CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2012

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY
(A NONPROFIT ORGANIZATION)
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December 31, 2012

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Concern Foundation dba Cancer Immunology Research Foundation (the "Foundation") and subsidiary (collectively, the "Organization") which comprise the consolidated statement of financial position as of December 31, 2012, the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Concern Foundation dba Cancer Immunology Research Foundation and subsidiary as of December 31, 2012 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.

To the Board of Directors
Concern Foundation
dba Cancer Immunology Research Foundation
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Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis 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 information has been subjected to the auditing procedures applied in the audits 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.

SingerLewak LLP

SingerLewak LLP

Los Angeles, California
October 17, 2013

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

Assets	
Cash and cash equivalents	$ 401,669
Investments	2,830,570
Pledges receivable, net	196,075
Beneficial interest in charitable remainder trusts	238,388
Property and equipment, net	5,583
Other assets	68,608
Total assets	**$ 3,740,893**

LIABILITIES AND NET ASSETS

Liabilities	
Grants payable	$ 510,000
Accounts payable and accrued expenses	28,875
Deferred revenue	196,075
Total liabilities	734,950
Commitments	
Net assets	
Unrestricted	
Undesignated	19,358
Board-designated	800,000
Total unrestricted	819,358
Temporarily restricted	266,213
Permanently restricted	1,920,372
Total net assets	3,005,943
Total liabilities and net assets	**$ 3,740,893**

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, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Contributions	$ 334,229	$ 86,000	$ -	$ 420,229
Special events, net	826,725	50,000	-	876,725
Campaign	40,503	-	-	40,503
Interest and dividend income	24,536	102,537	-	127,073
Partnership income	29,043	-	-	29,043
Change in value of charitable remainder trusts	-	16,093	-	16,093
Net unrealized gain on investments	10,223	-	-	10,223
Membership	1,800	-	-	1,800
Net assets released from restrictions				
Satisfaction of temporary restrictions	233,455	(233,455)	-	-
Total revenue and support	1,500,514	21,175	-	1,521,689
Functional expenses				
Program services	1,572,611	-	-	1,572,611
Management and general	67,175	-	-	67,175
Fundraising	191,196	-	-	191,196
Total functional expenses	1,830,982	-	-	1,830,982
Change in net assets	(330,468)	21,175	-	(309,293)
Net assets, beginning of year	1,149,826	245,038	1,920,372	3,315,236
Net assets, end of year	**$ 819,358**	**$ 266,213**	**$ 1,920,372**	**$ 3,005,943**

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, 2012

	Program Services	Management and General	Fundraising	Total
Personnel expenses				
Salaries	$ 46,995	$ 27,540	$ 73,313	$ 147,848
Employee medical insurance	6,685	4,135	12,862	23,682
Payroll taxes	2,972	2,262	3,866	9,100
Retirement plan contributions	945	569	1,448	2,962
Workers' compensation insurance	309	219	406	934
Total personnel expenses	57,906	34,725	91,895	184,526
Other functional expenses				
Advertising	-	-	1,479	1,479
Bookkeeping and payroll services	5,880	3,604	9,485	18,969
Computer costs and research analysis software	1,589	974	2,564	5,127
Credit card merchant fees	-	-	12,529	12,529
Depreciation and amortization	526	321	847	1,694
Equipment rent	1,752	1,074	2,826	5,652
Equipment repairs	3,916	2,400	6,316	12,632
Fundraising	-	-	440	440
Grants awarded	1,415,937	-	-	1,415,937
Insurance	1,959	1,202	3,161	6,322
Internet/website costs	605	371	975	1,951
Membership	102	63	165	330
Office supplies/expense	1,662	1,018	2,680	5,360
Parking and mileage	1,581	969	2,550	5,100
Postage and shipping	1,575	965	2,540	5,080
Printing	4,821	2,955	7,776	15,552
Professional fees	7,734	4,740	12,474	24,948
Public relations	651	399	1,050	2,100
Rent	16,288	9,983	26,271	52,542
Scientific review committee costs	46,160	-	-	46,160
Taxes and licenses	-	206	-	206
Telephone	1,967	1,206	3,173	6,346
Total other functional expenses	1,514,705	32,450	99,301	1,646,456
Total functional expenses	**$ 1,572,611**	**$ 67,175**	**$ 191,196**	**$ 1,830,982**

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 CASH FLOWS
For the Year Ended December 31, 2012

Cash flows from operating activities	
Cash received from contributors and grants	$ 1,368,300
Grants paid	(1,262,187)
Cash paid to employees and suppliers	(424,657)
Investment income	128,087
Net cash used in operating activities	(190,457)
Cash flows from investing activities	
Purchase of property and equipment	(1,314)
Sale of investments, net	169,082
Net cash provided by investing activities	167,768
Net decrease in cash	(22,689)
Cash and cash equivalents, beginning of year	424,358
Cash and cash equivalents, end of year	**$ 401,669**
Reconciliation of change in net assets to net cash used in operating activities	
Change in net assets	$ (309,293)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Unrealized gains on investments	(10,223)
Depreciation and amortization	1,694
(Increase) decrease in	
Pledges receivable	17,543
Beneficial interest in charitable remainder trusts	(16,093)
Other assets	(1,081)
Increase (decrease) in	
Grants payable	153,750
Accounts payable and accrued expenses	(9,211)
Deferred revenue	(17,543)
Net cash used in operating activities	**$ (190,457)**

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 $12,346 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, 2012, the percentage of administrative expenses to total revenue was 4.4%.

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, 2012, 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, 2012, the open tax years for the Foundation were 2008 to 2012.

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 May 2011, the FASB issued ASU No. 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 ("IFRS"). 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 adoption of this guidance did not have a material financial impact on the Organization's financial statements.

Recently Issued Accounting Pronouncements

In October 2012, the FASB issued ASU No. 2012-05, "Statement of Cash Flows (Topic 230)." This amendment provides guidance on how not-for-profit entities should consistently classify cash receipts on the Statement of Cash Flows as they relate to the sale of certain donated financial assets. The changes are effective prospectively for the fiscal years, and interim periods within those years, beginning after June 15, 2013. Retrospective application to all prior periods presented upon the date of adoption is permitted. Early adoption for the beginning of the fiscal year of operation is permitted. The adoption of this guidance did not have a material financial impact on the Organization's financial statements.

NOTE 3 – INVESTMENTS

At December 31, 2012, investments consisted of the following:

Corporate, government and municipal bonds	$ 2,738,087
Limited partnerships at cost	92,483
Total	**$ 2,830,570**

NOTE 4 – FAIR VALUE MEASUREMENTS

At December 31, 2012, 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	$ 2,738,087	$ -	$ -	$ 2,738,087
Beneficial interest in charitable remainder trusts	-	-	238,388	238,388
Total	**$ 2,738,087**	**$ -**	**$ 238,388**	**$ 2,976,475**

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, 2012, the change in the beneficial interest in remainder trusts classified as Level 3 is as follows:

Balance, beginning of year	$ 222,295
Change in value of charitable remainder trusts	16,093
Balance, end of year	**$ 238,388**

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The components of total investment return from these investments as of December 31, 2012 consisted of the following:

Net unrealized gain on investments	$ 10,223
Interest and dividend income	127,073
Investment income	**$ 137,296**

The following table represents the Organization's level 3 financial assets, the valuation techniques used to measure the fair value of the financial assets and the significant unobservable inputs and the ranges of values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values
Beneficial interest in charitable remainder trusts	$ 238,388	Discounted Cash Flow	Annuity Discount Factor	0.49010 – 0.77187
			Life Expectancy	IRS Mortality Actuarial Tables

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are discounted at rates ranging from 0.25% to 2.16%. The estimated cash flows related to pledges receivable at December 31, 2012 were as follows:

Less than one year	$ 81,716
One to five years	110,600
After five years	16,000
	208,316
Discounts for the time-value of money	(4,241)
Allowance for uncollectible contributions	(8,000)
Total	**$ 196,075**

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 1.2% and the payout to the donor (range of 7.4% to 8% per annum). As of December 31, 2012, the present values of the trusts were $219,006 and $19,382.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2012 consisted of the following:

Office and computer equipment	$ 35,549
Leasehold improvements	2,751
	38,300
Less accumulated depreciation and amortization	32,717
Total	**$ 5,583**

Depreciation and amortization expense was $1,694 for the year ended December 31, 2012.

NOTE 8 – GRANTS PAYABLE

During the year ended December 31 2012, the Foundation paid all amounts relating to prior year grants awarded. In respect of the $1,427,500 in grants awarded during the year ended December 31 2012, as of the year end, a balance of $510,000 remained outstanding. This balance represented seventeen grants of $60,000 each, 50% of which are expected to be paid out in quarterly installments subsequent to December 31, 2012.

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 $4,505. 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,	
2013	59,241
2014	39,452
Total	**$ 98,693**

Rent expense for office facilities was $52,541 for the year ended December 31, 2012.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	Available December 31, 2011	New Revenues	Released from Restrictions	Change in Value of Charitable Remainder Trusts	Available December 31, 2012
Time restricted through charitable remainder trusts	$ 222,295	$ -	$ -	$ 16,093	$ 238,388
Matching grant	-	50,000	(50,000)	-	-
Contributions subject to donor restrictions	-	86,000	(86,000)	-	-
Unexpended endowment earnings					
Research	19,016	8,809	-	-	27,825
Scientific review committee	3,727	4,311	(8,038)	-	-
Administrative costs	-	89,417	(89,417)	-	-
	$ 245,038	**$ 238,537**	**$(233,455)**	**$ 16,093**	**$ 266,213**

NOTE 11 – ENDOWMENTS

Permanently restricted net assets at December 31, 2012 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, 2012 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Total endowment fund balance, beginning of year	$ 22,743	$ 1,920,372	$ 1,943,115
Investment income	102,537	-	102,537
Transfer of endowment to temp restricted Board approved	(8,038)	-	(8,038)
Satisfaction of temporary restrictions/ appropriated for expenditures	(89,417)	-	(89,417)
Change in net assets related to endowment funds	5,082	-	5,082
Total endowment fund balance, end of year	**$ 27,825**	**$ 1,920,372**	**$ 1,948,197**

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, 2012, 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, 2012.

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, 2012.

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, 2012, the Foundation received a total of $112,978 in contributions from board of directors members. In addition, board members have agreed to contribute an additional amount of $67,500 that is recorded as pledges receivable and deferred revenue. The present value of the pledges available from board members at December 31, 2011 was $67,275.

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 $1,422,657 and total costs were $545,932.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 17, 2013, 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, 2012

ASSETS

	Concern Foundation	Concern Foundation Holding, LLC	Total
Assets			
Cash and cash equivalents	$ 398,282	$ 3,387	$ 401,669
Investments	2,830,570	-	2,830,570
Pledges receivable, net	196,075	-	196,075
Beneficial interest in charitable remainder trusts	238,388	-	238,388
Property and equipment, net	5,583	-	5,583
Other assets	68,608	-	68,608
Total assets	**$ 3,737,506**	**$ 3,387**	**$ 3,740,893**

LIABILITIES AND NET ASSETS

	Concern Foundation	Concern Foundation Holding, LLC	Total
Liabilities			
Grants payable	$ 510,000	$ -	$ 510,000
Accounts payable and accrued expenses	28,875	-	28,875
Deferred revenue	196,075	-	196,075
Total liabilities	734,950	-	734,950
Commitments			
Net assets			
Unrestricted			
Undesignated	15,971	3,387	19,358
Board-designated	800,000	-	800,000
Total unrestricted	815,971	3,387	819,358
Temporarily restricted	266,213	-	266,213
Permanently restricted	1,920,372	-	1,920,372
Total net assets	3,002,556	3,387	3,005,943
Total liabilities and net assets	**$ 3,737,506**	**$ 3,387**	**$ 3,740,893**

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, 2012

	Concern Foundation	Concern Foundation Holding, LLC	Total
Revenue and support			
Contributions	$ 420,229	$ -	$ 420,229
Special events, net	876,725	-	876,725
Campaign	40,503	-	40,503
Interest and dividend income	127,073	-	127,073
Partnership income	29,043		29,043
Decrease in value of charitable remainder trusts	16,093	-	16,093
Net unrealized loss on investment	10,223	-	10,223
Membership	1,800	-	1,800
Net assets released from restrictions			
Satisfaction of temporary restrictions	-	-	-
Total revenue and support	1,521,689	-	1,521,689
Functional expenses			
Program services	1,572,611	-	1,572,611
Management and general	67,175	-	67,175
Fundraising	191,196	-	191,196
Total functional expenses	1,830,982	-	1,830,982
Change in net assets	(309,293)	-	(309,293)
Net assets, beginning of year	3,311,849	3,387	3,315,236
Net assets, end of year	**$ 3,002,556**	**$ 3,387**	**$ 3,005,943**

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

CONCERN FOUNDATION
dba CANCER IMMUNOLOGY RESEARCH FOUNDATION
AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
SCHEDULE OF GRANTS EXPENSE
For the Year Ended December 31, 2012

Grants expense		
George Klein, Ph.D., Cancer Research Institute, New York	$	157,500
Lautenberg Center at Hebrew University, Israel		100,000
Anat Epstein, M.D., Ph.D., Children's Hospital, Los Angeles		75,000
Jennifer Carew, Ph.D., San Antonio		60,000
Weihang Chai, Ph.D., Spokane		60,000
Erin Dickerson, Ph.D., Minneapolis		60,000
Timothy Donahue, M.D., Los Angeles		60,000
Thomas Fazzio, Ph.D., Worcester		60,000
Boyi Gan, Ph.D., Houston		60,000
Thomas Graeber, Ph.D, Los Angeles		60,000
Sergei Koralov, Ph.D., New York		60,000
Sanaz Memarzadeh, M.D., Ph.D., Los Angeles		60,000
Niv Papo, PhD, Los Angeles		60,000
Matthew Pratt, Ph.D., Los Angeles		60,000
Andres Snow, Ph.D., Bethesda		60,000
Matthew Strout, M.D., Ph.D., New Haven		60,000
Dean Tantin, Ph.D., Salt Lake City		60,000
Xaralabos Varelas, Ph.D., Boston		60,000
Scott Welford, Ph.D., Cleveland		60,000
Lifeng Xu, Ph.D., Davis		60,000
Smita Bhatia, M.D., M.P.H., City of Hope, Los Angeles		25,000
UCLA Stem Cell Research Center Fellowship Award		25,000
USC Norris Comprehensive Cancer Center, Los Angeles		25,000
Subtotal grants expense		1,427,500
Grants refunded		(11,563)
Total grants expense	**$**	**1,415,937**

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