

TIME'S UP NOW INC.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM FEBRUARY 22, 2018
(DATE OF INCEPTION) TO DECEMBER 31, 2018

TIMES UP NOW INC.

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM FEBRUARY 22, 2018
(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 Now Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Time's Up Now Inc., 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 February 22, 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 Now Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the period from February 22, 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 NOW INC.**STATEMENT OF FINANCIAL POSITION**

December 31, 2018

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Cash	\$ 16,799	\$ -	\$ 16,799
Contributions Receivable	-	55,078	55,078
Inventory	84,500	-	84,500
Due from Related Party	8,510	-	8,510
Prepaid Expenses and Other Assets	126,774	-	126,774
<i>TOTAL ASSETS</i>	<i>\$ 236,583</i>	<i>\$ 55,078</i>	<i>\$ 291,661</i>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 206,050	\$ -	\$ 206,050
Grants Payable	7,489	-	7,489
<i>TOTAL LIABILITIES</i>	<i>213,539</i>	<i>-</i>	<i>213,539</i>
NET ASSETS:			
Without Donor Restrictions	23,044	-	23,044
With Donor Restrictions	-	55,078	55,078
<i>TOTAL NET ASSETS</i>	<i>23,044</i>	<i>55,078</i>	<i>78,122</i>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<i>\$ 236,583</i>	<i>\$ 55,078</i>	<i>\$ 291,661</i>

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.**STATEMENT OF ACTIVITIES**

Period from February 22, 2018 (Date of Inception) to December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER INCOME:			
Contributions	\$ 3,168,253	\$ 55,078	\$ 3,223,331
In-Kind Contributions	200,283	-	200,283
Other Income	737	-	737
TOTAL REVENUE AND OTHER INCOME	3,369,273	55,078	3,424,351
EXPENSES:			
Program Services	1,340,264	-	1,340,264
Management and General	1,875,951	-	1,875,951
Fundraising	130,014	-	130,014
TOTAL EXPENSES	3,346,229	-	3,346,229
CHANGE IN NET ASSETS	23,044	55,078	78,122
Net Assets - Beginning of Period	-	-	-
NET ASSETS - END OF PERIOD	\$ 23,044	\$ 55,078	\$ 78,122

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.

STATEMENT OF FUNCTIONAL EXPENSES

Period from February 22, 2018 (Date of Inception) to December 31, 2018

	Program Services						Total	Management and General	Fundraising	Total
	TIME'S UP Entertainment	Education and Awareness	TIME'S UP Legal Defense Fund	Support Mobilization	Other					
Salaries and Benefits	\$ 323,473	\$ 225,201	\$ -	\$ 78,071	\$ 173,857	\$ 800,602	\$ 489,251	\$ 117,179	\$ 1,407,032	
Professional Fees	-	30,000	-	-	-	30,000	1,019,386	-	1,049,386	
Publicity	251,152	-	-	-	-	251,152	36,855	-	288,007	
Grants	-	-	179,426	-	-	179,426	-	-	179,426	
Other Operating Expenses	-	-	-	-	-	-	115,467	790	116,257	
Facility	-	-	-	-	-	-	102,308	-	102,308	
Other Program Costs	-	-	-	79,084	-	79,084	-	-	79,084	
Travel	-	-	-	-	-	-	58,395	-	58,395	
Supplies, Postage and Software	-	-	-	-	-	-	35,567	12,045	47,612	
Insurance	-	-	-	-	-	-	18,722	-	18,722	
TOTAL FUNCTIONAL EXPENSES	\$ 574,625	\$ 255,201	\$ 179,426	\$ 157,155	\$ 173,857	\$ 1,340,264	\$ 1,875,951	\$ 130,014	\$ 3,346,229	

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.

STATEMENT OF CASH FLOWS

Period from February 22, 2018 (Date of Inception) to December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	78,122
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Donated Inventory		(84,500)
Increase in:		
Contributions Receivable		(55,078)
Due from Related Party		(8,510)
Prepaid Expenses and Other Assets		(126,774)
Accounts Payable and Accrued Expenses		206,050
Grants Payable		<u>7,489</u>
<i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i>		16,799
Cash - Beginning of Period		<u>-</u>
<i>CASH - END OF PERIOD</i>	\$	<u><u>16,799</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 1 - ORGANIZATION

Time's Up Now Inc. (the Organization) is a nonprofit 501(c)(4) public benefit organization registered in Delaware.

The Organization works to promote safe, fair and dignified work for women of all kinds. The Organization works to make sure women are free from harassment and other forms of discrimination on the job, have equal opportunity for economic security, and can achieve the highest positions of power wherever they work. The Organization works for change across culture, companies and laws.

The Organization has the following programs:

- **TIMES' 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. TIME'S UP Entertainment is also an initiative of Time's Up Foundation, a 501(c)(3) charitable organization.

- **Education and Awareness:**

In January 2018, the Organization catapulted sexual harassment and gender equality into the national spotlight when the red carpet was turned black in solidarity with survivors of sexual harassment. Since the Golden Globes, the Organization has continued to provide a meaningful platform for survivors to share their stories and turn their pain into action. By increasing awareness about the epidemic of sexual assault and gender discrimination, in Hollywood and across industries, the Organization is building an unstoppable movement for change.

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

The Organization 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(a). 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.

- **Support Mobilization:**

The Organization supported working groups specifically designed to build community and spark critical conversations about gender equity at events, conferences, and convening throughout the country. For example, the Organization sent high profile founders and community leaders to partner organizations' events and activations, and also organized meetings and convenings to collect input for strategic planning and organizational and programmatic development, specifically as it relates to systemic change in the entertainment industry.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2018

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:

- **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. Net assets with donor restrictions at December 31, 2018 consist entirely of contributions receivable restricted by time only.

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

(e) INVENTORY

Inventory consists of logoed apparel and other merchandise, which were previously sold by Times Up Group LLC, a related party, through an online retail site. The inventory was donated to the Organization and recorded at fair market value at December 31, 2018.

(f) CONTRIBUTIONS

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues in the period received. The Organization 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.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) TRADEMARK APPLICATION COSTS

Trademark application costs are capitalized as incurred. Capitalized trademark application costs will be amortized using the straight-line method over the life of the trademark once the trademark is registered, or expensed when the application is abandoned. Costs incurred through December 31, 2018 amounting to \$66,985 for applications in progress in various jurisdictions are included in prepaid expenses and other assets on the statement of financial position.

(h) 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, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the period from February 22, 2018 (date of inception) to December 31, 2018, the Organization recorded in-kind contributions of \$200,283, including donated inventory of \$84,500 (see Note 4).

(i) GRANTS

Unconditional grants are charged against operations when authorized by the Organization'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.

(j) INCOME TAXES

The Organization is a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code and corresponding state provisions.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the period, 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.

(l) 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 Organization implemented this ASU during the period from February 22, 2018 (date of inception) to December 31, 2018.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) NEW ACCOUNTING PRONOUNCEMENTS (continued)

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 Organization, the ASU will be effective for the year ending December 31, 2019.

(m) SUBSEQUENT EVENTS

The Organization 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.

NOTE 3 - RELATED PARTY TRANSACTIONS

Time's Up Foundation is a 501(c)(3) public charity, which has common directors with the Organization. Time's Up Foundation and the Organization 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 from related party was \$8,510 due from Time's Up Foundation.

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

During the period from February 22, 2018 (date of inception) to December 31, 2018, over 90% of contributions were from members of the Board of Directors or their affiliates.

NOTE 4 - IN-KIND CONTRIBUTIONS

In-kind contributions received during the period from February 22, 2018 (date of inception) to December 31, 2018 consist of the following:

Rent and Facility Cost	\$	89,608
Information Technology Support		26,175
Inventory		84,500
TOTAL	\$	200,283

In-kind rent and facility cost and information technology support are contributed by an entity affiliated with the founding director of the Organization. Inventory was contributed by Time's Up Group LLC [See Note 2(e)]. 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 Organization.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE 5 - COMMITMENTS AND CONTINGENCIES

(a) TIME'S UP LEGAL DEFENSE FUND

Effective June 27, 2018, the Organization, together with Time's Up Group LLC and Time's Up Foundation, 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 Organization are to be granted to the Fund. During the period from February 22, 2018 (date of inception) to December 31, 2018, total grants made to the Fund amounted to \$179,426, of which \$7,489 was payable at December 31, 2018.

The MOU also specifies that a portion of any future contributions received by the Organization, as well as proceeds from merchandise sales, through December 31, 2020 will be granted to the Fund.

(b) CO-EXISTENCE AGREEMENT

Time's Up, Inc. (TIME's UP!) is an unrelated New York non-profit organization. TIME's UP! is a direct-action environmental organization that promotes more sustainable, less toxic cities through conducting events and educational programs. Time's Up Group LLC and the Organization entered into a co-existence agreement with TIME'S UP! in September 2018, whereby all parties agreed on terms and measures in co-existing and avoiding confusion in using their similar names. As part of the agreement, Time's Up Group LLC and the Organization collectively agreed to pay TIME'S UP! a sum of \$100,001 in consideration, of which \$20,000 was paid by the Organization during the period from February 22, 2018 (date of inception) to December 31, 2018, \$5,000 was paid by Time's Up Group LLC. The remaining \$75,001 is due upon the one-year anniversary of the effective date. Subsequent to December 31, 2018, the Organization and Time's Up Group LLC mutually agreed that the Organization alone will fulfill the obligation of \$75,001.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization 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	\$	16,799
Contributions Receivable		<u>55,078</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	\$	<u>71,877</u>

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As part of the Organization'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 Organization considers contributions receivable with time restrictions that are expected to be collected in the next fiscal year as available for general expenditures.