

TIME'S UP NOW INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

TIMES UP NOW INC.
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 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, 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 Now Inc. 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 7 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 Now Inc. 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 Now Inc.
Page 2

Report on Summarized Comparative Information

We have previously audited Times Up Now Inc.'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 February 22, 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 NOW INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2019
With Summarized Totals at December 31, 2018

ASSETS	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash	\$ 150,403	\$ -	\$ 150,403	\$ 16,799
Contributions Receivable	-	20,706	20,706	55,078
Inventory	106,890	-	106,890	84,500
Due from Related Party	40,000	-	40,000	8,510
Website and Donor Platforms	63,809	-	63,809	16,659
Prepaid Expenses and Other Assets	125,613	-	125,613	110,115
TOTAL ASSETS	\$ 486,715	\$ 20,706	\$ 507,421	\$ 291,661
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable and Accrued Expenses	\$ 200,759	\$ -	\$ 200,759	\$ 206,050
Due to Related Party	186,455	-	186,455	-
Grants Payable	6,660	-	6,660	7,489
TOTAL LIABILITIES	393,874	-	393,874	213,539
NET ASSETS:				
Without Donor Restrictions	92,841	-	92,841	23,044
With Donor Restrictions	-	20,706	20,706	55,078
TOTAL NET ASSETS	92,841	20,706	113,547	78,122
TOTAL LIABILITIES AND NET ASSETS	\$ 486,715	\$ 20,706	\$ 507,421	\$ 291,661

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.

STATEMENT OF ACTIVITIES

Year ended December 31, 2019

With Summarized Totals for the Period from February 22, 2018 (Date of Inception)
to December 31, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES AND OTHER INCOME:				
Contributions	\$ 1,644,715	\$ 20,706	\$ 1,665,421	\$ 3,223,331
Merchandise Sales (Net)	37,982	-	37,982	-
In-Kind Contributions	19,639	-	19,639	200,283
Other Income	1,199	-	1,199	737
Net Assets Released from Restrictions	55,078	(55,078)	-	-
TOTAL REVENUE AND OTHER INCOME	1,758,613	(34,372)	1,724,241	3,424,351
EXPENSES:				
Program Services	282,937	-	282,937	1,340,264
Management and General	1,295,565	-	1,295,565	1,875,951
Fundraising	110,314	-	110,314	130,014
TOTAL EXPENSES	1,688,816	-	1,688,816	3,346,229
CHANGE IN NET ASSETS	69,797	(34,372)	35,425	78,122
Net Assets - Beginning of Year/Period	23,044	55,078	78,122	-
NET ASSETS - END OF YEAR/PERIOD	\$ 92,841	\$ 20,706	\$ 113,547	\$ 78,122

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.

STATEMENT OF FUNCTIONAL EXPENSES
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				
Professional Fees	\$ 93,614	\$ -	\$ 267	\$ 93,881	\$ 451,452	\$ 30,017	\$ 575,350
Salary and Staffing Related Expenses	70,026	-	10,660	80,686	451,334	1,741	533,761
Facilities and Operations	966	-	-	966	299,602	60,599	361,167
Travel, Meals and Convenings	10,009	-	11,976	21,985	93,177	2,502	117,664
Other Program Costs	22,306	4,772	38,528	65,606	-	15,455	81,061
Grants and Awards	563	19,250	-	19,813	-	-	19,813
TOTAL FUNCTIONAL EXPENSES	\$ 197,484	\$ 24,022	\$ 61,431	\$ 282,937	\$ 1,295,565	\$ 110,314	\$ 1,688,816

The Accompanying Notes are an Integral Part of These Financial Statements

TIME'S UP NOW INC.**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2019

With Summarized Totals for the Period from February 22, 2018 (Date of Inception)
to December 31, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 35,425	78,122
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) Decrease in:		
Contributions Receivable	34,372	(55,078)
Inventory	(22,390)	(84,500)
Due from Related Party	(31,490)	(8,510)
Prepaid Expenses and Other Assets	(15,498)	(110,115)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(5,291)	206,050
Due to Related Party	186,455	-
Grants Payable	(829)	7,489
	<u>180,754</u>	<u>33,458</u>
<i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i>	180,754	33,458
CASH FLOWS USED IN INVESTING ACTIVITY:		
Website and Donor Platforms	(47,150)	(16,659)
	<u>133,604</u>	<u>16,799</u>
<i>NET INCREASE IN CASH</i>	133,604	16,799
Cash - Beginning of Year/Period	16,799	-
	<u>150,403</u>	<u>16,799</u>
<i>CASH - END OF YEAR/PERIOD</i>	\$ 150,403	16,799

The Accompanying Notes are an Integral Part of These Financial Statements

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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:

- Private Sector Change Work:

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

- 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. 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.

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:

TIMES UP NOW INC.

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. Net assets with donor restrictions at December 31, 2019 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 are sold through an online retail site. Inventory is stated at the lower of cost (weighted average) or net realizable value.

(f) 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, 2019 amounted to \$66,985 for applications in progress in various jurisdictions and are included in prepaid expenses and other assets on the statement of financial position.

(g) WEBSITE AND DONOR PLATFORMS

Website and donor platforms are stated at cost. Capitalized costs will be amortized over 3 years from the point when the website and donor platforms go live. Expenditures for design, implementation and betterments are capitalized while maintenance and repairs are expensed as incurred.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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, 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.

(i) 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 year ended December 31, 2019, the Organization recorded in-kind contributions of \$19,639 (see Note 4).

(j) 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, 2019 are due within one year.

(k) INCOME TAXES

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

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Organization 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 Organization 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.

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

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 Organization's financial statements for the period from February 22, 2018 (date of inception) to December 31, 2018 from which the summarized information was derived.

(n) 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.

(o) 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 Organization implemented the ASU during the year ended December 31, 2019. There was no impact on the Organization's financial statements as a result of the implementation of this ASU.

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which improves and converges the revenue recognition requirements of accounting principles generally accepted in the United States of America and International Financial Reporting Standards. The ASU replaces the existing accounting standards for revenue recognition with a single comprehensive five-step model, which is intended to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance has subsequently been amended through a series of ASUs between August 2015 and September 2017 to improve the operability and understandability of the implementation guidance on scope exceptions, and various other narrow aspects, as identified and addressed in such updates. For the Organization, the ASU will be effective for the year ending December 31, 2020.

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 Organization, the ASU will be effective for the year ending December 31, 2022.

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) SUBSEQUENT EVENTS

The Organization 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 for as noted in Note 7.

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 Organization. At December 31, 2019, the amount due from related party of \$40,000 was due from Time's Up Group LLC.

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, 2019, the amount due to related party of \$186,455 was due to Time's Up Foundation.

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

During the year ended December 31, 2019, approximately 88% of contributions were from members of the Board of Directors or their affiliates.

NOTE 4 - IN-KIND CONTRIBUTIONS

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

Rent and Facility Cost	\$	15,739
Information Technology Support		3,900
<i>TOTAL</i>	\$	19,639

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

NOTE 5 - COMMITMENTS AND CONTINGENCIES

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).

TIMES UP NOW INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE 5 - COMMITMENTS AND CONTINGENCIES (continued)

In accordance with the MOU, a portion of the merchandise sale proceeds received by the Organization during the year ended December 31, 2019 are to be granted to the Fund. During the year ended December 31, 2019, total grants made to the Fund amounted to \$19,250, of which \$6,660 was payable at December 31, 2019.

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.

NOTE 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization 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	\$ 150,403
Contributions Receivable	<u>20,706</u>
<i>FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</i>	<i>\$ 171,109</i>

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

NOTE 7 - 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 Organization'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 Organization 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.

In April 2020, Time's Forward Inc., a wholly-owned subsidiary of the Organization, was formed. The Resource Sharing and Reimbursement Agreement (as described in Note 3) was amended to include Time's Forward Inc.