

SHOWERUP
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021



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**SHOWERUP
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
ShowerUp
Spring Hill, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ShowerUp (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 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 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 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
August 15, 2023

SHOWERUP
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 577,685	\$ 638,704
Accounts Receivable, Net	19,696	12,040
Prepaid Expenses and Other Assets	-	1,655
Property and Equipment, Net	<u>202,528</u>	<u>147,531</u>
Total Assets	<u><u>\$ 799,909</u></u>	<u><u>\$ 799,930</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 22,127	\$ 11,354
Accrued Expenses and Other Liabilities	<u>11,899</u>	<u>8,260</u>
Total Liabilities	34,026	19,614
NET ASSETS		
Without Donor Restrictions	<u>765,883</u>	<u>780,316</u>
Total Liabilities and Net Assets	<u><u>\$ 799,909</u></u>	<u><u>\$ 799,930</u></u>

See accompanying Notes to Financial Statements.

**SHOWERUP
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
REVENUE, SUPPORT, AND GAINS		
Contributions	\$ 654,652	\$ 611,472
Contributions of Equipment	45,175	-
Donated Professional Services	18,000	9,000
Donated Supplies and Materials	63,160	40,546
Other Income	1,316	1,621
Total Revenue, Support, and Gains	<u>782,303</u>	<u>662,639</u>
EXPENSES AND LOSSES		
Program Services	540,705	277,453
General and Administrative	255,252	150,008
Fundraising Services	779	-
Total Expenses	<u>796,736</u>	<u>427,461</u>
CHANGE IN NET ASSETS	(14,433)	235,178
Net Assets - Beginning of Year	<u>780,316</u>	<u>545,138</u>
NET ASSETS - END OF YEAR	<u><u>\$ 765,883</u></u>	<u><u>\$ 780,316</u></u>

See accompanying Notes to Financial Statements.

SHOWERUP
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 173,642	\$ 77,299	\$ -	\$ 250,941
Payroll Taxes and Benefits	26,501	11,797	-	38,298
Total Personnel	200,143	89,096		289,239
Personal Fees and Contract Services	47,073	73,645	-	120,718
Supplies	96,973	-	-	96,973
Operations	17,135	11,122	-	28,257
Insurance	-	16,555	-	16,555
Travel	11,654	-	-	11,654
Automobile Expenses	86,618	-	-	86,618
Advertising	-	10,998	779	11,777
Depreciation	81,109	-	-	81,109
Miscellaneous	-	53,836	-	53,836
Total Expenses	<u>\$ 540,705</u>	<u>\$ 255,252</u>	<u>\$ 779</u>	<u>\$ 796,736</u>

	2021			
	Program Services	Management and General	Fundraising	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	<u>\$ 277,453</u>	<u>\$ 150,008</u>	<u>\$ -</u>	<u>\$ 427,461</u>

See accompanying Notes to Financial Statements.

SHOWERUP
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (14,433)	\$ 235,178
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	81,109	61,870
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(7,656)	59,507
Prepaid Expenses and Other Assets	1,655	(661)
Accounts Payable	10,773	6,704
Accrued Expenses and Other Liabilities	3,639	4,889
Net Cash Provided by Operating Activities	<u>75,087</u>	<u>367,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(136,106)</u>	<u>(73,100)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(61,019)	294,387
Cash and Cash Equivalents - Beginning of Year	<u>638,704</u>	<u>344,317</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 577,685</u></u>	<u><u>\$ 638,704</u></u>

See accompanying Notes to Financial Statements.

SHOWERUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

Adoption of New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* which increases transparency about the measurement of contributed nonfinancial assets recognized by not-for-profit entities. This new standard requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities and to disclose information regarding the measurement of the nonfinancial assets. Required disclosures include whether the contributions were monetized or utilized during the reporting period, a description of the valuation technique used to determine a fair value measure, and a description of any donor-imposed restrictions associated with the contribution. The Organization's adoption of this new guidance only resulted in additional disclosures being added to the financial statements.

SHOWERUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$262,000 and \$181,000 at December 31, 2022 and 2021, respectively.

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.

SHOWERUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution Revenue (Continued)

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.

Contributed Nonfinancial Assets

The Organization recognized contributed nonfinancial assets within revenue, including donated equipment, services, and supplies and materials, as further described below. Contributed nonfinancial assets did not have donor-imposed restrictions.

Donated Equipment, 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 equipment, supplies and materials are recorded at fair value at the date of donation.

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.

SHOWERUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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, 2022 and 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.

Subsequent Events

We have evaluated subsequent events through August 15, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization receives significant donations that are central to its annual operations to be available to meet cash needs for general expenditures. 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:

	2022	2021
Cash and Cash Equivalents	\$ 577,685	\$ 638,704
Accounts Receivable	19,696	12,040
Total	<u>\$ 597,381</u>	<u>\$ 650,744</u>

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, 2022 and 2021.

SHOWERUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2022	2021
Vehicles	\$ 459,829	\$ 300,723
Equipment	3,282	3,282
Computers	1,066	1,066
Construction in Process	-	23,000
Subtotal	464,177	328,071
Less: Accumulated Depreciation and Amortization	(261,649)	(180,540)
Total Property and Equipment	<u>\$ 202,528</u>	<u>\$ 147,531</u>

Total depreciation expense for the years ended December 31, 2022 and 2021 was approximately \$81,000 and \$62,000, respectively.

NOTE 5 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, the Organization received contributions of approximately \$70,000 and \$27,000, respectively, from board members.