1,482	225	242	1,949
Event expense	4,951	-	913	5,864
Insurance	-	2,323	-	2,323
Maintenance	5,450	213	1,104	6,767
Postage	386	236	-	622
Printing and publications	10,218	887	-	11,105
Professional services	41,254	9,787	2,828	53,869
Rent	22,640	2,824	2,824	28,288
Supplies	98,053	3,116	152	101,321
Taxes, licenses, and fees	375	728	1,142	2,245
Telephone	1,599	200	200	1,999
Travel	722	108	17	847
Video production	-	-	-	-
Miscellaneous	2,561	1,201	-	3,762
	\$ 401,773	\$ 47,474	\$ 37,810	\$ 487,057

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
	\$ 346,989	\$ 43,686	\$ 37,289	\$ 427,964

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

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash, beginning of year	\$ 90,180	\$ 81,452
Cash flows from operating activities		
Change in net assets	22,577	(1,925)
Adjustments to reconcile change in net assets (deficits) to net cash provided (used) by operating activities:		
Amortization	318	318
Depreciation	1,949	2,660
Change in:		
Grants receivable	2,579	15,350
Accounts receivable	4,838	(4,004)
Prepaid expenses	(100)	-
Inventory	120	(2,089)
Accounts payable	45	(28)
Net cash provided (used) by operating activities	32,326	10,282
Cash flows from investing activities		
Purchase of office equipment	(1,418)	(1,280)
Interest reinvested in investments	-	(274)
Net cash provided (used) by investing activities	(1,418)	(1,554)
Net change in cash	30,908	8,728
Cash, end of year	\$ 121,088	\$ 90,180

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

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, 2021 and 2020.

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.

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

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.

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

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:

	2021	2020
Event expenses	\$ 17,263	\$ 10,464
Professional services	<u>27,057</u>	<u>25,769</u>
	\$ 44,320	\$ 36,233

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, 2021 and 2020 are \$12,419 and \$0, respectively.

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

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 years ended December 31, 2021 and 2020.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to make them comparable to the 2021 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:

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

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 3. Availability and Liquidity

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

	2021	2020
Financial assets		
Cash	\$ 121,088	\$ 90,180
Short-term investment	20,460	20,460
Grants receivable	10,811	10,811
Accounts receivable	<u>-</u>	<u>4,838</u>
Total financial assets at year-end	149,780	126,289
Less amounts not available to be used within one year		
Net assets with donor restrictions	68,620	37,253
Net assets with purpose restrictions to be met in less than a year	<u>(68,620)</u>	<u>(37,253)</u>
	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 149,780	\$ 126,289

Note 4. Lease Commitments

The Organization leases office space through an operating lease that expired in 2021 and is currently under a month to month agreement. Lease expense related to the office space is included in rent expense and amounted to \$24,000 for the years ended December 31, 2021 and 2020.

The Organization pays a portion of operating costs associated with the property in addition to the monthly lease payment. These amounts may vary.

Note 5. Net Assets with Donor Restrictions

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

	2021	2020
Video production and salaries	\$ 5,285	\$ 11,059
Youth workshops	39,411	22,000
Other	<u>23,924</u>	<u>4,194</u>
	\$ 68,620	\$ 37,253

Note 6. Concentration of Revenue Sources

During 2021 and 2020, the Organization received approximately 19% and 25% of its total support and revenues from a single donor.

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

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 7. PPP Loan

In 2021 and 2020, the Organization received loans in the amounts of \$47,560 and \$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. The Organization received full forgiveness of these loans and have recognized the amounts in contribution revenue for 2021 and 2020.

Note 8. Subsequent Events

Management has evaluated subsequent events through November 7, 2022, the date on which the financial statements were available for issuance.