

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

The Entertainment Industry Foundation

December 31, 2024

(with summarized financial information as of December 31, 2023)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
The Entertainment Industry Foundation

Opinion

We have audited the consolidated financial statements of The Entertainment Industry Foundation (the "Foundation") and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024, 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.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the

consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on 2023 summarized information

We have previously audited the Foundation's 2023 consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 31, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Los Angeles, California
September 19, 2025

The Entertainment Industry Foundation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024
(with summarized financial information as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 32,381,153	\$ 44,760,715
Restricted Cash	-	92,492
Investments	41,226,154	39,860,517
Accounts Receivable	100,957	204,990
Contributions Receivable (Net)	7,388,117	7,617,222
Prepaid Expenses and Other Assets	693,228	447,510
Property and Equipment (Net)	16,691	81,519
Operating Right-of-Use-Asset (Net)	<u>2,762,138</u>	<u>235,500</u>
TOTAL ASSETS	<u>\$ 84,568,438</u>	<u>\$ 93,300,465</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 2,781,036	\$ 3,380,915
Grants Payable	6,043,572	3,093,343
Operating Lease Liability	<u>2,762,138</u>	<u>487,825</u>
TOTAL LIABILITIES	11,586,746	6,962,083
NET ASSETS:		
Without Donor Restrictions	175,618	642,316
With Donor Restrictions	<u>72,806,074</u>	<u>85,696,066</u>
TOTAL NET ASSETS	<u>72,981,692</u>	<u>86,338,382</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 84,568,438</u>	<u>\$ 93,300,465</u>

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, 2024
(with summarized financial information as of December 31, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
REVENUE AND OTHER SUPPORT:				
Special Events Revenue	\$ -	\$ -	\$ -	\$ 117,341,244
Less: Costs of Donor Benefits	-	-	-	(3,547,136)
Less: Donated Media	-	-	-	(92,043,957)
TOTAL SPECIAL EVENTS (NET)	-	-	-	21,750,151
CONTRIBUTIONS:				
In-Kind Contributions-Donated Media	-	245,300,923	245,300,923	219,644,252
Other In-Kind Contributions	-	779,368	779,368	1,418,842
Corporate and Foundation Contributions	228,217	45,682,935	45,911,152	47,036,328
Direct Contributions	46,710	25,249,538	25,296,248	30,519,444
Worksite Campaigns	12,623	-	12,623	37,076
TOTAL CONTRIBUTIONS	287,550	317,012,764	317,300,314	298,655,942
Investment Income (Net)	1,517,432	464,138	1,981,570	2,912,748
Program Service Revenue	181,110	110,400	291,510	822,609
Rent Income from Sublease	236,999	-	236,999	916,301
Release of Restrictions	329,767,336	(329,767,336)	-	-
TOTAL REVENUE AND OTHER SUPPORT	331,990,427	(12,180,034)	319,810,393	325,057,751
EXPENSES:				
Program Services:				
Grant Program	56,458,858	-	56,458,858	73,910,049
Public Awareness and Education	241,299,067	-	241,299,067	215,861,305
TOTAL PROGRAM SERVICES	297,757,925	-	297,757,925	289,771,354
Supporting Services:				
Management and General	7,588,323	-	7,588,323	8,425,343
Fundraising	27,110,877	-	27,110,877	28,179,924
TOTAL SUPPORTING SERVICES	34,699,200	-	34,699,200	36,605,267
TOTAL EXPENSES	332,457,125	-	332,457,125	326,376,621
OTHER CHANGE IN NET ASSETS				
NET ASSETS TRANSFERRED OUT	-	(709,958)	(709,958)	(340,505)
CHANGE IN NET ASSETS	(466,698)	(12,889,992)	(13,356,690)	(1,659,375)
NET ASSETS AT BEGINNING OF YEAR	642,316	85,696,066	86,338,382	87,997,757
NET ASSETS AT END OF YEAR	\$ 175,618	\$ 72,806,074	\$ 72,981,692	\$ 86,338,382

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, 2024
(with summarized financial information as of December 31, 2023)

	Program Services			Supporting Services			Total Expenses	
	Grants Program	Public Awareness and Education	Total	Management and General	Fundraising	Total	2024	2023
In Kind: Donated Media	\$ -	\$ 224,684,122	\$ 224,684,122	\$ -	\$ 20,616,801	\$ 20,616,801	\$ 245,300,923	\$ 219,644,252
Grants to Charities	53,771,806	-	53,771,806	-	-	-	53,771,806	70,518,180
Salaries & Payroll Related Expenses	749,843	7,427,045	8,176,888	4,148,426	2,060,194	6,208,620	14,385,508	13,612,018
Professional Services	1,604,367	5,030,202	6,634,569	1,235,706	3,689,168	4,924,874	11,559,442	12,569,921
Travel & Meetings	166,212	913,080	1,079,292	73,399	65,059	138,458	1,217,750	1,243,624
Public Relations & Publicity	-	1,136,575	1,136,575	-	14,312	14,312	1,150,887	1,274,415
Subscriptions & Permits	109,990	241,388	351,378	653,987	10,501	664,488	1,015,866	1,128,613
Occupancy Cost	-	32,598	32,598	867,135	-	867,135	899,733	1,935,724
In Kind: Travel	-	779,368	779,368	-	-	-	779,368	1,418,842
Bank & Merchant Fees	-	-	-	5,775	520,367	526,142	526,142	436,200
Office Supplies & Printing	31,942	249,286	281,228	122,685	41,536	164,221	445,449	731,592
Electronic Media Production	6,366	397,358	403,724	4,259	-	4,259	407,983	408,466
Insurance	-	1,214	1,214	283,193	-	283,193	284,407	311,730
Special Event Space Rental	12,864	252,147	265,011	-	-	-	265,011	134,248
Equipment Rental	2,790	95,030	97,820	67,461	-	67,461	165,281	162,637
Postage	1,997	53,720	55,717	13,692	12,939	26,631	82,348	52,698
Depreciation	-	-	-	64,828	-	64,828	64,828	121,986
Telephone & Internet	681	1,624	2,305	43,325	-	43,325	45,630	44,813
Advertising	-	4,310	4,310	91	-	91	4,401	1,365
Repairs & Maintenance	-	-	-	4,361	-	4,361	4,361	297
Miscellaneous	-	-	-	-	80,000	80,000	80,000	625,000
TOTAL 2024								
FUNCTIONAL EXPENSES	<u>\$ 56,458,858</u>	<u>\$ 241,299,067</u>	<u>\$ 297,757,925</u>	<u>\$ 7,588,323</u>	<u>\$ 27,110,877</u>	<u>\$ 34,699,200</u>	<u>\$ 332,457,125</u>	
	17%	73%	90%	2%	8%	10%	100%	
TOTAL 2023								
FUNCTIONAL EXPENSES	<u>\$ 73,910,049</u>	<u>\$ 215,861,305</u>	<u>\$ 289,771,354</u>	<u>\$ 8,425,343</u>	<u>\$ 28,179,924</u>	<u>\$ 36,605,267</u>		<u>\$ 326,376,621</u>
	23%	66%	89%	2%	9%	11%		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, 2024
(with summarized financial information as of December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (13,356,690)	\$ (1,659,375)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used In) Operating Activities:		
Depreciation and Amortization	64,828	126,115
Allowance for Credit Losses	(545,000)	625,000
Realized and Unrealized (Gain) Loss in Investments	(845,393)	(1,658,914)
(Increase) Decrease in:		
Accounts Receivable	104,033	(65,378)
Contributions Receivable (net)	774,105	721,612
Prepaid Expenses and Other Assets	(245,718)	16,699
Operating Right-of-Use-Asset	647,483	1,890,806
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(599,879)	(68,072)
Grants Payable	2,950,229	(865,364)
Operating Lease Liability	(899,808)	(1,890,805)
NET CASH (USED IN) OPERATING ACTIVITIES	(11,951,810)	(2,827,676)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the Sale of Investments	613,582	-
Purchase of Investments	-	(13,541,467)
Reinvested Interest and Dividends	(1,133,826)	(1,252,689)
NET CASH (USED IN) INVESTING ACTIVITIES	(520,244)	(14,794,156)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,472,054)	(17,621,832)
Cash and Cash Equivalents - Beginning of Year	44,853,207	62,475,039
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 32,381,153	\$ 44,853,207
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:		
	December 31,	
Consolidated Statement of Financial Position	2024	2023
Cash and Cash Equivalents	\$ 32,381,153	\$ 44,760,715
Restricted Cash	-	92,492
Consolidated Statement of Cash Flows		
Cash and Cash Equivalents	\$ 32,381,153	\$ 44,853,207

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

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

(with summarized financial information as of December 31, 2023)

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, the “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 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 (SU2C) (Translational Cancer Research): The Foundation’s Stand Up to Cancer mission is to raise funds to accelerate the pace of groundbreaking translational research that can get new therapies to patients quickly and save lives now. SU2C brings together the best and the brightest researchers and mandates collaboration among the cancer community. By galvanizing the entertainment industry, SU2C has set out to generate awareness, educate the public on cancer prevention, and help more people diagnosed with cancer become long-term survivors.

SU2C was incorporated (i.e., legally formed) as a California nonprofit public benefit corporation on July 22, 2022. SU2C subsequently applied for recognition and was recognized by the Internal Revenue Service (IRS), as a Section 501(c)(3) tax-exempt public charity on November 3, 2022—this recognition applies retroactively to July 22, 2022. There are various types and sub-classifications of Section 501(c)(3) organizations—SU2C operates as a Type I supporting organization to EIF pursuant to Section 509(a)(3). Please see the Supplemental Schedule, Consolidating Statement of Activities, for Consolidation/Elimination Schedule.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 1 – ORGANIZATION – Continued

- **Defy Disaster:** The Foundation’s crisis relief program brings together the entertainment community to support disaster response. Defy Disaster is dedicated to providing aid to survivors and communities affected by natural and humanitarian disasters to help them recover and rebuild. By mobilizing industry partners and the public, and working with key partners on the ground, Defy Disaster delivers funding and vital resources for immediate relief and long-term recovery in affected areas throughout the world.
- **Fiscal Sponsorship Services:** The Foundation serves as a trusted resource for artists, athletes and influencers seeking to expand their philanthropic footprint and leverage their platforms for social good. These services allow for artist-led charitable service funds to thrive within the Foundation’s reputable 501(c)(3) public charity status. The Foundation offers financial and administrative support that allow our partners to focus on their mission, identifies established beneficiaries and manages grants to increase partner impact, and provides access to a team of experts to help guide strategy and leverage industry partnerships.

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 subsidiaries, Stand Up to Cancer and Stand Up to Cancer Music, LLC.

Basis of Presentation

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

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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:

- 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. The Foundation has net assets without donor restrictions at December 31, 2024 and 2023, of \$175,618 and \$642,316, respectively.
- Net Assets With Donor Restrictions (subject to expenditure for specific purpose and/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 asset are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. The Foundation has net assets with donor restrictions at December 31, 2024 and 2023, of \$72,806,074 and \$85,696,066, respectively.
- 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 no net assets with donor restrictions subject to restriction in perpetuity at December 31, 2024 and 2023.

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, 2024 and 2023 approximates its fair value. Restricted cash in lieu of a rental security deposit as of December 31, 2024 and 2023, was \$0 and \$92,492 respectively.

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. Furthermore, the Foundation maintains a \$4.6 million line of credit, expiring February 17, 2026, with no borrowing at December 31, 2024.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 net assets without donor restrictions 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 credit losses if any, represents the estimated net realizable value. The allowance for credit losses 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 credit losses has been provided for at December 31, 2024 and 2023, respectively.

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 0.37% and 3.01%.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions Receivable – Continued

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, 2024 and 2023, there was \$35,110,000 and \$33,050,333 in conditional promises to give.

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 years ended December 31, 2024 and 2023, 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 revenue as of December 31, 2024 and 2023, was \$0 and \$263,408 respectively.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition

Revenues from exchange transactions are recognized when the transfer of risks and rewards of ownership and control pass to the customer. The Foundation recognizes revenue at the agreed-upon amount stated in the contract for the aforementioned revenue transactions. Payments from customers are typically due upon receipt. For contracts that span over a period of time, revenue is recognized ratably over the term of the agreement or as the Foundation achieves specified milestones.

Grants to Charities

Unconditional grants are recorded against operations when authorized by the Foundation's Board of Directors and notification to the grantee. Conditional grants are recorded against operations when the conditions of the award are met. 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, 2024 are expected to be paid within one year.

The Foundation also has \$25,369,630 in research-related contractual grant commitments outstanding. Over 97% 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.

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.

Advertising

The Foundation expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2024 and 2023, was \$4,401 and \$1,365, respectively.

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.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023 from which the summarized information was derived.

Subsequent Events

The Foundation has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of December 31, 2024 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through September 19, 2025, the date these consolidated financial statements were available to be issued. The following events occurred subsequent to December 31, 2024,

- The Foundation entered into a \$1,000,000 donor agreement in January, 2025 the funds of which are restricted to SoCal Fire Fund.

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

NOTE 3 – INVESTMENTS

Financial Accounting Standards Board (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, 2024
(with summarized totals at December 31, 2023)

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, 2024 and 2023, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	\$ 757,374	\$ 757,374	\$ -	\$ -
Corporate Bonds	5,161,266	5,161,266	-	-
Fixed Income-U.S. Agencies	9,655,600	9,655,600	-	-
US Treasurys	5,719,873	5,719,873	-	-
Government Bonds	19,932,041	19,932,041	-	-
Total Investments	<u>\$ 41,226,154</u>	<u>\$ 41,226,154</u>	<u>\$ -</u>	<u>\$ -</u>

	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	\$ 537,005	\$ 537,005	\$ -	\$ -
Corporate Bonds	6,436,889	6,436,889	-	-
Fixed Income-U.S. Agencies	9,366,600	9,366,600	-	-
US Treasurys	5,560,514	5,560,514	-	-
Government Bonds	17,959,509	17,959,509	-	-
Total Investments	<u>\$ 39,860,517</u>	<u>\$ 39,860,517</u>	<u>\$ -</u>	<u>\$ -</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 3 – INVESTMENTS – Continued

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.

There were no transfers between Level 1, 2 and 3 investments for the year ended December 31, 2024.

Long-term net investment income for the years ended December 31, consist of the following:

	2024	2023
Interests and dividends	\$ 1,197,354	\$ 1,314,247
Realized and unrealized gain (loss)	\$ 845,393	1,658,914
Investment fees	\$ (63,527)	(61,557)
Investment income	<u>\$ 1,979,220</u>	<u>\$ 2,911,604</u>

Short-term net investment income for the years ended December 31, consist of the following:

	2024	2023
Interests and dividends	\$ 2,147	\$ 462
Realized and unrealized gain (loss)	203	682
Investment fees	-	-
Investment income	<u>\$ 2,350</u>	<u>\$ 1,144</u>

Combined long-term and short-term net investment income for the years ended December 31, consist of the following:

	2024	2023
Interests and dividends	\$ 1,199,501	\$ 1,314,709
Realized and unrealized gain (loss)	845,596	1,659,596
Investment fees	(63,527)	(61,557)
Investment income	<u>\$ 1,981,570</u>	<u>\$ 2,912,748</u>

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 4 – CONTRIBUTIONS RECEIVABLE

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

	2024	2023
Less than one year	\$ 6,866,940	\$ 7,328,149
One to five years	1,000,000	1,400,000
Gross contributions receivable	7,866,940	8,728,149
Less: Present value discount	(398,823)	(485,927)
Less: Allowance for doubtful accounts	(80,000)	(625,000)
Contributions receivable (Net)	\$ 7,388,117	\$ 7,617,222

NOTE 5 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundations financial assets available to meet cash needs for programmatic and support expenditures within one year as of December 31, 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, and board designated funds. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs within
one year as of December 31,;

	2024	2023
Cash and Cash Equivalents	\$ 32,381,153	\$ 44,760,715
Contributions and Accounts Receivable	6,967,897	7,533,139
Investments	41,226,155	39,860,517
Financial assets available to meet cash needs for programmatic and support expenditures within one year	\$ 80,575,205	\$ 92,154,371

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

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2024	2023
Office furniture and equipment	\$ 1,183,878	\$ 1,183,878
Leasehold improvements	571,003	571,003
Total	1,754,881	1,754,881
Less: Accumulated depreciation	(1,738,190)	(1,673,362)
Property and equipment (Net)	\$ 16,691	\$ 81,519

Depreciation expense for the years ended December 31, 2024 and 2023 was \$64,828 and \$126,115 respectively.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2024	2023
Accounts payable	\$ 1,281,422	\$ 1,712,928
Accrued payroll and other payroll withholdings	457,640	471,491
Accrued vacation	1,041,974	933,088
Deferred revenue and lease security deposit	-	263,408
Total accounts payable and accrued liabilities	\$ 2,781,036	\$ 3,380,915

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:

Grants Payable Balance as of December 31, 2024 (To be paid in 2025)	\$ 6,043,572
Grants Payable Balance as of December 31, 2023 (Paid in 2024)	\$ 3,093,343

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

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:

	2024	2023
Broadcast Airtime	\$ 225,451,322	\$ 285,337,062
Print Ad Publications	12,722,425	15,971,142
Out-of-Home	6,111,277	8,297,385
Digital	1,015,899	2,082,620
Total In Kind Public Awareness and Education	<u>\$ 245,300,923</u>	<u>\$ 311,688,209</u>

For the years ended December 31, 2024 and 2023, the Foundation received donated airtime in connection with its bi-annual telecast \$0 and \$92,043,957, respectively.

For the years ended December 31, 2024 and 2023, the Foundation also received \$110,110 and \$40,000 respectively, in other donated items including Professional Services and Office Equipment.

For the years ended December 31, 2024 and 2023, the Foundation also received \$669,258 and \$1,378,842, respectively in donated airline travel.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Leases

Effective with the implementation of Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and subsequent amendments to the initial guidance (collectively, *Topic 842*) on January 1, 2022, operating leases are recorded in right-of-use-assets and lease liabilities in the consolidated statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as an expense in the consolidated statement of activities as rental payments are incurred.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 10 – COMMITMENTS AND CONTINGENCIES - Continued

Leases – Continued

Operating lease assets represent the Foundation's right to use underlying assets for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate when readily available. When the lease does not provide an implicit rate, the Foundation uses the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases.

The Foundation's lease terms may include options to extend of the option is considered reasonable to be exercised. Operation lease expense for lease payments are recognized on a straight-line basis over the lease term.

Operating Lease Expense

The Foundation leases office facilities under several operating leases, with various terms expiring through June 2029. Total rental expense charged to operations under these leases during the years ended December 31, 2024 and 2023 was \$686,401 and \$1,679,583, respectively.

Right-of-Use Assets

The right-of-use assets obtained in exchange for operating lease liabilities during the year ended December 31, 2024 and 2023 was \$3,174,121 and \$0, respectively.

Weighted-Average Term and Discount Rate

At December 31, 2024 the weighted-average remaining lease term in years was 4.5 and the weighted-average discount rate was 4.34%.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 10 – COMMITMENTS AND CONTINGENCIES - Continued

Future Minimum Lease Payments

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2024:

<u>Years ending December 31,</u>	<u>Operating</u>
2025	\$ 625,050
2026	643,801
2027	723,881
2028	745,598
2029	381,166
Total Lease Payments	3,119,496
Less interest	(357,358)
Present value of lease liabilities	<u>\$ 2,762,138</u>

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.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 11 - NET ASSETS

Net Assets Without Donor Restrictions at December 31:

	2024	2023
Undesignated	\$ (16,525)	\$ 450,173
Board Designated for Defy Disaster*	192,143	192,143
	<u>\$ 175,618</u>	<u>\$ 642,316</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 Defy Disaster initiative. For purposes of complying with net asset accounting, this fund is included in net assets without donor restrictions at both December 31, 2024 and 2023 with a balance of \$192,143.

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

	2024	2023
Subject to Expenditures for Specified Purposes:		
Stand Up to Cancer	\$ 39,566,752	\$ 48,986,659
Other donor purpose restrictions	32,996,041	36,684,238
Education & Inclusion Initiatives	243,281	25,169
Total Net Assets With Donor Restrictions;	<u>\$ 72,806,074</u>	<u>\$ 85,696,066</u>

NOTE 12 – 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, 2024 and 2023 was \$224,684,122 and \$200,595,948 respectively and were classified as Public Awareness and Education and \$20,616,801 and \$19,048,305 respectively were classified as Fundraising.

The Entertainment Industry Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024
(with summarized totals at December 31, 2023)

NOTE 13 – 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, 2024 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	Green
Contributions to plan	\$529,968
Plan's contributions >5% of total contributions	No
Financial improvement or rehabilitation plan	
pending or implemented	No
Surcharged imposed?	No
Expiration of collective bargaining agreements	N/A

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, 2024.

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.

The Entertainment Industry Foundation

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year ended December 31, 2024

	SU2C	EIF	Eliminations	Consolidated
REVENUE AND OTHER SUPPORT:				
Special Events Revenue	\$ -	\$ -	\$ -	\$ -
Less: Cost of Donor Benefits	-	-	-	-
Less: Donated Media	-	-	-	-
TOTAL SPECIAL EVENTS	-	-	-	-
CONTRIBUTIONS:				
In-Kind Contributions-Donated Media	190,615,915	54,685,008	-	245,300,923
Other In-Kind Contributions	669,258	110,110	-	779,368
Corporate and Foundation Contributions	-	45,911,152	-	45,911,152
Direct Contributions	-	25,296,248	-	25,296,248
Intercompany Grant Revenue	-	191,285,173	(191,285,173)	-
Worksite Campaigns	-	12,623	-	12,623
TOTAL CONTRIBUTIONS	191,285,173	317,300,314	(191,285,173)	317,300,314
Investment Income	-	1,981,570	-	1,981,570
Program Service Revenue	-	291,510	-	291,510
Rent Income from Sublease	-	236,999	-	236,999
TOTAL REVENUE AND OTHER SUPPORT	191,285,173	319,810,393	(191,285,173)	319,810,393
EXPENSES:				
Program Services:				
Grant Program	-	56,458,858	-	56,458,858
Intercompany Grant Expense	191,285,173	-	(191,285,173)	-
Public Awareness and Education	-	241,299,067	-	241,299,067
TOTAL PROGRAM SERVICES	191,285,173	297,757,925	(191,285,173)	297,757,925
Supporting Services:				
Management and General	-	7,588,323	-	7,588,323
Fundraising	-	27,110,877	-	27,110,877
TOTAL SUPPORTING SERVICES	-	34,699,200	-	34,699,200
TOTAL EXPENSES	191,285,173	332,457,125	(191,285,173)	332,457,125
OTHER CHANGE IN NET ASSETS				
NET ASSETS TRANSFERRED OUT	-	(709,958)	-	(709,958)
CHANGE IN NET ASSETS	-	(13,356,690)	-	(13,356,690)
NET ASSETS AT BEGINNING OF YEAR	-	86,338,382	-	86,338,382
NET ASSETS AT END OF YEAR	\$ -	\$ 72,981,692	\$ -	\$ 72,981,692