SHOWERUP

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
ShowerUp
Springfield, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ShowerUp (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 these 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 for one year after the date the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Nashville, Tennessee
January 23, 2023

SHOWERUP
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Cash and Cash Equivalents	$	638,704
Accounts Receivable, Net		12,040
Prepaid Expenses and Other Assets		1,655
Property and Equipment, Net		147,531
Total Assets	$	799,930

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable	$	11,354
Accrued Expenses and Other Liabilities		8,260
Total Liabilities		19,614
NET ASSETS		
Without Donor Restrictions		780,316
Total Liabilities and Net Assets	$	799,930

See accompanying Notes to Financial Statements.

SHOWERUP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

REVENUE, SUPPORT, AND GAINS		
Contributions	$	611,472
Donated Professional Services		9,000
Donated Supplies and Materials		40,546
Other Income		1,621
Total Revenue, Support, and Gains		662,639
EXPENSES AND LOSSES		
Program Services		277,453
General and Administrative		150,008
Total Expenses		427,461
CHANGE IN NET ASSETS		235,178
Net Assets - Beginning of Year		545,138
NET ASSETS - END OF YEAR	$	780,316

See accompanying Notes to Financial Statements.

SHOWERUP
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Total
Salaries	$ 66,569	$ 67,147	$ 133,716
Payroll Taxes and Benefits	11,865	11,968	23,833
Total Personnel	78,434	79,115	157,549
Personal Fees and Contract Services	9,892	31,228	41,120
Supplies	71,462	-	71,462
Operations	4,294	7,531	11,825
Insurance	-	12,683	12,683
Travel	6,991	-	6,991
Automobile Expenses	44,510	-	44,510
Advertising	-	2,461	2,461
Depreciation	61,870	-	61,870
Miscellaneous	-	16,990	16,990
Total Expenses	$ 277,453	$ 150,008	$ 427,461

See accompanying Notes to Financial Statements.

SHOWERUP
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 235,178
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	61,870
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Net	59,507
Prepaid Expenses and Other Assets	(661)
Accounts Payable	6,704
Accrued Expenses and Other Liabilities	4,889
Net Cash Provided by Operating Activities	367,487
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(73,100)
NET CHANGE IN CASH AND CASH EQUIVALENTS	294,387
Cash and Cash Equivalents - Beginning of Year	344,317
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 638,704

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

ShowerUp (the Organization) is a nonprofit organization established in 2016 to serve those experiencing homelessness by providing mobile showers, hygiene resources, and personal care. In many cities across the country, there are resources for those experiencing homelessness to get meals, clothing and other necessities; however, there is still a need for hot showers and basic hygiene support. ShowerUp was designed to be mobile in order to go to where the greatest need is and provide clean, safe, and comfortable shower units and hygiene resources. The Organization has locations in multiple cities and supports the work of all organizations that serve the poor, the unhoused, and the transitional in those cities. ShowerUp provides a unique service, and helps our friends and neighbors know that they are loved.

Basis of Presentation

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

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, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable

Unconditional promises to give that are expected to be collected in the next year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment primarily include vehicles, equipment, and computers, which are stated at cost for purchased items and at estimated fair value at the date received for donated items. Depreciation expense is based on the double declining balance method over the estimated life of the respective asset, ranging from 3 to 5 years. The cost of maintenance and repairs are charged to expense as incurred. Property and equipment is presented net of accumulated depreciation of approximately $181,000 at December 31, 2021.

Contribution Revenue

Contributions, including unconditional promises to give, are recognized as revenues in the period in which the Organization becomes aware of the promise to give or receives the contribution. Contributions of assets other than cash are recorded at their estimated fair value. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, they are reclassified as net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional contributions with conditions met in the same reporting period in which they are received are reported as unconditional contributions.

Grant awards are evaluated by management and determined to either be unconditional contributions, exchange transactions, or conditional contributions. If considered to be an unconditional contribution, revenue from grants is recorded upon notification of the award. If considered to be an exchange transaction, revenue from grants is recorded as expenses are incurred under the terms of the respective grant agreement. If considered to be a conditional contribution, revenue from grants is recorded at the time the conditions on which they depend have been met.

Donated Services, Supplies, and Materials

The Organization records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Volunteers contribute significant amounts of time to the Organization’s program services, administration, and fundraising; however, the financial statements do not reflect the value of these contributed services because they do not meet the above recognition criteria. The Organization receives professional services which do meet the above criteria and are, therefore, recorded as contributed services and included in the statement of activities at the respective fair values when the services are provided.

Contributed supplies and materials are recorded at fair value at the date of donation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated based on management's estimate of time and effort spent and by direct identification.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

U.S. GAAP requires an organization to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. Management believes the Organization has no uncertain tax positions as of December 31, 2021.

Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Recent Accounting Guidance

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* The amendments in the update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The guidance is required to be applied by the Organization for the year ending December 31, 2022. The Organization is currently evaluating the effect that the standard will have on the financial statements.

Subsequent Events

We have evaluated subsequent events through January 23, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	$	638,704
Accounts Receivable		12,040
Total	$	650,744

NOTE 3 ACCOUNTS RECEIVABLE, NET

All accounts receivable are current; consequently, such receivables are not discounted to present value. Management has evaluated the collectability of the accounts receivable and determined that no allowance for doubtful accounts is necessary as of December 31, 2021.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

Vehicles	$	300,723
Equipment		3,282
Computers		1,066
Construction in Process		23,000
Subtotal		328,071
Less: Accumulated Depreciation and Amortization		(180,540)
Total Property and Equipment	$	147,531

Total depreciation expense for the year ended December 31, 2021 was approximately $62,000.

NOTE 5 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2021, the Organization received contributions of approximately $27,000 from board members.

NOTE 6 RISK AND UNCERTAINIES

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national, and global economies. The extent to which COVID-19 impacts the Organization's results are dependent on the breadth and duration of the pandemic and could be affected by other factors currently unable to be predicted. These impacts may include but are not limited to additional costs for emergency preparedness or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact is unknown and cannot be reasonably estimated at this time.