

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017

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4722 North 24th Street, Suite 300 ■ Phoenix, AZ 85016
Main: 602.264.6835 ■ Fax: 602.265.7631 ■ www.mhmcpa.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of

ALCOR LIFE EXTENSION FOUNDATION, INC. AND AFFILIATES

We have reviewed the accompanying consolidated financial statements of ***Alcor Life Extension Foundation, Inc. and Affiliates***, which comprise the consolidated statement of financial position as of December 31, 2017, the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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

Mayer Hoffman McCann P.C.

April 26, 2019

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2017
(with comparative totals at December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 934,819	\$ 939,041
Accounts receivable, net	81,608	196,265
Other current assets	171,802	205,710
TOTAL CURRENT ASSETS	1,188,229	1,341,016
RESTRICTED CASH	747,979	747,911
PROPERTY AND EQUIPMENT, net	1,277,247	853,787
INVESTMENTS	21,658,704	16,964,519
BENEFICIAL INTEREST IN PERPETUAL TRUST	4,532,820	3,990,058
PREPAID CRYOPRESERVATION AND STANDBY	11,213,405	8,961,801
TOTAL ASSETS	<u>\$ 40,618,384</u>	<u>\$ 32,859,092</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 60,118	\$ 65,587
Accrued expenses	57,542	49,493
TOTAL CURRENT LIABILITIES	117,660	115,080
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	11,213,405	8,961,801
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	497,777	551,443
DEFERRED REVENUE	50,901	3,107
DEFERRED PATIENT CARE RESERVE	9,107,000	8,707,500
TOTAL LIABILITIES	<u>20,986,743</u>	<u>18,338,931</u>
NET ASSETS		
Unrestricted		
Controlling interest	15,033,456	10,480,017
Noncontrolling interest	65,365	50,086
Total unrestricted	15,098,821	10,530,103
Temporarily restricted	-	-
Permanently restricted	4,532,820	3,990,058
TOTAL NET ASSETS	<u>19,631,641</u>	<u>14,520,161</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,618,384</u>	<u>\$ 32,859,092</u>

See Notes to Consolidated Financial Statements
See Independent Accountants' Review Report

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2017</u>	<u>2016</u>
REVENUE AND SUPPORT					
Membership dues	\$ 521,060	\$ -	\$ -	\$ 521,060	\$ 463,117
Bequests	114,984	-	-	114,984	113,851
Contributions	243,756	-	-	243,756	116,874
Interest and distribution income	271,726	-	-	271,726	298,848
Realized and unrealized gains on investments	4,377,465	-	-	4,377,465	1,761,954
Cryopreservation and standby	614,090	-	-	614,090	674,534
Rental income	71,209	-	-	71,209	35,588
Change in value of beneficial interest in perpetual trust	-	-	542,762	542,762	481,000
Other	18,806	-	-	18,806	1,425
Total revenue and support before net assets released from restrictions	6,233,096	-	542,762	6,775,858	3,947,191
Net assets released from restrictions	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	6,233,096	-	542,762	6,775,858	3,947,191
EXPENSES					
Payroll and benefits	715,294	-	-	715,294	583,827
Professional fees	139,196	-	-	139,196	94,621
Marketing	230	-	-	230	1,312
Depreciation	112,704	-	-	112,704	92,905
Bad debts	12,038	-	-	12,038	12,352
Office supplies	94,872	-	-	94,872	81,473
Cryopreservation	55,809	-	-	55,809	201,162
Liquid nitrogen	33,737	-	-	33,737	29,607
Utilities	70,175	-	-	70,175	53,864
Insurance	46,216	-	-	46,216	54,950
Taxes, licenses, and permits	31,938	-	-	31,938	31,568
Readiness	84,010	-	-	84,010	136,609
Royalty	22,279	-	-	22,279	34,500
Contract services	16,992	-	-	16,992	16,071
Repairs and maintenance	75,535	-	-	75,535	35,448
Bank charges	42,411	-	-	42,411	39,559
Travel	13,177	-	-	13,177	16,403
Research and development	29,469	-	-	29,469	148,112
Lease expense	4,888	-	-	4,888	3,826
Public education	63,408	-	-	63,408	98,039
TOTAL EXPENSES	1,664,378	-	-	1,664,378	1,766,208
CHANGE IN NET ASSETS	4,568,718	-	542,762	5,111,480	2,180,983
NET ASSETS, BEGINNING OF YEAR	10,530,103	-	3,990,058	14,520,161	12,339,178
NET ASSETS, END OF YEAR	\$ 15,098,821	\$ -	\$ 4,532,820	\$ 19,631,641	\$ 14,520,161
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST					
	\$ 15,279	\$ -	\$ -	\$ 15,279	\$ 9,545
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST					
	4,553,439	-	542,762	5,096,201	2,171,438
CHANGE IN NET ASSETS	\$ 4,568,718	\$ -	\$ 542,762	\$ 5,111,480	\$ 2,180,983

See Notes to Consolidated Financial Statements
See Independent Accountants' Review Report

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets attributable to controlling interest	\$ 5,096,201	\$ 2,171,438
Adjustments to reconcile the change in net assets attributable to controlling interest to net cash provided by operating activities:		
Change in value of a beneficial interest in perpetual trust	(542,762)	(481,000)
Change in net assets attributable to noncontrolling interest	15,279	9,545
Provision for bad debts	12,038	12,352
Depreciation	112,704	92,905
Realized and unrealized gains on investments	(4,377,465)	(1,761,954)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	102,619	(133,963)
Other current assets	33,908	(10,754)
Prepaid cryopreservation and standby	(2,251,604)	(477,571)
Increase (decrease) in:		
Accounts payable	(5,469)	(89,238)
Accrued expenses	8,049	(1,136)
Deferred cryopreservation and comprehensive member revenues	2,197,938	501,494
Deferred revenue	47,794	(139,012)
Deferred patient care reserve	399,500	572,500
Net cash provided by operating activities	848,730	265,606
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in restricted cash	(68)	(232,932)
Purchase of property and equipment	(536,164)	(234,017)
Purchases of investments	(1,029,835)	(265,888)
Proceeds from sale of investments	713,115	13,797
Net cash used in investing activities	(852,952)	(719,040)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,222)	(453,434)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	939,041	1,392,475
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 934,819	\$ 939,041

See Notes to Consolidated Financial Statements
See Independent Accountants' Review Report

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(1) Nature of operations and summary of significant accounting policies

Nature of operations – *Alcor Life Extension Foundation, Inc.* is a California non-profit organization formed under Section 501(c)(3) of the Internal Revenue Code. Alcor Life Extension Foundation, Inc. conducts its primary operations in Scottsdale, Arizona. Alcor Life Extension Foundation, Inc. is funded primarily through contributions and membership dues from its members, and rental income. Alcor Life Extension Foundation, Inc.'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 Life Extension Foundation, Inc. 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 Life Extension Foundation, Inc. are as follows:

Principles of consolidation – The consolidated financial statements include all accounts of Alcor Life Extension Foundation, Inc. and its affiliates: Alcor Endowment Trust Supporting Organization, the Alcor Patient Care Trust, Cryonics Property, LLC, and Alcor Care Trust Supporting Organization. The Alcor Patient Care Trust had an ownership interest of 84.0580% in Cryonics Property, LLC at December 31, 2017 and 2016. Alcor Life Extension Foundation, Inc. is the beneficiary of the Alcor Patient Care Trust. The Alcor Patient Care Trust and its affiliate, Cryonics Property, LLC, are consolidated with Alcor Life Extension Foundation, Inc. as Alcor Life Extension Foundation, Inc. has control of the Trust. Alcor Life Extension Foundation, Inc.'s Board of Directors appoints the Alcor Patient Care Trust's board members. All significant intercompany transactions have been eliminated in consolidation.

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

The Alcor Endowment Trust Supporting Organization, which was formed in 2013, holds and utilizes significant resources that must be used exclusively for the purposes of Alcor Life Extension Foundation, Inc. Accordingly, Alcor Life Extension Foundation, Inc. has an economic interest in the Alcor Endowment Trust Supporting Organization. Additionally, Alcor Life Extension Foundation, Inc. has control over the Alcor Endowment Trust Supporting Organization through a shared board of directors.

The Alcor Patient Care Trust is an irrevocable trust that maintains amounts funded for patients in biostasis. The Alcor Patient Care Trust pays Alcor Life Extension Foundation, Inc. for itemized expenses related to patient care.

Cryonics Property, LLC owns the Alcor Life Extension Foundation, Inc. building and leases space to other tenants in addition to Alcor Life Extension Foundation, Inc.

Alcor Care Trust Supporting Organization was formed in June 2016 for the benefit of Alcor Life Extension Foundation, Inc., specifically for the purposes of science and education pertaining to achieving indefinitely long life and health, by caring for people placed into cryopreservation or other forms of biostasis as long-term research donors by Alcor Life Extension Foundation, Inc. Alcor Care Trust Supporting Organization had no activity during the years ended 2017 and 2016.

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

Basis of presentation – The consolidated financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, Alcor Life Extension Foundation, Inc. is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Alcor Life Extension Foundation, Inc.’s consolidated financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Management’s use of estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Estimates related to the deferred patient care reserve are particularly sensitive due to the nature of the estimate being highly sensitive to changes outside of management’s control and the uncertainty surrounding future developments in the cryopreservation process, which relate specifically to patient maintenance and potential revival.

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 comprehensive member standby services for Alcor Life Extension Foundation, Inc.’s members. Restricted cash is collected through monthly dues and released when services are performed. At December 31, 2017 and 2016, funds collected that had not been spent for their intended purpose are reported as restricted cash in the accompanying consolidated statement of financial position.

Accounts receivable – Accounts receivable consists primarily of amounts due for membership dues, CMS dues, and cryopreservations 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, 2017 and 2016 accounts receivable are net of an allowance for doubtful accounts of \$24,900 and \$101,700, respectively.

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

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 Life Extension Foundation, Inc. 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	5 - 39 years
Machinery and office equipment	5 - 20 years
Medical equipment	5 - 20 years
Vehicles	5 years

Impairment of long-lived assets – Alcor Life Extension Foundation, Inc. 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 the years ended 2017 and 2016.

Investments – Alcor Life Extension Foundation, Inc. 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 Life Extension Foundation, Inc. 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 of securities with readily determinable fair values is based upon quoted market prices or publicly available net asset values. Negotiable certificates of deposit and U.S. Federal Agency securities are valued using proprietary valuation models incorporating live data from active market makers and inter-dealer brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers, and other data. Under FASB ASC 958-325, certificates of deposit investments that are not debt securities are stated at amortized cost, which approximates fair value.

In 2013, the Alcor Patient Care Trust purchased an investment of preferred stock in a privately held company for which Alcor Life Extension Foundation, Inc.'s board members are officers. Under FASB ASC 958-325, Alcor Patient Care Trust accounts for the investment in this privately held company using the cost method. During 2017, the privately held company's common stock had a significant decline in value resulting in impairment of the investment held by the Alcor Patient Care Trust. The fair value of the investment was measured using the income approach using significant unobservable inputs considering undiscounted future cash flows discounted at 40% for lack of marketability. These primary inputs are considered Level 3 inputs under the fair value hierarchy described below.

The cost of the investment was \$190,000. The carrying value of the investment, net of impairment, is \$12,667 and \$190,000 as of December 31, 2017 and 2016, respectively.

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

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.

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 Life Extension Foundation, Inc. facilities for cryopreservation. At the time of providing these services, Alcor Life Extension Foundation, Inc. utilizes the assets held in prepaid cryopreservation and standby to fund the services.

Alcor Life Extension Foundation, Inc. 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 year-end 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 Life Extension Foundation, Inc. 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.

The estimate for the deferred patient care reserve is developed using actuarial methods based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount deferred. The methods for making such estimates and for establishing the resulting liability are continually reviewed and adjustments are reflected in each period when necessary.

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

Contributions – Alcor Life Extension Foundation, Inc. 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 statement of activities and 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.

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

Bequests – Bequests are recognized as contribution revenue in the period Alcor Life Extension Foundation, Inc. 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 \$230 and \$1,312 for the years ended December 31, 2017 and 2016, 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 company – Based on the type of organization of Cryonics Property, LLC (an indefinite life entity) 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.

Fair value measurements – FASB ASC 820, *Fair Value Measurements*, establishes a common definition for fair value to be applied to accounting principles generally accepted in the United States of America 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.

Income tax status – Alcor Life Extension Foundation, Inc., Alcor Endowment Trust Supporting Organization, the Alcor Patient Care Trust, and the Alcor Care Trust Supporting Organization 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 Life Extension Foundation, Inc., Alcor Endowment Trust Supporting Organization and the Alcor Patient Care Trust are also exempt from state income tax. In addition, Alcor Life Extension Foundation, Inc., Alcor Endowment Trust Supporting Organization 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.

Alcor Life Extension Foundation, Inc., Alcor Endowment Trust Supporting Organization, the Alcor Patient Care Trust, and the Alcor Care Trust Supporting Organization evaluate 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 LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

Alcor Life Extension Foundation, Inc.'s and Alcor Endowment Trust Supporting Organization's federal Return of Organization Exempt from Income Tax (Form 990) and Cryonics Property LLC's Form 1065 for 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed. The Alcor Patient Care Trust is included within Alcor Life Extension Foundation, Inc.'s Form 990.

Recent accounting pronouncements – In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* that will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized.

In August 2015, the FASB issued FASB ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which changed the effective date of the provisions of FASB ASU No. 2014-09. As a result, the new effective dates for public business entities, certain not-for-profit entities, and certain employee benefit plans to apply the guidance in FASB ASU No. 2014-09 is for annual reporting periods beginning after December 15, 2017. All other entities should apply the guidance in FASB ASU No. 2014-09 to annual reporting periods beginning after December 15, 2018. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016. Transition to the new guidance may be done using either a full or modified retrospective method. Alcor Life Extension Foundation, Inc. is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the balance sheet upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2019. Alcor Life Extension Foundation, Inc. is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 improves the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application is permitted. The amendments of this ASU are to be applied on a retrospective basis in the year that the ASU is first applied. Alcor Life Extension Foundation, Inc. is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

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

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, requiring that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in ASU 2016-18 do not provide a definition of restricted cash or restricted cash equivalents. The guidance is effective for periods beginning after December 15, 2019, on a retrospective basis. Alcor Life Extension Foundation, Inc. is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which provides guidance for the recognition, measurement, presentation, and disclosure of financial assets and liabilities. This ASU will be effective beginning in January 1, 2019 and requires modified-retrospective adoption. Alcor is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements as it relates to the equity investment held at cost.

Subsequent events – Alcor Life Extension Foundation, Inc. has evaluated subsequent events through April 26, 2019 which is the date the consolidated financial statements were available to be issued.

(2) Investments

Investments consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Negotiable certificates of deposit (fair value)	\$ 8,693,627	\$ 5,781,574
PIMCO enhanced short maturity exchange traded fund	-	355,364
Cash and cash equivalents	1,613,399	783,492
Index fund - DOW30	1,209,000	870,905
Index fund - S&P 500	1,204,168	859,773
Index fund - NASDAQ-100	1,183,106	855,172
Other exchange traded funds	176,113	1,132,927
Domestic large blend mutual funds	5,807,670	4,950,652
Other common stock and equity mutual funds	1,734,235	1,148,642
Unregistered preferred stock	12,667	190,000
Real estate investment trust	-	20,005
US Federal Agency Securities	24,719	-
Money market funds	-	16,013
Total investments	<u>\$ 21,658,704</u>	<u>\$ 16,964,519</u>

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(3) Property and equipment

Property and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Cost or donated value:		
Land, buildings, and leasehold improvements	\$ 1,429,446	\$ 960,494
Machinery and office equipment	321,467	313,649
Medical equipment	1,109,852	1,094,216
Vehicles	<u>118,018</u>	<u>74,260</u>
Total cost or donated value	2,978,783	2,442,619
Accumulated depreciation	<u>(1,701,536)</u>	<u>(1,588,832)</u>
Net property and equipment	<u>\$ 1,277,247</u>	<u>\$ 853,787</u>

Depreciation expense charged to operations was \$112,704 and \$92,905 for the years ended December 31, 2017 and 2016, respectively.

(4) Beneficial interest in perpetual trust

Alcor Life Extension Foundation, Inc. is the sole beneficiary of an irrevocable trust that is held by a third party in perpetuity. Alcor Life Extension Foundation, Inc. records its interest in the trust assets at the fair value of the underlying assets of the trust. The beneficial interest in the trust is classified as permanently restricted. The unit of account for fair value measurement related to this beneficial interest is the beneficial interest itself, and not the underlying assets of the trust. There are no unadjusted quoted market prices in active markets for identical beneficial interests (Level 1 inputs) and no other observable inputs in active or inactive markets specific to beneficial interests (Level 2 inputs). Accordingly, the fair value of the beneficial interest is based upon unobservable inputs for the beneficial interest (Level 3 inputs). The fair value of Alcor Life Foundation Inc.'s beneficial interest in the perpetual trust totaled \$4,532,820 and \$3,990,058 at December 31, 2017 and 2016, respectively.

The trust provides for an annual distribution of income and principal equal to the amount of 1% of the fair value of the trust as determined on the second calendar day of each calendar year. Distributions are recognized as investment income in the period of the distribution. Distribution income totaled \$34,400 and \$32,340 for the years ended December 31, 2017 and 2016, respectively.

The trust includes a provision that, upon the successful revival of the trustor from a cryopreserved state, the trustee shall distribute any part of the trust property not disposed by the provisions of the trust to the trustor. Resuscitation of members is not yet possible and, accordingly, Alcor Life Extension Foundation, Inc. has recognized its full interest in the perpetual trust as permanently restricted. If resuscitation becomes possible in the future, Alcor Life Extension Foundation, Inc. will reevaluate the accounting for this trust agreement under the provisions of FASB ASC 450, *Contingencies*.

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Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(5) Prepaid cryopreservation and standby

Alcor Life Extension Foundation, Inc. must maintain funds for prepaid cryopreservation and standby services in separate accounts for each member, per the cryopreservation contracts. As of January 1, 2001, Alcor Life Extension Foundation, Inc. instituted a policy requiring new members to name Alcor Life Extension Foundation, Inc. as the 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 at December 31:

	2017	2016
Cash	\$ 5,033,403	\$ 3,593,951
Common stock	356,143	288,751
Total member investments	5,389,546	3,882,702
Cash surrender value of member life insurance policies	5,823,859	5,079,099
Total prepaid cryopreservation and standby	\$ 11,213,405	\$ 8,961,801

Alcor Life Extension Foundation, Inc. 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 Life Extension Foundation, Inc. facilities for cryopreservation. Members pay cryopreservation and standby fees to Alcor Life Extension Foundation, Inc. to fund future standby expenses. Cryopreservation and standby fees will be recognized as revenue as standby expenses are incurred.

(6) Deferred patient care reserve

Alcor Life Extension Foundation, Inc. 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 Life Extension Foundation, Inc. must maintain its members in cryopreservation and the uncertain costs of potential revival, if potential revival ever 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 Life Extension Foundation, Inc. conducts research and education in the field of cryopreservation and storage. Expenses related to providing these services are as follows:

	2017	2016
Program	\$ 1,129,900	\$ 1,306,403
General and administrative	443,981	369,372
Fundraising	13,198	26,335
Cryonics Property, LLC, net of eliminations	77,299	64,098
Total	\$ 1,664,378	\$ 1,766,208

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Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(7) Functional expenses (continued)

During the years ended December 31, 2017 and 2016, Alcor Life Extension Foundation, Inc. purchased \$14,704 and \$53,750 of services, respectively, from a company for which Alcor Life Extension Foundation, Inc.'s board members are officers.

(8) Line of credit

Alcor Life Extension Foundation, Inc. has a \$100,000 revolving line of credit agreement which was amended in November 2014 to remove the maturity date and change the terms of the line of credit such that is due upon 90 day notice from the lender. The line of credit is subject to interest at the prime rate plus 1.3% (5.80% and 5.05% at December 31, 2017 and 2016, respectively) within a minimum of 3% to be paid monthly. The line of credit is collateralized by future rights, title, interest and claims of Alcor Life Extension Foundation, Inc., and substantially all property of Alcor Life Extension Foundation, Inc. As of December 31, 2017 and 2016, no amounts were outstanding under this line of credit.

(9) Leases and commitments

There are no material future minimum lease payments related to non-cancelable operating leases with terms of one year or more at December 31, 2017. Rent expense totaled \$4,888 and \$3,826 for the years ended December 31, 2017 and 2016, respectively.

Cryonics Property, LLC is the lessor for office space under operating leases. The leases expire at various periods through December 2021. Lease income totaled \$71,209 and \$35,588 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments expected to be received as of December 31, 2017 are as follows:

Years Ending December 31,

2018	\$	76,986
2019		43,449
2020		37,308
2021		<u>24,252</u>
Total future minimum payments	\$	<u>181,995</u>

Alcor Life Extension Foundation, Inc. has an agreement to pay royalty fees to a third party for the use of certain medical technologies. The fee is paid in annual installments due in September of each year, expiring in September 2020. The remaining commitments for this agreement as of December 31, 2017 are as follows:

Years Ending December 31,

2018	\$	22,947
2019		23,636
2020		<u>24,345</u>
Total remaining commitments	\$	<u>70,928</u>

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Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(10) Retirement plan

Alcor Life Extension Foundation, Inc. has a 401(k) defined contribution plan (the "Plan") covering all employees meeting certain eligibility requirements. The Plan calls for contributions equal to 50% of the first 6% of eligible employee deferrals. Effective January 1, 2012, the Plan was amended to adopt a Safe Harbor non-elective contribution on behalf of each eligible employee in an amount equal to 3% of the eligible employee's compensation for the Plan year. Alcor Life Extension Foundation, Inc. contributed \$28,589 and \$23,725 to the Plan for the years ended December 31, 2017 and 2016, respectively.

(11) Contingencies

Alcor Life Extension Foundation, Inc. is subject to various claims and legal proceedings covering a wide range of matters that may arise in the ordinary course of business. During 2017, Alcor Life Extension Foundation, Inc. became a defendant in a claim with a patient's family surrounding the validity of the patient's contract. Alcor Life Extension Foundation, Inc. is currently vigorously defending an outstanding matter. It is reasonably possible that the resolution of pending litigation will have an impact on Alcor Life Extension Foundation, Inc.'s consolidated results of operations in the range of \$0 to \$1,000,000.

(12) Fair value measurements

The following table sets forth the level, within the fair value hierarchy of Alcor Life Extension Foundation, Inc.'s assets and liabilities subject to recurring fair value measurement as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Index fund-DOW30	\$ 1,209,000	\$ -	\$ -
Index fund-NASDAQ-100	1,183,106	-	-
Index fund-S&P 500	1,204,168	-	-
Other exchange traded funds	176,113	-	-
Other common stocks and equity mutual funds	2,090,378	-	-
Negotiable certificates of deposit	-	8,693,627	-
Domestic large blend mutual funds	5,807,670	-	-
US Federal Agency Securities	24,719	-	-
Beneficial interest in perpetual trust	-	-	4,532,820
Total	<u>\$ 11,695,154</u>	<u>\$ 8,693,627</u>	<u>\$ 4,532,820</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(12) Fair value measurements (continued)

The following table sets forth the level, within the fair value hierarchy of Alcor Life Extension Foundation, Inc.'s assets and liabilities subject to recurring fair value measurement as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
PIMCO enhanced short maturity ETF	\$ 355,364	\$ -	\$ -
Index fund-DOW30	870,905	-	-
Index fund-NASDAQ-100	855,172	-	-
Index fund-S&P 500	859,773	-	-
Other exchange traded funds	1,132,927	-	-
Other common stocks and equity mutual funds	1,437,393	-	-
Negotiable certificates of deposit	-	5,781,574	-
Real estate investment trust	20,005	-	-
Money market funds	16,013	-	-
Domestic large blend	4,950,652	-	-
Beneficial interest in perpetual trust	-	-	3,990,058
Total	<u>\$ 10,498,204</u>	<u>\$ 5,781,574</u>	<u>\$ 3,990,058</u>

Alcor Life Extension Foundation, Inc. had no other assets or liabilities subject to fair value measurements other than at initial recognition and the impairment of a cost basis investment as disclosed in Note 1 to the consolidated financial statements.

The table below presents the changes in recurring fair value measurements that used level 3 inputs during the year ended December 31, 2017:

	<u>Beneficial interest in perpetual trust</u>
Balance at January 1, 2017	\$ 3,990,058
Change in value of beneficial interest in perpetual trust	<u>542,762</u>
Balance at December 31, 2017	<u>\$ 4,532,820</u>

The table below presents the changes in recurring fair value measurements that used level 3 inputs during the year ended December 31, 2016:

	<u>Beneficial interest in perpetual trust</u>
Balance at January 1, 2016	\$ 3,509,058
Change in value of beneficial interest in perpetual trust	<u>481,000</u>
Balance at December 31, 2016	<u>\$ 3,990,058</u>

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017
(with comparative totals for the year ended December 31, 2016)

(12) Fair value measurements (continued)

The fair value of the beneficial interest agreement is recorded at the fair value of the investment which is held by a third-party trustee and then adjusted for Alcor Life Extension Foundation, Inc.'s interest in the assets. The fair value of the beneficial interest is estimated to approximate the fair value of the underlying assets of the trust itself. While the underlying assets of the trust are primarily observable, the value of beneficial interest itself is not observable in markets and, accordingly, this trust is classified within Level 3 of the valuation hierarchy.



4722 North 24th Street, Suite 300 ■ Phoenix, AZ 85016
Main: 602.264.6835 ■ Fax: 602.265.7631 ■ www.mhmcpa.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTAL INFORMATION

Our report on our review of the basic consolidated financial statements of ***Alcor Life Extension Foundation, Inc. and Affiliates*** as of and for the year ended December 31, 2017, appears on page 1. The objective of our review was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The supplemental information included in the accompanying schedule of departmental assets, liabilities, and net assets and schedule of departmental revenues and expenses that follows on pages 19 and 20 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the review procedures applied in our review of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplemental information. We have not audited the supplemental information and do not express an opinion on such information.

Mayer Hoffman McCann P.C.

April 26, 2019

**ALCOR LIFE EXTENSION FOUNDATION, INC.
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SUPPLEMENTAL INFORMATION

Year Ended December 31, 2017

SCHEDULE OF DEPARTMENTAL ASSETS, LIABILITIES, AND NET ASSETS

	<u>Alcor Life Extension Foundation, Inc.</u>	<u>Alcor Patient Care Trust</u>	<u>Cryonics Property, LLC</u>	<u>Alcor Endowment Trust Supporting Organization</u>	<u>Consolidating and Eliminating</u>	<u>Total</u>
CURRENT ASSETS						
Cash and cash equivalents	\$ 421,461	\$ 197,667	\$ 315,691	\$ -	\$ -	\$ 934,819
Accounts receivable, net	307,401	51,833	-	-	(277,626)	81,608
Other current assets	171,802	-	-	-	-	171,802
TOTAL CURRENT ASSETS	900,664	249,500	315,691	-	(277,626)	1,188,229
RESTRICTED CASH	747,979	-	-	-	-	747,979
PROPERTY AND EQUIPMENT, net	363,549	869,277	44,421	-	-	1,277,247
INVESTMENTS	1,415,148	14,435,886	-	5,807,670	-	21,658,704
BENEFICIAL INTEREST IN PERPETUAL TRUST	2,266,410	2,266,410	-	-	-	4,532,820
PREPAID CRYOPRESERVATION AND STANDBY	11,213,405	-	-	-	-	11,213,405
TOTAL ASSETS	\$ 16,907,155	\$ 17,821,073	\$ 360,112	\$ 5,807,670	\$ (277,626)	\$ 40,618,384

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES						
Accounts payable	\$ 330,644	\$ -	\$ 7,100	\$ -	\$ (277,626)	\$ 60,118
Accrued expenses	42,119	-	15,423	-	-	57,542
TOTAL CURRENT LIABILITIES	372,763	-	22,523	-	(277,626)	117,660
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	11,213,405	-	-	-	-	11,213,405
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	497,777	-	-	-	-	497,777
DEFERRED REVENUE	50,901	-	-	-	-	50,901
DEFERRED PATIENT CARE RESERVE	-	9,107,000	-	-	-	9,107,000
TOTAL LIABILITIES	12,134,846	9,107,000	22,523	-	(277,626)	20,986,743
NET ASSETS						
Unrestricted						
Controlling interest	2,505,899	6,447,663	272,224	5,807,670	-	15,033,456
Noncontrolling interest	-	-	65,365	-	-	65,365
Total unrestricted	2,505,899	6,447,663	337,589	5,807,670	-	15,098,821
Temporarily restricted	-	-	-	-	-	-
Permanently restricted	2,266,410	2,266,410	-	-	-	4,532,820
TOTAL NET ASSETS	4,772,309	8,714,073	337,589	5,807,670	-	19,631,641
TOTAL LIABILITIES AND NET ASSETS	\$ 16,907,155	\$ 17,821,073	\$ 360,112	\$ 5,807,670	\$ (277,626)	\$ 40,618,384

**ALCOR LIFE EXTENSION FOUNDATION, INC.
AND AFFILIATES**

SUPPLEMENTAL INFORMATION

Year Ended December 31, 2017

SCHEDULE OF DEPARTMENTAL REVENUES AND EXPENSES

	<u>Alcor Life Extension Foundation, Inc.</u>	<u>Alcor Patient Care Trust</u>	<u>Cryonics Property, LLC</u>	<u>Alcor Endowment Trust Supporting Organization</u>	<u>Consolidating and Eliminating</u>	<u>Total</u>
REVENUE AND SUPPORT						
Membership dues	\$ 521,060	\$ -	\$ -	\$ -	\$ -	\$ 521,060
Bequests	114,984	-	-	-	-	114,984
Contributions	424,228	-	-	-	(180,472)	243,756
Interest and distribution income	49,607	121,571	50	100,498	-	271,726
Realized and unrealized gains on investments	174,230	3,266,243	-	936,992	-	4,377,465
Cryopreservation and standby	614,090	-	-	-	-	614,090
Rental income	1	-	182,952	-	(111,744)	71,209
Change in value of beneficial interest in perpetual trust	271,381	271,381	-	-	-	542,762
Other	20,519	-	(1,713)	-	-	18,806
TOTAL REVENUE AND SUPPORT	<u>2,190,100</u>	<u>3,659,195</u>	<u>181,289</u>	<u>1,037,490</u>	<u>(292,216)</u>	<u>6,775,858</u>
EXPENSES						
Payroll and benefits	655,684	59,610	-	-	-	715,294
Professional fees	99,225	23,192	16,779	-	-	139,196
Marketing	230	-	-	-	-	230
Depreciation	49,381	49,995	13,328	-	-	112,704
Bad debts	12,038	-	-	-	-	12,038
Office supplies	86,815	7,782	275	-	-	94,872
Cryopreservation	55,763	46	-	-	-	55,809
Liquid nitrogen	-	33,737	-	-	-	33,737
Utilities	56,498	10,330	3,347	-	-	70,175
Insurance	32,609	10,755	2,852	-	-	46,216
Taxes, licenses and permits	631	114	31,193	-	-	31,938
Readiness	80,874	3,136	-	-	-	84,010
Royalty	22,279	-	-	-	-	22,279
Contract services	2,400	-	14,592	-	-	16,992
Repairs and maintenance	37,082	35,383	3,070	-	-	75,535
Bank charges	40,623	1,788	-	-	-	42,411
Travel	13,177	-	-	-	-	13,177
Research and development	29,469	-	-	-	-	29,469
Lease expense	4,589	299	-	-	-	4,888
Public education	63,408	-	-	-	-	63,408
Transfers to Alcor	-	-	-	180,472	(180,472)	-
Occupancy	76,487	35,257	-	-	(111,744)	-
TOTAL EXPENSES	<u>1,419,262</u>	<u>271,424</u>	<u>85,436</u>	<u>180,472</u>	<u>(292,216)</u>	<u>1,664,378</u>
CHANGE IN NET ASSETS	<u>770,838</u>	<u>3,387,771</u>	<u>95,853</u>	<u>857,018</u>	<u>-</u>	<u>5,111,480</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,001,471</u>	<u>5,326,302</u>	<u>241,736</u>	<u>4,950,652</u>	<u>-</u>	<u>14,520,161</u>
NET ASSETS, END OF YEAR	<u>\$ 4,772,309</u>	<u>\$ 8,714,073</u>	<u>\$ 337,589</u>	<u>\$ 5,807,670</u>	<u>\$ -</u>	<u>\$ 19,631,641</u>