

ENTERTAINMENT INDUSTRY FOUNDATION

2018 Annual Report

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A Message from the President and CEO

Dear Friends and Colleagues,

As we celebrated 75 years as the entertainment community's trusted partner in philanthropy, we were offered the opportunity to reflect on our rich history and connect our founding principles with the needs that face our world today. Whether the focus is on disaster relief, civic engagement, health or education, we have the opportunity to unite our industry to address critical issues that affect millions of people around the world.

Our 2018 telecast of **Stand Up to Cancer** aired on more than 70 broadcast and cable networks and marked its best-ever televised fundraiser, with \$123 million pledged to cancer research programs. It was a wonderful way to celebrate the program's 10th anniversary!

Music for Relief took us back to our roots in disaster response. The 2018 wildfires throughout California tested our new program, which added more structure and an expert council of advisors upon which our unity partners throughout the industry could rely. Together, we responded to this crisis by raising more than \$2 million, providing critical equipment to first responders.

<over>



A Message from the President and CEO *continued*

I am a voter.TM rose above today's political fragmentation to unite Americans around civic engagement. More than 48 companies engaged to promote the program, and people from all 50 states subscribed to the platform, proving that both sides of the aisle can agree on the power of voting.

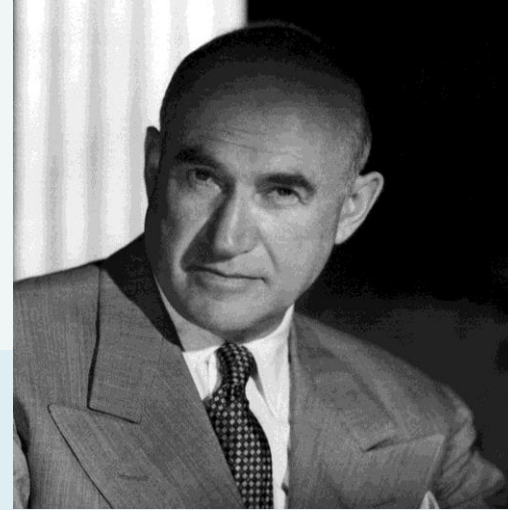
In addition to our programs, we have committed to helping those in our community, from artists to athletes to influencers, achieve their personal goals in philanthropy. Through these partners from film, television, music and sports, we support issues relating to inclusion, mental health, human rights and at-risk youth. As we continue to move forward with our programs at EIF, it is immensely rewarding to help others impact the world in so many ways.

I am incredibly proud of the work that has transpired in the past 75 years, but I am even more excited about the road ahead. On behalf of our Board of Directors, thank you to our unity partners and donors who have been so generous in your support.

Nicole Sexton
EIF President and CEO

Our Mission

Founded in 1943, the Entertainment Industry Foundation (EIF) is a multifaceted organization that occupies a unique place in the world of philanthropy. By mobilizing and leveraging the powerful voice and creative talents of the entire entertainment community, as well as cultivating the support of organizations (public and private) and philanthropists committed to social responsibility, EIF builds awareness and raises funds, developing and enhancing programs on the local, national and global level that facilitate positive social change.



Our Approach

- EIF is the entertainment community's trusted partner in philanthropy.
- EIF serves as a gateway to giving for the entertainment industry, creating groundbreaking programs that raise awareness and funds for issues affecting millions of people around the world.
- With more than 75 years of service, EIF also serves as a trusted resource for artists, athletes and influencers seeking to expand their footprint in philanthropy and leverage their platforms for social good.
- EIF's Board of Directors is made up of industry leaders and influencers committed to advancing its mission.
- With access to media, talent and other entertainment industry assets, EIF and its generous supporters magnify causes and focus impact.

Our Board of Directors



Chair
Chris Silberman
ICM Partners



Vice Chair
Jeff Bader
NBC Entertainment
NBCUniversal



Secretary
Dan Harrison
Fox Broadcasting
Company



Treasurer
Peter Seymour
Douglas Emmett



David Beaubaire
Producer



Lynn Harris
Weimaraner
Republic Pictures

Our Board of Directors



Andy Kubitz
ABC
Entertainment



Sherry Lansing
Sherry Lansing
Foundation



**Lewis
Sharpstone**
California Society
of CPAs



Jack Sussman
CBS Television



Natalie Tran
CAA Foundation

OUR PROGRAMS

With unparalleled access to roadblock television, donated media and industry-wide collaborators, ELF builds and supports groundbreaking programs that raise awareness and funds for issues affecting millions of people around the world.



Music for Relief

Music for Relief, EIF's official crisis relief program, provides aid to survivors and communities affected by natural disasters to help them recover and rebuild. Guided by an esteemed, expert Advisory Board and supported by Unity Partners throughout the entertainment industry, Music for Relief aims to aid in immediate and long-term disaster relief with a primary goal of making a powerful and sustainable impact in highly affected areas.

Music for Relief Unity Partners include ABC, Creative Artists Agency, CBS, 21st Century Fox, ICM Partners, Maverick, Verve, MPTF, NBC Universal, Film Independent, Sherry Lansing Foundation, United Talent Agency, Viacom, Paradigm, Warner Music Group, WME, and Activist.

In 2018, Music for Relief garnered industry support for wildfire and hurricane relief for families, pets and first responders nationwide.



Music for Relief Unity Partners



Stand Up To Cancer (SU2C)

Stand Up To Cancer funds and develops the newest and most promising cancer treatments to help patients today. SU2C dramatically accelerates the rate of new discoveries by connecting top scientists in unprecedented collaborations to create breakthroughs. SU2C innovations lead to better cancer prevention, diagnosis, and treatment, which means that we can help save lives now.

2018 marked the 10th anniversary of SU2C, which celebrated its best-ever fundraising telecast, bringing together over 70 broadcast and cable networks and the brightest stars in entertainment to generate funding for groundbreaking cancer research and help more people diagnosed with cancer become long-term survivors. \$123MM was pledged to cancer research programs, 4.8 BILLION in media impressions were garnered, and more than 2.3 BILLION impressions.



I am a voter.™

I am a voter.™ is a nonpartisan movement that aims to create a cultural shift around voting and civic engagement. Operating at a level above the contests and political noise, I am a voter.™ encourages a common expectation of voter participation — not to sway one way or another with divisive details, but to unify around a central truth: our democracy works best when we all participate.

The program operates in support of Democracy Works, HeadCount, National Voter Registration Day, Rock the Vote, When We All Vote, Vote.org, VotoLatino, and #VoteTogether.

In 2018, over 48 companies engaged, \$1 million of donated ad space was secured, there were 70 million impressions from digital banners and over 1.4 billion social media impressions, and people from all 50 states subscribed to the text platform.



XQ Institute

The XQ Institute — led by Co-Founder and CEO Russlynn Ali, former Assistant Secretary for Education for Civil Rights under Barak Obama, and Co-Founder and Board Chair Laurene Powell Jobs, President of Emerson Collective — aims to help communities reshape high school to prepare every student for success in college, career, and life. EIF has collaborated with the XQ Institute since 2015, presenting both its “Think It Up” and “XQ Super School Live” roadblock telecasts.

In 2018, EIF secured more than \$7.7 million in donated media and 700 million impressions for XQ Institute campaign’s targeting state policy makers. We also collaborated on a campaign targeting school boards, which will begin running nationwide in February 2019.



PHILANTHROPIC PARTNERSHIP

With 75 years of service,
EIF serves as a **trusted resource** for
artists, athletes and influencers seeking
to expand their footprint in philanthropy and
leverage their platforms for social good.



Philanthropic Partners



She Is The Music

Creating equality,
inclusivity and opportunity
for women in music.



The Kevin Love Fund

Providing tools to
achieve physical and
emotional well being.



Charlize Theron Africa Outreach Project

Investing in African
youth to keep them safe from
HIV/AIDS.



Panic! At The Disco Highest Hopes Foundation

Leading, developing and
advocating support for
human rights.

Philanthropic Partners



Jennifer Hudson
Julian D. King Foundation

Providing stability, support and positive experiences for children of all backgrounds.



PlayMakeHer

A collective of female influencers, gamechangers and groundbreakers in sports and entertainment.



G-Eazy
Endless Summer Fund

Helping young people reach their full potential and strengthening the Bay Area community.



We Are Enough

Teaching women of all economic levels and demographics why and how to invest in women.



EIF 75th Anniversary Red Carpet
John Goldwyn, Nicole Sexton, Tony Goldwyn and Chris Silberman

Celebrating 75 Years of Service

On March 20, 2018, Tony and John Goldwyn hosted the 75th Anniversary Celebration for the Entertainment Industry Foundation, which their grandfather Samuel Goldwyn helped found.

EIF was founded in 1942 by Hollywood luminaries Samuel Goldwyn, Humphrey Bogart, James Cagney, Gene Kelly, Joan Crawford, Cecil B. DeMille, and the Warner brothers, to leverage the voices and creative talents of the entire entertainment industry to raise funds for vital causes. With the support of actors and executives; guild and union members; and employees of studios, networks and talent agencies, more than \$1 billion has been pledged since its inception for EIF initiatives addressing important health, education and social issues.



75 Years *continued*

What started initially as an employee charitable payroll deduction plan has expanded into multiple tentpole programs including Stand Up To Cancer, EIF's major division that has transformed the way cancer research is conducted. At 75, EIF aims to grow its impact in arts education and workplace mentoring by developing programs that will help youth from all backgrounds cultivate and hone their creative skills, providing them with access to industry leaders who will foster and facilitate meaningful learning experiences.

The anniversary party included a salute to the Stand Up To Cancer (SU2C) Council of Founders and Advisors (CFA): Katie Couric, Sherry Lansing, Kathleen Lobb, Lisa Paulsen, Rusty Robertson, Sue Schwartz, Pamela Oas Williams, Ellen Ziffren, the late Noreen Fraser, and the late Laura Ziskin. 2018 marked ten years of supporting an innovative research model that has brought new, more effective treatments to cancer patients at an unparalleled pace. Members of the CFA, along with SU2C President & CEO Sung Poblete, Ph.D. R.N., were presented with the Samuel Goldwyn Legacy Award for their leadership.





SU2C Council of Founders and Advisors (CFA) recognized for 10 years of supporting innovative cancer research

John Goldwyn, Katie Couric, Lisa Paulsen, Rusty Robertson, Sue Schwartz, Ellen Ziffren, Sherry Lansing, Kathleen Loeb, Sung Poblete and Tony Goldwyn

75 Years *continued*

Over the past decade (at the time of the anniversary celebration), more than \$480 million had been pledged to SU2C, funding 71 team grants, including 22 signature SU2C Dream Teams as well as 46 individual Innovative Research Grants comprising more than 1200 scientists at over 140 institutions in seven countries. The work of SU2C brings real health benefits to cancer patients and has contributed to FDA approvals of five new cancer treatments in record-breaking time.

The celebration also featured a special announcement that EIF was adding Music for Relief, a global humanitarian assistance fund, to its philanthropic portfolio. Music for Relief was founded by the band Linkin Park in response to the 2004 Indian Ocean tsunami.



75 Years *continued*

Music for Relief was named the official crisis relief program of EIF and will continue to provide aid to survivors of natural disasters around the world. Since its inception, Music for Relief has responded to more than 30 natural disasters across four continents — including Hurricane Katrina, and the earthquakes in Haiti in 2010, in Japan in 2011, and in Nepal in 2015. Linkin Park band members Brad Delson and Rob Bourdon attended the party.

Guests enjoyed musical performances by Rozzi and Nuno Bettencourt and toasted to the continued impact of the Entertainment Industry Foundation.

“EIF could not have touched so many lives without the incredible support of the entertainment industry, media partners and countless donors. The organization is proud to serve as an industry resource and looks forward to 75 more years of supporting inspirational and impactful programs that enrich and transform our communities.”

Nicole Sexton, EIF President and CEO



Grantees

The following organizations received grants from the Entertainment Industry Foundation in 2018:

88.5FM Radio c/o California State University Northridge Foundation

Academy of Country Music (ACM) Lifting Lives

Agahozo-Shalom Youth Village

Alameda County Community Food Bank

Albert Einstein College

ALIVE!

Amador Tuolumne Community Resources

Amandla Community Education Development

American Association for Cancer Research (AACR)

American Cancer Society

American National Red Cross

Grantees *continued*

American Theatre Wing
Archer School for Girls
Arizona Brainfood
Aspen Cancer Conference
Baylor College of Medicine
Bean's Cafe, Inc.
Beckman Research Institute of City of Hope
Berkeley Preparatory School
Best Buddies California
Best Friends Animal Society
Big Brothers Big Sisters of Greater Los Angeles
Borderlands Food Bank
Boston University
Boys & Girls Club of Brockton

Boys & Girls Clubs of Broward County
Boys & Girls Clubs of Puerto Rico
Breast Cancer Research Foundation (BCRF)
Bring Change To Mind
Capital Area Food Bank of DC
Care and Share, Inc.
Cedars-Sinai Medical Center
Center for Cell and Gene Therapy
Center for Hunger-Free Communities
Center for Public Policy Priorities
Central Texas Food Bank
Charles Drew University of Medicine & Science
Chester County Food Bank

Grantees *continued*

Child360

Children's Health Fund

Children's Hospital of Philadelphia

Cincinnati Children's Hospital Medical Center

CoachArt

College Track

CollegeSpring

Columbia University

Communities In Schools of Benton-Franklin

Communities In Schools of Nevada

Community Food Bank of Southern Arizona

Community Food Bank, Inc.

Community Food Share

Community FoodBank of New Jersey - South

Community FoodBank of New Jersey - North

Connecticut Food Bank, Inc.

Dana-Farber Cancer Institute

Department of Social Responsibility of the
Diocese of Grahamstown (DSR)

Desert Mission

dlalanathi

DonorsChoose.org

Downtown Women's Center

Drama For Life - University of the
Witwatersrand Foundation

Duke University Medical Center

Grantees *continued*

Ecoexploratorio, Inc.

El Pasoans Fighting Hunger Food Bank

Ellen Degeneres Wildlife Fund

Emergency Food Network of Tacoma and Pierce County

End Hunger Connecticut!

Enterprize Events fbo Grupo Guayacan

Extra Bases, Inc.

FCancer

Feeding America

Feeding America Riverside and San Bernardino Counties

Feeding America Tampa Bay

Feeding San Diego

Feeding South Dakota

FIND Food Bank (Food In Need of Distribution, Inc)

Florida Impact, Inc.

Fondos Unidos de Puerto Rico

Food & Friends

Food Bank Coalition of San Luis Obispo County

Food Bank for Larimer County

Food Bank for Monterey County

Food Bank of Alaska

Food Bank of Contra Costa and Solano

Food Bank of Delaware

Food Bank of El Dorado County

Food Bank of Northern Nevada

Food Bank of Northwest Indiana, Inc.

Grantees *continued*

Food Bank of Northwest Louisiana
Food Bank of South Jersey
Food Bank of the Rockies
FOOD for Lane County
Food Research & Action Center (FRAC)
Food Research & Action Center (FRAC)
 dba D.C. Hunger Solutions
Food Research & Action Center (FRAC)
 dba Maryland Hunger Solutions
FOOD Share
FOOD, Inc. dba Community Food Bank
Foodbank of Santa Barbara County
Fred Hutchinson Cancer Research Center

Friends of Caritas Cubana
Fundacion Educativa Concepcion Martin
Fundacion Yo No Me Quito
Gilder Lehrman Institute of American History –
 Hamilton Education Program
Global Press Institute
GLSEN
Greater Baton Rouge Food Bank
Greater Chicago Food Depository
Greater Los Angeles Zoo Association (GLAZA)
Habitat for Humanity International
Hamilton Education Fund
Harvest Regional Food Bank

Grantees *continued*

Hawaii Appleseed Center for Law and
Economic Justice

Healing Emergency Aid Response Team
(HEART) 9/11

Hispanic Federation

HIV SA

Houston Food Bank

Hubrecht Institute

Humane Society of Ventura County

Hunger Free America

Hunger Free Heartland

Hunger Free Vermont

Hunger Solutions New York

Icahn School of Medicine at Mount Sinai

Idaho Foodbank Warehouse, Inc.

dba The Idaho Foodbank

Information, Referral & Assistance Services

Institute for Local Government

Instituto Para el Desarrollo Socioeconomico
y de Vivienda de PR (INDESIVI)

Interfaith Council of Amador

Interfaith Food Ministry of Nevada County

International Medical Corps

Island Health & Wellness Center

Jacobs & Cushman San Diego Food Bank

Jeffco Action Center

Grantees *continued*

Joan & Sanford I. Weill Medical College of
Cornell University

Johns Hopkins University

Jonsson Cancer Center Foundation/UCLA

just keep livin Foundation

KCRW Foundation

Kids in Distress, Inc.

Kids' Kitchen

Kitchen on the Street

Knight Puerto Rico Fund for Hurricane Relocation

L.A. Kitchen

Larkin Street Youth Services

Lazarex Cancer Foundation

Los Angeles Fire Department Foundation

Los Angeles Regional Food Bank

Love City Strong

Malibu Foundation for Youth and Families /

Boys & Girls Club of Malibu

Marc Lustgarten Pancreatic Cancer Foundation

Maryland Food Bank, Inc.

Massachusetts General Hospital

Massachusetts Institute of Technology (MIT)

Mayo Clinic

Memorial Sloan-Kettering Cancer Center

Midwest Food Bank, NFP

Minnie's Food Pantry

Grantees *continued*

Mission Measurement
MIT-Koch Institute for Integrative Cancer Research
Moffit Cancer Center
Montana Food Bank Network
Morgridge Institute for Research
Mountain Resource Center
Movember
MTV Staying Alive Foundation
Music for Relief
My Brothers Workshop
National Cancer Institute
National Center for Disaster Preparedness
National Council of Young Men's Christian Association

National Council of Young Men's Christian
Associations of the
United States of America - NorCal
National Council of Young Men's Christian
Associations of the
United States of America - Seattle
National Council of Young Men's Christian
Associations of the
United States of America - SoCal
Needs Foundation
Netherlands Cancer Institute
New Hampshire Catholic Charities
d/b/a New Hampshire Food Bank
New Hampshire Hunger Solutions

Grantees *continued*

New Mexico Appleseed

New York University

North Texas Food Bank

Northern Illinois Food Bank

Northern Virginia Family Service

Northwest Harvest

Northwest Harvest/EMM

Olive Crest

Overlake Service League DBA Bellevue LifeSpring

PACER Center

Parents Association Colfax Elementary

Partners For A Hunger-Free Oregon

Partnership for Children & Youth

Peaceful Solutions

Peer Health Exchange

Philabundance

Placer Food Bank

Preble Street

Princess Margaret Cancer Center

Programa De Educacion Comunal De
Entrega Y Servicio Inc (PECES)

Puerto Rico Youth at Risk
(Jovenes de Puerto Rico en Riesgo)

Redwood Empire Food Bank

Regional East Texas Food Bank

Resilient Power Puerto Rico

Grantees *continued*

Rhode Island Community Food Bank Association
River Bend Food Reservoir
Roadrunner Food Bank
SAG-AFTRA Foundation
Salesian Life Choices
Salud Integral en la Montaña
San Francisco Food Bank
Save the Children
Second Harvest Food Bank of
Greater New Orleans and Acadiana
Second Harvest Food Bank of Orange County, Inc.
Second Harvest Food Bank of San Joaquin &
Stanislaus County, Inc.

Second Harvest Food Bank of Santa Clara
and San Mateo Counties
Second Harvest Food Bank Santa Cruz County
Second Harvest Inland Northwest
Shakespeare Center Los Angeles
Share Our Strength-Cooking Matters Colorado
Share Our Strength-No Kid Hungry
Share Our Strength-No Kid Hungry Louisiana
Share Our Strength-No Kid Hungry Maryland
Share Our Strength-No Kid Hungry Montana
Share Our Strength-No Kid Hungry SoCal
Share Our Strength-No Kid Hungry Virginia

Grantees *continued*

Sidney Kimmel Comprehensive Cancer Center
at Johns Hopkins

Small Projects Foundation

Sociedad de Educacion y Rehabilitacion
(SER) de Puerto Rico

Society of St. Vincent de Paul-Arizona

St. Jude Children's Research Hospital

St. Mary's Food Bank Alliance

Stanford University

Star of the Sea Mission

StudyTrust

Sunshine Division

Tarrant Area Food Bank

Team Hope NOLA

Texas Hunger Initiative of Baylor University

The Bradley Charles Cooper Foundation

The Emergency Feeding Program of Seattle
and King County

The FoodBank of Monmouth and
Ocean Counties, Inc.

The Greater Boston Food Bank, Inc.

The Hospital for Sick Children

The Humane Society of the United States

The Rape Foundation

The Salvation Army National Capital Area Command

The Translational Genomics Research Institute

Grantees *continued*

Three Square

TJ Martell Foundation

United Food Bank

United Labor Agency of Nevada

United States Fund for UNICEF

United Way of King County

University Medical Center Utrecht

University of California Davis

University of California Los Angeles

University of California San Diego

University of California San Francisco

University of Michigan

University of Pennsylvania

University of Pittsburgh

University of Texas - MD Anderson Cancer Center

University of Texas Southwestern Medical Center

University of Utah/Huntsman Cancer Institute

University of Washington

Utah Food Bank

Utahns Against Hunger

V Foundation for Cancer Research

Van Andel Research Institute

Vanderbilt University

Venice Arts

Virginia Poverty Law Center

Wake Forest University

Grantees *continued*

Weill Cornell Medical College

Weld Food Bank

WhizzKids United - The Africaid Trust

WhyHunger

Wikimedia Foundation

Women Who Care Ministries

Worcester County Food Bank

WriteGirl

Wyoming Afterschool Alliance

Yale University

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

The Entertainment Industry Foundation

December 31, 2018

(with summarized financial information as of December 31, 2017)

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Report of Independent Certified Public Accountants

To the Board of Directors
The Entertainment Industry Foundation

We have audited the accompanying consolidated financial statements of The Entertainment Industry Foundation (the “Foundation”), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Entertainment Industry Foundation as of December 31, 2018, and the consolidated 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.

Other matters*Report on 2017 summarized information*

We have previously audited the foundation's 2017 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2018. In our opinion, the accompanying comparative summarized financial information as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Los Angeles, California
June 7, 2019

The Entertainment Industry Foundation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2018
(with summarized financial information as of December 31, 2017)

	2018	2017
ASSETS		
Cash and Cash Equivalents	\$ 84,211,438	\$ 65,628,894
Restricted Cash	90,931	90,780
Permanently Restricted Cash	2,586,621	-
Investments	3,580,578	3,547,316
Accounts Receivable	218,903	213,260
Contributions Receivable (Net)	17,034,475	25,761,857
Prepaid Expenses and Other Assets	700,191	543,830
Property and Equipment (Net)	609,870	680,481
TOTAL ASSETS	\$ 109,033,006	\$ 96,466,418
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 3,185,852	\$ 3,512,850
Grants Payable	34,217,889	20,714,423
TOTAL LIABILITIES	37,403,741	24,227,273
NET ASSETS:		
Without Donor Restrictions	1,513,368	915,592
With Donor Restrictions	70,115,897	71,323,553
TOTAL NET ASSETS	71,629,265	72,239,145
TOTAL LIABILITIES AND NET ASSETS	\$ 109,033,006	\$ 96,466,418

The accompanying notes are an integral part of these consolidated financial statements.

The Entertainment Industry Foundation

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year ended December 31, 2018
(with summarized financial information as of December 31, 2017)

	2018			
	Without Donor Restrictions	With Donor Restrictions	Total	2017 Total
REVENUE AND OTHER SUPPORT:				
Telethon	\$ -	\$ 131,327,545	\$ 131,327,545	\$ -
Less: Costs of Donor Benefits	(10,321,742)	-	(10,321,742)	14,897
Less: Donated Media	(75,616,749)	-	(75,616,749)	-
Less: Other In-Kind Contributions	-	-	-	-
NET TELETHON	(85,938,491)	131,327,545	45,389,054	14,897
Special Events Revenue	-	-	-	48,407,844
Less: Costs of Donor Benefits	-	-	-	(14,570,963)
Less: Donated Media	-	-	-	(24,081,281)
NET SPECIAL EVENTS	-	-	-	9,755,600
NET REVENUE AND OTHER SUPPORT	(85,938,491)	131,327,545	45,389,054	9,770,497
CONTRIBUTIONS:				
Rent Income from Sublease	122,636	723,130	845,766	-
In-Kind Contributions-Donated Media	-	335,301,656	335,301,656	238,051,644
Other In-Kind Contributions	-	2,492,915	2,492,915	770,025
Corporate and Foundation Contributions	100,160	25,772,485	25,872,645	50,910,997
Direct Contributions	96,080	12,435,861	12,531,941	6,688,774
Worksite Campaigns	84,167	-	84,167	98,856
TOTAL CONTRIBUTIONS	403,043	376,726,047	377,129,090	296,520,296
Investment Income (Net)	663,094	4,577	667,671	522,803
Release of Restrictions	1,307,486	(1,307,486)	-	-
Net Assets Released from Restrictions	507,958,349	(507,958,349)	-	-
TOTAL REVENUE AND OTHER SUPPORT	424,393,481	(1,207,666)	423,185,815	306,813,595
EXPENSES:				
Program Services:				
Grant Program	65,738,652	-	65,738,652	50,858,616
Public Awareness and Education	346,401,289	-	346,401,289	237,852,332
TOTAL PROGRAM SERVICES	412,139,941	-	412,139,941	288,710,948
Supporting Services:				
Management and General	6,266,530	-	6,266,530	5,957,304
Fundraising	5,389,223	-	5,389,223	14,410,375
TOTAL SUPPORTING SERVICES	11,655,753	-	11,655,753	20,367,679
TOTAL EXPENSES	423,795,694	-	423,795,694	309,078,627
CHANGE IN NET ASSETS	597,787	(1,207,666)	(609,879)	(2,265,031)
NET ASSETS AT BEGINNING OF YEAR	915,581	71,323,563	72,239,144	74,504,177
NET ASSETS AT END OF YEAR	\$ 1,513,368	\$ 70,115,897	\$ 71,629,265	\$ 72,239,145

The accompanying notes are an integral part of these consolidated financial statements.

The Entertainment Industry Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year ended December 31, 2018
(with summarized financial information as of December 31, 2017)

	Program Services			Supporting Services			Total Expenses	
	Grants Program	Public Awareness and Education	Total	Management and General	Fundraising	Total	2018	2017
In Kind: Donated Media	\$ -	\$ 335,301,656	\$ 335,301,656	\$ -	\$ -	\$ -	\$ 335,301,656	\$ 238,051,644
Grants to Charities	63,582,546	-	63,582,546	-	-	-	63,582,546	50,192,229
Professional Services	224,868	2,582,591	2,807,459	1,749,007	3,978,042	5,727,049	8,534,508	7,888,767
Salaries and Payroll Related Expenses	215,644	4,819,651	5,035,294	1,937,390	1,064,614	3,002,004	8,037,299	7,280,682
In Kind: Donated Travel	1,500,000	984,510	2,484,510	8,405	-	8,405	2,492,915	770,025
Occupancy Cost	-	71,138	71,138	1,792,655	10,163	1,802,818	1,873,956	1,492,130
Subscriptions and Permits	24,064	887,907	911,972	157,853	6,633	164,486	1,076,457	757,825
Public Relations and Publicity	24,000	912,324	936,324	23,743	6,255	29,998	966,322	891,205
Travel and Meetings	34,441	501,147	535,587	38,522	56,311	94,833	630,420	534,481
Office Supplies and Printing	108,680	119,551	228,230	122,950	93,402	216,351	444,581	419,667
Insurance	1,912	-	1,912	171,194	-	171,194	173,106	162,990
Advertising	-	137,759	137,759	250	7,850	8,100	145,859	7,018
Depreciation	-	-	-	117,137	-	117,137	117,137	97,054
Equipment Rental	8,276	16,312	24,588	47,669	20,819	68,488	93,076	42,977
Bank and Merchant Fees	25	200	225	2,717	87,367	90,084	90,308	108,384
Electronic Media Production	9,815	37,170	46,985	11,716	5,150	16,866	63,851	154,903
Telephone and Internet	34	3,323	3,357	57,803	525	58,329	61,685	128,948
Miscellaneous	-	-	-	-	40,533	40,533	40,533	58,765
Postage	110	14,596	14,706	10,861	11,560	22,420	37,126	32,940
Event Space Rental	4,238	10,851	15,088	10,841	-	10,841	25,929	(2,310)
Repairs and Maintenance	-	604	604	5,819	-	5,819	6,423	8,303
TOTAL 2018								
FUNCTIONAL EXPENSES	<u>\$ 65,738,652</u>	<u>\$ 346,401,289</u>	<u>\$ 412,139,941</u>	<u>\$ 6,266,530</u>	<u>\$ 5,389,223</u>	<u>\$ 11,655,753</u>	<u>\$ 423,795,694</u>	
	16%	82%	97%	1%	1%	3%	100%	
TOTAL 2017								
FUNCTIONAL EXPENSES	<u>\$ 50,858,616</u>	<u>\$ 237,852,332</u>	<u>\$ 288,710,948</u>	<u>\$ 5,957,304</u>	<u>\$ 14,410,375</u>	<u>\$ 20,367,679</u>		<u>\$ 309,078,627</u>
	16%	77%	93%	2%	5%	7%		100%

The accompanying notes are an integral part of these consolidated financial statements.

The Entertainment Industry Foundation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended December 31, 2018
(with summarized financial information as of December 31, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (609,879)	\$ (2,265,031)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	132,665	105,679
Realized and Unrealized Gain in Investments	58,245	(287,460)
Realized and Unrealized Loss in PP&E	-	128,582
(Increase) Decrease in:		
Accounts Receivable	(5,644)	1,080,504
Contributions Receivable (net)	8,727,382	(1,173,459)
Prepaid Expenses and Other Assets	(156,360)	(23,567)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(326,999)	(71,987)
Grants Payable	13,503,466	7,664,195
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,322,876	5,157,455
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	-	-
Proceeds from the Sale of Investments	-	3,519,651
Reinvested Interest and Dividends	(91,507)	(123,290)
Purchase of Property and Equipment	(62,053)	(368,209)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(153,560)	3,028,151
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,169,316	8,185,605
Cash and Cash Equivalents - Beginning of Year	65,719,674	57,534,069
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 86,888,990	\$ 65,719,674

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

(with summarized financial information as of December 31, 2017)

NOTE 1 – ORGANIZATION

Created in 1942 by Hollywood legend Samuel Goldwyn with friends Humphrey Bogart, James Cagney, and the Warner brothers, The Entertainment Industry Foundation (formerly Permanent Charities Committee) was established on the belief that the entertainment industry was in a unique position to truly help others. Their vision was to unify Hollywood's generous giving in order to maximize the amount of charitable dollars raised annually, and guarantee that worthy charities receive these contributions.

Throughout its history, The Entertainment Industry Foundation (the "Foundation") has focused on some of the most pressing needs of our time: from the first grants directed to wartime agencies like the United States Organizations and American Red Cross, to providing funding and creating awareness to help eradicate childhood polio. Today, the Foundation is a multifaceted organization that occupies a unique place in the world of philanthropy. Through mobilizing and leveraging the powerful voice and creative talents of the entertainment industry, as well as cultivating the support of organizations (public and private) and philanthropists committed to social responsibility, the Foundation seeks to build awareness, raise funds, and to develop and enhance programs on the local, national and global level that will have a positive impact and generate social change.

The Foundation focuses on four critical areas: health, education, the environment, and poverty/hunger. The Foundation creates high-profile programs and events that address these major social issues by informing, inspiring and raising significant funds for sustainable initiatives that can stimulate innovations and transform lives. The Foundation also responds to urgent needs resulting from natural or manmade disasters.

The Foundation's initiatives include:

- **Stand Up to Cancer (Translational Cancer Research):** The Foundation's Stand Up to Cancer initiative raises funds for accelerated, collaborative cancer research, largely through a biennial televised event carried by more than 20 major networks and cable outlets. Stand Up To Cancer funds over 500 scientists at more than 100 major research institutions who collaborate to develop new and promising cancer treatment for patients at a faster pace.
- **National Colorectal Cancer Research Alliance (Colon Cancer):** Following the launch of a high-profile public awareness effort spearheaded by journalist Kathie Couric, experts noted an increase in colonoscopy screenings, which they dubbed "The Couric Effect." This campaign was part of the work of the Foundation's National Colorectal Cancer Research Alliance ("NCCRA"). Started in 2000, the NCCRA seeks the eradication of colon cancer by raising funds to support cutting-edge science and promoting the life-saving value of screening. For eight years, the Foundation's NCCRA and the Center for Disease Control ("CDC") have jointly conducted a campaign to educate Americans about colorectal cancer screening. The CDC cites the campaign as the most successful it has ever undertaken – for any disease – to educate the public about screening. Experts view both of these above-mentioned programs as significant contributors to a reduction in the colon cancer death rate.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 1 – ORGANIZATION – Continued

- Think It Up is a program created in 2015 to bring broad cultural attention to the urgency of improving the learning experience in America. This seeks to reframe the public discussion about education, create a culture of excitement about learning everywhere in America and build a sense of optimism about the potential of education in classrooms across the country. Think It Up invites public middle and high school students to work with their teachers to develop projects that draw on their passions and help pursue their educational goals. The student-powered, teacher-led projects are crowdfunded by citizen donors. The projects entail rigorous skill development that prepares American youth for post-high school life, helping pave the way for career success, regardless of the path.
- Hunger Is Program (Childhood Hunger) - The Entertainment Industry Foundation, along with Academy Award nominated actress Viola Davis and The Albertsons Companies Foundation, created the “Hunger Is” Program, a joint charitable program designed to raise awareness and funds to fight childhood hunger in the United States. Funds raised through the initiative go toward programs focused on eradicating childhood hunger and improving health-related outcomes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of The Entertainment Industry Foundation and its wholly-owned subsidiary, Stand Up to Cancer Music, LLC (collectively, the Foundation). There were no intercompany transactions during the year ended December 31, 2018.

Basis of Presentation

The consolidated financial statements of the Foundation have been prepared utilizing the accrual basis of accounting.

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset categories that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset categories as follows:

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounting - Continued

- Net Assets Without Donor Restrictions. These generally result from revenues from providing services, producing and delivering goods, receiving unrestricted contributions, and receiving dividends or interest from investing in income-producing assets, less expenses incurred in providing services, producing and delivering goods, raising contributions, and performing administrative functions.
- Net Assets With Donor Restrictions (subject to expenditure for specific purpose or the passage of time). The Foundation reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit their use (either purpose or time restricted). When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. The Foundation has \$64,367,228 of temporarily restricted net assets at December 31, 2018.
- Net Assets With Donor Restrictions (subject to restriction in perpetuity). These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit the Foundation to expend all of the income (or other economic benefits) derived from the donated assets. The Foundation has \$5,748,668 of permanently restricted net assets at December 31, 2018.

Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at December 31, 2018 approximates its fair value.

The Foundation maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may 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.

Investments

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments - Continued

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulations or by law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Accounts Receivable

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents the estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, types of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivables balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. All accounts receivable are considered fully collectable within one year; therefore, no allowance for doubtful accounts has been provided for at December 31, 2018.

Contributions Receivable

Contributions, including unconditional promises to give, are recognized as support when received at fair value.

Unconditional promises to give which are expected to be collected or paid in future years are discounted at the appropriate rate commensurate with the risks involved. Unconditional promises to give are recorded at present value using a discount rate determined by the three year Treasury rate as of December 31 of the year in which the promise was made. Amortization of the discount on contributions received is recorded as additional contribution revenue. The discount rate ranges between 1.1% and 3.01%.

Conditional promises to give that are contingent upon future events or future matching are not recorded until the conditions have been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the condition is satisfied. When the condition has been satisfied, the gift is recognized as either revenue without donor restrictions or revenue with donor restrictions depending on the intent of the donor. At December 31, 2018 and 2017, there was \$62,128,000 and \$94,407,000 in conditional promises to give.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions Receivable - Continued

Special event contributions are generally reported as increases in net assets without donor restrictions. However, if the circumstances surrounding the receipt of such contributions make clear the respective donor's implicit restriction on use, such amounts are classified as increases in net assets with donor restrictions.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year. The estimated useful lives are as follows:

Office furniture and equipment	3 - 5 years
Leasehold improvements	5 - 10 years

Long-lived Assets

The Foundation evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No such impairment losses have been recognized during the year ended December 31, 2017.

Deferred Rent

The Foundation recognizes escalating rent provisions on a straight-line basis over the term of the lease. Deferred rent totaled \$993,478 and \$965,648 as of December 31, 2018 and 2017, respectively.

Deferred Revenue

Fees and sponsorship revenues for events, which are paid in advance, are deferred and recognized as income in the period in which the related events are held. Deferred rent revenue totaled \$241,771 and \$0 as of December 31, 2018 and 2017, respectively.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Grants to Charities

Unconditional grants are recorded against operations when authorized by the Foundation's Board of Directors and notification to the grantee. The actual payment of the grant may not necessarily occur in the year of authorization. Cancellations of grants occur when the grantees do not meet the terms under which the grants were awarded. In those instances the cancellation is recorded as an increase against operations. All grants to charities at December 31, 2018 are expected to be paid within one year.

The Foundation also has \$77,793,270 in research-related contractual grant commitments outstanding. Over 98% of this amount is contingent upon a detail review done twice a year of research team performance, outcomes, and financial spends. The remaining contingent grant amounts involve other assessment and evaluation processes.

Concentration of Credit Risk

The Foundation places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Foundation has not incurred losses related to these investments.

Contributed Goods and Services

Contributions of donated noncash 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 provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Income Taxes

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

The Foundation follows authoritative guidance which requires the Foundation to evaluate its tax position for any uncertainties based on the technical merits of the position taken. The Foundation recognizes the tax benefit from an uncertain tax position only if it is more than likely than not that the tax position will be upheld upon examination by taxing authorities. As of December 31, 2018, the Foundation does not believe it has any uncertain tax positions. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. The Foundation believes it is not subject to U.S. federal, state or local, or non-U.S. income tax examinations by tax authorities for years prior to fiscal year 2014. However, the Foundation is still open to examination by taxing authorities from fiscal year 2014 forward. No interest or penalties have been recorded in the consolidated financial statements related to any uncertain tax positions.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Advertising

The Foundation expenses advertising costs as incurred. For the year ended December 31, 2018, advertising expense totaled \$145,859.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into operational groupings. All costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Totals

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended December 31, 2017 from which the summarized information was derived.

New Accounting Standards

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Under the new guidance, investments measured at net asset value ("NAV"), as a practical expedient for fair value, are excluded from the fair value hierarchy. Removing investments measured using the practical expedient from the fair value hierarchy is intended to eliminate the diversity in practice that currently exists with respect to the categorization of these investments. The only criterion for categorizing investments in fair value hierarchy will be the observability of the inputs.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-profit Entities*, which intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment return, and cash flows. The guidance also requires presentation of expenses by both their natural and functional classification in a single location in the financial statements. Early adoption is permitted.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Standards – Continued

During 2018, the Foundation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity’s liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is place in service; recognition of underwater endowment funds as a reduction in net assets with donor restrictions; and reporting investment income net of external and direct internal investment expenses. The guidance also enhances disclosures for board designated amounts, compositions of net assets with donor restrictions and how the restrictions affect the use of resources, qualitative and quantitative information about the liquidity and availability of financial assets to meet general expenditures within one year of the balance sheet date, and expenses by both their natural and functional classification, including methods used to allocate costs among program and support functions and underwater endowments.

Net assets have been reclassified for 2017 due to the adoption of ASU 2016-14 as follows:

ASU 2016-14 Classifications

Net Asset Classification 12/31/2017	Without Donor Restriction Undesignated/ Board Designated	With Donor Restriction Special Projects/ Endowment	Total Net Assets
Unrestricted	\$915,592	\$ -	\$ 915,592
Temporarily Restricted	-	71,323,553	71,323,553
Permanently Restricted	-	-	-
As previously presented	<u>\$915,592</u>	<u>\$71,323,553</u>	<u>\$72,239,145</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Subsequent Events

The Foundation has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of December 31, 2018 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through June 7, 2019 the date these consolidated financial statements were available to be issued. The following new major donor agreements were executed subsequent to December 31, 2018,

- On March 1, 2019, Entertainment Industry Foundation signed a surrender lease termination agreement releasing its responsibility for its old New York office space.
- On April 2, 2019, a \$10.0 million conditional grant agreement extension was executed to fund a Stand Up To Cancer.
- On May 28, 2019, a \$12.0 million donor agreement extension in cash and gifts in kind from a major airline was executed to fund Stand Up To Cancer.

No such material events or transactions were noted to have occurred, except as noted above..

NOTE 3 – INVESTMENTS

The Foundation implemented the accounting standard that defines fair value for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

FASB authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. The guidance enables the reader of financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair value. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed on one of the following three categories:

- Level 1 – Observable inputs such as quoted market prices in active markets. Classification currently include cash and investments in funds that are priced daily and trade over an active exchange, such as the New York Stock Exchange.
- Level 2 – Inputs other than quoted prices in active markets, which are observable either directly or indirectly.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 3 – INVESTMENTS – Continued

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. Classifications currently include commingled funds that do not have daily pricing on an active exchange but where a substantial portion of a fund’s fair value could be determined based on quoted market process of underlying investments held by the fund and the estimated fair value of certain investments of the underlying investment partnership, which may include private placements and other securities for which prices are not readily available, and are determined by the general partner or sponsor of the respective other investment partnership and may not reflect amounts that could be relegalized upon immediate sale, nor amounts that ultimately may be realized.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and often take the form of limited partnerships.

The following tables present information about the Foundation’s assets that are measured at fair value on a recurring basis at December 31, 2018 and December 31, 2017, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash Equivalents	\$ 181,705	\$ 181,705	\$ -	\$ -
Domestic Common and Foreign Stock	-	-	-	-
Corporate Bonds	1,192,695	1,192,695	-	-
Corporate CMOS	346,880	346,880	-	-
Mortgage Backed Government Issues	76,421	76,421	-	-
Fixed Income-U.S. Agencies	812,342	812,342	-	-
Foreign Bonds	516,608	516,608	-	-
Municipal Bonds	65,090	65,090	-	-
Government Bonds	388,837	388,837	-	-
Government REMICS/CMOS	-	-	-	-
Floating and Adj. Rate Notes	-	-	-	-
Asset-Backed Corporate Issues	-	-	-	-
Partnership Interests	-	-	-	-
Total Investments	<u>\$ 3,580,578</u>	<u>\$ 3,580,578</u>	<u>\$ -</u>	<u>\$ -</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 3 – INVESTMENTS – Continued

	December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash Equivalents	\$ 8,338	\$ 8,338	\$ -	\$ -
Domestic Common and Foreign Stock	-	-	-	-
Corporate Bonds	1,320,663	1,320,663	-	-
Corporate CMOS	452,339	452,339	-	-
Mortgage Backed Government Issues	87,557	87,557	-	-
Fixed Income-U.S. Agencies	397,135	397,135	-	-
Foreign Bonds	413,040	413,040	-	-
Municipal Bonds	65,768	65,768	-	-
Government Bonds	802,476	802,476	-	-
Government REMICS/CMOS	-	-	-	-
Floating and Adj. Rate Notes	-	-	-	-
Asset-Backed Corporate Issues	-	-	-	-
Partnership Interests	-	-	-	-
Total Investments	<u>\$ 3,547,316</u>	<u>\$ 3,547,316</u>	<u>\$ -</u>	<u>\$ -</u>

The fair values of marketable securities within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair values of asset-backed corporate issues within Level 2 inputs were based on pricing models whose inputs were derived principally from observable market data through correlation or other means of substantially the full term of the asset or liability.

There were no transfers between Level 1, 2 and 3 investments for the year ended December 31, 2018.

Net investment income for the year ended December 31, 2018 consist of the following:

	2018	2017
Interests and dividends	\$ 91,507	\$ 123,290
Realized and unrealized gain	(40,652)	322,132
Investment fees	(17,593)	(34,672)
Investment income	<u>\$ 33,262</u>	<u>\$ 410,750</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, are expected to be collected as follows:

	2018	2017
Less than one year	\$ 15,057,351	\$ 26,004,915
One to five years	2,100,000	-
Five to ten years	600,000	-
Gross contributions receivable	17,757,351	26,004,915
Less: Present value discount	(722,876)	(243,058)
Contributions receivable (Net)	\$ 17,034,475	\$ 25,761,857

NOTE 5 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundations financial assets available to meet cash needs for general expenditures within one year of of December 31, 2018, reduced by amounts unavailable for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year and board designated funds. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2018:

Cash and Cash Equivalents - unrestricted	\$ 84,711,437
Contributions and Accounts Receivable	15,057,351
Investments	3,580,578
Financial assets, at December 31, 2018:	<u>\$ 103,349,366</u>

Less those unavailable for general expenditure within one year, due to:

Financial Assets held for others (Fiscal Sponsorships)	(8,529,564)
Cash and Cash Equivalents Board Designated Stand Up To Cancer	(5,118,156)
Contributions Receivable on behalf of Endowment	(3,162,046)
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 86,539,600</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31,:

	2018	2017
Office furniture and equipment	\$ 996,588	\$ 905,952
Leasehold improvements	483,151	511,734
Total	1,479,739	1,417,686
Less: Accumulated depreciation	(869,870)	(737,205)
Property and equipment (Net)	<u>\$ 609,870</u>	<u>\$ 680,481</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$132,665 and \$105,679 respectively.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at December 31,:

	2018	2017
Accounts payable	\$ 1,267,085	\$ 1,804,935
Accrued payroll and other payroll withholdings	232,699	230,855
Accrued vacation	450,819	342,997
Lease Security Deposit	241,771	168,415
Deferred rent	993,478	965,648
Total accounts payable and accrued liabilities	<u>\$ 3,185,852</u>	<u>\$ 3,512,850</u>

NOTE 8 – GRANTS PAYABLE

Grants authorized but unpaid at year end are measured at fair value and reported as liabilities. The following is summary of grants authorized and payable at December 31,:

Grants Payable Balance as of December 31, 2018 (To be paid in 2019)	\$ 34,217,889
Grants Payable Balance as of December 31, 2017 (Paid in 2018)	\$ 20,714,423

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 9 – CONTRIBUTED GOODS AND SERVICES

The Foundation conducts Public Awareness and Education campaigns that provide information and education regarding the various initiatives adopted by the Foundation. Information and education are primarily provided by public service announcements (“PSAs”). The PSAs are disseminated in the form of broadcast, print, online and out-of-home advertisements. These products are donated by major television networks and magazine publications.

The public service announcements were comprised of the following:

	2018	2017
Broadcast Airtime	\$ 367,069,951	\$ 226,925,585
Print Ad Publications	32,851,872	26,219,963
Out-of-Home	9,241,815	7,496,804
Digital	1,754,767	1,490,573
Total Public Awareness and Education	<u>\$ 410,918,405</u>	<u>\$ 262,132,925</u>

For the years ended December 31, 2018 and 2017, the Foundation also received \$1,500,000 and \$0 in cancer research credit allowances, respectively.

For the years ended December 31, 2018 and 2017, the Foundation also received \$984,510 and \$770,025 in donated airline travel, respectively.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Lease Revenue

The Foundation subleased one of its office facilities in February 2017 expiring in March 2024. Rent payments to begin in January 2018 according to the following schedule:

Years ending December 31,	
2019	\$ 872,468
2020	898,504
2021	924,548
2022	953,196
2023	981,844
Thereafter	<u>249,906</u>
Total	<u>\$ 4,880,466</u>

Operating Lease Expense

The Foundation leases office facilities under several operating leases, with various terms expiring through April 2024. Total rental expense charged to operations under these leases during the years ended December 31, 2018 and 2017 was \$1,895,957 and \$1,446,250, respectively.

Operating Leases (continued)

Lease commitments are as follows:

Years ending December 31,	
2019	\$ 1,869,500
2020	1,930,662
2021	1,770,744
2022	1,814,828
2023	1,702,895
Thereafter	<u>498,877</u>
Total	<u>\$ 9,587,506</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 10 – COMMITMENTS AND CONTINGENCIES – Continued

Litigation

In the ordinary course of doing business, the Foundation becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Foundation which, from time to time, may have an impact on net income or financial position. The Foundation does not believe that these proceedings, individually or in the aggregate, are material to its operations or financial condition.

NOTE 11 - NET ASSETS

Net Assets Without Donor Restrictions at December 31:

	2018	2017
Undesignated	\$ (3,604,788)	\$ (4,565,064)
Board Designated for Stand Up to Cancer^	5,118,156	5,480,656
	<u>\$ 1,513,368</u>	<u>\$ 915,592</u>

Net Assets Without Donor Restrictions (Previously Board Designated Net Assets). These are comprised of resources that the Foundation has established as being designated for the Stand Up to Cancer initiative. For purposes of complying with net asset accounting, this fund is included in unrestricted net assets at December 31, 2018 and 2017 with a balance of \$5,118,156 and \$5,480,656, respectively.

Net Assets With Donor Restrictions at December 31, are available for the following purposes:

	2018	2017
Subject to Expenditures for Specified Purposes:		
Stand Up to Cancer	\$ 54,000,030	\$ 61,538,377
Other donor purpose restrictions	8,373,467	5,877,780
National Colorectal Cancer Research Alliance	156,097	231,611
Childhood Hunger	20,905	2,433,247
Education Initiatives (TIU & XQ)	1,816,730	1,242,538
	64,367,229	71,323,553
Subject to Entertainment Industry Foundation Spending Policy and Appropriations:		
Investment in perpetuity, which, once appropriated, is expendable to support:		
SU2C Legacy Circle Fund in support of Stand Up To Cancer	5,748,668	-
Total Net Assets With Donor Restrictions:	<u>\$ 70,115,897</u>	<u>\$ 71,323,553</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 12 – ENDOWMENT DISCLOSURES

California enacted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) effective January 1, 2009. The Foundation is required to provide information about net assets which are defined as endowment. Classifications include endowment which is restricted in perpetuity by donors (with donor restricted net assets) and endowment which has been board designated. The changes in endowment net assets for the years ended December 31, 2018 were as follows:

	December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment:			
Original Gift Amount	\$ -	\$ 5,734,725	\$ 5,734,725
Accumulated Earnings	-	13,943	13,943
Board Designated Endowment	-	-	-
Total as of December 31, 2018:	<u>\$ -</u>	<u>\$ 5,748,668</u>	<u>\$ 5,748,668</u>

No endowment funds were held in 2017.

NOTE 13 – ALLOCATION OF JOINT COSTS

The Foundation conducted public service announcements that included requests for contributions as well as program components. The costs of conducting these activities as of December 31, 2018 and 2017 was \$335,301,656 and \$238,051,644 respectively.

The joint costs were allocated as follows:

	2018	2017
Public awareness and education	\$ 335,301,656	\$ 228,363,678
Fundraising	-	9,687,966
Management and general	-	-
Total joint costs	<u>\$ 335,301,656</u>	<u>\$ 238,051,644</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2018
(with summarized totals at December 31, 2017)

NOTE 14 – EMPLOYEE BENEFIT PLANS

Multiemployer Pension Plan

The Foundation contributes to the Motion Picture Industry Pension Plan, a multiemployer defined benefit pension plan, under the terms of its non-affiliated agreement covering Foundation employees. Contributions to this plan are based on employee hours worked and are paid by the Foundation. The risks of participating in multiemployer plans are different from single-employer plans in the following respects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the employer chooses to stop participating in its multiemployer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Foundation's participation in this plan for the year ended December 31, 2018 is outlined below. The information included in this table is as follows:

EIN	95-1810805
Plan number:	01
Pension Protection Act of 2006 zone status	At December 31, 2018, the plan was certified as not in endangered, or critical & declining status.
Contributions to plan	\$325,107
Plan's contributions >5% of total contributions	No
Financial improvement or rehabilitation plan pending or implemented	No
Surcharged imposed?	No

Pension Plan

The Foundation sponsors a 403(b) Plan for its employees. Benefits under the plan are provided through a group annuity contract. Employees elect to contribute to the plan and employer contributions are discretionary. There were no employer contributions for the year ended December 31, 2018.

The Foundation sponsors a 457(b) Plan. The Plan is available to senior executive management employees to make additional contributions up to IRS designated annual limits. The Foundation does not make employer contributions to this plan.