ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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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, 2013, 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, 2013, 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 2012 consolidated financial statements, and our report dated September 10, 2013 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, 2012 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Green Hasson & Janks LLP

June 10, 2014
Los Angeles, California

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2013
With Summarized Totals at December 31, 2012

ASSETS	2013	2012 (As Restated)
Cash and Cash Equivalents	$ 23,833,706	$ 21,653,441
Investments	6,456,188	6,252,346
Accounts Receivable	380,781	291,549
Contributions Receivable (Net)	17,972,418	20,549,388
Prepaid Expenses and Other Assets	631,852	603,281
Property and Equipment (Net)	121,462	176,809
TOTAL ASSETS	$ 49,396,407	$ 49,526,814
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 1,896,417	$ 1,400,705
Grants Payable (Net)	8,238,266	11,062,294
Note Payable	-	277,800
TOTAL LIABILITIES	10,134,683	12,740,799
NET ASSETS:		
Unrestricted	3,404,483	6,582,571
Temporarily Restricted	35,829,741	30,175,944
Permanently Restricted	27,500	27,500
TOTAL NET ASSETS	39,261,724	36,786,015
TOTAL LIABILITIES AND NET ASSETS	$ 49,396,407	$ 49,526,814

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

THE ENTERTAINMENT INDUSTRY FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2013
With Summarized Totals for the Year Ended December 31, 2012

	2013				2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total (As Restated)
REVENUE AND OTHER SUPPORT:					
Stand Up to Cancer Telethon	$ -	$ -	$ -	$ -	$ 51,665,799
Less: Costs of Donor Benefits	-	-	-	-	(5,422,746)
Less: Donated Media	-	-	-	-	(28,379,253)
Less: Other In-Kind Contributions	-	-	-	-	(21,070)
NET STAND UP TO CANCER TELETHON	-	-	-	-	17,842,730
Special Events Revenue	6,316,909	946,407	-	7,263,316	8,582,246
Less: Costs of Donor Benefits	(2,875,825)	-	-	(2,875,825)	(3,298,776)
Less: Donated Media	(162,466)	-	-	(162,466)	(240,688)
NET SPECIAL EVENTS	3,278,618	946,407	-	4,225,025	5,042,782
NET REVENUE AND OTHER SUPPORT	3,278,618	946,407	-	4,225,025	22,885,512
CONTRIBUTIONS:					
In-Kind Contributions-Donated Media	-	80,113,336	-	80,113,336	27,247,938
Other In-Kind Contributions	-	606,236	-	606,236	166,710
Partnership Interest	-	-	-	-	1,000,000
Corporate and Foundation Contributions	439,032	40,288,779	-	40,727,811	20,292,775
Direct Contributions	581,981	2,820,567	-	3,402,548	8,709,700
Worksite Campaigns	213,675	-	-	213,675	218,781
TOTAL CONTRIBUTIONS	1,234,688	123,828,918	-	125,063,606	57,635,904
Investment Gain (Net)	598,052	1,455	-	599,507	421,910
Net Assets Released from Program Restrictions	119,122,983	(119,122,983)	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	124,234,341	5,653,797	-	129,888,138	80,943,326
EXPENSES:					
Program Services:					
Grants Program	30,810,905	-	-	30,810,905	33,404,199
Public Awareness and Education	69,889,029	-	-	69,889,029	24,920,784
TOTAL PROGRAM SERVICES	100,699,934	-	-	100,699,934	58,324,983
Supporting Services:					
Management and General	5,596,726	-	-	5,596,726	2,640,295
Fundraising	21,115,769	-	-	21,115,769	15,796,022
TOTAL SUPPORTING SERVICES	26,712,495	-	-	26,712,495	18,436,317
TOTAL EXPENSES	127,412,429	-	-	127,412,429	76,761,300
CHANGE IN NET ASSETS	(3,178,088)	5,653,797	-	2,475,709	4,182,026
Net Assets at Beginning of Year (As Restated)	6,582,571	30,175,944	27,500	36,786,015	32,603,989
NET ASSETS AT END OF YEAR	$ 3,404,483	$ 35,829,741	$ 27,500	$ 39,261,724	$ 36,786,015

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, 2013
With Summarized Totals for the Year Ended December 31, 2012

	Program Services			Supporting Services			Total Expenses	
	Grants Program	Public Awareness and Education	Total	Management and General	Fundraising	Total	2013	2012 (As Restated)
In-Kind: Donated Media	$ -	$ 65,081,874	$ 65,081,874	$ 1,434,893	$ 13,596,570	$ 15,031,463	$ 80,113,337	$ 27,247,938
Grants to Charities	29,619,096	-	29,619,096	-	-	-	29,619,096	32,455,865
Salaries and Payroll-Related Expenses	391,777	1,978,626	2,370,403	2,594,790	1,850,465	4,445,255	6,815,658	5,200,535
Professional Services	397,664	838,551	1,236,215	536,843	3,699,957	4,236,800	5,473,015	6,886,124
Occupancy Cost	34,242	356,219	390,461	347,588	297,596	645,184	1,035,645	839,984
Travel and Meetings	79,390	319,848	399,238	118,761	466,988	585,749	984,987	983,428
Office Supplies and Printing	159,233	261,531	420,764	153,177	301,594	454,771	875,535	598,205
Public Relations and Publicity	28,097	402,212	430,309	92,230	340,919	433,149	863,458	744,163
Subscriptions and Permits	27,799	215,978	243,777	94,577	101,159	195,736	439,513	110,486
Repairs and Maintenance	102	146,337	146,439	39,715	33,101	72,816	219,255	6,161
Telephone and Internet	8,525	61,485	70,010	49,038	76,682	125,720	195,730	180,611
Insurance	7,580	40,391	47,971	68,503	68,534	137,037	185,008	207,942
Electronic Media Production	15,019	106,339	121,358	24,555	11,067	35,622	156,980	842,526
Bank and Merchant Fees	(3,820)	40	(3,780)	6,165	122,475	128,640	124,860	198,292
Miscellaneous	14,395	379	14,774	1,485	107,380	108,865	123,639	780
Depreciation	3,153	17,149	20,302	21,095	17,879	38,974	59,276	54,126
Postage	4,532	11,710	16,242	9,441	17,643	27,084	43,326	75,047
Special Event Space Rental	16,829	19,976	36,805	-	-	-	36,805	22,926
Advertising	5,500	15,127	20,627	2,552	2,636	5,188	25,815	17,080
Equipment Rental	1,792	15,257	17,049	1,318	3,124	4,442	21,491	89,081
TOTAL 2013 FUNCTIONAL EXPENSES	$ 30,810,905	$ 69,889,029	$ 100,699,934	$ 5,596,726	$ 21,115,769	$ 26,712,495	$ 127,412,429	
	24%	55%	79%	4%	17%	21%	100%	
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%

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, 2013
With Summarized Totals for the Year Ended December 31, 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 2,475,709	$ 4,182,026
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	59,276	54,126
Realized and Unrealized Gain on Investments	(472,828)	(263,313)
Provision for Bad Debt Expense	125,256	-
Donated Partnership Interest	-	(1,000,000)
(Increase) Decrease in:		
Accounts Receivable	(214,488)	(119,858)
Contributions Receivable (Net)	2,576,970	(3,010,947)
Prepaid Expenses and Other Assets	(28,571)	(20,841)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	495,712	163,386
Grants Payable	(2,824,028)	(8,272,411)
Note Payable	(277,800)	277,800
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,915,208	(8,010,032)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(110,066)	(2,894)
Proceeds from the Sale of Investments	505,731	89,555
Reinvested Interest and Dividends	(126,679)	(177,375)
Purchase of Property and Equipment	(3,929)	(114,531)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	265,057	(205,245)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,180,265	(8,215,277)
Cash and Cash Equivalents - Beginning of Year	21,653,441	29,868,718
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 23,833,706	$ 21,653,441

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’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 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.

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 (collectively, the Foundation). There were no intercompany transactions during the year ended December 31, 2013.

(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 purpose or time restrictions. The Foundation has $35,829,741 of temporarily restricted net assets at December 31, 2013.

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, 2013.

(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, 2013 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, 2013.

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, 2013, there were $85,826,000 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 $1,000 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

(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, 2013.

(j) DEFERRED RENT

The Foundation recognizes escalating rent provisions on a straight-line basis over the term of the lease. Deferred rent totaled $173,008 as of December 31, 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(l) 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 a reduction against operations. All grants to charities at December 31, 2013 are expected to be paid within one year.

The Foundation also has $101,060,000 in research-related contractual grant commitments outstanding. Over 96% 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.

(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.

(o) 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.

(p) 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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.

(r) 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, 2012 from which the summarized information was derived.

(s) RESTATEMENT OF NET ASSETS

Net assets at December 31, 2012 have been restated to properly reflect the temporarily restricted net asset balance.

	Unrestricted Net Assets	Temporarily Restricted Net Assets
As Previously Reported – December 31, 2012	$ 9,082,571	$ 27,675,944
Adjustment to Reclassify Opening Net Asset Balance	(2,500,000)	2,500,000
AS RESTATED – DECEMBER 31, 2012	$ 6,582,571	$ 30,175,944

(t) SUBSEQUENT EVENTS

On December 2, 2013, the Foundation entered into a 10 year lease agreement for office space located at 1900 Avenue of the Stars in Los Angeles, California. The lease commencement date began at occupancy, April 18, 2014. The minimum lease commitment over the entire term is estimated at $13,516,123.

Related to procuring the above lease, the Foundation entered into an unsecured Standby Letter of Credit Agreement on November 19, 2013 with City National Bank of Los Angeles. The standby letter of credit is in the amount of $1,410,695 with a 1.7% annual fee. The balance will reduce to $90,718 by the end of the third year of the lease commencement date.

The Foundation has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of December 31, 2013 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through June 10, 2014, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred, except as noted above.

THE ENTERTAINMENT INDUSTRY FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

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).

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at December 31, 2013 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS:				
Cash Equivalents	$ 76,399	$ 76,399	$ -	$ -
Domestic Common and Foreign Stock	2,467,472	2,467,472	-	-
Corporate Bonds	1,272,014	1,272,014	-	-
Fixed Income - U.S. Agencies	961,020	961,020	-	-
Foreign Bonds	401,767	401,767	-	-
Municipal Bonds	348,982	348,982	-	-
Government Bonds	279,655	279,655	-	-
Floating and Adj. Rate Notes	94,857	94,857	-	-
Mutual Funds – Closed End	54,022	54,022	-	-
Partnership Interest	500,000	-	-	500,000
TOTAL INVESTMENTS	$ 6,456,188	$ 5,956,188	$ -	$ 500,000

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning Balance	$ 1,000,000
Sale of Limited Partnership Interest	(500,000)
ENDING BALANCE	$ 500,000

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.

NOTE 3 - INVESTMENTS (continued)

There were no transfers between Level 1, 2 and 3 investments for the year ended December 31, 2013.

Net investment gain for the year ended December 31, 2013 consists of the following:

Interest and Dividends	$ 166,000
Realized and Unrealized Gain	472,828
Investment Fees	(39,321)
INVESTMENT GAIN (NET)	$ 599,507

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2013 are expected to be collected as follows:

Less than One Year	$ 6,790,110
One to Five Years	12,000,000
GROSS CONTRIBUTIONS RECEIVABLE	18,790,110
Less: Present Value Discount	(817,692)
CONTRIBUTIONS RECEIVABLE (NET)	$ 17,972,418

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2013:

Office Furniture and Equipment	$ 491,896
Leasehold Improvements	70,978
TOTAL	562,874
Less: Accumulated Depreciation	(441,412)
PROPERTY AND EQUIPMENT (NET)	$ 121,462

Depreciation expense for the year ended December 31, 2013 was $ 59,276.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at December 31, 2013:

Accounts Payable	$ 979,992
Accrued Payroll and Other Payroll Withholdings	417,174
Accrued Vacation	260,740
Deferred Rent	173,008
Deferred Revenue	65,503
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 1,896,417

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, 2013:

To Be Paid in 2014	$ 8,238,266

NOTE 8 - 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	$ 43,895,080
Print Ad Publications	22,188,819
Out-of-Home	12,354,848
Digital	1,479,834
Mobile	357,221
TOTAL PUBLIC AWARENESS AND EDUCATION	$ 80,275,802

For the year ended December 31, 2013, the Foundation also received $106,236 in donated airline travel plus an unconditional promise of $500,000 in research equipment that is included in contributions receivable at December 31, 2013.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

(a) OPERATING LEASES

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, 2013 was $ 805,727.

Lease commitments are as follows:

Years Ending December 31	
2014	$ 853,641
2015	331,717
2016	140,065
2017	149,600
2018	160,230
Thereafter	667,117
TOTAL	$ 2,302,370

NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)

(b) 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 10 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Restricted net assets at December 31, 2013 are available for the following purposes:

Temporarily Restricted Net Assets:	
Stand Up to Cancer	$ 28,843,190
Other Donor Purpose Designation	5,500,855
National Colorectal Cancer Research Alliance	869,710
Childhood Hunger	335,893
Health Initiatives	137,345
Women's Cancer Programs	117,745
Scholarships and Academic Support	25,003
TOTAL TEMPORARILY RESTRICTED NET ASSETS	$ 35,829,741
Permanently Restricted Net Assets:	
Scholarship Endowment	$ 27,500

NOTE 11 - 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 $80,113,336.

The joint costs were allocated as follows:

Public Awareness and Education	$ 65,081,874
Fundraising	13,596,570
Management and General	1,434,892
TOTAL JOINT COSTS	$ 80,113,336

NOTE 12 - 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, 2013 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	$ 223,739
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, 2013.

On November 7, 2013, the Foundation’s Board authorized the establishment of 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 for plan.