

TIME'S UP FOUNDATION

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 10, 2018
(DATE OF INCEPTION) TO DECEMBER 31, 2018

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(DATE OF INCEPTION) TO DECEMBER 31, 2018**

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Time's Up Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Time's Up Foundation, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the period from January 10, 2018 (date of inception) to December 31, 2018, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Time's Up Foundation as of December 31, 2018, and the changes in its net assets and its cash flows for the period from January 10, 2018 (date of inception) to December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Green Hasson & Janks LLP

November 14, 2019
Los Angeles, California

TIME'S UP FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash	\$ 186,306	\$ 100,000	\$ 286,306
Contributions Receivable	-	14,255	14,255
TOTAL ASSETS	\$ 186,306	\$ 114,255	\$ 300,561
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 28,427	\$ -	\$ 28,427
Due to Related Parties	23,190	-	23,190
Grants Payable	119,846	-	119,846
TOTAL LIABILITIES	171,463	-	171,463
NET ASSETS:			
Without Donor Restrictions	14,843	-	14,843
With Donor Restrictions	-	114,255	114,255
TOTAL NET ASSETS	14,843	114,255	129,098
TOTAL LIABILITIES AND NET ASSETS	\$ 186,306	\$ 114,255	\$ 300,561

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF ACTIVITIES

Period from January 10, 2018 (Date of Inception) to December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER INCOME:			
Contributions	\$ 176,815	\$ 114,255	\$ 291,070
Special Events (Net of Direct Special Event Expenses of \$30,139)	70,499	-	70,499
In-Kind Contributions	37,293	-	37,293
Other Income	82	-	82
TOTAL REVENUE AND OTHER INCOME	284,689	114,255	398,944
EXPENSES:			
Program Services	163,461	-	163,461
Management and General	105,891	-	105,891
Fundraising	494	-	494
TOTAL EXPENSES	269,846	-	269,846
CHANGE IN NET ASSETS	14,843	114,255	129,098
Net Assets - Beginning of Period	-	-	-
NET ASSETS - END OF PERIOD	\$ 14,843	\$ 114,255	\$ 129,098

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Period from January 10, 2018 (Date of Inception) to December 31, 2018

	Program Services				Total	Management and General	Fundraising	Total
	TIME'S UP Legal Defense Fund	TIME'S UP Entertainment - 'Critical'	TIME'S UP Entertainment	Other				
Grants	\$ 132,575	\$ -	\$ -	\$ -	\$ 132,575	\$ -	\$ -	\$ 132,575
Legal	-	-	-	-	-	68,598	-	68,598
In-Kind Rent and Facility Cost	-	-	-	-	-	30,468	-	30,468
Contract Services	-	18,000	9,488	3,398	30,886	-	-	30,886
In-Kind Information Technology Support	-	-	-	-	-	6,825	-	6,825
Other Expense	-	-	-	-	-	-	494	494
TOTAL FUNCTIONAL EXPENSES	\$ 132,575	\$ 18,000	\$ 9,488	\$ 3,398	\$ 163,461	\$ 105,891	\$ 494	\$ 269,846

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF CASH FLOWS

Period from January 10, 2018 (Date of Inception) to December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	129,098
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: Increase in:		
Contributions Receivable		(14,255)
Accounts Payable and Accrued Expenses		28,427
Due to Related Parties		23,190
Grants Payable		<u>119,846</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		286,306
Cash - Beginning of Period		<u>-</u>
CASH - END OF PERIOD	\$	<u><u>286,306</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 - ORGANIZATION

Time's Up Foundation (the Foundation) is a nonprofit 501(c)(3) public benefit organization registered in Delaware.

The Foundation works to promote safe, fair and dignified work for women of all kinds. The Foundation enables more people to seek justice through the TIME'S UP Legal Defense Fund. The Foundation pioneers innovative research driving toward solutions to address systemic inequality and injustice in the workplace through the TIME'S UP Impact Lab. And the Foundation supports industry leaders in shifting the paradigm of workplace culture toward one of safety, equity, and dignity for women of all kinds through TIME'S UP industry change initiatives.

The Foundation has the following programs:

- **TIME'S UP Legal Defense Fund:**

The Foundation supports the TIME'S UP Legal Defense Fund, which is administered and operated by the National Women's Law Center through the National Women's Law Center Fund LLC. See Note 5. The fund connects those who experience sexual misconduct including assault, harassment, abuse and related retaliation in the workplace or in trying to advance their careers with legal and public relations assistance. The fund helps defray legal and public relations costs in select cases based on criteria and availability of funds.

- **TIME'S UP Entertainment - 'Critical':**

The Foundation began working on the Critics Initiative and launched 'Critical', an opt-in database that will allow studios, talent, film critics associations and representatives to more easily find and contact entertainment journalists and critics from underrepresented groups. This initiative led the Toronto Film Festival and Sundance Film Festival to pledge to give one in five of their press badges to journalists from underrepresented groups. In addition, Rotten Tomatoes announced that they changed their criteria for certifying critics to be part of the Tomatometer score in ways that supported greater diversity.

- **TIME'S UP Entertainment:**

TIME'S UP Entertainment works to promote safety, equity, and power for women of all kinds, people of color, and working members of or in the entertainment industry.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, all 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-imposed restrictions.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. 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.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

(d) CASH

The Foundation maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

(e) CONTRIBUTIONS

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues in the period received. The Foundation reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

All contributions receivable at December 31, 2018 are due within one year.

(f) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the period from January 10, 2018 (date of inception) to December 31, 2018, the Foundation recorded in-kind contributions of \$37,293.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) GRANTS

Unconditional grants are charged against operations when authorized by the Foundation's Board of Directors. The actual payment of the grant may not necessarily occur in the year of authorization.

All grants payable at December 31, 2018 are due within one year.

(h) INCOME TAXES

The Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d).

(i) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Foundation's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

(j) NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. The Foundation implemented this ASU during the period from January 10, 2018 (date of inception) to December 31, 2018.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. For the Foundation, the ASU will be effective for the year ending December 31, 2019.

(k) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2018 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 14, 2019, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 3 - RELATED PARTY TRANSACTIONS

Time's Up Group LLC is a single member limited liability company, of which the sole member is also one of the founding directors of the Foundation. Time's Up Group LLC incurred certain costs on behalf of the Foundation prior to the Foundation obtaining its tax exempt status. At December 31, 2018, included in due to related parties was \$14,680 due to Time's Up Group LLC.

Time's Up Now Inc. is a 501(c)(4) social welfare organization, which has common directors with the Foundation. Time's Up Now Inc. and the Foundation have a Resource Sharing and Reimbursement Agreement effective February 22, 2018, whereby they share employees, assets and facilities. The calculation methodology is to be agreed upon between the parties on a monthly basis. At December 31, 2018, included in due to related parties was \$8,510 due to Time's Up Now Inc.

These amounts are unsecured, non-interest bearing, and will be settled in the ordinary course of business.

During the period from January 10, 2018 (date of inception) to December 31, 2018, 100% of the in-kind contributions were from an affiliated entity of the founding director.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows at December 31, 2018:

Purpose Restriction	
TIME'S UP Entertainment - 'Critical'	\$ 100,000
Time Restricted	<u>14,255</u>
TOTAL	<u>\$ 114,255</u>

Net assets will be released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors. There were no releases from restriction during the period from January 10, 2018 (date of inception) to December 31, 2018.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Effective June 27, 2018, the Foundation, together with Time's Up Group LLC and Time's Up Now Inc., entered into a memorandum of understanding (MOU) with the National Women's Law Center (NWLC), and the National Women's Law Center Fund LLC (NWLC LLC), wholly owned by NWLC. The objective is to support their shared objectives of combatting sexual harassment, assault and abuse in the workplace, and the MOU describes the terms by which NWLC LLC will administer and operate the TIME'S UP Legal Defense Fund (the Fund).

In accordance with the MOU, a portion of the contributions received by the Foundation are to be granted to the Fund. During the period from January 10, 2018 (date of inception) to December 31, 2018, total grants made to the Fund amounted to \$132,575, of which \$119,846 was payable at December 31, 2018.

The MOU also specifies that a portion of any future contributions received by the Foundation through December 31, 2020 will be granted to the Fund.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Foundation at December 31, 2018 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at December 31, 2018	
Cash	\$ 286,306
Contributions Receivable	<u>14,255</u>
TOTAL FINANCIAL ASSETS TO AT DECEMBER 31, 2018	300,561
Less Amounts Not Available To Be Used Within One Year, Due To:	
Donor-Imposed Purpose Restriction	<u>(100,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 200,561</u>

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers contributions receivable with time restrictions that are expected to be collected in the next fiscal year as available for general expenditures.