CONCERN FOUNDATION AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2015

CONCERN FOUNDATION

FUNDING CANCER RESEARCH WORLDWIDE

CONCERN FOUNDATION AND SUBSIDIARY
(A NONPROFIT ORGANIZATION)
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December 31, 2015

SingerLewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Concern Foundation
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Concern Foundation and its related Subsidiary (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2015, 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 (collectively, the "financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Singer Lewak LLP

September 29, 2016

CONCERN FOUNDATION AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

Assets	
Cash and cash equivalents	$ 458,699
Investments	3,665,539
Pledges receivable, net	453,845
Beneficial interest in charitable remainder trusts	232,359
Property and equipment, net	10,975
Other assets	47,809
Total assets	**$ 4,869,226**

LIABILITIES AND NET ASSETS

Liabilities	
Grants payable	$ 592,500
Accounts payable and accrued expenses	39,886
Deferred revenue	543,545
Total liabilities	1,175,931
Commitments	
Net assets	
Unrestricted	
Undesignated	200,000
Board-designated	1,295,057
Total unrestricted	1,495,057
Temporarily restricted	277,866
Permanently restricted	1,920,372
Total net assets	3,693,295
Total liabilities and net assets	**$ 4,869,226**

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

CONCERN FOUNDATION AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Contributions	$ 134,062	$ 212,500	$ -	$ 346,562
Special events, net	1,049,017	30,000	-	1,079,017
Campaign	20,633	-	-	20,633
Investment income	42,926	60,686	-	103,612
Change in value of charitable remainder trusts	-	(21,813)	-	(21,813)
Net realized and unrealized losses on investments	(109,686)			(109,686)
Net assets released from restrictions	351,707	(351,707)	-	-
Total revenue and support	1,488,659	(70,334)	-	1,418,325
Functional expenses				
Program services	1,546,303	-	-	1,546,303
Management and general	98,620	-	-	98,620
Fundraising	198,423	-	-	198,423
Total functional expenses	1,843,346	-	-	1,843,346
Change in net assets	(354,687)	(70,334)	-	(425,021)
Net assets, beginning of year	1,849,744	348,200	1,920,372	4,118,316
Net assets, end of year	**$ 1,495,057**	**$ 277,866**	**$ 1,920,372**	**$ 3,693,295**

CONCERN FOUNDATION AND SUBSIDIARY
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Personnel expenses				
Salaries	$ 49,658	$ 43,265	$ 79,083	$ 172,006
Employee medical insurance	6,365	3,862	10,581	20,808
Payroll taxes	3,095	3,529	4,156	10,780
Retirement plan contributions	970	684	1,500	3,154
Workers' compensation insurance	349	367	483	1,199
Total personnel expenses	60,437	51,707	95,803	207,947
Other functional expenses				
Bookkeeping and payroll services	9,150	7,828	14,506	31,484
Computer costs / software	6,347	5,430	10,062	21,839
Credit card merchant fees	-	-	15,955	15,955
Depreciation	856	733	1,357	2,946
Equipment rent	2,306	1,972	3,655	7,933
Equipment repairs	112	96	177	385
Grants awarded	1,414,042	-	-	1,414,042
Insurance	2,569	2,198	4,073	8,840
Internet / website costs	1,133	969	1,797	3,899
Membership	357	305	566	1,228
Office supplies / expense	3,199	2,736	5,071	11,006
Parking and mileage	1,043	892	1,654	3,589
Postage and shipping	1,938	1,658	3,073	6,669
Printing	1,015	868	1,609	3,492
Professional fees	3,051	2,610	4,837	10,498
Public relations	437	371	691	1,499
Rent	19,400	16,596	30,755	66,751
Scientific review committee costs	17,156	-	-	17,156
Taxes and licenses	-	150	-	150
Telephone	1,755	1,501	2,782	6,038
Total other functional expenses	1,485,866	46,913	102,620	1,635,399
Total functional expenses	**$ 1,546,303**	**$ 98,620**	**$ 198,423**	**$ 1,843,346**

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

CONCERN FOUNDATION AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

Cash flows from operating activities	
Cash received from contributors	$ 1,371,120
Grants paid	(1,331,542)
Cash paid to employees and suppliers	(401,615)
Interest and dividends income received	154,536
Net cash used in operating activities	(207,501)
Cash flows from investing activities	
Purchase of property and equipment	(5,839)
Proceeds from investments	1,593,155
Purchase of investments	(1,360,042)
Net cash provided by investing activities	227,274
Net increase in cash	19,773
Cash and cash equivalents, beginning of year	438,926
Cash and cash equivalents, end of year	**$ 458,699**
Reconciliation of change in net assets to net cash used in operating activities	
Change in net assets	$ (425,021)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Net realized and unrealized losses on investments	109,686
Noncash contributions	(28,251)
Bond premium amortization	43,413
Depreciation	2,946
Changes in operating assets and liabilities:	
Pledges and accounts receivable	140,926
Beneficial interest in charitable remainder trusts	21,813
Other assets	15,853
Grants payable	82,500
Accounts payable and accrued expenses	(140)
Deferred revenue	(171,226)
Net cash used in operating activities	**$ (207,501)**

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

NOTE 1 – GENERAL

Concern 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 Concern Foundation. Concern LLC is owned 100% by Concern Foundation.

Concern 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. Concern 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 (collectively, the "Organization"). All material intercompany amounts and transactions are eliminated in consolidation.

Financial Statement Presentation
The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The Organization 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.

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 and government bonds and equities with readily determinable values and (b) other investments. Corporate and government bonds with readily determinable fair values are initially recorded at cost upon acquisition. Subsequently, any premium or discount is first amortized and then the bonds are marked to fair value based upon market quotations. The premium or discount amortization is recorded within investment income as an offset to interest income on the statement of activities. 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. Other investments are related to noncontrolling limited partnership investments that are accounted for on a cost basis. The Organization 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 impairment in the amount reported.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Releases of temporarily restricted funds are reclassified to unrestricted net assets upon expiration of the restriction. Contributions are recognized when received.

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

Allowance for Doubtful Pledges

A provision for uncollectible pledges in the amount of $8,000, at December 31, 2015, 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 is applied on the straight-line basis over estimated useful lives of three to five years.

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 Organization from research institutions worldwide. The Organization’s grants committee oversees an international scientific review committee, which is comprised of prominent scientists who evaluate these proposals. The scientific review committee meets every year. After each submitted proposal has been reviewed, evaluated, and ranked, its recommendations are then passed on to the grants committee and the board of directors for final approval. Generally, grants are for a one-year period and are paid quarterly. Recipients of a one-year award may receive an award for a second year, which is contingent upon the recipient’s meeting certain criteria and the Organization’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 Organization. As part of unrestricted assets, the board of directors has set aside $1,295,057 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization.

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

Donated services requiring specialized skills are recorded in the financial statements only when an objective measure of the value is available. Expenses incurred by numerous volunteers of the Organization carrying out their duties are reimbursed by the Organization.

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 consolidated 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, 2015, the percentage of administrative expenses to total revenue was 6.9%.

Income Taxes
Concern 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, Concern 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, it is not material to the basic financial statements taken as a whole.

Estimates
The preparation of financial statements in accordance with U.S. GAAP 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization maintains its cash balances in one financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000. To date, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* that simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Management is in the process of evaluating the impact of ASU 2016-14 on the Organization's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The standard is effective on January 1, 2020, with early adoption permitted. Management is in the process of evaluating the impact of ASU 2016-02 on the Organization's consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 will be effective for the Organization for fiscal years beginning after December 15, 2018. Management is in the process of evaluating the impact of ASU 2016-01 on the Organization's consolidated financial statements. The Organization elected to early adopt the amendment that no longer requires disclosure of the fair value of financial instruments that are not measured at fair value and as such, these disclosures are not included herein.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)
In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. Management has not yet selected a transition method and is currently evaluating the impact of ASU 2014-09 on the Organization's consolidated financial statements.

NOTE 3 – INVESTMENTS

At December 31, 2015, investments consisted of the following:

Corporate and government bonds	$ 2,833,669
Equity securities	82,596
Mutual funds	656,791
Limited partnerships at cost	92,483
Total	**$ 3,665,539**

NOTE 4 – FAIR VALUE MEASUREMENTS

At December 31, 2015, the following financial instruments were classified by level within the valuation hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Corporate and government bonds	$ 2,833,669	$ -	$ -	$ 2,833,669
Equity securities	82,596	-	-	82,596
Mutual funds	656,791	-	-	656,791
Beneficial interest in charitable remainder trusts	-	-	232,359	232,359
Total	**$ 3,573,056**	**$ -**	**$ 232,359**	**$ 3,805,415**

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

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

For the year ended December 31, 2015, the change in the beneficial interest in charitable remainder trusts classified as Level 3 is as follows:

Balance, beginning of year	$ 254,172
Change in value of charitable remainder trusts	(21,813)
Balance, end of year	**$ 232,359**

The components of total investment return from these investments for the year ended December 31, 2015 consisted of the following:

Net unrealized losses on investments	$ (114,893)
Net realized gains on investments	5,207
Interest and dividend income	76,765
Partnership income	26,847
Investment income	**$ (6,074)**

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	$ 232,359	Discounted Cash Flow	Annuity Discount Factor	0.54968 – 0.80891
			Life Expectancy	IRS Mortality Actuarial Tables

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are discounted at rates ranging from 1.06% to 2.27%. The estimated cash flows related to pledges receivable at December 31, 2015 were as follows:

Less than one year	$ 169,737
One to ten years	299,750
Total	469,487
Discounts for the time-value of money	(7,642)
Allowance for uncollectible contributions	(8,000)
Total	**$ 453,845**

NOTE 6 – BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

The Organization 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 consolidated financial statements as a beneficial interest in charitable remainder trusts 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 2% and the payout to the donor (range of 7.4% to 7.9% per annum). As of December 31, 2015, the present values of the trusts were $216,453 and $15,906.

NOTE 7 – GRANTS PAYABLE

During the year ended December 31, 2015, the Organization paid all amounts relating to the grants payable as of December 31, 2014. In respect of the $1,422,500 (gross before grants refunded) in grants awarded during the year ended December 31, 2015, as of the year end, a balance of $592,500 remained outstanding. This balance represented seventeen grants payable of $30,000 and one grants payable of $82,500, which is expected to be paid out in two quarterly installments subsequent to December 31, 2015.

NOTE 8 – COMMITMENTS

The Organization was leasing office space under a month-to-month lease under which they were paying monthly minimum rents of $4,701. Effective January 1, 2016, the Organization entered into a noncancelable lease agreement for a new office space with a related party that provides for monthly minimum rent payments of $7,881. The new lease also provides for the lease of parking spaces for $550 per month for a year and then at prevailing market rates thereafter. This new lease expires in December 2018. The Organization took early possession of the new office space in November 2015, for which a board member made a contribution to cover the rents for the last two months in 2015. As a result, the Organization recorded approximately $16,000 as a contribution and $16,000 as rent expense during 2015. In January 2016, in connection with this lease, a board member pledged to contribute $40,000 per year for three years to offset the costs associated with this lease.

The Organization also leases equipment under a noncancelable operating lease, which requires monthly payments of $188 and expires in September 2018.

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

Year Ending December 31,	
2016	$ 103,431
2017	103,431
2018	102,867
Total	**$ 309,729**

Rent expense for office facilities was $66,751 for the year ended December 31, 2015. Rent expense for equipment was $7,933 for the year ended December 31, 2015.

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	Available December 31, 2014	New Revenues	Released from Restrictions	Change in Value of Charitable Remainder Trusts	Available December 31, 2015
Time restricted through charitable remainder trusts	$ 254,172	$ -	$ -	$ (21,813)	$ 232,359
Matching grant	-	100,000	(100,000)		-
Contribution subject to donor restrictions	60,000	142,500	(197,500)	-	5,000
Unexpended endowment earnings					
Research	34,028	4,066	-	-	38,094
Scientific review committee	-	2,413	-	-	2,413
Administrative costs	-	54,207	(54,207)	-	-
Total	**$ 348,200**	**$ 303,186**	**$(351,707)**	**$ (21,813)**	**$ 277,866**

NOTE 10 – ENDOWMENTS

Permanently restricted net assets at December 31, 2015 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**

Earnings from the Mynda Cohn/Jensen Memorial Fund are used to reimburse the Organization 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.

NOTE 10 – ENDOWMENTS (Continued)

Changes in endowment net assets for the fiscal year ended December 31, 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Total endowment fund balance, beginning of year	$ 34,028	$ 1,920,372	$ 1,954,400
Investment income	60,686	-	60,686
Satisfaction of temporary restrictions/ appropriated for expenditures	(60,686)	-	(60,686)
Total endowment fund balance, end of year	**$ 34,028**	**$ 1,920,372**	**$ 1,954,400**

The Organization 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 Organization 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, 2015, there were no accumulations added to the Organization's permanently restricted net assets.

The Organization does not have any board-designated endowment funds as of December 31, 2015.

In accordance with Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted in California and the provisions of ASC 958-205-45, 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 Organization. The Organization 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 Organization 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 Organization 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 Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2015.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization's board of directors is actively involved in raising funds for the Organization. During the year ended December 31, 2015, the Organization received a total of $202,907 in contributions from board of directors' members. In addition, board members have agreed to contribute an additional amount of $124,851 that is recorded as pledges receivable and deferred revenue. The present value of the pledges available from board members at December 31, 2015 was $123,767.

NOTE 12 – SPECIAL EVENTS AND FUNDRAISING

The Organization 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 $1,683,337 and total costs were $604,320.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 29 2016, which is the date the consolidated financial statements were issued or available to be issued. No material subsequent events have occurred that would require recognition in the consolidated financial statements or additional disclosure in the notes to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

CONCERN FOUNDATION AND SUBSIDIARY

(A NONPROFIT ORGANIZATION)
SCHEDULE OF GRANTS EXPENSE
For the Year Ended December 31, 2015

Grants awarded		
Karolinska Institute under the direction of George Klein, M.D. Stockholm Sweden	$	165,000
The Lautenberg Center/Hebrew University under the direction of Prof. Eitan Yefenof Jerusalem, Israel		130,000
Eyal Arbely Ben-Gurion University of the Negev		60,000
Barbara Bedogni Case Western Reserve University		60,000
Michael Berger Hebrew University of Jerusalem - Hadassah School of Medicine		60,000
Michael Boyce Duke University Medical Center		60,000
Mark Chiang The Regents of the University of Michigan		60,000
Muller Fabbri Children's Hospital, Los Angeles		60,000
Sarah-Maria Fendt Vlaams Instituut voor Biotechnologie, Belgium		60,000
Ziv Granot Hebrew University of Jerusalem		60,000
Deborah Kelly Virginia Polytechnic Institute and State University		60,000
Albert Kim Washington University in St. Louis		60,000
George-Lucian Moldovan The Pennsylvania State University College of Medicine		60,000
Paolo Provenzano Regents of the University of Minnesota- Twin Cities		60,000

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

Damien Reynaud Cincinnati Children's Hospital Medical Center	60,000
Jean-Francois Rual The Regents of the University of Michigan	60,000
Hae-Ri Song New York University	60,000
Gang Greg Wang The University of North Carolina at Chapel Hill	60,000
Elizabeth Yeh Medical University of Southern Carolina	60,000
Owen Witte Regents of the University of California	50,000
The Adolescent and Young Adult Program (AYA@USC) USC Norris Comprehensive Cancer Center & Children's Hospital Los Angeles	50,000
Chmutal Gur Hebrew University	7,500
Subtotal grants expense	1,422,500
Grants refunded	(8,458)
Total grants expense	**$ 1,414,042**