ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2009

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ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of

ALCOR LIFE EXTENSION FOUNDATION, INC. AND AFFILIATES

We have reviewed the accompanying consolidated statement of financial position of ***Alcor Life Extension Foundation, Inc. and Affiliates*** at December 31, 2009, and the related consolidated statement of changes in net assets (deficit) and cash flows in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these consolidated financial statements is the representation of the management of ***Alcor Life Extension Foundation, Inc. and Affiliates***. The prior year summarized comparative information has been derived from ***Alcor Life Extension Foundation, Inc. and Affiliates'*** 2008 consolidated financial statements, and in our report dated August 5, 2011, we were not aware of any material modifications that should be made to the consolidated financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. A review is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated 2009 financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

Phoenix, Arizona
August 5, 2011

Mayer Hoffman McCann P.C.

ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2009
(with comparative totals at December 31, 2008)

A S S E T S

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 580,114	$ 643,171
Restricted cash	626,254	504,180
Accounts receivable, net	397,950	33,265
Promises to give	24,623	34,301
Asset held for sale	-	250,000
Other current assets	58,321	101,416
TOTAL CURRENT ASSETS	1,687,262	1,566,333
PROPERTY AND EQUIPMENT, net	630,576	640,853
INVESTMENTS	2,019,985	1,611,022
PREPAID CRYOPRESERVATION AND STANDBY	4,464,113	4,101,705
TOTAL ASSETS	$ 8,801,936	$ 7,919,913

L I A B I L I T I E S A N D N E T A S S E T S (D E F I C I T)

	2009	2008
CURRENT LIABILITIES		
Accounts payable	$ 161,578	$ 45,724
Accrued expenses	15,150	14,201
Note payable	-	108,340
TOTAL CURRENT LIABILITIES	176,728	168,265
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	4,464,113	4,101,705
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	626,254	504,180
DEFERRED PATIENT CARE RESERVE	3,465,000	3,260,000
TOTAL LIABILITIES	8,732,095	8,034,150
MINORITY INTEREST IN CONSOLIDATED AFFILIATE	28,341	25,255
UNRESTRICTED NET ASSETS (DEFICIT)	16,877	(173,793)
TEMPORARILY RESTRICTED NET ASSETS	24,623	34,301
TOTAL NET ASSETS (DEFICIT)	41,500	(139,492)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 8,801,936	$ 7,919,913

ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)

Year Ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	Unrestricted	Temporarily Restricted	Totals 2009	Totals 2008
REVENUE AND SUPPORT				
Membership dues	$ 290,160	$ -	$ 290,160	$ 276,220
Bequests	150,254	-	150,254	480,820
Contributions	573,086	24,623	597,709	372,051
Interest	51,921	-	51,921	69,836
Realized and unrealized gains (losses) on investments	263,858	-	263,858	(572,682)
Cryopreservation and standby	478,775	-	478,775	406,591
Rental income	56,239	-	56,239	89,556
Other	50,160	-	50,160	39,630
Total revenue and support before net assets released from restrictions	1,914,453	24,623	1,939,076	1,162,022
Net assets released from restrictions	34,301	(34,301)	-	-
TOTAL REVENUE AND SUPPORT	1,948,754	(9,678)	1,939,076	1,162,022
EXPENSES				
Payroll	514,175	-	514,175	458,201
Cryopreservation expense	298,467	-	298,467	227,113
Research and development	83,781	-	83,781	85,689
Professional fees	283,351	-	283,351	86,858
Depreciation	88,969	-	88,969	96,161
Insurance	102,859	-	102,859	113,154
Marketing	37,096	-	37,096	23,848
Utilities	54,849	-	54,849	56,430
Taxes, licenses, and permits	58,078	-	58,078	48,836
Repairs and maintenance	31,001	-	31,001	56,735
Supplies	30,553	-	30,553	23,911
Contract services	27,136	-	27,136	24,889
Bank charges	10,038	-	10,038	16,210
Travel	23,528	-	23,528	12,647
Royalty	26,975	-	26,975	25,000
Lease expense	13,243	-	13,243	9,772
Bad debts	13,741	-	13,741	13,184
Automobile	3,003	-	3,003	1,794
Management fee	6,779	-	6,779	7,564
Interest expense	4,184	-	4,184	5,723
Miscellaneous	43,192	-	43,192	4,997
TOTAL EXPENSES	1,754,998	-	1,754,998	1,398,716
CHANGE IN NET ASSETS (DEFICIT) BEFORE MINORITY INTEREST	193,756	(9,678)	184,078	(236,694)
MINORITY INTEREST IN CHANGE IN NET ASSETS OF CONSOLIDATED AFFILIATE	(3,086)	-	(3,086)	(6,115)
CHANGE IN NET ASSETS (DEFICIT)	190,670	(9,678)	180,992	(242,809)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(173,793)	34,301	(139,492)	103,317
NET ASSETS (DEFCIT), END OF YEAR	$ 16,877	$ 24,623	$ 41,500	$ (139,492)

See Notes to Consolidated Financial Statements
See Accountants' Review Report

ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2009
(with comparative totals for the year ended December 31, 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets (deficit)	$ 180,992	$ (242,809)
Adjustments to reconcile the change in net assets (deficit) to net cash used in operating activities		
Change in net assets applicable to minority interest	3,086	6,115
Forgiveness of employee loan	3,000	3,000
Change in allowance for doubtful accounts	12,591	21,240
Depreciation	88,969	96,161
Loss of disposal of property and equipment	-	22,235
Bequest of assets held for sale	-	(139,869)
Realized and unrealized (gains) losses on investments	(263,858)	572,682
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(380,276)	7,791
Promises to give	9,678	(34,301)
Other current assets	43,095	44,138
Prepaid cryopreservation and standby	(362,408)	(1,406,961)
Increase (decrease) in:		
Accounts payable	115,854	(77,063)
Accrued expenses	949	(10,000)
Deferred patient care reserve	205,000	190,000
Net cash used in operating activities	(343,328)	(947,641)
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in restricted cash	(122,074)	(130,276)
Purchase of property and equipment	(78,692)	(39,444)
Purchases of investments	(145,105)	(936,274)
Proceeds from sale of asset held for sale	250,000	-
Proceeds from sale of investments	-	822,308
Net cash used in investing activities	(95,871)	(283,686)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in deferred cryopreservation	484,482	1,537,237
Payments on notes payable	(108,340)	(1,791)
Net cash provided by financing activities	376,142	1,535,446
NET CHANGE IN CASH AND CASH EQUIVALENTS	(63,057)	304,119
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	643,171	339,052
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 580,114	$ 643,171
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 4,184	$ 5,723
SUPPLEMENTAL DISCLOSURE OF NON CASH INVESTING AND FINANCING ACTIVITIES		
Donated assets held for sale	$ -	$ 250,000
Mortgage on donated assets held for sale	$ -	$ 110,131

See Notes to Consolidated Financial Statements
See Accountants' Review Report

(1) Company operations and summary of significant accounting policies

Nature of operations – ***Alcor Life Extension Foundation, Inc.*** ("Alcor") is a California non-profit organization formed under Section 501(c)(3) of the Internal Revenue Code. Alcor conducts its primary operations in Scottsdale, Arizona. Alcor is funded primarily through contributions and membership dues from its members, and rental income. Alcor's primary exempt purpose is research and education in the science of cryonic storage and cryopreservation. Members guarantee a certain level of funding which will be paid to Alcor upon the legal death of the member to support Comprehensive Member Standby (CMS), cryopreservation, long-term care, and, if it becomes possible, resuscitation of the member.

The significant accounting policies of Alcor are as follows:

The Financial Accounting Standards Board ("FASB") sets U.S. generally accepted accounting principles ("GAAP") to ensure consistent reporting. References to GAAP are to the FASB Accounting Standards Codification ("FASB ASC").

Principles of consolidation – The consolidated financial statements for the years ended December 31, 2009 and 2008 include all accounts of Alcor Life Extension Foundation, Inc. and its affiliates, the Alcor Patient Care Trust (the "Trust") and the 75.3623% owned Cryonics Property, LLC (the "LLC"). Alcor is the beneficiary of the Trust. The Trust and its affiliate the LLC are consolidated with Alcor as Alcor has control of the Trust. Alcor's Board of Directors appoints the Trust's board members. All significant intercompany transactions have been eliminated.

Alcor's operations include performing research and development for the cryopreservation or biostasis process, maintain current patients in biostasis, placing members into biostasis, eventually restoring all patients to health if it becomes possible, and providing public education.

The Trust is an irrevocable trust that maintains amounts funded for patients in biostasis. The Trust pays Alcor for itemized expenses related to patient care. The Trust also owns the LLC.

The LLC owns the Alcor building and leases to other tenants in addition to Alcor.

Basis of presentation – The consolidated financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, Alcor is required to report 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. Alcor has no permanently restricted net assets at December 31, 2009 and 2008.

Prior year summarized information – The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Alcor's consolidated financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Management's use of estimates – The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(1) Company operations and summary of significant accounting policies (continued)

Cash and cash equivalents – Cash includes cash and, at times, cash equivalents, which consist of highly liquid financial investments purchased with an original maturity of three months or less. Accounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

Restricted cash – Restricted cash is specifically reserved to provide standby services for its members. At December 31, 2009 and 2008, these funds had not been spent for their intended purpose and, accordingly, these amounts are reported as restricted cash in the accompanying consolidated statements of financial position.

Investments – Alcor accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt and Equity Securities* and FASB ASC 958-325*, Not-for-Profit Entities – Investments – Other*. Under FASB ASC 958-320, Alcor is required to report investments in equity securities that have readily determinable fair values, and all investments in debt securities, including negotiable certificates of deposit, at fair value. The fair value is based on quoted market prices or net asset value. Under FASB ASC 958-325, certificates of deposit investments that do not have a readily determinable fair market value are stated at amortized cost which approximates fair value.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying consolidated financial statements.

Accounts receivable – Accounts receivable consists primarily of amounts due for membership dues, CMS dues, and cryopreservation performed. Accounts receivable are stated at the amount management expects to collect. Management provides for uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Accounts receivable are considered impaired if full payments are not received in accordance with the contractual terms. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2009 and 2008 accounts receivable are net of an allowance for doubtful accounts of $33,831 and $21,240, respectively.

Also included in accounts receivable are forgivable amounts due from employees that were previously advanced, interest free, for the purchase of a home. The balance was $3,500 and $6,500 at December 31, 2009 and 2008, respectively. Approximately $3,000 is forgiven annually.

(1) Company operations and summary of significant accounting policies (continued)

Promises to give – Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectibility. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to contribution income. All promises to give are expected to be collected within one year.

Asset held for sale – During 2008 Alcor received a bequest of residential property from a member. The property was valued at $250,000, which was management's best estimate of fair value based on recent sales in the area. The real estate was held for sale at December 31, 2008, and was sold for $250,000 during 2009. Alcor also assumed a mortgage payable of $110,131 in connection with the bequest. See Note 8. The net bequest of $139,869 was included in bequests on the consolidated statement of changes in net assets (deficit) in 2008. Assets held for sale are reported at the lower of the carrying amount or fair value less estimated costs to sell.

Property and equipment – Property and equipment is recorded at cost. Donated property and equipment is recorded at its fair value at the date of gift to Alcor. Additions and betterments in excess of $1,000 are capitalized. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Depreciation is computed using the straight-line method over the following general range of estimated useful lives:

Buildings and leasehold improvements	3 - 39 years
Machinery and office equipment	3 - 20 years
Medical equipment	3 - 20 years
Vehicles	5 years

Impairment of long-lived assets – Alcor accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant and Equipment*. FASB ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded for 2009 and 2008.

(1) Company operations and summary of significant accounting policies (continued)

Prepaid cryopreservation and standby – Prepaid cryopreservation and standby services are refundable until services are provided and are recorded as a liability. Cryopreservation revenues and expenses are recognized upon the cryopreservation of a patient. Standby revenues and expenses are recognized upon providing emergency staff and transportation services to patients prior to cryopreservation, including all rescue activities up through the time the patient is transferred to the Alcor facilities for cryopreservation. At the time of providing these services, Alcor utilizes the assets held in prepaid cryopreservation and standby to fund the services.

Alcor is required to report prepaid cryopreservation and standby funds invested in equity securities that have readily determinable fair values and all investments in debt securities, at fair value. The fair value is based on quoted market prices. The certificates of deposit are valued at estimated fair market value based on the certificates stated interest rate and current market interest rate. The life insurance policies are valued at the cash surrender value as of yearend as reported by the policy provider.

Deferred patient care reserve – Upon cryopreservation of a patient, a specified amount of the cryopreservation revenue is deferred and invested into the Alcor Patient Care Trust to be used for patient maintenance and potential revival. Upon potential revival, Alcor would recognize as revenue amounts held in the patient care trust reserved for the potentially revived patient. Costs to maintain the patient until such time that potential revival may be possible are expensed as incurred.

Membership dues – Alcor does not provide significant tangible benefits to members for their membership in Alcor over the membership period. Accordingly, membership dues are recorded in accordance with contributions as described below.

Contributions – Alcor accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the existence and/or nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of changes in net assets as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the donation is made, is shown as additions to unrestricted support.

Bequests – Bequests are recognized as contribution revenue in the period Alcor receives notification the court has found the will of the donor’s estate to be valid and all conditions have been substantially met.

Advertising – Advertising costs are expensed as incurred, and amounted to $1,110 and $1,185 for the years ended December 31, 2009 and 2008, respectively.

Functional expense allocation – Expenses are charged to program services and supporting service categories based on direct expenditures incurred. Any expenditures not directly chargeable to a functional expense category are allocated based upon personnel activity or other appropriate indicators.

Limited liability corporation – Based on the type of organization of Cryonics Property, LLC and as otherwise provided in the operating agreement executed by the members of this company, no member is personally liable for any acts, debts or liabilities beyond the members’ capital contributions.

(1) Company operations and summary of significant accounting policies (continued)

Income tax status – Alcor and the Alcor Patient Care Trust qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, there is no provision for income taxes. Alcor and the Alcor Patient Care Trust are also exempt from state income tax. In addition, Alcor and the Alcor Patient Care Trust qualify for the charitable contribution deduction under Section 170 of the Code and have been classified as organizations that are not private foundations. Income determined to be unrelated business taxable income (UBTI) would be taxable.

Cryonics Property, LLC files its income tax return on the accrual basis as a partnership for federal and state income tax purposes. As such, Cryonics Property, LLC will not pay income taxes, as any income or loss will be included in the tax returns of the members.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48", subsequently codified by the FASB under FASB ASC 740-10). FIN 48 was effective for fiscal years beginning after December 15, 2006. FIN 48 clarifies the accounting for uncertainty in income taxes. FIN 48 was adopted in 2009 and did not have a significant impact on Alcor's consolidated financial statements. Alcor evaluates their uncertain tax positions, if any, on a continual basis through review of their policies and procedures, review of their regular tax filings, and discussions with outside experts.

Alcor's federal Return of Organization Exempt from Income Tax (Form 990) for 2009, 2008 and 2007 are subject to examination by the IRS, generally for three years after they were filed.

Subsequent events – Alcor has evaluated subsequent events through August 5, 2011, which is the date the financial statements were available to be issued.

(2) Investments

Alcor's investments consist of the following:	2009	2008
Common stock	438,154	$ 254,657
Equity mutual funds	271,686	202,324
Certificates of deposit	977,979	377,993
Fixed income	164,116	518
U.S. Treasury securities	154,477	182,428
Money market funds	13,573	255,012
Managed funds	-	146,375
Bonds	-	191,715
Total investments	$ 2,019,985	$ 1,611,022

(3) Property and equipment

Property and equipment consists of the following at December 31:

	2009	2008
Cost or donated value:		
Land, buildings, and leasehold improvements	$ 736,942	$ 736,942
Machinery and office equipment	366,530	291,138
Medical equipment	657,097	653,797
Vehicles	42,972	42,972
Total cost or donated value	1,803,541	1,724,849
Accumulated depreciation	(1,172,965)	(1,083,996)
Net property and equipment	$ 630,576	$ 640,853

Depreciation expense charged to operations was $88,969 and $96,161 for years ended December 31, 2009 and 2008, respectively.

(4) Prepaid cryopreservation and standby

Alcor must maintain funds for prepaid cryopreservation and standby services in separate accounts for each member, per the cryopreservation contracts. Alcor's bylaws require that the accounts be invested conservatively in depositories insured against loss by an agency of the federal government. At December 31, 2009 and 2008, Alcor had invested the monies received for prepaid cryopreservation and standby services at financial institutions insured by the Federal Deposit Insurance Corporation up to $250,000 per account. As of January 1, 2001, Alcor instituted a policy requiring new members to name Alcor as beneficiary of any life insurance policy the member uses to fund their cryopreservation. Policies can be returned to members at any time.

The following is a summary of those investments and life insurance policies as of December 31, 2009:

	Total Invested	Amount insured by FDIC
Certificates of deposit	$ 675,905	$ 675,000
Money market accounts	1,205,223	-
Total member investments	1,881,128	$ 675,000
Cash surrender value of member life insurance policies	2,582,985	
Total prepaid cryopreservation and standby	$ 4,464,113	

The following is a summary of those investments and life insurance policies as of December 31, 2008:

	Total Invested	Amount insured by FDIC
Certificates of deposit	$ 1,098,693	$ 1,093,000
Cash	111,936	111,936
Money market accounts	409,393	-
Total member investments	1,620,022	$ 1,204,936
Cash surrender value of member life insurance policies	2,481,683	
Total prepaid cryopreservation and standby	$ 4,101,705	

(5) Deferred comprehensive member standby

Alcor has a financial obligation to provide standby services to members residing in the continental U.S. and Canada. Standby services include emergency staff and transportation services to patients prior to cryopreservation, including all rescue activities necessary to bring the patient to the Alcor facilities for cryopreservation. Members pay CMS charges to Alcor to fund future standby expenses. CMS charges will be recognized as revenue as standby expenses are incurred.

(6) Deferred patient care reserve

Alcor has a financial obligation to fund the maintenance and potential revival of members who have undergone cryopreservation. The actual amount of future expenses required to meet this obligation is unknown due to the uncertainty of how long Alcor must maintain its members in cryopreservation and the uncertain costs of potential revival, if potential revival becomes scientifically and legally possible in the future. Therefore, these amounts are presently reflected as a deferred item. It is at least reasonably possible that this significant estimate will change in the near term.

(7) Functional expenses

Alcor conducts research and education in the field of cryopreservation and storage. Expenses related to providing these services are as follows

	2009	2008
Program	$ 1,053,903	$ 934,645
General and administrative	562,971	306,309
Fundraising	1,942	4,133
Cryonics Property, LLC, net	136,182	153,629
Total	$ 1,754,998	$ 1,398,716

(8) Long term debt

Long-term debt consisted of a note payable to a bank associated with the real estate held for sale that was received in 2008 from a bequest. The note was originated in November 2004 for $115,000 with 360 monthly payments including interest at 5.75%. The note was secured by the real estate held for sale. The balance outstanding at December 31, 2008 was $108,340. Alcor sold the property and used a portion of the proceeds to repay the note in 2009.

(9) Temporarily restricted net assets

Temporarily restricted net assets consist primarily of time restricted promises to give. The restriction is met when the promised items are received.

(10) Operating leases

Alcor leases office equipment under operating leases. The lease agreements expire at various dates through January 2010. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Future minimum lease payments at December 31, 2009 under noncancelable operating leases with terms of one year or more consist of $422 due in the year ending December 31, 2010.

Rent expense totaled approximately $13,243 and $9,772 for years ended 2009 and 2008, respectively.

(11) Retirement plan

Alcor has a 401(k) defined contribution plan (the "Plan") covering all employees meeting certain eligibility requirements. Alcor makes contributions to the Plan equal to 50% of the first 6% of eligible employee deferrals. Alcor contributed $4,199 and $6,706 to the Plan for years ended 2009 and 2008, respectively.

(12) Contingencies

Alcor is subject to various claims, legal proceedings, and investigations covering a wide range of matters that may arise in the ordinary course of business. Management believes the resolution of claims and pending litigation will not have a material effect on Alcor's results of consolidated operations.

(13) Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The following table sets forth the level, within the fair value hierarchy of Alcor's assets and liabilities subject to recurring fair value measurement as of December 31, 2009:

	(Level 1)	(Level 2)
Common stock	$ 438,154	$ -
Certificates of deposit (prepaid)	-	675,905
Money market funds certificates of deposit (prepaid)	1,205,223	-
Equity mutual funds	271,686	-
Fixed income	164,116	-
U.S. Treasury securities	154,477	-
Total	$ 2,233,656	$ 675,905

(13) Fair value measurements (continued)

The following table sets forth the level, within the fair value hierarchy of Alcor's assets and liabilities subject to recurring fair value measurement as of December 31, 2008:

	(Level 1)	(Level 2)
Common stock	$ 254,657	$ -
Certificates of deposit (prepaid)	-	1,098,693
Money market funds certificates of deposit(prepaid)	409,393	-
Equity mutual funds	202,324	-
Fixed income	518	-
U.S. Treasury securities	182,428	-
Managed funds	-	146,375
Bonds	191,715	-
Total	$ 1,241,035	$ 1,245,068

Alcor had no other assets or liabilities subject to fair value measurements other than at initial recognition.

MHM

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ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

Our report on our review of the basic consolidated financial statements of ***Alcor Life Extension Foundation, Inc. and Affiliates***, for the year ended December 31, 2009, appears on page 1. The review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with U.S. generally accepted accounting principles. The information included in the accompanying schedule of departmental assets, liabilities and net assets and schedule of departmental revenues and expenses that follows on pages 15 and 16 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial information and results of operations of the individual companies. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the consolidated financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplemental information.

Mayer Hoffman McCann P.C.

Phoenix, Arizona
August 5, 2011

ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

SCHEDULE OF DEPARTMENTAL ASSETS, LIABILITIES AND NET ASSETS

December 31, 2009

A S S E T S

	General	Cryonics Property, LLC	Consolidating and Eliminating	Total
CURRENT ASSETS				
Cash and cash equivalents	$ 409,996	$ 170,118	$ -	$ 580,114
Restricted cash	626,254	-	-	626,254
Accounts receivable, net	643,046	-	(245,096)	397,950
Promises to give	24,623	-	-	24,623
Other current assets	44,643	13,678	-	58,321
TOTAL CURRENT ASSETS	1,748,562	183,796	(245,096)	1,687,262
PROPERTY AND EQUIPMENT, net	478,476	152,100	-	630,576
INVESTMENTS	2,019,985	-	-	2,019,985
PREPAID CRYOPRESERVATION AND STANDBY	4,464,113	-	-	4,464,113
NOTE RECEIVABLE	258,574	-	(258,574)	-
TOTAL ASSETS	$ 8,969,710	$ 335,896	$ (503,670)	$ 8,801,936

L I A B I L I T I E S A N D N E T A S S E T S

	General	Cryonics Property, LLC	Consolidating and Eliminating	Total
CURRENT LIABILITIES				
Accounts payable	$ 375,029	$ 31,645	$ (245,096)	$ 161,578
Accrued expenses	15,150	-		15,150
Current portion of note payable	-	33,824	(33,824)	-
TOTAL CURRENT LIABILITIES	390,179	65,469	(278,920)	176,728
NOTE PAYABLE	-	224,750	(224,750)	-
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	4,464,113	-	-	4,464,113
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	626,254	-	-	626,254
DEFERRED PATIENT CARE RESERVE	3,465,000	-	-	3,465,000
TOTAL LIABILITIES	8,945,546	290,219	(503,670)	8,732,095
MINORITY INTEREST IN CONSOLIDATED AFFILIATE	-	-	28,341	28,341
NET ASSETS	24,164	45,677	(28,341)	41,500
TOTAL LIABILITIES AND NET ASSETS	$ 8,969,710	$ 335,896	$ (503,670)	$ 8,801,936

ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES

SCHEDULE OF DEPARTMENTAL REVENUES AND EXPENSES

Year Ended December 31, 2009

	General	Cryonics Property, LLC	Consolidating and Eliminating	Total
REVENUE AND SUPPORT				
Membership dues	$ 290,160	$ -	$ -	$ 290,160
Bequests	150,254	-	-	150,254
Contributions	597,709	-	-	597,709
Interest	78,529	968	(27,576)	51,921
Realized and unrealized gains on investments	263,858	-	-	263,858
Cryopreservation and standby	478,775	-	-	478,775
Rental income	779	147,738	(92,278)	56,239
Other	50,160	-	-	50,160
TOTAL REVENUES AND SUPPORT	1,910,224	148,706	(119,854)	1,939,076
EXPENSES				
Payroll	514,175	-	-	514,175
Cryopreservation expense	298,467	-	-	298,467
Research and development	83,781	-	-	83,781
Professional fees	279,051	4,300	-	283,351
Depreciation	63,619	25,350	-	88,969
Insurance	102,859	-	-	102,859
Marketing	37,096	-	-	37,096
Utilities	53,325	1,524	-	54,849
Taxes, licenses and permits	12,564	45,514	-	58,078
Repairs and maintenance	27,265	3,736	-	31,001
Supplies	30,553	-	-	30,553
Contract services	9,100	18,036	-	27,136
Bank charges	10,038	-	-	10,038
Travel	23,528	-	-	23,528
Royalty	26,975	-	-	26,975
Lease expense	13,243	-	-	13,243
Bad debts	13,741	-	-	13,741
Automobile	3,003	-	-	3,003
Occupancy	92,278	27,576	(119,854)	-
Management fee	-	6,779	-	6,779
Interest expense	4,184	-	-	4,184
Miscellaneous	39,825	3,367	-	43,192
TOTAL EXPENSES	1,738,670	136,182	(119,854)	1,754,998
CHANGE IN NET ASSETS BEFORE MINORITY INTEREST	171,554	12,524	-	184,078
MINORITY INTEREST IN CHANGE IN NET ASSETS OF CONSOLIDATED AFFILIATE	-	-	(3,086)	(3,086)
CHANGE IN NET ASSETS	171,554	12,524	(3,086)	180,992
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(147,390)	33,153	(25,255)	(139,492)
NET ASSETS, END OF YEAR	$ 24,164	$ 45,677	$ (28,341)	$ 41,500