

Concern Foundation

Audited Financial Statements

As of and for the Year Ended December 31, 2021

(With Comparative Summarized Financial Information as
of and for the Year Ended December 31, 2020)



Concern Foundation

Financial Statements
For the Year Ended December 31, 2021

Concern Foundation

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Independent Auditor's Report

To the Board of Directors
Concern Foundation
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Concern Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concern Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report - continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Concern Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Concern Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Concern Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, including the Schedule of Grants Expense for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Summarized Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Grants Expense for the year ended December 31, 2021 is 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
December 19, 2022

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Financial Statements

Concern Foundation
Statement of Financial Position
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 375,794	\$ 428,927
Pledges receivable	918,234	840,488
Investments	7,440,106	6,795,357
Beneficial interest in charitable remainder trusts	217,954	260,158
Prepaid expenses and other assets	39,974	44,107
Property and Equipment, net	1,728	3,243
Total Assets	\$ 8,993,790	\$ 8,372,280
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 74,940	\$ 66,816
Grants payable	1,040,000	732,500
Deferred revenue	853,076	887,585
Total Liabilities	1,968,016	1,686,901
Net Assets		
Without donor restrictions		
Undesignated	3,494,300	3,064,267
Board designated	1,040,000	1,140,000
Total net assets without donor restrictions	4,534,300	4,204,267
With donor restrictions	2,491,474	2,481,112
Total Net Assets	7,025,774	6,685,379
Total Liabilities and Net Assets	\$ 8,993,790	\$ 8,372,280

See accompanying notes to financial statements.

Concern Foundation
Statement of Activities
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Special event income, net	\$ 1,457,949	\$ -	\$ 1,457,949	\$ 1,687,728
Contributions	46,429	101,984	148,413	228,417
Investment income	501,071	142,916	643,987	567,071
Change in value of CRTs	-	(26,141)	(26,141)	7,238
PPP loan forgiveness recorded	72,500	-	72,500	58,500
Net assets released from restrictions	208,397	(208,397)	-	-
Total Revenue and Support	2,286,346	10,362	2,296,708	2,548,954
Expenses:				
Program services	1,383,623	-	1,383,623	1,309,565
Management and general	135,196	-	135,196	162,279
Fundraising	437,494	-	437,494	404,493
Total Expenses	1,956,313	-	1,956,313	1,876,337
Change in Net Assets	330,033	10,362	340,395	672,617
Net Assets, beginning of year	4,204,267	2,481,112	6,685,379	6,012,762
Net Assets, end of year	\$ 4,534,300	\$ 2,491,474	\$ 7,025,774	\$ 6,685,379

See accompanying notes to financial statements.

Concern Foundation

Statement of Functional Expenses Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021				2020
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 65,244	\$ 74,129	\$ 277,083	\$ 416,456	\$ 408,362
Payroll taxes	4,180	5,587	16,945	26,712	25,889
Employee benefits	14,271	14,137	55,447	83,855	75,469
Grant awards	1,270,469	-	-	1,270,469	1,213,855
Advertising	232	261	971	1,464	1,523
Bank and merchant fees	-	-	21,318	21,318	15,304
Equipment lease	1,205	1,352	5,033	7,590	6,433
Information Technology	3,244	3,638	13,544	20,426	15,533
Insurance	1,340	1,503	5,597	8,440	7,630
Meetings and travel	146	163	609	918	2,789
Occupancy	7,795	8,743	32,552	49,090	49,200
Postage and shipping	1,009	1,132	4,216	6,357	5,236
Professional fees	-	23,428	-	23,428	28,015
Scientific review committee	13,487	-	-	13,487	12,519
Supplies	124	139	515	778	3,571
Telephone	637	714	2,659	4,010	3,839
Depreciation	240	270	1,005	1,515	1,170
	\$ 1,383,623	\$ 135,196	\$ 437,494	\$ 1,956,313	\$ 1,876,337

See accompanying notes to financial statements.

Concern Foundation
Statement of Cash Flows
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 340,395	\$ 672,617
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	1,515	1,170
PPP loan forgiveness recognized	(72,500)	(58,500)
Investment gains, realized and unrealized	(409,690)	(480,380)
Change in beneficial interest in charitable remainder trusts	26,141	(7,238)
Changes in operating assets and liabilities		
Pledges receivable	(77,746)	(23,709)
Prepaid expenses and other assets	4,133	(7,019)
Accounts payable and accrued expenses	8,124	(2,570)
Grants payable	307,500	(157,500)
Deferred revenue	(34,509)	(131,134)
Net cash (used) provided by operating activities	93,363	(194,263)
Cash flows from investing activities		
Proceeds from sale of investments	12,790,055	5,904,098
Purchase of investments	(12,554,996)	(6,427,267)
Payout of a charitable remainder trust	16,063	-
Net cash (used) provided by investing activities	(218,996)	(523,169)
Cash flows from financing activities		
Borrowings on PPP loan	72,500	58,500
Net cash from financing activities	72,500	58,500
Change in cash	(53,133)	(658,932)
Cash - beginning of year	428,927	1,087,859
Cash - end of year	\$ 375,794	\$ 428,927

See accompanying notes to financial statements.

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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. See Note 9.

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 9.

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, 2021 (Comparative Totals - December 31, 2020)

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, 2020, from which the summarized information was derived. Certain items in the 2020 comparative totals have been reclassified to conform to the 2021 presentation.

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, 2021. 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, 2021 or 2020 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.

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Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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, 2021 and 2020, 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 (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, 2021 or 2020.

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.

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Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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.

On March 5, 2021 the Foundation received \$72,500 of PPP 2 loan proceeds. On August 2, 2021, the Foundation was notified that its forgiveness application was approved by the Small Business Administration. Accordingly, the proceeds have been recognized as income in the statement of activities for the year ended December 31, 2021.

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, 2021 and 2020 the percentage of administrative expenses to total revenue was 5.9% and 6.4% respectively.

Advertising

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

Concentrations

One pledge receivable comprised 17% and 40% of total pledges receivable at December 31, 2021 and 2020, respectively. One grants payable comprised 19% of total grants payable at December 31, 2021 and two grants payable comprised 38% of total grants payable at December 31, 2020.

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,

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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 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, 2021 and 2020 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

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

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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: PLEDGES RECEIVABLE

Pledges receivable at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Pledges related to future events	\$ 530,300	\$ 437,316
Related to unconditional pledges	<u>50,000</u>	<u>75,000</u>
Total pledges receivable, gross	580,300	512,496
Less, discount	(15,109)	(3,871)
Less, allowance for uncollectible pledges	<u>(8,000)</u>	<u>(8,000)</u>
Net pledges receivable	557,191	500,625
Related to a bequest – see note below	<u>361,043</u>	<u>340,043</u>
Pledges receivable, net	\$ <u>918,234</u>	\$ <u>840,488</u>

Pledges receivable, gross, are due in timeframes as follows:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 156,100	\$ 232,216
Due in one to five years	<u>424,200</u>	<u>280,280</u>
Gross receivable	\$ <u>580,300</u>	\$ <u>512,496</u>

In 2019 the Foundation was notified that it was the beneficiary of a bequest in the amount of \$1 million. \$700,000 was received in 2019 and the administrator of the trust advised at that time that the remaining \$300,000 would be received in 2020. As of December 31, 2021 the funds have not been received and although the trust administrator has not formally responded to inquiries as to when the funds will be received, the Foundation's management is nevertheless confident the funds will eventually be received. Accordingly, the Foundation has been accruing the statutorily earned interest on this bequest debt at a rate of 7%. The Foundation will begin to reserve against this receivable if assurances as to its collectability cannot be obtained in 2022.

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

NOTE 4: 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, 2021 and 2020:

2021 Asset Class	At Fair Value			At Cost	Total
	Level 1	Level 2	Level 3		
Investment cash	\$ 632,653	\$ -	\$ -	\$ -	\$ 632,653
Bonds – corporate and government	-	3,086,097	-	-	3,086,097
Equity securities	1,744,604	-	-	-	1,744,604
Exchange traded funds	1,890,905	-	-	-	1,890,905
Limited partnerships, at cost	-	-	-	85,847	85,847
Total	\$ 4,268,162	\$ 3,086,097	\$ -	\$ 86,425	\$ 7,440,106

2020 Asset Class	At Fair Value			At Cost	Total
	Level 1	Level 2	Level 3		
Investment cash	\$ 477,660	\$ -	\$ -	\$ -	\$ 477,660
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
Total	\$ 3,121,371	\$ 3,587,561	\$ -	\$ 86,425	\$ 6,795,357

Investments were held for the following purposes as of December 31, 2021 and 2020:

	2021	2020
Donor restricted endowment investments	\$ 1,995,470	\$ 1,995,470
General investments for possible future endowment designation	4,280,051	-
General investments	1,164,585	4,799,887
Total investments	\$ 7,440,106	\$ 6,795,357

The Foundation maintains each of the three categories of investments above in separate investment accounts which are carefully managed and separately accounted for. The balance in the donor restricted endowment investments accounts at December 31, 2021 was \$2,342,529, an excess of \$347,059 over the balance the Foundation is reporting as its donor restricted endowment investments. This excess amount is reported in the general investments category above. This is consistent with its endowment management

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

policy as described in Note 10. The general investments for possible future endowment designation are currently invested and managed as if they too were endowment funds.

Total investment return consists of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 234,297	\$ 71,820
Realized gains and losses	834,823	174,353
Unrealized gains and losses	(469,922)	306,027
Partnership income	<u>44,789</u>	<u>14,871</u>
Total investment return	<u>\$ 643,987</u>	<u>\$ 567,071</u>

NOTE 5: BENEFICIAL INTERESTS IN CHARITABLE REMAINDER TRUSTS

At December 31, 2020 the Foundation is the remainder beneficiary in two irrevocable charitable remainder trusts ("CRTs"). During 2021, one of the CRTs was terminated and the Foundation received a settlement check. As of December 31, 2021 and 2020, the net present value of the Foundation's beneficial interests in the charitable remainder trusts were as follows:

	Level 3 in the fair value hierarchy	
	<u>2021</u>	<u>2020</u>
Balance – beginning of year	\$ 260,158	\$ 252,920
Payout of one of the CRTs	(16,063)	-
Change in value	<u>(26,141)</u>	<u>7,238</u>
Balance – end of year	<u>\$ 217,954</u>	<u>\$ 260,158</u>

NOTE 6: PROPERTY AND EQUIPMENT

As of December 31, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 28,491	\$ 28,491
Less accumulated depreciation	<u>(26,763)</u>	<u>(25,248)</u>
	<u>\$ 1,728</u>	<u>\$ 3,243</u>

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,515 and \$1,170, respectively.

NOTE 7: GRANTS PAYABLE

The movements in grants payable during the years ended December 31, 2021 and 2020 were as follows:

Payable December 31, 2019	\$ 890,000
Grants awarded, net of refunds	1,213,855
Payments, net of refunds	<u>(1,371,355)</u>
Payable December 31, 2020	732,500
Grants made, net of refunds	1,270,469
Payments, net of refunds	<u>(962,969)</u>
Payable December 31, 2021	\$ <u>1,040,000</u>

Grants are payable as follows:

Years ending December 31,	
2022	\$ 880,000
2023	40,000
2024	40,000
2025	40,000
2026	<u>40,000</u>
	\$ <u>1,040,000</u>

The Foundation makes several two-year grants whereby the funding of the second year of the grant is contingent on the grantee meeting certain conditions during the first year as specified in the grant award. There were no such contingent grant commitments as of December 31, 2021. The amount of second year grants included in the total grants awarded during the year ended December 31, 2021 was \$840,000.

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

NOTE 8: DEFERRED REVENUE

Deferred revenue related to the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Pledges related to future events, net of discount and allowance	\$ 507,190	\$ 425,445
Funds received related to future events	<u>345,886</u>	<u>462,140</u>
Total deferred revenue	\$ <u>853,076</u>	\$ <u>887,585</u>

NOTE 9: NET ASSETS

Net Assets without Donor Restrictions

Net assets without donor restrictions consisted of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 3,494,300	\$ 3,064,267
Board designated		
Grants reserve fund	<u>1,040,000</u>	<u>1,140,000</u>
Total net assets without donor restrictions	\$ <u>4,534,300</u>	\$ <u>4,204,267</u>

The grants reserve fund is designated to provide the Foundation with cash liquidity in the event that current fundraising does not cover contingent grant commitments.

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Donor restricted endowment funds	\$ 1,995,470	\$ 1,995,470
Time and purpose restricted funds		
Time restricted through CRTs	219,731	260,158
Restricted to funding research	-	-
Restricted to funding scientific review committee	33,805	-
Restricted to fund women related cancer research	154,968	150,484
Other funds restricted as to purpose	37,500	-
Funds restricted as to time	<u>50,000</u>	<u>75,000</u>
Total time and purpose restricted funds	<u>496,004</u>	<u>485,642</u>
Total net assets with donor restrictions	\$ <u>2,491,474</u>	\$ <u>2,481,112</u>

Net assets released from restrictions for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Endowment appropriations	\$ 142,916	\$ 40,305
Less restricted to funding scientific review committee	(33,805)	-
Releases from time and purpose restricted funds		
Time restricted through CRTs	14,286	-
Time restricted contributions	25,000	-
Research expenses	-	53,875
Scientific review committee expenses	-	8,060
Other restricted funds	<u>-</u>	<u>187,500</u>
Total net assets released from donor restrictions	\$ <u>148,397</u>	\$ <u>289,740</u>

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

NOTE 10: ENDOWMENT FUNDS

At December 31, 2021 and 2020 the Foundation's endowment is comprised of the following endowment funds:

	<u>2021</u>	<u>2020</u>
Mynda Cohn/Jensen Memorial Fund	\$ 1,645,470	\$ 1,645,470
Steric Fund	100,000	100,000
Wilbur S. Schwartz Fund	<u>250,000</u>	<u>250,000</u>
Total net assets released from donor restrictions	\$ <u>1,995,470</u>	\$ <u>1,995,470</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.

Changes in endowment net assets for the year ended December 31, 2021 and 2020 is as follows:

December 31, 2019	\$ 1,920,372
Earnings related to endowments	115,403
Appropriations	(115,403)
Reclassification	<u>75,098</u>
December 31, 2020	\$ 1,995,470
Earnings related to endowments	142,916
Appropriations	<u>(142,916)</u>
December 31, 2021	\$ <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, 2021 and 2020, 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

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

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 existed at December 31, 2021.

NOTE 11: 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 \$1,499,351 and \$1,792,200 and direct donor benefit costs were \$41,402 and \$104,472, net \$1,457,949 and \$1,687,728 for the year ended December 31, 2021 and 2020, respectively.

NOTE 12: 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	\$	375,794
Pledges receivable		918,234
Investments		<u>7,440,106</u>
Total financial assets available		8,734,134
Less those unavailable for expenditure within one year due to:		
Restricted by donor with time or purpose restrictions		(2,491,474)
Restricted by Board designation		(1,040,000)
Pledges receivable not due within one year		<u>(762,134)</u>
Financial assets available to meet cash needs for expenditures within one year	\$	<u>4,440,526</u>

Concern Foundation

Notes to Financial Statements December 31, 2021 (Comparative Totals - December 31, 2020)

NOTE 13: SUBSEQUENT EVENTS

Concern Foundation's management has evaluated subsequent events through December 19, 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

Supplementary Information
For the Year Ended December 31, 2021

Concern Foundation

Schedule of Grants Expense Year Ended December 31, 2021

<u>Grantee</u>	<u>Institution</u>	<u>Amount</u>
Dr. Anat Erdreich-Epstein	Children's Hospital Los Angeles	\$ 50,000
Summer Oncology Program	Children's Hospital Los Angeles	20,000
Holly Simpson	UAB Institute for Cancer Outcomes	50,000
Dr. Victoria Cortessis	USC/Norris Comprehensive Cancer Center	25,000
Beauty Bus Foundation	Beauty Bus Foundation	10,576
AFHU Young Research Professorship	AFHU Young Research Professorship	40,000
Laurie Strongin	Hope for Henry Foundation	10,000
Lautenberg Center	Hebrew University	125,000
Sharsharet Inc.	Quality for Life Kits and the Busy Boxes	25,000
Beauty Bus Foundation	Beauty Bus Foundation	35,000
USC Onco-Nutrition	USC Onco-Nutrition	20,000
Dr. Arash Asher	Cedars Sinai Medical Ctr.	20,000
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	60,000
Sub total		1,270,576
Less grants refunded		(107)
Total grants expense		\$ <u>1,270,469</u>

See independent auditor's report.

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.