CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2011

CONCERN FOUNDATION

FUNDING CANCER RESEARCH WORLDWIDE

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONTENTS
December 31, 2011

SingerLewak LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Concern Foundation
dba Cancer Immunology Research Foundation
and Subsidiary
Los Angeles, California

We have audited the accompanying consolidated statement of financial position of Concern Foundation dba Cancer Immunology Research Foundation (the "Foundation") and subsidiary (collectively, the "Organization") as of December 31, 2011, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Concern Foundation dba Cancer Immunology Research Foundation and subsidiary as of December 31, 2011, and the changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

As described in Note 14 to the financial statements, the December 31, 2010 financial statements have been restated for an error in recording a grant payable.

SingerLewak LLP

SingerLewak LLP

Los Angeles, California
November 8, 2012

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CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2011

ASSETS

Assets	
Cash and cash equivalents	$ 424,358
Investments	2,989,429
Pledges receivable, net	213,618
Beneficial interest in charitable remainder trusts	222,295
Property and equipment, net	5,963
Other assets	67,528
Total assets	**$ 3,923,191**

LIABILITIES AND NET ASSETS

Liabilities	
Grants payable	$ 356,250
Accounts payable and accrued expenses	38,087
Deferred revenue	213,618
Total liabilities	607,955
Commitments	
Net assets	
Unrestricted	
Undesignated	349,826
Board-designated	800,000
Total unrestricted	1,149,826
Temporarily restricted	245,038
Permanently restricted	1,920,372
Total net assets	3,315,236
Total liabilities and net assets	**$ 3,923,191**

The accompanying notes are an integral part of these financial statements.

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Contributions	$ 154,325	$ 80,750	$ -	$ 235,075
Special events, net	1,011,106	50,000	-	1,061,106
Campaign	63,903	-	-	63,903
Interest and dividend income	27,753	93,994	-	121,747
Trust income	33,624	-	-	33,624
Partnership income	37,518	-	-	37,518
Change in value of charitable remainder trusts	-	(25,747)	-	(25,747)
Net unrealized loss on investments	(34,536)	-	-	(34,536)
Membership	1,450	-	-	1,450
Net assets released from restrictions				
Donor requested transfer from permanently restricted to temporarily restricted funds	-	30,000	(30,000)	-
Satisfaction of temporary restrictions	293,602	(293,602)	-	-
Total revenue and support	1,588,745	(64,605)	(30,000)	1,494,140
Functional expenses				
Program services	1,271,300	-	-	1,271,300
Management and general	62,106	-	-	62,106
Fundraising	184,613	-	-	184,613
Total functional expenses	1,518,019	-	-	1,518,019
Change in net assets	70,726	(64,605)	(30,000)	(23,879)
Net assets, beginning of year, as restated	1,079,100	309,643	1,950,372	3,339,115
Net assets, end of year	**$ 1,149,826**	**$ 245,038**	**$ 1,920,372**	**$ 3,315,236**

The accompanying notes are an integral part of these financial statements.

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2011

	Program Services	Management and General	Fundraising	Total
Personnel expenses				
Salaries	$ 44,203	$ 26,264	$ 71,754	$ 142,221
Employee medical insurance	6,653	2,540	11,974	21,167
Payroll taxes	2,783	2,333	3,793	8,909
Retirement plan contributions	904	525	1,408	2,837
Workers' compensation insurance	208	156	288	652
Total personnel expenses	54,751	31,818	89,217	175,786
Other functional expenses				
Advertising	-	-	1,350	1,350
Bookkeeping and payroll services	8,155	4,739	13,287	26,181
Computer costs and research analysis software	1,557	904	2,536	4,997
Credit card merchant fees	-	-	8,574	8,574
Depreciation and amortization	878	510	1,430	2,818
Equipment rent	1,780	1,034	2,899	5,713
Equipment repairs	2,313	1,344	3,767	7,424
Fundraising	-	-	1,463	1,463
Grants awarded	1,155,210	-	-	1,155,210
Grants oversight	273	-	-	273
Insurance	1,770	1,028	2,883	5,681
Internet/website costs	877	509	1,428	2,814
Membership	1,647	957	2,684	5,288
Office supplies/expense	1,290	750	2,102	4,142
Parking and mileage	1,315	764	2,142	4,221
Postage and shipping	1,315	764	2,144	4,223
Printing	1,266	736	2,062	4,064
Professional fees	7,144	4,151	11,638	22,933
Public relations	2,956	1,718	4,816	9,490
Rent	15,677	9,109	25,542	50,328
Scientific review committee costs	9,500	-	-	9,500
Taxes and licenses	-	326	-	326
Telephone	1,626	945	2,649	5,220
Total other functional expenses	1,216,549	30,288	95,396	1,342,233
Total functional expenses	**$ 1,271,300**	**$ 62,106**	**$ 184,613**	**$ 1,518,019**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011

Cash flows from operating activities	
Cash received from contributors and grants	$ 1,399,052
Grants paid	(1,011,460)
Cash paid to employees and suppliers	(356,944)
Investment income	152,908
Net cash provided by operating activities	183,556
Cash flows from investing activities	
Purchase of investments, net	(119,283)
Net cash used in investing activities	(119,283)
Net increase in cash	64,273
Cash and cash equivalents, beginning of year	360,085
Cash and cash equivalents, end of year	**$ 424,358**
Reconciliation of change in net assets to net cash provided by operating activities	
Change in net assets	$ (23,879)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Unrealized gains on investments	34,536
Depreciation and amortization	2,818
(Increase) decrease in	
Pledges receivable	53,741
Beneficial interest in charitable remainder trusts	25,747
Other assets	1,120
Increase (decrease) in	
Grants payable	143,750
Accounts payable and accrued expenses	(536)
Deferred revenue	(53,741)
Net cash provided by operating activities	**$ 183,556**

The accompanying notes are an integral part of these financial statements.

NOTE 1 – GENERAL

Concern Foundation dba Cancer Immunology Research Foundation (the "Foundation") is a California nonprofit organization established to distribute research grants to seek a cure for cancer. Concern Foundation Holding, LLC ("Concern LLC") was formed to receive donations of real property and to hold and dispose of real property for the benefit of the Foundation. Concern LLC is owned 100% by the Foundation.

The Foundation is funded principally through the private sector with annual fundraising campaigns, special fundraising events, proceeds from Concern LLC and ongoing support from corporations, foundations and individuals. The Foundation conducts virtually all of its fundraising activities within Southern California.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Concern Foundation dba Cancer Immunology Research Foundation and its wholly-owned subsidiary Concern Foundation Holding, LLC. All material intercompany amounts and transactions are eliminated in consolidation.

Financial Statement Presentation

The accompanying financial statements are presented using the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions and Pledges

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Expenses against temporarily restricted funds are reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent. Temporarily restricted and unrestricted contributions are recognized when received.

Pledges for future contributions are recorded as receivables and reported at their estimated realizable values. These pledges are to support future annual Block Party events for which income is included under special events on the statement of activities. Accordingly, the revenue is deferred and recognized as revenue when the events occur.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services
A substantial number of unpaid volunteers have made significant contributions of time to the Foundation.

Specialized skill donated services are recorded in the financial statements only when an objective measure of the value is available. Expenses incurred by numerous volunteers of the Foundation carrying out their duties are reimbursed by the Foundation.

Cash and Cash Equivalents
Cash equivalents consist of money market funds and similar instruments that are highly liquid, readily convertible to cash, with maturities of ninety days or less at the purchase date.

Investments
Investments include: a) corporate, government and municipal bonds and equities with readily determinable values and b) other investments. Corporate, government and municipal bonds with readily determinable fair values are initially recorded at cost at acquisition. Afterwards, they are reported at fair value based upon market quotations. Investment income and realized and unrealized gains and losses are recognized as unrestricted net assets unless restricted by explicit donor stipulations or by a law that extends the donor's asset restrictions to the gains and losses. The Foundation incurred investment fees of $13,004 related to Level 1 investments. Other investments are related to non-controlling limited partnership investments that are accounted for on a cost basis. The Foundation has determined that there have been no events or changes in circumstances during the year that would have a significant adverse effect on the value of these other investments that would result in an impairment in the amount reported.

Allowance for Doubtful Pledges
A provision for uncollected pledges has been provided based on an analysis of promises to pay and uncollectible amounts.

Property and Equipment
Property and equipment are stated at cost. Depreciation and amortization are applied on the straight-line basis over estimated useful lives of three to five years.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Awarding of Grants Policy
Grant awards are recorded as a liability when the grant is made and contingencies are met. Grant proposals consist 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 two years. 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 recipient meeting certain criteria and the Foundation's ability to fund such an award.

Unrestricted Net Assets
Unrestricted net assets include contributions, fundraising, investment income, unrealized gains and losses and other forms of unrestricted revenue and expenditures related to the general operation and fundraising efforts of the Foundation. As part of unrestricted assets, the board of directors has set aside $800,000 as a contingency to meet grant commitments that may not be covered by current fundraising monies.

Temporarily Restricted Net Assets
Temporarily restricted net assets are restricted either by time or by purpose and include earnings generated from endowment funds which have been restricted by donors.

Permanently Restricted Net Assets
Permanently restricted net assets are assets that have been restricted either by time or by purpose by the donor in perpetuity and cannot be expended by the Foundation.

Functional Expenses
The costs of providing various program services, management and general administrative services and fundraising expenses have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services provided.

Management and General Expenses
For the year ended December 31, 2011, the percentage of administrative expenses to total revenue was 4.2%.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments
Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements" ("ASC 820"), applies to all assets and liabilities that are recognized or disclosed at fair value on a recurring basis. ASC 820 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

In general and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. If quoted prices in active markets for identical assets are not available to determine fair value, then quoted prices for similar assets or inputs other than the quoted prices that are observable either directly or indirectly are used.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

The adoption of ASC 820 did not have a material effect on the Foundation's consolidated financial statements. See Note 4 for further discussion relating to ASC 820 and the Foundation's financial assets.

At December 31, 2011, the Organization's financial instruments consisted of cash and cash equivalents, grants payable, accounts payable and accrued expenses, which are all stated at fair value due to the short-term maturity of these instruments. Cash and cash equivalents are financial assets and are primarily classified within Level 1.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, and is not material to the basic financial statements taken as a whole.

The Foundation has adopted FASB *Accounting Standards Codification* Topic No. 740, "Accounting for Uncertainty in Income Taxes" ("ASC 740"). ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statements No. 109, "Accounting for Income Taxes," and prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition.

The Foundation has determined that the adoption of ASC 740 did not result in the recognition of any liability for unrecognized tax benefits and that there are no unrecognized tax benefits that would, if recognized, affect the effective tax rate. As of December 31, 2011, the open tax years for the Foundation were 2007 to 2011.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents. The Foundation places its cash and cash equivalents with high-credit, quality financial institutions. The FDIC is providing unlimited insurance coverage on non-interest-bearing accounts, and funds held in interest-bearing transaction accounts are insured up to $250,000.

The Foundation has not experienced any losses in such accounts and believes it is not exposed to any credit risk with respect to cash and cash equivalents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement

In January 2010, the FASB issued Accounting Standards Update No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820)" ("ASU 2010-06"). This guidance amends the disclosure requirements related to recurring and nonrecurring fair value measurements and requires new disclosures on the transfers of assets and liabilities between Level 1 and Level 2 of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a rollforward of activities on purchases, sales, issuance and settlements of the assets and liabilities measured using Level 3 measurements. The adoption of this guidance did not have a material impact on the Foundation's financial statements.

Recently Issued Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," to converge the guidance in U.S. GAAP and International Financial Reporting Standards ("IFRSs"). The amended guidance changes several aspects of the fair value measurement guidance in ASC Topic 820. In addition, the amended guidance includes several new fair value disclosure requirements, including among other things, information about valuation techniques and unobservable inputs used in Level 3 fair value measurements and a narrative description of Level 3 measurements' sensitivity to changes in unobservable inputs. For nonpublic entities, the amended guidance must be applied prospectively for annual periods beginning after December 15, 2011. The Foundation is in the process of assessing the effect that the guidance will have on its financial statements.

NOTE 3 – INVESTMENTS

At December 31, 2011, investments consisted of the following:

Corporate, government and municipal bonds	$ 2,896,946
Limited partnerships at cost	92,483
Total	**$ 2,989,429**

NOTE 4 – FAIR VALUE MEASUREMENTS

At December 31, 2011, the following financial instruments were classified by level within the valuation hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Corporate, government and municipal bonds and equity securities	$ 2,896,946	$ -	$ -	$ 2,896,946
Investments in Limited Partnerships at cost	-	-	92,483	92,483
Beneficial interest in charitable remainder trusts	-	-	222,295	222,295
Total	**$ 2,896,946**	**$ -**	**$ 314,778**	**$ 3,211,724**

Realized and unrealized gains and losses have been reflected in the statement of activities as increases or decreases in unrestricted net assets unless their use has been temporarily restricted by donors.

The estimated fair values of the Foundation's short-term financial instruments, including cash and cash equivalents, prepaid expenses, accounts payables and accrued expenses arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

For the year ended December 31, 2011, the change in the beneficial interest in remainder trusts classified as Level 3 is as follows:

Balance, beginning of year	$ 248,042
Change in value of charitable remainder trusts	(25,747)
Balance, end of year	**$ 222,295**

The components of total investment return from these investments as of December 31, 2011 consisted of the following:

Net unrealized loss on investments	$ (34,536)
Interest and dividend income	121,747
Investment income	**$ 87,211**

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are discounted at rates ranging from 0.12% to 2.57%. The estimated cash flows related to pledges receivable at December 31, 2011 were as follows:

Less than one year	$ 86,649
One to five years	117,618
After five years	22,000
	226,267
Discounts for the time-value of money	(4,649)
Allowance for uncollectible contributions	(8,000)
Total	**$ 213,618**

NOTE 6 – BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

The Foundation has received gifts of two irrevocable charitable remainder trusts. Each trust is a temporarily restricted asset due to the temporary restrictions placed on it. Each trust is included in the financial statements as a beneficial interest in charitable remainder trust and is recorded at the present value of the discounted future cash flows.

The present value is computed based on the donor's (or couple's joint) estimated life expectancy as derived from the 2000 unisex census table, the applicable federal rate of 1.6% and the payout to the donor (range of 7.5% to 8% per annum). As of December 31, 2011, the present values of the trusts were $201,889 and $20,406.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2011 consisted of the following:

Office and computer equipment	$ 36,734
Leasehold improvements	2,751
	39,485
Less accumulated depreciation and amortization	33,522
Total	**$ 5,963**

Depreciation and amortization expense was $2,818 for the year ended December 31, 2011.

NOTE 8 – GRANTS PAYABLE

During the year ended December 31 2011, the Foundation paid all amounts relating to prior year grants awarded. In respect of the $1,166,250 in grants awarded during the year ended December 31 2011, as of the year end, a balance of $356,250 remained outstanding. This balance represented $6,250 of one $18,750 grant awarded and $350,000 of fourteen grants of $50,000 each, which are expected to be paid out in quarterly installments.

NOTE 9 – COMMITMENTS

The Foundation leases office space under a noncancelable operating lease agreement that expires in August 2014 and requires minimum monthly rental payments of $4,315. The lease has an annual payment escalation clause and allows for an option of renewal for an additional three years. The Foundation also leases equipment under an operating lease which requires monthly payments of $230 and $182 and expires in August 2014 and September 2013, respectively.

The expected future minimum lease payments of the aforementioned leases are as follows:

Year Ending December 31,	
2012	57,485
2013	59,241
2014	39,452
Total	**$ 156,178**

Rent expense for office facilities was $50,328 for the year ended December 31, 2011.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	Available December 31, 2010	New Revenues	Released from Restrictions	Change in Value of Charitable Remainder Trusts	Available December 31, 2011
Time restricted through charitable remainder trusts	$ 248,042	$ -	$ -	$ (25,747)	$ 222,295
Matching grant	50,000	-	(50,000)	-	-
Contributions subject to donor restrictions	-	130,750	(130,750)	-	-
Donor requested transfer from permanently restricted to temporarily restricted funds	-	30,000	(30,000)	-	-
Unexpended endowment earnings					
Research	11,601	7,415	-	-	19,016
Scientific review committee	-	3,727	-	-	3,727
Administrative costs	-	82,852	(82,852)	-	-
	$ 309,643	**$ 254,744**	**$(293,602)**	**$ (25,747)**	**$ 245,038**

NOTE 11 – ENDOWMENTS

Permanently restricted net assets at December 31, 2011 were as follows:

Mynda Cohn/Jensen Memorial Fund	$ 1,645,478
Steric Fund	100,000
Wilbur S. Schwartz Fund	174,894
Total	**$ 1,920,372**

NOTE 11 – ENDOWMENTS (Continued)

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 fiscal year ended December 31, 2011 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Total endowment fund balance, beginning of year	$ 11,601	$ 1,950,372	$ 1,961,973
Investment income	93,994	-	93,994
Donor-requested transfer from permanently restricted to temporarily restricted funds	-	(30,000)	(30,000)
Satisfaction of temporary restrictions/ appropriated for expenditures	(82,852)	-	(82,852)
Change in net assets related to endowment funds	11,142	(30,000)	(18,858)
Total endowment fund balance, end of year	**$ 22,743**	**$ 1,920,372**	**$ 1,943,115**

The Foundation has interpreted endowments absent of explicit donor stipulations to the contrary 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 classifies as permanently restricted assets the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment, if applicable, under the direction of the donor gift instrument at the time that the accumulation is added. As of December 31, 2011, there were no accumulations added to the Foundation's permanently restricted net assets.

NOTE 11 – ENDOWMENTS (Continued)

The Foundation does not have any board-designated endowment funds as of December 31, 2011.

In accordance with Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted in California and the provisions of FSP FAS No. 117-1, in the absence of explicit donor stipulations, the portion of a donor-restricted endowment fund that is not permanently restricted by the donor is classified as temporarily restricted net assets until appropriated for expenditure by the Foundation. 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 donor specifications.

To satisfy this objective, the Foundation has done the following: (a) set an investment policy investing mainly 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 unrestricted net assets.

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. There were no such deficiencies as of December 31, 2011.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Foundation's board of directors is actively involved in raising funds for the Foundation. During the year ended December 31, 2011, the Foundation received a total of $166,067 in contributions from board of directors members. In addition, board members have agreed to contribute an additional amount of $93,750 that is recorded as pledges receivable and deferred revenue. The present value of the pledges available from board members at December 31, 2011 was $93,404.

NOTE 13 – SPECIAL EVENTS AND FUNDRAISING

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. Total income from special events was $1,557,711 and total costs were $496,605.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

Unrestricted net assets were restated as of December 31, 2010 for the following:

The Foundation determined that grant expense and grant payable related to a grant was overstated in a prior year by $75,000. As such, the Foundation has restated its unrestricted net assets at December 31, 2010, as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets as of December 31, 2010, as originally stated	$1,004,100	$ 309,643	$ 1,950,372	$ 3,264,115
Prior period adjustment: overstatement of grant expense and grant payable	75,000	-	-	-
Net assets as of December 31, 2010, as restated	**$1,079,100**	**$ 309,643**	**$ 1,950,372**	**$ 3,339,115**

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 8, 2012, which is the date the financial statements were issued or available to be issued. No material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2011

ASSETS

	Concern Foundation	Concern Foundation Holding, LLC	Total
Assets			
Cash and cash equivalents	$ 420,971	$ 3,387	$ 424,358
Investments	2,989,429	-	2,989,429
Pledges receivable, net	213,618	-	213,618
Beneficial interest in charitable remainder trusts	222,295	-	222,295
Property and equipment, net	5,963	-	5,963
Other assets	67,528	-	67,528
Total assets	**$ 3,919,804**	**$ 3,387**	**$ 3,923,191**

LIABILITIES AND NET ASSETS

	Concern Foundation	Concern Foundation Holding, LLC	Total
Liabilities			
Grants payable	$ 356,250	$ -	$ 356,250
Accounts payable and accrued expenses	38,087	-	38,087
Deferred revenue	213,618	-	213,618
Total liabilities	607,955	-	607,955
Commitments			
Net assets			
Unrestricted			
Undesignated	346,439	3,387	349,826
Board-designated	800,000	-	800,000
Total unrestricted	1,146,439	3,387	1,149,826
Temporarily restricted	245,038	-	245,038
Permanently restricted	1,920,372	-	1,920,372
Total net assets	3,311,849	3,387	3,315,236
Total liabilities and net assets	**$ 3,919,804**	**$ 3,387**	**$ 3,923,191**

The accompanying notes are an integral part of these financial statements.

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

	Concern Foundation	Concern Foundation Holding, LLC	Total
Revenue and support			
Contributions	$ 235,075	$ -	$ 235,075
Special events, net	1,061,106	-	1,061,106
Campaign	63,903	-	63,903
Interest and dividend income	121,747	-	121,747
Trust income	33,624	-	33,624
Partnership income	37,518		37,518
Decrease in value of charitable remainder trusts	(25,747)	-	(25,747)
Net unrealized loss on investment	(34,536)	-	(34,536)
Membership	1,450	-	1,450
Net assets released from restrictions			
Satisfaction of temporary restrictions	-	-	-
Total revenue and support	1,494,140	-	1,494,140
Functional expenses			
Program services	1,271,300	-	1,271,300
Management and general	62,106	-	62,106
Fundraising	184,613	-	184,613
Total functional expenses	1,518,019	-	1,518,019
Change in net assets	(23,879)	-	(23,879)
Net assets, beginning of year	3,335,728	3,387	3,339,115
Net assets, end of year	**$ 3,311,849**	**$ 3,387**	**$ 3,315,236**

The accompanying notes are an integral part of these financial statements.

CONCERN FOUNDATION
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SCHEDULE OF GRANTS EXPENSE
For the Year Ended December 31, 2011

Grants expense		
Karolinska Institute, Sweden	$	180,000
Lautenberg Center at Hebrew University, Israel		100,000
Smita Bhatia, M.D., M.P.H., Los Angeles		55,000
Shahab Asgharzadeh, M.D., Los Angeles		50,000
Steven Bensinger, V.M.D., Ph.D., Los Angeles		50,000
Patricia Dahia, M.D., Ph.D., San Antonio		50,000
Andrea Dorfleutner, Ph.D., Chicago		50,000
Eva Gonzalez-Suarez, Ph.D., L'Hospitalet de Llobregat, Spain		50,000
Geraldine Guasch, Ph.D, Cincinnati		50,000
Zeynep Gumus, Ph.D., New York		50,000
Li Jia, Ph.D., St. Louis		50,000
Yong-Mi Kim, PhD, M.D., M.P.H., Los Angeles		50,000
Ya-Huei Kuo, Ph.D., Duarte		50,000
Richard Maser, Ph.D., Bar Harbor		50,000
Nami McCarty, Ph.D., Houston		50,000
Mari Shinohara, Ph.D., Durham		50,000
Vera Tarakanova, Ph.D., Milwaukee		50,000
Adolescent / Young Adult USC/ Tissue Bank, USC/Norris Cancer Center		25,000
Anat Epstein, MD, PhD, Children’s Hospital, Los Angeles		25,000
Kathy Ruccione, PhD Children’s Hospital Los Angeles, Life Science		25,000
UCLA Stem Cell Research Center Fellowship Award		25,000
Candelaria Gomez-Manzano, M.D., Houston		18,750
Tanya Kalin, M.D., Ph.D., Cincinnati Children's Hospital		12,500
Subtotal grants expense		1,166,250
Grants refunded		(11,040)
Total grants expense	**$**	**1,155,210**