POWERING POTENTIAL INC.

FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT

MARCH 31, 2022

POWERING POTENTIAL INC.

Index

Skody Scot & Company, CPAs, P.C.
520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002
www.skodyscot.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: The Board of Directors of
Powering Potential Inc.

We have reviewed the accompanying statement of financial position of Powering Potential Inc., a not-for-profit organization, as of March 31, 2022, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Powering Potential Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Skody Scot & Company, CPAs, PC

New York, NY
December 9, 2022

POWERING POTENTIAL INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

ASSETS

Cash	$	82,224
Contributions receivable, net		176,081
Property, equipment and intangibles, net		74
Security deposit		593
Total assets	$	258,972

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	1,080
		1,080
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions		69,311
With donor restrictions		188,581
Total net assets		257,892
Total liabilities and net assets	$	258,972

See independent accountants' review report and accompanying notes.

POWERING POTENTIAL INC.
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Contributions	$ 132,719	$ 188,581	$ 321,300
Contributions in-kind	71,000	-	71,000
Interest income	3	-	3
Net assets released from restriction:			
Expiration of time restrictions	15,000	(15,000)	-
Total support and revenues	218,722	173,581	392,303
Expenses:			
Program services	169,989	-	169,989
Management and general	13,733	-	13,733
Fundraising	28,327	-	28,327
Total expenses	212,049	-	212,049
Increase/(Decrease) in net assets	6,673	173,581	180,254
Net assets, beginning of year	62,638	15,000	77,638
Net assets, end of year	$ 69,311	$ 188,581	$ 257,892

See independent accountants' review report and accompanying notes.

POWERING POTENTIAL INC.
STATEMENT OF EXPENSES
YEAR ENDED MARCH 31, 2022

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 57,899	$ 3,217	$ 3,217	$ 64,333
Payroll taxes	4,383	243	244	4,870
Employee benefits	3,434	189	191	3,814
Community relations	10	-	644	654
Consultants and outside contractors	71,495	1,000	22,433	94,928
Depreciation and amortization	110	-	-	110
Donations to others	22,604	-	-	22,604
Insurance	2,032	113	113	2,258
Office expenses	2,998	956	913	4,867
Professional fees	-	7,760	-	7,760
Rent	4,590	255	255	5,100
Travel, hotels and meetings	434	-	317	751
Total expenses	$ 169,989	$ 13,733	$ 28,327	$ 212,049

See independent accountants' review report and accompanying notes.

POWERING POTENTIAL INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022

Cash flows from operating activities:	
Increase/(decrease) in net assets	$ 180,254
Adjustments for non-cash items included in operating activities:	
Depreciation and amortization	110
Discount on long-term pledges	1,419
Changes in assets and liabilities:	
Contributions receivable	(162,500)
Accounts payable and accrued expenses	(140)
Deferred revenue	(2,253)
Net cash provided/(used) by operating activities	16,890
Cash flows from investing activities	-
Cash flows from financing activities:	
Repayment of loan	(1,000)
Net cash provided/(used) by financing activities	(1,000)
Net increase/(decrease) in cash	15,890
Cash, at beginning of year	66,334
Cash, at end of year	$ 82,224

See independent accountants' review report and accompanying notes.

Note 1 - Summary of Significant Accounting Policies

The Organization

Powering Potential Inc. (the Organization), a not-for-profit organization, was incorporated in the State of New York on January 15, 2015. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions. The Organization primarily receives its support from contributions.

The purpose of the Organization is to work with local communities and governments to help design, fund, implement and manage programs that give students the resources to stimulate their imaginations, improve their educational outcomes, increase their chances of employment, and develop themselves and their communities. The Organization seeks to accomplish its mission by partnering with local Organization to procure, install and maintain solar-powered, Raspberry Pi computers and offline digital educational materials (no internet required), to design and conduct teacher and student training courses, and provide monitoring and evaluation data.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Property, Equipment and Intangibles

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Purchased property and equipment are stated at cost, less accumulated depreciation. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation and amortization of property, equipment and capitalized website costs is computed by the straight-line method over estimated useful lives of five to seven years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) 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 restrictions are perpetual in nature (endowment), where the donor stipulates that resourced be maintained in perpetuity.

Revenue Recognition

The Organization recognizes contributions when cash, a noncash asset, or an unconditional promise to give is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as refundable advances in the statement of financial position. As of March 31, 2022, the Organization did not have any conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted for a purpose by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses based on estimated time and effort, and other expenses such as insurance and rent based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Property and Equipment

Property and equipment by major class consisted of the following at March 31, 2022:

Computer equipment	$ 550
Website design	2,090
Less: accumulated depreciation and amortization	(2,566)
	$ 74

Note 3 - Contributions In-Kind

The Organization received contributions in-kind that meet the criteria for being recognized in accordance with GAAP. Donated services received during the year ended March 31, 2022 amounted to $71,000 and consisted of maintenance and updating software, website maintenance, legal services, and salesforce database support.

The contributions in-kind received during the years ended March 31, 2022, did not have any donor-imposed restrictions.

The valuation technique used by the Organization is to use comparable prices charged to unrelated organizations in the normal course of business.

Note 4 - Contributions Receivable

As of March 31, 2022, contributions receivable are due to be realized as follows:

Within one year	$ 117,500
Between one and two years	60,000
	177,500
Less: pledge discount	(1,419)
	$ 176,081

Note 5 - Concentrations

The Organization maintains its checking account with a major financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to $250,000 per financial institution. At times, the balances of the account may have exceeded the insurance limits during the year ended March 31, 2022.

Note 6 - Net Assets With Donor Restrictions

As of March 31, 2022, net assets with donor restrictions are available as follows:

Educational achievement	$ 12,500
Fiscal year 2023 activities	117,500
Fiscal year 2024 activities	58,581
	$ 188,581

Note 7 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of March 31, 2022, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash	$ 82,224
Receivables	176,081
Total financial assets	258,305
Less those unavailable for general expenditures within one year:	
Receivables due in more than one year	(58,581)
Financial assets available to meet cash needs for general expenditures within one year	$ 199,724

Note 8 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through December 9, 2022, which is the date the financial statements were available to be issued.