

**CONCERN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors.

Purpose Restrictions Accomplished:	
Contribution Subject to Donor Restrictions	\$ 217,500
Release of Endowment Income	5,187
Total	<u>\$ 222,687</u>

NOTE 11 NET ASSETS PERPETUAL IN NATURE

Permanently restricted net assets at December 31, 2018 is comprised of the following endowments:

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

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

Changes in endowment net assets for the year ended December 31, 2018 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 1,920,372	\$ 1,920,372
Contributions			
Investment Income	5,187	-	5,187
Net Appreciation (Depreciation)	(5,187)	-	(5,187)
Amounts Appropriated for Expenditure	-	-	-
Total Endowment Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 1,920,372</u>	<u>\$ 1,920,372</u>

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DECEMBER 31, 2018**

NOTE 11 NET ASSETS PERPETUAL IN NATURE

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, 2018, there is no accumulations added to the Foundation's permanently restricted net assets.

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 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 net assets without donor restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration.

NOTE 12 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, unless otherwise restricted by the donor. Total income from special events was \$2,024,059 and direct donor benefit costs were \$442,376 for the year ended December 31, 2018. The direct expenses relating to special events revenue would be considered material fundraising expenses.

NOTE 13 COMMITMENTS AND CONTINGENCIES

The Foundation rents their office space under a lease agreement expiring in December 2019. Rent expense paid under the agreement for the year ended December 31, 2018 was \$94,575. A donation in support of offsetting the rent expense was received for \$40,000 from a board member.

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DECEMBER 31, 2018**

NOTE 14 CASH IN BANK – CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash and cash equivalents at a bank which may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes that the solvency of the relevant financial institution is not of particular concern.

PRELIMINARY DRAFT SUBJECT TO CHANGE

**CONCERN FOUNDATION
SCHEDULES OF GRANTS EXPENSE
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)**

Grants Awarded:

The Lautenberg Center Lautenberg Center at Hebrew University, Israel	200,000
University of California Los Angeles U.C. Regents, Los Angeles, CA	175,000
Dr. Lukas Dow Weill Medical College Cornell University, New York	60,000
Dr. Moshe Elkabets, Ph.D Ben-Gurion University of the Negev, Israel	60,000
Dr. Robert Faryabi, Ph.D University of Pennsylvania	60,000
Dr. Lydia Finley, PhD Memorial Sloan Kettering Cancer Center, New York	60,000
Dr. Malay Haldar, MD, PhD University of Pennsylvania	60,000
Dr. Tae-Hee Kim The Hospital for Sick Children, Canada	60,000
Dr. Antonis Kourtidis Medical University of South Carolina	60,000
Dr. Philip Kranzusch Dana-Farber Cancer Institute, Boston, MA	60,000
Dr. Selma Masri, PhD UCLA, Irvine	60,000
Dr. Sara Meyer Thomas Jefferson University, Philadelphia, PA	60,000
Dr. Anoop Patel University of Washington	60,000
Dr. Yuliya Pylayeva-Gupta University of North Carolina Chapel Hill	60,000

**CONCERN FOUNDATION
SCHEDULES OF GRANTS EXPENSE (CONTINUED)
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT)**

Grants Awarded (Continued):

Dr. Boyang Wu Washington State University	\$ 60,000
Dr. Yanzhong Yang Beckman Research Institute City of Hope, Duarte, CA	60,000
Dr. Franklin Zhong Institute of Molecular and Cell Biology, Singapore	60,000
Anat Erdreich-Epstein Children's Hospital , Los Angeles	58,000
Beauty Bus Foundation	35,000
Dr. Troy McEachron AYA USC/Norris Comprehensive Cancer Center	30,000
Cancer Microenvironment Society Lautenberg TAU - Award	5,500
Muhannad Abu-Remaileh	5,000
Yishai Avior	5,000
Grants Refunded:	
Greg Wang University of North Carolina Chapel Hill	(1,179)
SRC Saar Gill University of Pennsylvania	(1,119)
Dr. Hyungjin Kim State University of New York	(102)
Total Grants Awarded	<u><u>\$ 1,411,100</u></u>