ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

CONTENTS

Green
Hasson
Janks

10990 Wilshire Boulevard
16th Floor
Los Angeles, CA 90024

310.873.1600 T
310.873.6600 F
www.greenhassonjanks.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Entertainment Industry Foundation

Report on the Financial Statements
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, 2012, 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.

Management's Responsibility for the Consolidated 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 of 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 consolidated financial position of the Foundation as of December 31, 2012, 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.

Report on Summarized Comparative Information
We have previously audited the Foundation's 2011 consolidated financial statements, and our report dated April 20, 2012 expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Green Hasson & Janks LLP

September 10, 2013
Los Angeles, California

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2012
With Summarized Totals at December 31, 2011

ASSETS	2012	2011
Cash and Cash Equivalents	$ 21,653,441	$ 29,868,718
Investments	6,252,346	4,898,319
Accounts Receivable	291,549	171,691
Contributions Receivable (Net)	20,549,388	17,538,441
Prepaid Expenses and Other Assets	603,281	582,440
Property and Equipment (Net)	176,809	116,404
TOTAL ASSETS	$ 49,526,814	$ 53,176,013
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 1,400,705	$ 1,237,319
Grants Payable (Net)	11,062,294	19,334,705
Note Payable	277,800	-
TOTAL LIABILITIES	12,740,799	20,572,024
NET ASSETS:		
Unrestricted	9,082,571	9,433,294
Temporarily Restricted	27,675,944	23,143,195
Permanently Restricted	27,500	27,500
TOTAL NET ASSETS	36,786,015	32,603,989
TOTAL LIABILITIES AND NET ASSETS	$ 49,526,814	$ 53,176,013

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2012
With Summarized Totals for the Year Ended December 31, 2011

	2012				2011
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE AND OTHER SUPPORT:					
Stand Up to Cancer Telethon	$ -	$ 51,665,799	$ -	$ 51,665,799	$ -
Less: Costs of Donor Benefits	(5,422,746)	-	-	(5,422,746)	-
Less: Donated Media	(28,379,253)	-	-	(28,379,253)	-
Less: Other In-Kind Contributions	(21,070)	-	-	(21,070)	-
NET STAND UP TO CANCER TELETHON	(33,823,069)	51,665,799	-	17,842,730	-
Special Events Revenue	7,231,460	1,350,786	-	8,582,246	9,868,935
Less: Costs of Donor Benefits	(3,298,776)	-	-	(3,298,776)	(4,494,805)
Less: Donated Media	(240,688)	-	-	(240,688)	-
NET SPECIAL EVENTS	3,691,996	1,350,786	-	5,042,782	5,374,130
NET REVENUE AND OTHER SUPPORT	(30,131,073)	53,016,585	-	22,885,512	5,374,130
CONTRIBUTIONS:					
In-Kind Contributions-Donated Media	5,459,491	21,788,447	-	27,247,938	24,185,239
Other In-Kind Contributions	-	166,710	-	166,710	-
Partnership Interest	-	1,000,000	-	1,000,000	-
Corporate and Foundation Contributions	282,102	20,010,673	-	20,292,775	25,759,909
Direct Contributions	4,167,672	4,542,028	-	8,709,700	9,530,831
Worksite Campaigns	218,781	-	-	218,781	254,829
TOTAL CONTRIBUTIONS	10,128,046	47,507,858	-	57,635,904	59,730,808
Investment Income Gain (Net)	405,205	16,705	-	421,910	95,906
Net Assets Released from Program Restrictions	96,008,399	(96,008,399)	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	76,410,577	4,532,749	-	80,943,326	65,200,844
EXPENSES:					
Program Services:					
Grants Program	33,404,199	-	-	33,404,199	44,758,728
Public Awareness and Education	24,920,784	-	-	24,920,784	17,206,683
TOTAL PROGRAM SERVICES	58,324,983	-	-	58,324,983	61,965,411
Supporting Services:					
Management and General	2,640,295	-	-	2,640,295	6,671,196
Fundraising	15,796,022	-	-	15,796,022	15,125,733
TOTAL SUPPORTING SERVICES	18,436,317	-	-	18,436,317	21,796,929
TOTAL EXPENSES	76,761,300	-	-	76,761,300	83,762,340
CHANGE IN NET ASSETS	(350,723)	4,532,749	-	4,182,026	(18,561,496)
Net Assets at Beginning of Year	9,433,294	23,143,195	27,500	32,603,989	51,165,485
NET ASSETS AT END OF YEAR	$ 9,082,571	$ 27,675,944	$ 27,500	$ 36,786,015	$ 32,603,989

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2012
With Summarized Totals for the Year Ended December 31, 2011

	Program Services			Supporting Services			Total Expenses	
	Grants Program	Public Awareness and Education	Total	Management and General	Fundraising	Total	2012	2011
Grants to Charities	$ 32,455,865	$ -	$ 32,455,865	$ -	$ -	$ -	$ 32,455,865	$ 43,323,904
In-Kind: Donated Media	-	19,477,909	19,477,909	565,336	7,204,693	7,770,029	27,247,938	24,185,239
Professional Services	429,348	1,029,270	1,458,618	345,439	5,082,067	5,427,506	6,886,124	6,581,502
Salaries and Payroll-Related Expenses	280,190	2,509,654	2,789,844	1,065,425	1,345,266	2,410,691	5,200,535	5,479,219
Travel and Meetings	46,130	277,742	323,872	134,986	524,570	659,556	983,428	718,426
Electronic Media Production	2,000	372,677	374,677	54,938	412,911	467,849	842,526	355,147
Occupancy Cost	41,183	368,491	409,674	178,031	252,279	430,310	839,984	824,114
Public Relations and Publicity	36,420	440,197	476,617	99,883	167,663	267,546	744,163	543,041
Office Supplies and Printing	74,607	151,401	226,008	81,104	291,092	372,197	598,205	691,679
Insurance	-	112,728	112,728	39,710	55,504	95,214	207,942	188,042
Bank and Merchant Fees	692	6,855	7,547	2,562	188,183	190,745	198,292	154,674
Telephone and Internet	8,741	68,915	77,656	30,217	72,738	102,955	180,611	190,436
Subscriptions and Permits	16,655	31,378	48,033	17,488	44,965	62,453	110,486	109,346
Equipment Rental	-	9,423	9,423	436	79,222	79,658	89,081	70,229
Postage	9,504	23,178	32,682	10,168	32,198	42,365	75,047	60,358
Depreciation	2,864	25,330	28,194	10,439	15,493	25,932	54,126	59,462
Special Event Space Rental	-	-	-	-	22,926	22,926	22,926	85,090
Advertising	-	11,956	11,956	2,904	2,220	5,124	17,080	118,168
Repairs and Maintenance	-	3,462	3,462	1,013	1,686	2,699	6,161	7,742
Miscellaneous	-	218	218	217	347	565	783	16,522
TOTAL 2012 FUNCTIONAL EXPENSES	$ 33,404,199	$ 24,920,784	$ 58,324,983	$ 2,640,295	$ 15,796,022	$ 18,436,317	$ 76,761,300	
	44%	32%	76%	3%	21%	24%	100%	
TOTAL 2011 FUNCTIONAL EXPENSES	$ 44,758,728	$ 17,206,683	$ 61,965,411	$ 6,671,196	$ 15,125,733	$ 21,796,929		$ 83,762,340
	53%	21%	74%	8%	18%	26%		100%

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2012
With Summarized Totals for the Year Ended December 31, 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 4,182,026	$ (18,561,496)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	54,126	59,462
Realized and Unrealized (Gain) Loss on Investments	(263,313)	113,128
Loss on Donated Stock	-	29,695
Donated Partnership Interest	(1,000,000)	-
(Increase) Decrease in:		
Accounts Receivable	(119,858)	336,479
Contributions Receivable (Net)	(3,010,947)	12,666,213
Prepaid Expenses and Other Assets	(20,841)	94,500
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	163,386	(461,095)
Grants Payable	(8,272,411)	5,377,953
Note Payable	277,800	-
NET CASH USED IN OPERATING ACTIVITIES	(8,010,032)	(345,161)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(2,894)	(1,019,602)
Proceeds from the Sale of Investments	89,555	866,358
Reinvested Interest and Dividends	(177,375)	-
Purchase of Property and Equipment	(114,531)	(62,820)
NET CASH USED IN INVESTING ACTIVITIES	(205,245)	(216,064)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,215,277)	(561,225)
Cash and Cash Equivalents - Beginning of Year	29,868,718	30,429,943
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 21,653,441	$ 29,868,718

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

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 (USO) 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 innovation and transform lives. The Foundation also responds to urgent needs resulting from natural or manmade disasters.

The Foundation 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 institutions who collaborate to develop new and promising cancer treatments 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 Katie Couric, experts noted a 20% 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. 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 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.

NOTE 1 - ORGANIZATION (continued)

- **WOMEN'S CANCER PROGRAM** (Breast and Reproductive Cancers): In 2007, the Foundation launched the Women's Cancer Program Initiative (WCP). The focus of this initiative is to save lives by raising awareness about the importance of early detection of breast and reproductive cancers; to fund research for early detection methods; to support community programs that assist women at risk of or affected by cancer; and to consolidate the Foundation's efforts to support the fight against women's cancer that are not addressed by its other initiatives.

- **iPARTICIPATE** (Service & Volunteerism): The Foundation's iParticipate program, a national campaign started in 2009, utilized the power of 104 primetime TV shows to encourage people to help address the needs of their local communities through service. Featured non-profits experienced a significant increase in volunteers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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. There were no intercompany transactions during the year ended December 31, 2012.

(b) BASIS OF PRESENTATION

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

(c) 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 assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted Net Assets.** 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.

- **Temporarily Restricted Net Assets.** The Foundation reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit their use. 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 $27,663,553 of temporarily restricted net assets at December 31, 2012.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) ACCOUNTING (continued)

- **Permanently Restricted Net Assets.** 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 $27,500 of permanently restricted net assets at December 31, 2012.

(d) 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, 2012 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.

(e) 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 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.

(f) 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, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable 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, 2012.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

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 unrestricted or temporarily restricted revenue depending on the intent of the donor. At December 31, 2012, there was $42,638,000 in conditional promises to give.

Special event contributions are generally reported as increases in unrestricted net assets. 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 temporarily restricted net assets.

(h) 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 $500 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

(i) 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, 2012.

(j) 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) DEFERRED RENT

The Foundation recognizes escalating rent provisions on a straight-line basis over the term of the lease. Deferred rent totaled $214,672 as of December 31, 2012.

(l) GRANTS TO CHARITIES

Unconditional grants are recorded against operations when authorized by the Foundation's Board of Directors. The actual payment of the grant may not necessarily occur in the year of authorization. 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 a reduction against operations. All grants to charities at December 31, 2012 are expected to be paid within one year.

(m) 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.

(n) 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 (See Note 8).

(o) ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising expense was $17,080 for the year ended December 31, 2012.

(p) INCOME TAXES

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

(q) 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.

(r) 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) COMPARATIVE TOTALS

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with 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, 2011 from which the summarized information was derived.

(t) RECLASSIFICATION

For comparability, the December 31, 2011 amounts have been reclassified, where appropriate, to conform to the consolidated financial statement presentation used at December 31, 2012.

(u) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of December 31, 2012 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through September 10, 2013, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred, except as disclosed in Note 9.

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.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, appraisals, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

NOTE 3 - INVESTMENTS (continued)

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at December 31, 2012 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		Fair Value Measurements Using:		
	December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS:				
Domestic Common and Foreign Stock	$ 1,834,557	$ 1,834,557	$ -	$ -
Fixed Income - U.S. Agencies	898,518	898,518	-	-
Corporate Bonds	1,025,124	1,025,124	-	-
Government Bonds	652,515	652,515	-	-
Municipal Bonds	384,007	384,007	-	-
Floating and Adj. Rate Loans	98,800	98,800	-	-
Foreign Bonds	304,926	304,926	-	-
Mutual Funds – Closed End	53,899	53,899	-	-
Partnership Interest	1,000,000	-	-	1,000,000
TOTAL INVESTMENTS	$ 6,252,346	$ 5,252,346	$ -	$ 1,000,000

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning Balance	$ -
Donated Limited Partnership Interest	1,000,000
ENDING BALANCE	$ 1,000,000

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 value of the limited partnership interests within Level 3 was obtained by an independent appraisal using the income capitalization approach.

There were no transfers between Level 1, 2 and 3 investments for the year ended December 31, 2012.

Net investment gain for the year ended December 31, 2012 consists of the following:

Interest and Dividends	$ 194,080
Realized and Unrealized Gain	263,313
Investment Fees	(35,483)
INVESTMENT GAIN (NET)	$ 421,910

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2012 are expected to be collected as follows:

Less than One Year	$ 9,365,493
One to Five Years	200,000
More than Five Years	12,000,000
GROSS CONTRIBUTIONS RECEIVABLE	21,565,493
Less: Present Value Discount	(1,016,105)
CONTRIBUTIONS RECEIVABLE (NET)	$ 20,549,388

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2012:

Office Furniture and Equipment	$ 494,216
Leasehold Improvements	70,978
TOTAL	565,194
Less: Accumulated Depreciation	(388,385)
PROPERTY AND EQUIPMENT (NET)	$ 176,809

Depreciation expense for the year ended December 31, 2012 was $ 54,126.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at December 31, 2012:

Accounts Payable	$ 696,933
Accrued Vacation	278,826
Deferred Rent	214,672
Deferred Revenue	106,141
Accrued Payroll and Other Payroll Withholdings	104,133
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 1,400,705

THE ENTERTAINMENT INDUSTRY FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012

NOTE 7 - GRANTS PAYABLE

Grants authorized but unpaid at year end are measured at fair value and reported as liabilities. Grants to be paid in more than one year are discounted using a discount rate of .72%. The following is a summary of grants authorized and payable at December 31, 2012:

To Be Paid in 2013	$ 10,104,685
To Be Paid in 2014	390,000
To Be Paid in 2015	390,000
To Be Paid in 2016	190,000
GROSS GRANTS AUTHORIZED BUT UNPAID	11,074,685
Less: Discount	(12,389)
NET GRANTS AUTHORIZED BUT UNPAID	$ 11,062,294

NOTE 8 - NOTE PAYABLE

Note payable consists of the following:

	2012
Note payable to an individual. The note is unsecured and non-interest bearing. Repaid on February 13, 2013.	$ 277,800

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 (PSA's). The PSA's 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:

Broadcast Airtime	$ 22,377,705
Print Ad Publications	24,278,490
Out-of-Home	7,604,480
Online	1,607,204
TOTAL PUBLIC AWARENESS AND EDUCATION	$ 55,867,879

For the year ended December 31, 2012, the Foundation also received $187,778 in donated airline travel.

NOTE 10 - COMMITMENTS

The Foundation leases office facilities under several operating leases, with various terms expiring through December 12, 2022. Total rental expense charged to operations under these leases during the year ended December 31, 2012 was $ 760,739.

Lease commitments are as follows:

Years Ending December 31		
2013	$	699,830
2014		719,702
2015		286,631
2016		140,062
2017		149,582
Thereafter		827,518
TOTAL	$	2,823,324

The Foundation executed a lease for an additional office facility effective May 1, 2013 with an initial term of two years, and an annual base rent of $131,310 in the first year and $137,954 in the second year. There is an option to extend the lease for an additional two-year term.

NOTE 11 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Restricted net assets at December 31, 2012 are available for the following purposes:

Temporarily Restricted Net Assets:		
Stand Up to Cancer	$	19,720,431
Other Donor Purpose Designation		6,061,791
Women's Cancer Programs		947,642
National Colorectal Cancer Research Alliance		921,077
Scholarships and Academic Support		25,003
TOTAL TEMPORARILY RESTRICTED NET ASSETS	$	27,675,944
Permanently Restricted Net Assets:		
Scholarship Endowment	$	27,500

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 included joint costs totaling $27,247,938 which were not specifically attributable to particular components of the activities.

NOTE 12 - ALLOCATION OF JOINT COSTS (continued)

The joint costs were allocated as follows:

Public Awareness and Education	$ 19,477,909
Fundraising	7,204,693
Management and General	565,336
TOTAL JOINT COSTS	$ 27,247,938

NOTE 13 - EMPLOYEE BENEFIT PLANS

(a) 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, 2012 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 by Plan	$ 168,824
Plan's Contributions>5% of Total Contributions	No
Financial Improvement or Rehabilitation Plan Pending or Implemented	No
Surcharged Imposed?	No
Expiration or Collective Bargaining Agreements	N/A

(b) 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, 2012.