EIF | ENTERTAINMENT INDUSTRY FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

THE ENTERTAINMENT INDUSTRY FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

CONTENTS

GREEN HASSON & JANKS LLP
BUSINESS ADVISORS AND CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Entertainment Industry Foundation

We have audited the accompanying statement of financial position of The Entertainment Industry Foundation (the Foundation), a nonprofit organization, as of December 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2007 financial statements, and in our report dated March 24, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Green Hasson & Janks LLP

June 26, 2009
Los Angeles, California

10990 Wilshire Boulevard | Sixteenth Floor | Los Angeles, CA 90024-3929
TEL: (310) 873-1600 | FAX: (310) 873-6600 | www.ghjadvisors.com

THE ENTERTAINMENT INDUSTRY FOUNDATION

STATEMENT OF FINANCIAL POSITION
December 31, 2008
With Summarized Totals at December 31, 2007

ASSETS	2008	2007
Cash and Cash Equivalents	$ 33,203,655	$ 6,476,190
Investments	3,988,459	3,976,382
Accounts Receivable	2,659,265	3,348
Contributions Receivable (Net)	42,572,437	4,470,747
Prepaid Expenses and Other Assets	964,382	684,916
Property and Equipment (Net)	105,114	115,575
TOTAL ASSETS	$ 83,493,312	$ 15,727,158
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 1,729,453	$ 777,271
Grants to Charities	1,011,582	1,744,651
TOTAL LIABILITIES	2,741,035	2,521,922
NET ASSETS:		
Unrestricted	977,391	1,851,300
Temporarily Restricted	79,747,386	11,326,436
Permanently Restricted	27,500	27,500
TOTAL NET ASSETS	80,752,277	13,205,236
TOTAL LIABILITIES AND NET ASSETS	$ 83,493,312	$ 15,727,158

The Accompanying Notes are an Integral Part of These Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended December 31, 2008
With Summarized Totals for the Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2008	Total 2007
REVENUE AND OTHER SUPPORT:					
Special Events Revenue	$ 13,902,886	$ -	$ -	$ 13,902,886	$ 20,397,782
Less: Costs of Donor Benefits	(5,207,777)	-	-	(5,207,777)	(5,881,411)
NET REVENUE FROM SPECIAL EVENTS	8,695,109	-	-	8,695,109	14,516,371
CONTRIBUTIONS:					
Stand Up to Cancer	16,891,156	70,340,367	-	87,231,523	-
Public Awareness and Education	60,754,091	-	-	60,754,091	-
Direct Contributions	6,349,455	203,368	-	6,552,823	3,797,883
Corporate and Foundation Contributions	2,010,003	-	-	2,010,003	2,505,837
National Women's Cancer Research Alliance	1,002,032	477,223	-	1,479,255	114,891
Diabetes Initiative	476,786	125,626	-	602,412	-
Women's Cancer Programs	593,013	-	-	593,013	1,612,280
Worksite Campaigns	514,987	-	-	514,987	636,585
National Colorectal Cancer Research Alliance	452,912	-	-	452,912	1,814,737
Smoking Cessation Initiative	146,000	-	-	146,000	145,000
National Cardiovascular Research Initiative	5,000	-	-	5,000	5,000
National Arts Education Initiative	500	-	-	500	1,200
TOTAL CONTRIBUTIONS	89,195,935	71,146,584	-	160,342,519	10,633,413
Investment Income (Loss) (Net)	(239,045)	1,824	-	(237,221)	244,443
Net Assets Released from Program Restrictions	2,727,458	(2,727,458)	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	100,379,457	68,420,950	-	168,800,407	25,394,227
EXPENSES:					
Program Services:					
Grants Program	17,663,406	-	-	17,663,406	16,136,747
Public Awareness and Education	58,908,071	-	-	58,908,071	1,336,433
TOTAL PROGRAM SERVICES	76,571,477	-	-	76,571,477	17,473,180
Supporting Services:					
Management and General	3,184,587	-	-	3,184,587	1,636,594
Fundraising	21,497,302	-	-	21,497,302	3,767,178
TOTAL SUPPORTING SERVICES	24,681,889	-	-	24,681,889	5,403,772
TOTAL EXPENSES	101,253,366	-	-	101,253,366	22,876,952
CHANGE IN NET ASSETS	(873,909)	68,420,950	-	67,547,041	2,517,275
Net Assets at Beginning of Year	1,851,300	11,326,436	27,500	13,205,236	10,687,961
NET ASSETS AT END OF YEAR	$ 977,391	$ 79,747,386	$ 27,500	$ 80,752,277	$ 13,205,236

The Accompanying Notes are an Integral Part of These Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2008
With Summarized Totals for the Year Ended December 31, 2007

	Program Services			Supporting Services			Total Expenses	
	Grants Program	Public Awareness and Education	Total	Management and General	Fundraising	Total	2008	2007
Public Awareness and Education	$ -	$ 54,777,383	$ 54,777,383	$ -	$ 5,976,708	$ 5,976,708	$ 60,754,091	$ -
Grants to Charities	16,867,808	-	16,867,808	-	-	-	16,867,808	15,505,826
Professional Services	188,653	2,138,041	2,326,694	1,269,508	7,060,474	8,329,982	10,656,676	2,287,633
Electronic Media Production	-	1,124,576	1,124,576	170,809	1,911,891	2,082,700	3,207,276	190,965
Salaries and Payroll-Related Expenses	375,020	47,655	422,675	764,274	1,525,188	2,289,462	2,712,137	2,529,167
Advertising	-	2,880	2,880	11,066	1,643,508	1,654,574	1,657,454	8,190
Office Supplies and Printing	29,085	208,802	237,887	163,836	1,106,634	1,270,470	1,508,357	624,387
Equipment Rental	1,366	251,975	253,341	6,905	600,893	607,798	861,139	123,966
Travel and Meetings	61,070	138,537	199,607	76,278	552,529	628,807	828,414	267,870
Occupancy Cost	101,220	64,604	165,824	305,348	219,907	525,255	691,079	688,891
Bank and Merchant Fees	-	-	-	67,859	456,322	524,181	524,181	29,040
Insurance	310	79,997	80,307	164,323	74,071	238,394	318,701	37,019
Telephone and Internet	13,943	41,076	55,019	18,106	99,820	117,926	172,945	189,415
Special Event Space Rental	-	6,056	6,056	664	157,298	157,962	164,018	171,329
Postage	3,360	12,525	15,885	13,905	73,943	87,848	103,733	89,174
Public Relations and Publicity	-	2,615	2,615	80,883	3,833	84,716	87,331	3,491
Subscriptions and Permits	12,795	8,199	20,994	41,464	22,276	63,740	84,734	53,617
Depreciation	7,571	1,751	9,322	23,948	10,452	34,400	43,722	37,999
Miscellaneous	710	1,192	1,902	2,573	383	2,956	4,858	2,987
Repairs and Maintenance	495	207	702	2,838	1,172	4,010	4,712	7,186
Payroll Deduction Plan Expense	-	-	-	-	-	-	-	28,800
TOTAL 2008 FUNCTIONAL EXPENSES	$ 17,663,406	$ 58,908,071	$ 76,571,477	$ 3,184,587	$ 21,497,302	$ 24,681,889	$101,253,366	
TOTAL 2007 FUNCTIONAL EXPENSES	$ 16,136,747	$ 1,336,433	$ 17,473,180	$ 1,636,594	$ 3,767,178	$ 5,403,772		$ 22,876,952

The Accompanying Notes are an Integral Part of These Financial Statements

THE ENTERTAINMENT INDUSTRY FOUNDATION

STATEMENT OF CASH FLOWS
Year Ended December 31, 2008
With Summarized Totals for the Year Ended December 31, 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 67,547,041	$ 2,517,275
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation	43,722	37,999
Realized and Unrealized (Gain) Loss on Investments	605,692	(20,772)
(Increase) Decrease in:		
Accounts Receivable	(2,655,917)	7,970
Contributions Receivable (Net)	(38,101,690)	(3,178,045)
Prepaid Expenses and Other Assets	(279,466)	86,773
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	952,182	238,966
Grants to Charities	(733,069)	(329,494)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	27,378,495	(639,328)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(2,597,737)	(6,712,301)
Purchase of Property and Equipment	(33,261)	(53,977)
Proceeds from the Sale of Investments	1,979,968	2,756,691
NET CASH USED IN INVESTING ACTIVITIES	(651,030)	(4,009,587)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,727,465	(4,648,915)
Cash and Cash Equivalents - Beginning of Year	6,476,190	11,125,105
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 33,203,655	$ 6,476,190

The Accompanying Notes are an Integral Part of These Financial Statements

NOTE 1 - ORGANIZATION

Created in 1942 by Hollywood legends 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 continues this tradition, funding everything from arts education programs to some of the most advanced medical research in the world today.

Additionally, the Foundation continues its Worksite Campaign, the first mode of fundraising in which it was engaged. The Worksite Campaign is based on entertainment industry employees' pledges to give either a fixed percentage or a fixed amount through payroll deductions or one-time gifts and also gives industry members a strong voice in determining how to allocate these industry dollars.

In 1997, the Foundation began a national program initiative with the introduction of the National Women's Cancer Research Alliance (NWCRA). The program raises funds to support and conduct critical translational research in diagnosis and treatment of breast and ovarian cancer through a working alliance with leading medical centers throughout the nation, extending the Foundation's positive social impact throughout the United States.

In 2000, the National Colorectal Cancer Research Alliance (NCCRA) was launched, co-founded by Katie Couric, Lilly Tartikoff and the Foundation. The NCCRA was established to raise funds and awareness to aggressively promote the latest, cutting-edge cancer research and at the same time prevent additional, and needless, colorectal cancer deaths through preventive testing.

In 2001, the Foundation launched the National Cardiovascular Research Initiative (NCRI). The program raises money to support basic and clinical research into the causes of cardiovascular disease which is a major cause of death in the United States for both men and women. The program strives to improve methods for early detection and risk assessment and develop new strategies for prevention, treatment and reversal of heart disease. The overall goals of the program are to increase awareness of heart disease and reduce deaths from the disease.

In 2001, the Foundation launched a smoking cessation program in partnership with the American Legacy Foundation. The initiative worked with various major studios to establish programs to provide services to assist industry employees to quit smoking and to de-glamorize smoking in movies and television.

NOTE 1 - ORGANIZATION (continued)

In 2002, the Foundation launched the National Arts Education Initiative (NAEI) to help reverse the declining public resources given for arts education and further the arts for children and young people.

In 2003, the Foundation launched the Diabetes Aware Initiative (DAI) to raise awareness about the health risks of diabetes. The initial focus is on the health risks of diabetes.

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, as well as to consolidate EIF's efforts to support the fight against women's cancer that are not addressed by its other initiatives.

In 2008, in collaboration with a group of executives from film, television and philanthropy, the Foundation launched the Stand Up To Cancer Initiative (SU2C). The Foundation's largest to date, SU2C is designed to raise funds to accelerate ground-breaking cancer research and bring new therapies to patients more quickly and save lives. SU2C utilizes the entertainment industry to build broad public support and to enhance awareness of the devastating impact cancer has in this country. SU2C's goal is to bring together the best and brightest in the cancer community encouraging collaboration instead of competition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) 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 generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) ACCOUNTING (continued)

- **Temporarily Restricted Net Assets.** The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from program or capital restrictions. The Foundation has $79,747,386 of temporarily restricted net assets at December 31, 2008.

- **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, 2008.

(c) CASH AND CASH EQUIVALENTS

The Foundation has defined cash and cash equivalents as cash in banks and money markets with an original maturity of three months or less. The carrying value of cash and cash equivalents at December 31, 2008 approximates its fair value.

(d) 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 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 statement of financial position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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 collectibility 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, 2008.

(f) CONTRIBUTIONS RECEIVABLE

Contributions, including unconditional promises to give, are recognized as support when received at net present 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. Contributions received and made are recorded at present value using a discount rate of 1.55% for the year ended December 31, 2008. Amortization of the discount on contributions received is recorded as additional contribution revenue. Amortization of the discount on contributions made to other charities is recorded as additional grants to charities expense.

Conditional promises to give that are contingent upon future events or future matching are not recorded until the contingency has been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the contingency is satisfied. When the contingency has been satisfied, the gift is recognized as either unrestricted or temporarily restricted revenue depending on the intent of the donor.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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 five hundred dollars 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

(h) 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, 2008.

(i) DEFERRED REVENUE

Fees for events, which are paid in advance, are deferred and recognized as income in the period in which the related events are held.

(j) GRANTS TO CHARITIES

Unconditional grants are charged 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. All grants to charities at December 31, 2008 are expected to be paid within one year.

(k) 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) 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.

(m) ADVERTISING COSTS

Advertising costs are expensed as incurred. Total advertising expense was $1,657,454 for the year ended December 31, 2008.

(n) 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.

(o) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Foundation uses proportional salary dollars to allocate indirect costs.

(p) USE OF ESTIMATES

The preparation of 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.

(q) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2007 from which the summarized information was derived.

(r) RECLASSIFICATION

For comparability, the December 31, 2007 figures have been reclassified to conform to the financial statement presentation used at December 31, 2008.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) RECENT ACCOUNTING PRONOUNCEMENT

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement 109." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken, or expected to be taken, on a tax return. FIN 48 was initially effective for fiscal years beginning after December 15, 2006. The implementation date for non-public corporations for FIN 48 has been delayed and is now effective for fiscal years beginning after December 15, 2008. The Foundation has elected to defer the adoption of FIN 48 until January 1, 2009 and has not currently determined the impact of FIN 48 on its financial position and results of operations. However, until FIN 48 is adopted, the Foundation will continue to account for uncertain tax positions using the guidance in FASB Statement 5, "Accounting for Contingencies." The cumulative effect, if any, of adopting FIN 48 will be recorded as an adjustment to net assets on January 1, 2009.

NOTE 3 - INVESTMENTS

Effective January 1, 2008, the Foundation implemented Statement of Financial Accounting Standards No. 157 (SFAS 157) for those assets 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. SFAS 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, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at December 31, 2008, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	December 31, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS:				
Fixed Income Securities	$ 2,779,543	$ 2,779,543	$ -	$ -
Equity Securities	1,208,916	1,208,916	-	-
TOTAL INVESTMENTS	$ 3,988,459	$ 3,988,459	$ -	$ -

NOTE 3 - INVESTMENTS (continued)

The fair value 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.

Net investment loss for the year ended December 31, 2008 consists of the following:

Interest and Dividends	$ 399,314
Realized and Unrealized Loss	(605,692)
Investment Fees	(30,843)
INVESTMENT LOSS (NET)	$ (237,221)

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2008 are expected to be collected as follows:

Less than One Year	$16,831,119
One to Five Years	15,666,334
More than Five Years	12,000,000
GROSS CONTRIBUTIONS RECEIVABLE	44,497,453
Less: Present Value Discount	(1,925,016)
CONTRIBUTIONS RECEIVABLE (NET)	$42,572,437

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2008:

Office Furniture and Equipment	$ 348,319
Leasehold Improvements	62,333
TOTAL	410,652
Less: Accumulated Depreciation	(305,538)
PROPERTY AND EQUIPMENT (NET)	$ 105,114

Depreciation expense for the year ended December 31, 2008 was $43,722.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at December 31, 2008:

Deferred Revenue	$ 906,625
Accounts Payable	421,732
Deferred Rent	201,524
Accrued Vacation	110,627
Accrued Payroll and Other Payroll Withholdings	88,945
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 1,729,453

NOTE 7 - PUBLIC AWARENESS AND EDUCATION

The Foundation conducts a Public Awareness and Education program that provides 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 or print advertisements. These products are donated by major television networks and magazine publications.

The public service announcements were comprised of the following:

Broadcast Airtime	$44,258,224
Print Ad Publications	16,495,867
TOTAL PUBLIC AWARENESS AND EDUCATION	$60,754,091

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Foundation leases office facilities under several operating leases, with various terms expiring through March 31, 2015. Total rental expense charged to operations under these leases during the year ended December 31, 2008 was $548,822.

Lease commitments are as follows:

Years Ending December 31	
2009	$ 511,472
2010	521,479
2011	536,838
2012	552,658
2013	568,953
Thereafter	735,388
TOTAL	$ 3,426,788

NOTE 9 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Restricted net assets at December 31, 2008 are available for the following purposes:

Temporarily Restricted Net Assets:	
Stand Up to Cancer	$70,340,367
Women's Cancer Program Fund	5,406,828
Other Donor Purpose Designation	1,602,192
National Colorectal Cancer Research Alliance	1,137,378
National Women's Cancer Research Alliance	962,643
Diabetes Aware Initiative	276,507
Scholarships and Academic Support	21,471
TOTAL TEMPORARILY RESTRICTED NET ASSETS	$79,747,386
Permanently Restricted Net Assets:	
Scholarship Endowment	$ 27,500

NOTE 10 - ENDOWMENT

The Foundation's endowment consists of funds established for scholarship purposes. Endowment funds are established by donor-restricted gifts to provide a permanent endowment, which is to provide a permanent source of income to the Foundation.

The Foundation's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for the Foundation's endowment is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management.

The Foundation's Board of Director's is in the process of developing a spending policy that will distribute a specific payout rate of the endowment base to support the Foundation's program. The endowment base will be defined as a three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of December for the prior three years). The distribution or payout rate will be calculated at a specific fixed percentage of the base. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowment. In addition, this policy will minimize the probability of invading the principal over the long term.

NOTE 10 - ENDOWMENT (continued)

Endowment Net Asset Composition by Type of Fund at December 31, 2008:	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	$ 21,471	$ 27,500	$ 27,500

Changes in Endowment Net Assets for the Year Ended December 31, 2008:	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - Beginning of Year	$ 19,647	$ 27,500	$ 27,500
Investment Return:			
Interest and Dividend Income	1,824	-	1,824
Realized and Unrealized Losses	-	-	-
Less: Investment Fees	-	-	-
Total Investment Return	1,824	-	1,824
Appropriation of Endowment Assets for Expenditure	-	-	-
ENDOWMENT NET ASSETS - END OF YEAR	$ 21,471	$ 27,500	$ 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 $60,754,091, which were not specifically attributable to particular components of the activities.

The joint costs were allocated as follows:

Public Awareness and Education	$54,777,383
Fundraising	5,976,708
TOTAL JOINT COSTS	$60,754,091

NOTE 12 - STAND UP TO CANCER MUSIC LLC

In September 2008, the Foundation formed Stand Up to Cancer Music, LLC (SU2C, LLC). This entity, a limited liability company, is organized for the purpose of handling the publishing and licensing of the rights and copyrights of an original musical composition and sound recording. The Foundation holds 100% interest in SU2C, LLC. There was no activity in the entity for the year ended December 31, 2008.