

TIME'S UP FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

TIME'S UP FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7

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, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, 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, 2019, and the 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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the recent COVID-19 pandemic in the United States and world-wide has resulted in reduced economic activity and market volatility. As the extent and duration of the future impact to Time's Up Foundation are uncertain, no adjustments were necessary to the financial statements, and our opinion is not modified with respect to this matter.

To the Board of Directors
Time's Up Foundation
Page 2

Report on Summarized Comparative Information

We have previously audited Time's Up Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2019. In our opinion, the summarized comparative information presented herein as of December 31, 2018 and for the period from January 10, 2018 (date of inception) to December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

December 2, 2020
Los Angeles, California

TIME'S UP FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2019

With Summarized Totals at December 31, 2018

	2019			
	Without Donor Restrictions	With Donor Restrictions	Total	2018
ASSETS				
Cash and Cash Equivalents	\$ 405,008	\$ 709,169	\$ 1,114,177	\$ 286,306
Contributions Receivable	100,000	206,712	306,712	14,255
Due from Related Party	186,455	-	186,455	-
Prepaid Expenses and Other Assets	59,015	-	59,015	-
TOTAL ASSETS	\$ 750,478	\$ 915,881	\$ 1,666,359	\$ 300,561
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable and Accrued Expenses	\$ 317,132	\$ -	\$ 317,132	\$ 28,427
Grants Payable	328,144	-	328,144	119,846
Due to Related Party	54,467	-	54,467	23,190
TOTAL LIABILITIES	699,743	-	699,743	171,463
 NET ASSETS:				
Without Donor Restrictions	50,735	-	50,735	14,843
With Donor Restrictions	-	915,881	915,881	114,255
TOTAL NET ASSETS	50,735	915,881	966,616	129,098
TOTAL LIABILITIES AND NET ASSETS	\$ 750,478	\$ 915,881	\$ 1,666,359	\$ 300,561

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF ACTIVITIES

For the Year ended December 31, 2019

With Summarized Totals for the Period from January 10, 2018 (Date of Inception)
to December 31, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND OTHER INCOME:				
Contributions	\$ 2,478,202	\$ 7,256,300	\$ 9,734,502	\$ 291,070
Special Events (Net of Direct Special Event Expenses of \$3,611)	17,689	-	17,689	70,499
In-Kind Contributions	176,751	-	176,751	37,293
Other Income	24,862	-	24,862	82
TOTAL REVENUE AND AND OTHER INCOME	2,697,504	7,256,300	9,953,804	398,944
EXPENSES:				
Program Services	6,453,330	-	6,453,330	163,461
Management and General	2,064,930	-	2,064,930	105,891
Fundraising	598,026	-	598,026	494
TOTAL EXPENSES	9,116,286	-	9,116,286	269,846
Net Assets Released from Restrictions	6,454,674	(6,454,674)	-	-
CHANGE IN NET ASSETS	35,892	801,626	837,518	129,098
Net Assets - Beginning of Year/Period	14,843	114,255	129,098	-
NET ASSETS - END OF YEAR/PERIOD	\$ 50,735	\$ 915,881	\$ 966,616	\$ 129,098

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year ended December 31, 2019

	Program Services			Total	Management and General	Fundraising	Total
	Culture Change Work	TIME'S UP Legal Defense Fund	Private Sector Change Work				
Salary and Staffing Related Expenses	\$ 1,172,463	\$ 113,112	\$ 1,173,769	\$ 2,459,344	\$ 1,108,157	\$ 419,077	\$ 3,986,578
Grants and Awards	6,490	3,035,563	62,983	3,105,036	-	-	3,105,036
Professional Fees	224,660	-	172,595	397,255	500,944	124,800	1,022,999
Facilities and Operations	129	-	-	129	368,002	43,639	411,770
Other Program	53,761	4,009	275,670	333,440	-	-	333,440
Travel, Meals and Convenings	118,861	-	39,265	158,126	87,827	10,510	256,463
TOTAL FUNCTIONAL EXPENSES	\$ 1,576,364	\$ 3,152,684	\$ 1,724,282	\$ 6,453,330	\$ 2,064,930	\$ 598,026	\$ 9,116,286

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

STATEMENT OF CASH FLOWS

For the Year ended December 31, 2019

With Summarized Totals for the Period from January 10, 2018 (Date of Inception)
to December 31, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 837,518	\$ 129,098
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Increase in:		
Contributions Receivable	(292,457)	(14,255)
Due from Related Party	(186,455)	-
Prepaid Expenses and Other Assets	(59,015)	-
Accounts Payable and Accrued Expenses	288,705	28,427
Grants Payable	208,298	119,846
Due to Related Party	<u>31,277</u>	<u>23,190</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	827,871	286,306
Cash - Beginning of Year/Period	<u>286,306</u>	<u>-</u>
CASH - END OF YEAR/PERIOD	<u>\$ 1,114,177</u>	<u>\$ 286,306</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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.

- **Private Sector Change Work:**

The Foundation endeavors to educate workers on their rights, provide resources for decision-makers, hold organizations accountable for policies and actions that impact key audiences, and celebrate transformation when it happens.

- **Culture Change Work:**

The Foundation endeavors to change the predominant narrative around issues so as to challenge and shift social norms and attitudes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

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

(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:

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) NET ASSETS (continued)

- **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 AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers cash on hand, deposits in banks, and money market accounts to be cash and cash equivalents. The carrying value of cash and cash equivalents at December 31, 2019 approximates its fair value.

The Foundation maintains its cash and cash equivalents in bank deposit and other investment 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 and cash equivalents.

(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, 2019 are due within one year.

Conditional contributions, that is, those with measurable performance or other barriers coupled with a right of return or release, are not recognized until the conditions on which they depend have been met. As of December 31, 2019, the Foundation has a conditional contribution totaling \$4,000,000, for which the conditions are expected to be met within the next two years.

(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 year ended December 31, 2019, the Foundation recorded in-kind contributions of \$176,751 (see Note 4).

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019 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).

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Foundation recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended December 31, 2019, the Foundation performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(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, such as salaries and benefits in proportion to time spent by employees.

(j) COMPARATIVE TOTALS

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the period from January 10, 2018 (date of inception) to December 31, 2018 from which the summarized information was derived.

(k) RECLASSIFICATION

For comparability, certain December 31, 2018 amounts have been reclassified, where appropriate, to conform with the financial statement presentation used at December 31, 2019.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) NEW ACCOUNTING PRONOUNCEMENTS

In June 2018, FASB issued Accounting Standards Update (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. The Foundation implemented the ASU during the year ended December 31, 2019. There was no impact on the Foundation's financial statements as a result of the implementation of this ASU.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. For the Foundation, the ASU will be effective for the year ending December 31, 2022.

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. For the Foundation, the ASU will be effective for the year ending December 31, 2022.

(m) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2019 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 2, 2020, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred, except as noted in Note 8.

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 legal costs on behalf of the Foundation. At December 31, 2019, included in due to related party was \$54,467 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, 2019, included in due from related party was \$186,455 due from Time's Up Now Inc.

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - RELATED PARTY TRANSACTIONS (continued)

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

During the year ended December 31, 2019, 100% of the in-kind contributions were received from an affiliated entity of the founding director.

NOTE 4 - IN-KIND CONTRIBUTIONS

In-kind contributions received during the year ended December 31, 2019 consist of the following:

Rent and Facility Cost	\$	141,651
Information Technology Support		<u>35,100</u>
TOTAL	\$	<u><u>176,751</u></u>

In-kind rent and facility cost and information technology support are contributed by an entity affiliated with the founding director of the Foundation.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose at December 31, 2019:

Subject to Expenditure for Specified Purpose:		
Culture Change	\$	289,310
Industry Change		<u>626,571</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	<u><u>915,881</u></u>

Net assets were 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 as follows for the year ended December 31, 2019:

Satisfaction of Purpose Restrictions:		
TIME'S UP Legal Defense Fund	\$	3,035,564
Culture Change		1,960,690
Industry Change		<u>1,458,420</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	<u><u>6,454,674</u></u>

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6 - COMMITMENTS AND CONTINGENCIES

(a) TIME'S UP LEGAL DEFENSE FUND

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 year ended December 31, 2019, total grants made to the Fund amounted to \$3,035,563, of which \$328,144 were payable as of year end, which has been paid subsequently.

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.

(b) OPERATING LEASES

The Foundation leases office space under non-cancelable operating leases with various expiration dates through 2021. Minimum future rental commitments under non-cancelable operating leases as of December 31, 2019 are as follows:

Years Ending December 31	
2020	\$ 236,000
2021	<u>204,000</u>
TOTAL	<u><u>\$ 440,000</u></u>

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Foundation at December 31, 2019 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, 2019	
Cash and Cash Equivalents	\$ 1,114,177
Contributions Receivable	<u>306,712</u>
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2019	1,420,889
Less Amounts Not Available To Be Used Within One Year, Due To:	
Funds Held with Purpose Restrictions	(709,169)
Contributions Receivable Restricted by Purpose	<u>(206,712)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u><u>\$ 505,008</u></u>

TIME'S UP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

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 only that are expected to be collected in the next fiscal year as available for general expenditures.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent to the year end, an outbreak of a novel strain of coronavirus (COVID-19) surfaced in the United States and throughout the world. This COVID-19 outbreak has caused business disruption which may negatively impact the Foundation's operations. While the disruption is expected to be temporary, there is considerable uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. While the Foundation is closely monitoring its operations, liquidity and capital resources, it is also actively working to minimize the current and future impact of this unprecedented situation. The related financial impact and duration of this disruption, however, cannot be reasonably estimated at this time.

On April 24, 2020, the Foundation received approval from a lending institution for funding of \$500,602 under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the terms of the PPP, the loan is unsecured, has a two-year term, accrues interest at 1% per annum, and a portion of the loan may be forgiven if proceeds are used for specific business costs, as outlined in the PPP provisions and Small Business Administration guidance.