

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

Financial Statements
For the Years Ended December 31, 2022 and 2021

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

Financial Statements

For the Years Ended December 31, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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
October 18, 2023

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

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	\$ 138,198	\$ 121,088
Short-term investment	-	20,460
Grants receivable	1,667	8,232
Prepaid expenses	4,100	4,100
Inventory	<u>1,285</u>	<u>3,364</u>
Total current assets	145,250	157,244
Office equipment	21,559	21,559
Less: accumulated depreciation	<u>(18,611)</u>	<u>(16,252)</u>
Office equipment, net	2,948	5,307
Intangible asset	3,868	3,868
Less: accumulated amortization	<u>(2,731)</u>	<u>(2,413)</u>
Intangible asset, net	<u>1,137</u>	<u>1,455</u>
Total assets	\$ 149,335	\$ 164,006
Liabilities and Net Assets		
Accounts payable	\$ 353	\$ 337
Net assets		
Without donor restrictions	57,237	95,049
With donor restrictions	<u>91,745</u>	<u>68,620</u>
Total net assets	<u>148,982</u>	<u>163,669</u>
Total liabilities and net assets	\$ 149,335	\$ 164,006

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

Statement of Activities For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets			
General contributions	\$ 230,228	\$ -	\$ 230,228
Grants	69,797	56,500	126,297
Special events	4,066	-	4,066
Contributions of nonfinancial assets	30,000	-	30,000
Program	647	-	647
Interest income	60	-	60
Miscellaneous income	550	-	550
Net assets released from restrictions	<u>33,375</u>	<u>(33,375)</u>	<u>-</u>
Total support and revenues	368,723	23,125	391,848
Expenses			
Program services	336,697	-	336,697
Supporting services			
Management and general	40,366	-	40,366
Fundraising	<u>29,472</u>	<u>-</u>	<u>29,472</u>
Total supporting services	<u>69,838</u>	<u>-</u>	<u>69,838</u>
Total expenses	406,535	-	406,535
Change in net assets	(37,812)	23,125	(14,687)
Net assets, beginning of year	<u>95,049</u>	<u>68,620</u>	<u>163,669</u>
Net assets, end of year	\$ 57,237	\$ 91,745	\$ 148,982

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 of cash and other financial assets			
General contributions	\$ 166,510	\$ -	\$ 166,510
Grants	200,675	44,550	245,225
Special events	67,136	-	67,136
Contributions of nonfinancial assets	27,057	-	27,057
Program	665	-	665
Interest income	4	-	4
Miscellaneous income	3,037	-	3,037
Net assets released from restrictions	<u>13,183</u>	<u>(13,183)</u>	<u>-</u>
Total support and revenues	478,267	31,367	509,634
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	487,057	-	487,057
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 Functional Expenses For the Year Ended December 31, 2022

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries and related expenses	\$ 175,806	\$ 21,972	\$ 21,986	\$ 219,764
Advertising	2,561	-	788	3,349
Amortization	-	318	-	318
Depreciation	1,824	268	267	2,359
Insurance	-	2,064	-	2,064
Maintenance	6,830	102	1,336	8,268
Postage	897	131	126	1,154
Printing and publications	23,908	653	157	24,718
Professional services	82,996	7,364	950	91,310
Rent	26,596	3,149	3,305	33,050
Supplies	12,507	2,580	(44)	15,043
Taxes, licenses, and fees	44	192	434	670
Telephone	492	61	61	614
Travel	593	142	97	832
Miscellaneous	1,643	1,370	9	3,022
	\$ 336,697	\$ 40,366	\$ 29,472	\$ 406,535

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	(10)	612
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	97,684	3,116	162	100,962
Taxes, licenses, and fees	375	728	1,142	2,245
Telephone	1,599	200	200	1,999
Travel	1,091	108	17	1,216
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.

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash, beginning of year	\$ 121,088	\$ 90,180
Cash flows from operating activities		
Change in net assets	(14,687)	22,577
Adjustments to reconcile change in net assets (deficits) to net cash provided (used) by operating activities:		
Amortization	318	318
Depreciation	2,359	1,949
Change in:		
Grants receivable	6,565	2,579
Accounts receivable	-	4,838
Prepaid expenses	-	(100)
Inventory	2,079	120
Accounts payable	16	45
Net cash provided (used) by operating activities	(3,350)	32,326
Cash flows from investing activities		
Purchase of office equipment	-	(1,418)
Redemption of certificates of deposit	20,460	-
Net cash provided (used) by investing activities	20,460	(1,418)
Net change in cash	17,110	30,908
Cash, end of year	\$ 138,198	\$ 121,088

You Have the Power...Know How to Use It, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

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, 2022 and 2021.

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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Notes to Financial Statements
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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

The Organization capitalizes all costs in excess of \$1,000 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 of Cash and Other Financial Assets

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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Notes to Financial Statements
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Note 2. Summary of Significant Accounting Policies

Contributions of Nonfinancial Assets (New Accounting Standard Adopted in 2022)

Donated facilities and services are recognized as support if they create or enhance non-financial assets or the donated service 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 expenses in the period the services were performed.

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.

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.

Leases (New Accounting Standard Adopted in 2022)

In February 2016, the Financial Accounting Standard Board issued Accounting Standards Codification Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on January 1, 2022.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

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.

Advertising Costs

The Organization expenses all advertising costs as they are incurred.

You Have the Power...Know How to Use It, Inc.
Notes to Financial Statements
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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, 2021.

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, 2022 and 2021

Note 3. Liquidity and Availability

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

	2022	2021
Financial assets		
Cash	\$ 138,198	\$ 121,088
Short-term investment	-	20,460
Grants receivable	<u>1,667</u>	<u>8,232</u>
Total financial assets at year-end	139,865	149,780
Less amounts not available to be used within one year		
Net assets with donor restrictions	91,745	68,620
Net assets with purpose restrictions to be met in less than a year	<u>(91,745)</u>	<u>(68,620)</u>
	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 139,865	\$ 149,780

Note 4. Net Assets with Donor Restrictions

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

	2022	2021
Video production and salaries	\$ -	\$ 5,285
Youth workshops	53,273	39,411
Resource guides and translation	22,180	-
Other	<u>16,292</u>	<u>23,924</u>
	\$ 91,745	\$ 68,620

Note 5. Concentrations

During 2022 and 2021, the Organization received approximately 39% and 19%, respectively, of its total support and revenues from a single donor.

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Notes to Financial Statements
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Note 6. Contributed Nonfinancial Assets

The value of contributed nonfinancial assets included in support and revenues in the statements of activities for the years ended December 31 are as follows:

	2022	2021
Event expenses	\$ -	\$ 17,263
Professional services	<u>30,000</u>	<u>27,057</u>
	\$ 30,000	\$ 44,320

The Organization receives contributions of nonfinancial assets in the form of donated items, meals, and use of building facilities. Contributed accounting services assisted the organization with proper payroll processing and tax preparation. Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets with donor-imposed restrictions.

Note 7. PPP Loan

In 2021 the Organization received a loan in the amount of \$47,560 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. Management has expended 100% on potential qualifying costs as defined by the legislation. The Organization received full forgiveness of this loan and has recognized the amount in contribution revenue for 2021.

Note 8. Subsequent Events

Management has evaluated subsequent events through October 18, 2023, the date on which the financial statements were available for issuance.