

## **Concern Foundation**

Audited Financial Statements

As of and for the Year Ended December 31, 2020

(With Comparative Summarized Financial Information as  
of and for the Year Ended December 31, 2019)



# **Concern Foundation**

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Financial Statements  
For the Year Ended December 31, 2020

# Concern Foundation

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## Independent Auditor's Report

To the Board of Directors  
Concern Foundation  
Los Angeles, California

I have audited the accompanying financial statements of Concern Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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, I 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concern Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, the 2019 financial statements have been restated to correct misstatements. My opinion is not modified with respect to this matter.

***Report on Summarized Comparative Information***

The 2019 financial statements of Concern Foundation were audited by other auditors who, in their report dated November 2, 2020, expressed an unmodified opinion on those audited financial statements. In my opinion the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects as adjusted for the matter in the previous paragraph, with the audited financial statements from which it has been derived.

***Report on Summarized Supplementary Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Grants Expense are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lewis Sharpstone & Co.*

Woodland Hills, California  
February 2, 2022

## **Financial Statements**

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**Concern Foundation**  
**Statement of Financial Position**  
**December 31, 2020**  
**(With Comparative Totals as of December 31, 2019)**

	2020	2019 Restated
<b>Assets</b>		
Cash and cash equivalents	\$ 906,587	\$ 1,565,519
Pledges receivable	840,488	816,779
Investments	6,317,697	5,314,148
Beneficial interest in charitable remainder trusts	260,158	252,920
Prepaid expenses and other assets	44,107	37,088
Property and Equipment, net	3,243	4,413
<b>Total Assets</b>	<b>\$ 8,372,280</b>	<b>\$ 7,990,867</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 66,816	\$ 69,386
Grants payable	732,500	890,000
Deferred revenue	887,585	1,018,719
<b>Total Liabilities</b>	<b>1,686,901</b>	<b>1,978,105</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	3,064,267	2,507,491
Board designated	1,140,000	1,140,000
Total net assets without donor restrictions	4,204,267	3,647,491
With donor restrictions	2,481,112	2,365,271
<b>Total Net Assets</b>	<b>6,685,379</b>	<b>6,012,762</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,372,280</b>	<b>\$ 7,990,867</b>

*See accompanying notes to financial statements.*

**Concern Foundation**  
**Statement of Activities**  
**Year Ended December 31, 2020**  
**(With Comparative Totals for the Year Ended December 31, 2019)**

	<b>2020</b>			2019 Restated
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and Support:</b>				
Special event income, net	\$ 1,517,288	\$ 170,440	\$ 1,687,728	\$ 1,662,692
Contributions	115,917	112,500	228,417	2,206,777
Investment income	451,668	115,403	567,071	596,561
Change in value of CRTs	-	7,238	7,238	20,021
PPP loan forgiveness recorded	58,500	-	58,500	-
Net assets released from restrictions	289,740	(289,740 )	-	-
<b>Total Revenue and Support</b>	<b>2,433,113</b>	<b>115,841</b>	<b>2,548,954</b>	<b>4,486,051</b>
<b>Expenses:</b>				
Program services	1,309,565	-	1,309,565	1,685,760
Management and general	162,279	-	162,279	179,612
Fundraising	404,493	-	404,493	389,310
<b>Total Expenses</b>	<b>1,876,337</b>	<b>-</b>	<b>1,876,337</b>	<b>2,254,682</b>
<b>Change in Net Assets</b>	<b>556,776</b>	<b>115,841</b>	<b>672,617</b>	<b>2,231,369</b>
<b>Net Assets, beginning of year – restated (Note 3)</b>	<b>3,647,491</b>	<b>2,365,271</b>	<b>6,012,762</b>	<b>3,781,393</b>
<b>Net Assets, end of year</b>	<b>\$ 4,204,267</b>	<b>\$ 2,481,112</b>	<b>\$ 6,685,379</b>	<b>\$ 6,012,762</b>

*See accompanying notes to financial statements.*



## Concern Foundation

### Statement of Functional Expenses Year Ended December 31, 2020

(With Comparative Totals for the Year Ended December 31, 2019)

	2020				2019 Restated
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 55,776	\$ 88,310	\$ 264,276	\$ 408,362	\$ 378,167
Payroll taxes	3,404	6,789	15,696	25,889	26,725
Employee benefits	10,723	17,716	47,030	75,469	74,602
Grant awards	1,213,855	-	-	1,213,855	1,589,554
Advertising	209	337	977	1,523	1,005
Bank and merchant fees	-	-	15,304	15,304	19,750
Equipment lease	882	1,424	4,127	6,433	6,107
Information Technology	2,130	3,437	9,966	15,533	13,603
Insurance	1,046	1,689	4,895	7,630	7,094
Meetings and travel	382	617	1,790	2,789	8,386
Occupancy	6,745	10,888	31,567	49,200	54,600
Postage and shipping	718	1,159	3,359	5,236	11,786
Printing and publications	-	-	-	-	5,903
Professional fees	-	28,015	-	28,015	26,455
Scientific review committee	12,519	-	-	12,519	18,769
Supplies	435	703	2,038	3,176	3,534
Taxes and licenses	54	87	254	395	1,591
Telephone	526	849	2,464	3,839	5,124
Depreciation	161	259	750	1,170	1,927
	\$ 1,309,565	\$ 162,279	\$ 404,493	\$ 1,876,337	\$ 2,254,682

*See accompanying notes to financial statements.*

**Concern Foundation**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**  
**(With Comparative Totals for the Year Ended December 31, 2019)**

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	<u>2020</u>	<u>2019</u> <u>Restated</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 672,617	\$ 2,231,369
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	1,170	1,927
PPP loan forgiveness recognized	(58,500)	-
Investment gains, realized and unrealized	(480,380)	(386,716)
Change in beneficial interest in charitable remainder trusts	(7,238)	(20,021)
Changes in operating assets and liabilities		
Pledges receivable	(23,709)	(152,896)
Prepaid expenses and other assets	(7,019)	12,383
Accounts payable and accrued expenses	(2,570)	(5,111)
Grants payable	(157,500)	527,500
Deferred revenue	(131,134)	(172,903)
<b>Net cash (used) provided by operating activities</b>	<u>(194,263)</u>	<u>2,035,532</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	5,904,098	2,985,609
Purchase of investments	<u>(6,427,267)</u>	<u>(4,079,560)</u>
<b>Net cash (used) provided by investing activities</b>	<u>(523,169)</u>	<u>(1,093,951)</u>
<b>Cash flows from financing activities</b>		
Borrowings on PPP loan	<u>58,500</u>	<u>-</u>
<b>Net cash from financing activities</b>	<u>58,500</u>	<u>-</u>
<b>Change in cash</b>	(658,932)	941,581
<b>Cash - beginning of year</b>	<u>1,565,519</u>	<u>623,938</u>
<b>Cash - end of year</b>	\$ <u>906,587</u>	\$ <u>1,565,519</u>

*See accompanying notes to financial statements.*

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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### NOTE 1 - ORGANIZATION

Concern Foundation (the "Foundation") is a nonprofit corporation organized under the laws of the state of California. Concern Foundation is funded principally through the private sector with annual fundraising campaigns, special fundraising events, and ongoing support from corporations, foundations, and individuals. Concern Foundation conducts virtually all of its fundraising activities within Southern California.

The Foundation provides critical funding to post-doctoral cancer researchers focused primarily on cancer genetics, cell biology and immunology for all forms of cancer prevention and treatment.

### NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis which recognizes income when earned and expenses when incurred, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### **Financial Statement Presentation**

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions: - Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. As part of assets without donor restrictions, the board of directors has set aside \$1,140,000 as a contingency to meet grant commitments that may not be covered by current fundraising monies. See Note 10.

Net Assets with Donor Restrictions: - Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 10.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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### **Comparative Financial Information**

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, 2019, as restated (See Note 3) from which the summarized information was derived.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management makes estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses as well as disclosure of contingent assets and liabilities if any. Actual results could differ from those estimates.

### **Special event income**

Special events revenue is recognized at a point in time, once the event is held.

### **Contributions**

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized as a contribution until the conditions on which they depend have been met.

Promises to give in connection with future special events are considered conditional promises to give and are recorded as pledges receivable, and as deferred revenue until the event occurs. A discount is recorded to account for the time value of the receivable, 1% at December 31, 2020. A reserve for uncollectible pledges is also recorded based on an analysis of promises to pay and uncollectible amounts.

### **In-kind contributions**

Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of services are recognized at fair value when received. A substantial number of unpaid volunteers have made significant contributions of time to the Foundation. There were no in-kind contributions during the years ended December 31, 2020 or 2019 that met the criteria for recognition.

### **Cash and Cash Equivalents**

For the purposes of the financial statement, the Foundation considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

### **Investments**

Investments in bonds, mutual funds and exchange traded funds are stated at fair value. Interest, dividends, and realized and unrealized gains and losses are reported as increases or decreases in net assets.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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Limited partnership investments represent small stakes in several private limited partnerships donated to the Foundation several years ago. They are stated at cost – the estimated fair value at the date of donation. Management conducts an annual impairment assessment and for the years ended December 31, 2020 and 2019, a minor impairment expense related to certain of the limited partnerships was recorded.

### **Beneficial Interests in Charitable Remainder Trusts**

Beneficial Interests in Charitable Remainder Trusts are recorded at the present value of the discounted estimated future cash flows. The present value is computed based on the donor's (or couples' joint) estimated life expectancy as derived from the 2000 unisex census table, the applicable federal rate of 0.6% and the payout to the donor (range of 7.5% to 8.0% per annum).

### **Property and Equipment**

Property and equipment are recorded at historical cost and are being depreciated using the straight-line method over the estimated useful life of the assets, 5 to 7 years. Expenditures for maintenance, repairs, and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

### **Long Lived Assets**

The Foundation reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. An impairment loss is recognized with the estimate on discounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying amount. If impairment is indicated the amount of the loss to be recorded is based on an estimate of the difference between the carrying amount and the fair value of the asset. Fair value is based upon discounted estimated cash flows expected to result from the use of the asset and its eventual disposition and other valuation methods.

There were no impairment charges during the years end of December 31, 2020 or 2019.

### **Fair Value Measurements**

Generally accepted accounting standards related to fair value measurements (a) define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and (b) set out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described as follows:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 - Directly or indirectly observable input for quoted and other than quoted prices for identical or similar assets and liabilities in active or non-active markets.

Level 3 - Unobservable inputs not corroborated by market data, therefore requiring the entity to use the best information available in the circumstances, including the entity's own data.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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Certain financial instruments are carried at cost, which approximates fair value because of the short-term nature of these instruments, and thus are not categorized. These instruments include cash and cash equivalents, receivables and accounts payable and accrued expenses.

### **PPP Loan Accounting**

The Paycheck Protection Program (“PPP”) loan program was established on March 27, 2020 as part of the Coronavirus Aid, Relief and Economic Security (“CARES”) Act. The PPP loan program provides that all or a portion of the loan may be forgiven if a borrower incurs certain eligible expenses during an allowable period following receipt of the funds. Management has concluded that the PPP loan is an in-substance government grant to the Foundation and is accounting for the loan as a conditional contribution in accordance with ASC 958-605. For accounting purposes management recognizes its estimate of the portion of forgiveness earned when the conditions for such forgiveness have been substantially met.

On April 16, 2020 the Foundation received \$58,500 of PPP loan proceeds. The Foundation has determined that as of December 31, 2020 it had met all the conditions for full loan forgiveness. Accordingly, the proceeds have been recognized as income in the statement of activities for the year ended December 31, 2020. On January 12, 2021 the Foundation was notified that its forgiveness application was approved by the Small Business Administration.

### **Functional Expense Allocations**

The costs of providing programs and supporting services have been summarized on a functional basis in the statement of activities, and in the statement of functional expenses. Accordingly, salaries, occupancy, information technology and telephone costs have been allocated between programs and supporting services based upon time and effort.

For the years ended December 31, 2020 and 2019 the percentage of administrative expenses to total revenue was 6.4% and 4.0% respectively.

### **Advertising**

Advertising costs are charged to operations when incurred and are included in the functional expenses.

### **Concentrations**

One pledge receivable comprised 40% and 39% of total pledges receivable at December 31, 2020 and 2019, respectively. Two grants payable comprised 38% and 38% of total grants payable at December 31, 2020 and 2019, respectively.

### **Awarding of Grants Policy**

Grant awards are recorded as a liability when the grant is made and contingencies are met. Grant proposals consists of applications which are received by the Foundation from research institutions worldwide. The Foundation's grants committee oversees an international scientific review committee, which is comprised of prominent scientists who evaluate these proposals. The scientific review committee meets every year. After each submitted proposal has been reviewed, evaluated, and ranked, its recommendations are then passed on to the grants committee and the board of directors for final approval. Generally, grants are for a one-year period and are paid quarterly. Recipients of a one-year

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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award may receive an award for a second year, which is contingent upon the recipients meeting certain criteria and the Foundation's ability to fund such an award.

### **Income taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from California franchise taxes under Section 23701(d) of the State Revenue and Taxation Code.

The Foundation files Internal Revenue Service Form 990 and state Forms 199 and RRF-1. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of the Foundation does not believe the financial statements include any uncertain tax positions.

### **Custodial Credit Risk**

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, investments, and pledges receivable. The Foundation places its cash and cash equivalents with high quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. In the normal course of operations, such cash balances may exceed the FDIC insurance limits.

Pledges receivable at December 31, 2020 and 2019 are due from entities well-known to the Foundation with favorable past payment histories.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could affect the amounts reported in the accompanying financial statements.

### **Coronavirus Impact**

Since March 2020, the US economy is facing considerable uncertainty related to the impact of the COVID-19 virus. The Foundation has taken steps to adapt its operations to the changing environment but may be adversely affected in the future on its ability to conduct its operations and raise funds. Management is currently evaluating the impact these uncertainties may have on future operations.

### **Recent Accounting Pronouncements**

In May 2014, The FASB issued ASU NO. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The standard provides companies with a single model for accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific revenue guidance. The core principle of the model is to recognize revenue when control of the goods or services transfers to the customer, as opposed to recognizing revenue when the risks and rewards transfer to the customer under the existing revenue guidance. ASU 2014-09 is effective for the Foundation in its year ended December 31, 2020. The Foundation adopted this pronouncement, and the adoption had no material effect on its financial statements.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

On February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for the Foundation in its year ended December 31, 2022. The Foundation is in the process of evaluating the impact of adoption on its financial statements.

### NOTE 3 RESTATEMENT

During the year ended December 31, 2020, the Foundation determined that it had omitted to record two grants payable as of December 31, 2019 in the amount, in aggregate, of \$340,000. The effect of this error on the December 31, 2020 financial statements is as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Opening net assets (as of December 31, 2019) as previously reported	\$ 3,987,491	\$ 2,365,271	\$ 6,352,762
Correction of grants payable	<u>(340,000 )</u>	<u>-</u>	<u>(340,000 )</u>
Opening net assets - restated	\$ <u>3,647,491</u>	\$ <u>2,365,271</u>	\$ <u>6,012,762</u>

### NOTE 4: PLEDGES RECEIVABLE

Pledges receivable at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Due in less than one year	\$ 232,216	\$ 513,860
Due in one to five years	<u>620,143</u>	<u>320,200</u>
Gross receivable	852,359	834,060
Less, discount	(3,871 )	(9,281 )
Less, allowance for uncollectible pledges	<u>(8,000 )</u>	<u>(8,000 )</u>
Pledges receivable, net	\$ <u>840,488</u>	\$ <u>816,779</u>



# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

Pledges receivable related to the following at December 31, 2020 and 2019:

	2020	2019
Pledges related to future events	\$ 425,445	\$ 497,735
Related to unconditional pledges	415,043	319,044
Pledges receivable, net	\$ 840,488	\$ 816,779

### NOTE 5: INVESTMENTS

The following tables sets forth the values by level within the fair value hierarchy of the Foundation's investment assets as of December 31, 2020 and 2019:

2020 Asset Class	At Fair Value			At Cost	Total
	Level 1	Level 2	Level 3		
Bonds – corporate and government	\$ -	\$ 3,587,561	\$ -	\$ -	\$ 3,587,561
Equity securities	2,621,466	-	-	-	2,621,466
Exchange traded funds	22,245	-	-	-	22,245
Limited partnerships, at cost	-	-	-	86,425	86,425
<b>Total</b>	\$ 2,643,711	\$ 3,587,561	\$ -	\$ 86,425	\$ 6,317,697

2019 Asset Class	At Fair Value			At Cost	Total
	Level 1	Level 2	Level 3		
Bonds – corporate and government	\$ -	\$ 3,382,111	\$ -	\$ -	\$ 3,382,111
Equity securities	1,374,737	-	-	-	1,374,737
Exchange traded funds	470,228	-	-	-	470,228
Limited partnerships, at cost	-	-	-	87,072	87,072
<b>Total</b>	\$ 1,844,965	\$ 3,382,111	\$ -	\$ 87,072	\$ 5,314,148

Investments were held for the following purposes as of December 31, 2020 and 2019:

	2020	2019
Endowment investments	\$ 1,995,470	\$ 1,920,372
General investments	4,322,227	3,393,776
Total investments	\$ 6,317,697	\$ 5,314,148

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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Total investment return consists of the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 71,820	\$ 105,099
Realized gains and losses	174,353	29,261
Unrealized gains and losses	306,027	369,008
Partnership income	<u>14,871</u>	<u>93,193</u>
Total investment return	\$ <u>567,071</u>	\$ <u>596,561</u>

### NOTE 6: BENEFICIAL INTERESTS IN CHARITABLE REMAINDER TRUSTS

The Foundation is the remainder beneficiary in two irrevocable charitable remainder trusts ("CRTs"). As of December 31, 2020 and 2019, the net present values of the Foundation's beneficial interests in the charitable remainder trusts were as follows:

	<u>Level 3 in the fair value hierarchy</u>	
	<u>2020</u>	<u>2019</u>
Balance – beginning of year	\$ 252,920	\$ 232,899
Change in value	<u>7,238</u>	<u>20,021</u>
Balance – end of year	\$ <u>260,158</u>	\$ <u>252,920</u>

### NOTE 7: PROPERTY AND EQUIPMENT

As of December 31, 2020 and 2019, property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 28,491	\$ 28,491
Less accumulated depreciation	<u>(25,248 )</u>	<u>(24,078 )</u>
	\$ <u>3,243</u>	\$ <u>4,413</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,170 and \$1,927, respectively.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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### NOTE 8: GRANTS PAYABLE

The movements in grants payable during the years ended December 31, 2020 and 2019 were as follows:

Payable December 31, 2018	\$ 362,500
Grants awarded, net of refunds - restated	1,589,554
Payments, net of refunds	<u>(1,062,054 )</u>
Payable December 31, 2019 - restated	890,000
Grants made, net of refunds	1,213,855
Payments, net of refunds	<u>(1,371,355 )</u>
Payable December 31, 2020	\$ <u>732,500</u>

Grants are payable as follows:

Years ending December 31,	
2021	\$ 572,500
2022	40,000
2023	40,000
2024	40,000
2025	<u>40,000</u>
	\$ <u>732,500</u>

In addition, the Foundation had made "year 2" grant commitments, contingent on the grantee meeting certain conditions during 2021 as specified in the grant award. The aggregate amount of such contingent grant commitments at December 31, 2020 was \$840,000.

### NOTE 9: DEFERRED REVENUE

Deferred revenue related to the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Pledges related to future event	\$ 425,445	\$ 497,735
Funds received related to future events	<u>462,140</u>	<u>520,984</u>
Total deferred revenue	\$ <u>887,585</u>	\$ <u>1,018,719</u>

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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### NOTE 10: NET ASSETS

#### Net Assets without Donor Restrictions

Net assets without donor restrictions consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u> Restated
Undesignated	\$ 3,064,267	\$ 2,507,491
Board designated	<u>1,140,000</u>	<u>1,140,000</u>
Total net assets without donor restrictions	\$ <u>4,204,267</u>	\$ <u>3,647,491</u>

Board-designated net assets comprise a grants reserve fund. It is designated to provide the Foundation with cash liquidity in the event that current fundraising does not cover contingent grant commitments.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Endowment funds	\$ <u>1,995,470</u>	\$ <u>1,920,372</u>
Time and purpose restricted funds		
Time restricted through CRTs	260,158	252,920
Restricted to funding research	-	53,875
Restricted to funding scientific review committee	-	8,060
Other funds restricted as to purpose	150,484	130,044
Funds restricted as to time	<u>75,000</u>	<u>-</u>
Total time and purpose restricted funds	<u>485,642</u>	<u>444,899</u>
Total net assets with donor restrictions	\$ <u>2,481,112</u>	\$ <u>2,365,271</u>

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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Net assets released from restrictions for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Endowment appropriations, net of reclassifications	\$ 40,305	\$ 64,269
Releases from time and purpose restricted funds		
Time restricted through CRTs	-	-
Restricted to funding research	53,875	-
Restricted to funding scientific review committee	8,060	-
Other restricted funds	<u>187,500</u>	<u>265,000</u>
Total net assets released from donor restrictions	\$ <u>289,740</u>	\$ <u>329,269</u>

### NOTE 11: ENDOWMENT FUNDS

At December 31, 2020 and 2019 the Foundation's endowment is comprised of the following endowment funds:

	<u>2020</u>	<u>2019</u>
Mynda Cohn/Jensen Memorial Fund	\$ 1,645,470	\$ 1,654,478
Steric Fund	100,000	100,000
Wilbur S. Schwartz Fund	<u>250,000</u>	<u>174,894</u>
Total net assets released from donor restrictions	\$ <u>1,995,470</u>	\$ <u>1,920,372</u>

Earnings from the Mynda Cohn/Jensen Memorial Fund are used to reimburse the Foundation for general and administrative expenses. Earnings from the Steric Fund are used to reimburse expenses related to the scientific review committee meetings held in Los Angeles, California, including airline tickets, hotel rooms, meeting rooms, local transportation, and out-of-pocket expenses incurred by the scientists relating to their work as part of the review committee. Earnings from the Wilbur S. Schwartz Fund are to be used to pay for awards, scholarships, fellowships, symposia, and/or lectures.

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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Changes in endowment net assets for the year ended December 31, 2020 and 2019 is as follows:

	Accumulated and unappropriated earnings	Corpus	Total
December 31, 2018	\$ -	\$ 1,920,372	\$ 1,920,372
Earnings related to endowments	72,000	-	72,000
Appropriations and reclassifications	<u>(72,000 )</u>	<u>-</u>	<u>(72,000 )</u>
December 31, 2019	\$ -	\$ 1,920,372	1,920,372
Earnings related to endowments	115,403	-	115,403
Appropriations and reclassifications	<u>(115,403 )</u>	<u>75,098</u>	<u>(40,305 )</u>
December 31, 2020	\$ <u>-</u>	\$ <u>1,995,470</u>	\$ <u>1,995,470</u>

The Foundation has interpreted its endowments because of historical donor stipulations as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. The Foundation separately tracks the value of the original and subsequent donations to the endowment, and accumulations to the endowment of unappropriated earnings. As of December 31, 2020 and 2019, there are no such accumulations.

In accordance with Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in California and the provisions of ASC 958-205-45, the Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding as agreed upon with the donors.

To satisfy this objective, the Foundation has done the following: (a) set an investment policy investing heavily in fixed income securities and (b) set a spending policy whereby only interest and dividends received are considered eligible for appropriation for expenditures. Accordingly, realized and unrealized gains and losses on endowment assets are considered appropriated by the Foundation and are accounted for within net assets without donor restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. No such situation such as this existed at December 31, 2020.

### NOTE 12: SPECIAL EVENTS

The Foundation conducts several special events in order to assist with its mission. All revenue received from such events in excess of expenses is used for the current program operations, unless otherwise restricted by the donor. Total income from special events was \$1,792,200 and \$2,138,871 and direct

# Concern Foundation

## Notes to Financial Statements December 31, 2020 (Comparative Totals - December 31, 2019)

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donor benefit costs were \$104,472 and \$476,179, net \$1,687,728 and \$1,662,692 for the year ended December 31, 2020 and 2019, respectively.

### NOTE 13: LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	906,587
Pledges receivable		840,488
Investments		<u>6,317,697</u>
Total financial assets available		8,064,772
Less those unavailable for expenditure within one year due to:		
Restricted by donor with time or purpose restrictions		(2,481,112 )
Restricted by Board designation		(1,140,000 )
Pledges receivable not due within one year		<u>(620,143 )</u>
Financial assets available to meet cash needs for expenditures within one year	\$	<u>3,823,517</u>

### NOTE 14: SUBSEQUENT EVENTS

Concern Foundation's management has evaluated subsequent events through February 2, 2022, the date which the financial statements were available to be issued. There were no subsequent events noted that would require adjustments to or disclosures in these financial statements.

## **Concern Foundation**

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Supplementary Information  
For the Year Ended December 31, 2020



# Concern Foundation

## Schedule of Grants Expense Year Ended December 31, 2020

<u>Grantee</u>	<u>Institution</u>	<u>Amount</u>
Dr. Anat Erdreich-Epstein	Children's Hospital Los Angeles	\$ 100,000
Summer Oncology Program	Children's Hospital Los Angeles	10,000
Dr. Victoria Cortessis	USC/Norris Comprehensive Cancer Center	25,000
Beauty Bus Foundation	Beauty Bus Foundation	35,000
Lautenberg Center	Hebrew University	125,000
Dr. Arash Asher	Cedars Sinai Medical Ctr.	20,000
Dr. Yuan Yuan	City of Hope	50,000
Dr. Chintan Parekh	Children's Hospital Los Angeles	10,000
Dr. Chao Lu	Columbia University	60,000
Dr. Evanthia Roussos Torres	University of Southern California	60,000
Dr. Kyoung Eun Lee	University of Michigan	60,000
Elena Piskounova, Ph.D.	Weill Cornell Medicine	60,000
Irfan Asangani, Ph.D.	University of Pennsylvania	60,000
Julia Maxson, Ph.D.	Oregon Health and Science University	60,000
Marjan Rafat, Ph.D.	Vanderbilt University	60,000
Remi Buisson, Ph.D.	University of California, Irvine	60,000
Rui Lu, Ph.D.	University of Alabama, Birmingham	60,000
Stavroula Hatzios, Ph.D.	Yale University	60,000
Stephano Spano Mello, Ph.D.	University of Rochester	60,000
Taran Gujral, Ph.D.	Fred Hutchinson Cancer Research Center	60,000
Vu Ngo, Ph.D.	City of Hope, Beckman Research Institute	60,000
Christian Badr, Ph.D.	Massachusetts General Hospital	<u>60,000</u>
Sub total		1,215,000
Less grant refunded		<u>(1,145 )</u>
Total grants expense		\$ <u>1,213,855</u>

*See independent auditor's report.*

## Concern Foundation

### Schedule of Grants Expense (Restated) Year Ended December 31, 2019

<u>Grantee</u>	<u>Institution</u>	<u>Amount</u>
U.C. Regents	University of California Los Angeles	\$ 100,000
Dr. Anoop Patel	University of Washington	60,000
Dr. Antonis Kourtidis	Medical University of South Carolina	60,000
Dr. Boyang Wu	Washington State University	60,000
Dr. Franklin Zhong	Institute of Molecular and Cell Biology, Singapore	60,000
Dr. Lukas Dow	Weill Medical College Cornell University, New York	60,000
Dr. Lydia Finley, PhD	Memorial Sloan Kettering Cancer Center, New York	60,000
Dr. Malay Haldar, MD, PhD	University of Pennsylvania	60,000
Dr. Philip Kranzusch	Dana-Farber Cancer Institute, Boston, MA	60,000
Dr. Robert Faryabi, PhD	University of Pennsylvania	60,000
Dr. Sara Meyer	Thomas Jefferson University, Philadelphia, PA	60,000
Dr. Selma Masri, Ph.D.	UCLA, Irvine	60,000
Dr. Yanzhong Yang	Beckman Research Institute City of Hope, Duarte, CA	60,000
Dr. Yuliya Pylaeva-Gupta	University of North Carolina Chapel Hill	60,000
Dr. Moshe Elkabets, PhD	Ben Gurion University of the Negev	60,000
Dr. Tae-Hee Kim	The Hospital for Sick Children, Canada	60,000
Dr. Troy McEachron	AYA USC/Norris Comprehensive Cancer Center	80,000
Anat Erdreich-Epstein	Children's Hospital, Los Angeles	60,000
American Friends of Hebrew University		280,000
Beauty Bus Foundation		35,000
The Lautenberg Center	Lautenberg Center at Hebrew University, Israel	125,000
Waleed Minzel		5,000
Asael Lubotzky		<u>5,000</u>
Sub total		1,590,000
Less grant refunded		<u>(446 )</u>
Total grants expense		\$ <u>1,589,554</u>

*See independent auditor's report.*