

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Year Ended December 31, 2021

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

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Year Ended December 31, 2021

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

We have reviewed the accompanying consolidated financial statements of ***Alcor Life Extension Foundation and Affiliates***, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, 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 company 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 Financial Statements

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

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.

We are required to be independent of ***Alcor Life Extension Foundation and Affiliates*** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

July 1, 2022

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 1,095,943
Accounts receivable, net	589,611
Pledges receivable	186,954
Other current assets	<u>482,232</u>
TOTAL CURRENT ASSETS	2,354,740
RESTRICTED CASH	175,764
PROPERTY AND EQUIPMENT, net	1,891,386
INVESTMENTS	31,263,252
SPLIT INTEREST AGREEMENT ASSET	847,246
PREPAID CRYOPRESERVATION AND STANDBY	<u>15,025,299</u>
TOTAL ASSETS	<u>\$ 51,557,687</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 594,541
Accrued expenses	<u>661,761</u>
TOTAL CURRENT LIABILITIES	1,256,302
SPLIT INTEREST AGREEMENT LIABILITY	847,246
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	15,025,299
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	50,118
DEFERRED REVENUE	291,408
DEFERRED PATIENT CARE RESERVE	<u>13,465,754</u>
TOTAL LIABILITIES	<u>30,936,127</u>
NET ASSETS	
Without donor restrictions	
Controlling interest with designations	15,492,852
Controlling interest without designations	2,307,842
Noncontrolling interest	<u>22,558</u>
Total without donor restrictions	17,823,252
With donor restrictions	<u>2,798,308</u>
TOTAL NET ASSETS	<u>20,621,560</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,557,687</u>

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

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Membership dues	\$ 748,681	\$ -	\$ 748,681
Bequests	174,356	-	174,356
Contributions	1,394,012	252,288	1,646,300
Interest and distribution income	130,084	-	130,084
Realized and unrealized gains on investments	1,919,920	-	1,919,920
Cryopreservation and standby	852,456	-	852,456
Rental income	56,100	-	56,100
Other	332,119	-	332,119
Total revenue and support before net assets released from restrictions	5,607,728	252,288	5,860,016
Net assets released from restrictions	1,968,918	(1,968,918)	-
TOTAL REVENUE AND SUPPORT	7,576,646	(1,716,630)	5,860,016
EXPENSES			
Payroll and benefits	1,238,262	-	1,238,262
Occupancy	17,943	-	17,943
Office expenses	126,180	-	126,180
Bank charges	40,545	-	40,545
Utilities	74,116	-	74,116
Insurance	100,426	-	100,426
Lease expenses	4,408	-	4,408
Depreciation	177,357	-	177,357
Bad debt expense	87,733	-	87,733
Professional fees	1,118,109	-	1,118,109
Equipment and supplies	191,205	-	191,205
Marketing	1,093	-	1,093
Travel	16,219	-	16,219
Publications	43,562	-	43,562
Taxes and licenses	57,381	-	57,381
Repairs and maintenance	21,232	-	21,232
Grant expense	1,200,000	-	1,200,000
Miscellaneous	1,578	-	1,578
TOTAL EXPENSES	4,517,349	-	4,517,349
GAIN ON SALE OF PROPERTY AND EQUIPMENT	47,384	-	47,384
CHANGE IN NET ASSETS	3,106,681	(1,716,630)	1,390,051
NET ASSETS, BEGINNING OF YEAR	14,716,571	4,514,938	19,231,509
NET ASSETS, END OF YEAR	\$ 17,823,252	\$ 2,798,308	\$ 20,621,560
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	\$ 1,917	\$ -	\$ 1,917
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST	3,104,764	(1,716,630)	1,388,134
CHANGE IN NET ASSETS	\$ 3,106,681	\$ (1,716,630)	\$ 1,390,051

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

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and benefits	\$ 656,751	\$ 516,404	\$ 65,107	\$ 1,238,262
Occupancy	10,236	7,707	-	17,943
Office expenses	52,494	73,190	496	126,180
Bank charges	5	40,540	-	40,545
Utilities	26,107	48,009	-	74,116
Insurance	51,786	48,640	-	100,426
Lease expenses	220	4,188	-	4,408
Depreciation	143,294	34,063	-	177,357
Bad debt expense	-	87,733	-	87,733
Professional fees	694,994	423,115	-	1,118,109
Equipment and supplies	191,173	32	-	191,205
Marketing	-	1,093	-	1,093
Travel	14,515	1,704	-	16,219
Publications	43,562	-	-	43,562
Taxes and licenses	41,764	15,617	-	57,381
Repairs and maintenance	8,569	12,663	-	21,232
Grant expense	1,200,000	-	-	1,200,000
Miscellaneous	-	1,578	-	1,578
TOTAL EXPENSES	\$ 3,135,470	\$ 1,316,276	\$ 65,603	\$ 4,517,349

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

**ALCOR LIFE EXTENSION FOUNDATION
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CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets attributable to controlling interest	\$ 1,388,134
Adjustments to reconcile the change in net assets attributable to controlling interest to net cash provided by operating activities:	
Change in net assets attributable to noncontrolling interest	1,917
Provision for bad debts	87,733
Depreciation	177,357
Realized and unrealized gains on investments	(1,919,920)
Gain on disposal of property and equipment	(47,384)
Changes in operating assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	(621,566)
Pledges receivable	90,384
Other current assets	(293,799)
Prepaid cryopreservation and standby	(1,722,365)
Increase (decrease) in:	
Accounts payable	525,863
Accrued expenses	466,845
Deferred cryopreservation revenues	1,722,365
Deferred comprehensive member revenue	(150,008)
Deferred revenue	139,677
Deferred patient care reserve	237,067
Net cash provided by operating activities	82,300

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(593,084)
Proceeds from sale of equipment	244,542
Purchases of investments	(8,928,818)
Proceeds from sale of investments	7,800,490
Net cash used in investing activities	(1,476,870)

**NET CHANGE IN CASH, CASH EQUIVALENTS, AND
RESTRICTED CASH**

(1,394,570)

**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,
BEGINNING OF YEAR**

2,666,277

**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,
END OF YEAR**

\$ 1,271,707

Reconciliation of cash, cash equivalents, and restricted cash from the consolidated statement of financial position to the consolidated statement of cash flows:

	2021
Cash and cash equivalents	\$ 1,095,943
Restricted cash	175,764
Cash, cash equivalents, and restricted cash	\$ 1,271,707

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

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

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

Principles of consolidation – The consolidated financial statements include all accounts of Alcor Life Extension Foundation 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 has an ownership interest of 95.6542% in Cryonics Property, LLC at December 31, 2021. Alcor Life Extension Foundation 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 as Alcor Life Extension Foundation has control of the Trust. Alcor Life Extension Foundation'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'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. Accordingly, Alcor Life Extension Foundation has an economic interest in the Alcor Endowment Trust Supporting Organization. Additionally, Alcor Life Extension Foundation 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 for itemized expenses related to patient care.

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

Alcor Care Trust Supporting Organization was formed in June 2016 for the benefit of Alcor Life Extension Foundation, 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.

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(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 is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use by Alcor Life Extension Foundation is limited by donors to a specific time period or purpose.

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 as well as underfunded cryopreservation and standby services for Alcor Life Extension Foundation’s members. Restricted cash is collected through monthly dues and released when services are performed. At December 31, 2021, funds collected that had not been spent for their intended purpose are reported as restricted cash and included in deferred comprehensive member standby and other deferred revenue 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, 2021, accounts receivable are net of an allowance for doubtful accounts of \$184,766.

Promises to give – Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2021, all of the pledges receivable on the accompanying consolidated statement of financial position are due within one year. Pledges receivable are considered by management to be fully collectible at December 31, 2021.

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. 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.

**ALCOR LIFE EXTENSION FOUNDATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

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
Vehicles	5 years

Impairment of long-lived assets – Alcor Life Extension Foundation 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 year ended 2021.

Investments – Alcor Life Extension Foundation accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt Securities* and FASB ASC 958-321, *Not-for-Profit Entities – Investments – Equity Securities*. Under FASB ASC 958-320 and FASB ASC 958-321, Alcor Life Extension Foundation is required to report investments in debt and equity securities, including negotiable certificates of deposit, at fair value. The fair value of equity 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.

In 2013, the Alcor Patient Care Trust purchased an investment of preferred stock in a privately held company for which one of Alcor Life Extension Foundation's board members is an officer. Alcor Life Extension Foundation has elected the practical expedient to measure investments in non-marketable equity securities at carrying value, less impairment, and adjusted for observable price changes in orderly transactions. During the year ended December 31, 2021, there were no observable price changes in orderly transactions or indications of impairment.

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

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

Alcor Life Extension Foundation 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.

Revenue from contracts – Alcor Life Extension Foundation's revenue streams that are accounted for as exchange transactions are described below.

Cryopreservation and standby revenue – Cryopreservation contracts include three performance obligations, two of which are recognized at the point in time in which they occur upon cryopreservation of the individual and one of which is recognized over time as costs to maintain biostasis are incurred or until resuscitation occurs. Revenue recognized over time is limited by the proceeds received from the patient in accordance with the individual's contract. Certain members select the option to prepay for standby services based on their geographical location, with a charge included in annual membership dues.

Comprehensive member standby revenue is recognized at the point in time in which they occur upon cryopreservation of the individual. Funds received in advance are included in prepaid cryopreservation and standby in the accompanying consolidated statement of financial position.

Cryopreservation contract proceeds are required to be paid in advance, resulting in contract liabilities. The funds received in advance may be in the form of cash, investments, or insurance contracts. The funds received are segregated in the accompanying consolidated statement of financial position as prepaid cryopreservation and standby. Prior to cryopreservation occurring, contract liabilities are included in deferred cryopreservation and standby revenue in the accompanying consolidated statement of financial position. Upon cryopreservation, the funds are transferred to the Alcor Patient Care Trust and Alcor Care Trust Supporting Organization for investment. Investment return earned by the portfolio in excess of costs incurred for patient care are allocated to contract liabilities as the cryopreservation contract stipulates these funds are to be used for patient care. Costs to maintain the patient until such time that potential revival may be possible are expensed as incurred.

Contract liabilities associated with the revenue streams above as of the beginning and end of the year are summarized as follows:

	<u>1/1/2021</u>	<u>12/31/2021</u>
Deferred cryopreservation and standby revenue	\$ 13,302,934	\$ 15,025,299
Deferred comprehensive member standby revenue	200,126	50,118
Deferred patient care reserve	<u>12,018,278</u>	<u>13,465,754</u>
Total contract liabilities	<u>\$ 25,521,338</u>	<u>\$ 28,541,171</u>

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

Contributions – Alcor Life Extension Foundation accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with ASC 958-605, Alcor Life Extension Foundation evaluates grants and contributions for evidence of the transfer of commensurate value from Alcor Life Extension Foundation to the resource provider. The transfer of commensurate value from the Organization to the resource provider may include instances when a) the goods or services provided by the Organization directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by Alcor Life Extension Foundation. When such factors exist, Alcor Life Extension Foundation accounts for the grants or contributions as exchange transactions under ASC 606, or other appropriate guidance. In the absence of these factors, Alcor Life Extension Foundation accounts for the award under the contribution accounting model.

In the absence of the transfer of commensurate value from Alcor Life Extension Foundation to the resource provider, Alcor Life Extension Foundation evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for Alcor Life Extension Foundation or the right of return from the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both Alcor Life Extension Foundation and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of Alcor Life Extension Foundation to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 net assets without donor restrictions.

Membership dues – Individuals can become members for annual periods and there are various membership levels for a member to choose from that each provide different benefits. Alcor Life Extension Foundation has determined that there are no performance obligations associated with membership. The full value of membership dues is recognized as a contribution at the time the membership begins. Members generally pay the annual fee in advance.

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

Functional expense allocation – The costs of providing program and supporting services activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The consolidated financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The following table summarizes the allocation methods used.

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

Payroll and benefits	Time and effort
Occupancy, utilities, depreciation, repairs and maintenance, lease expenses	Purpose and utilization of space

Contributions made – Alcor Life Extension Foundation adopted the amendments of FASB Accounting Standards Update (“ASU”) No. 2018-08, *Not-For-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* in 2020 on a modified prospective basis for contributions made. In accordance with ASU 2018-08, conditional grants are not recorded until such conditions are met. As of December 31, 2020, Alcor Life Extension Foundation entered a conditional grant agreement for \$1,200,000 requiring the grantee to meet certain conditions regarding adequate oversight and minimum funding requirements prior to final approval. The conditions were satisfied as of December 31, 2021 and \$1,200,000 is recognized as grant expense in the accompanying consolidated statement of activities and changes in net assets. During the year ended December 31, 2021, \$400,000 has been paid to the grantee and the remaining \$800,000 is expected to be paid in 2022, of which \$400,000 is included in accounts payable and \$400,000 is included in accrued expenses in the accompanying consolidated statement of financial position.

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 Measurement*, 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, 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, Alcor Endowment Trust Supporting Organization and the Alcor Patient Care Trust are also exempt from state income tax. In addition, Alcor Life Extension Foundation, Alcor Endowment Trust Supporting Organization, Alcor Care 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 cash 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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

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

In November 2021, Alcor Life Extension Foundation filed articles of incorporation in Arizona to become an Arizona entity. Alcor Life Extension Foundation, 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'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 2021, 2020, 2019, and 2018 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's Form 990.

Recent accounting pronouncements – 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, 2020, unless the entities adopt the provisions of ASU No. 2020-05 as described below. Alcor Life Extension Foundation is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, which allows certain entities to elect to defer the effective date of the provisions of FASB ASU No. 2014-09 and ASU No. 2015-14 and ASU No. 2016-02. These entities may elect to adopt the guidance for revenue for annual reporting periods beginning after December 15, 2019. Additionally, under the amendments, entities may elect to adopt the leases guidance for fiscal years beginning after December 15, 2021.

Subsequent events – Alcor Life Extension Foundation has evaluated subsequent events through July 1, 2022 which is the date the consolidated financial statements were available to be issued.

(2) Investments

Investments consist of the following at December 31, 2021:

Negotiable certificates of deposit (fair value)	\$ 6,758,718
Cash and cash equivalents	677,063
Exchange traded funds	12,330,075
Domestic large blend mutual funds	7,105,305
Common stock and equity mutual funds	4,312,347
Unregistered preferred stock	12,667
Other	<u>67,077</u>
Total investments	<u>\$ 31,263,252</u>

**ALCOR LIFE EXTENSION FOUNDATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(3) Property and equipment

Property and equipment consists of the following at December 31, 2021:

Cost or donated value:	
Land, buildings, and leasehold improvements	\$ 2,369,852
Machinery and office equipment	1,448,788
Vehicles	43,759
Construction in process	<u>74,473</u>
Total cost or donated value	3,936,872
Accumulated depreciation	<u>(2,045,486)</u>
Net property and equipment	<u>\$ 1,891,386</u>

Depreciation expense charged to operations was \$177,357 for the year ended December 31, 2021.

(4) Split interest agreements

Alcor Life Extension Foundation is the beneficiary of 5 irrevocable trusts that are held by third parties in perpetuity.

For one such trust, Alcor Life Extension Foundation is the income beneficiary and records the contribution at the fair value of the beneficial interest in the trust assets. Income earned on the trust assets is recorded as income from beneficial interests in perpetual trusts in the accompanying consolidated statement of activities and changes in net assets. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as changes in value of beneficial interests in perpetual trusts. Alcor Life Extension Foundation records its interest in the trust assets described above at the fair value of the underlying assets of the trust. The beneficial interests in the trusts is classified as with donor restrictions. The unit of account for fair value measurement related to the beneficial interests 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 this beneficial interest was \$131,504 as of December 31, 2021 and is included within pledges receivable in the accompanying consolidated statement of financial position.

Each of the remaining beneficial interests include performance conditions that are generally satisfied on an annual basis. Accordingly, Alcor recognizes income annually for the distributions to which they are entitled. As of December 31, 2021, Alcor met the conditions to receive approximately \$28,078 of distributions for which payments had not yet been received. This amount is included within pledges receivable in the accompanying consolidated statement of financial position.

Additionally, Alcor Life Extension Foundation is the trustee of an irrevocable trust. The trust includes conditional provisions that, if satisfied on an ongoing basis, permit annual distributions of a percentage trust assets to Alcor. Alcor Life Extension Foundation recognizes the assets of this trust, which consist of publically traded mutual funds, at fair value with an offsetting liability due to the ongoing conditions related to the trust agreements. The assets and related liability associated with this trust agreement totaled \$847,246 as of December 31, 2021.

**ALCOR LIFE EXTENSION FOUNDATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(5) Prepaid cryopreservation and standby

Alcor Life Extension Foundation must maintain funds for prepaid cryopreservation and standby services in separate accounts for each member, per the cryopreservation contracts. Alcor Life Extension Foundation requires a minimum level of funding to be paid by the member. The member provides proof of minimum funding such as a transfer of ownership of a life insurance policy to Alcor Life Extension Foundation, naming Alcor Life Extension Foundation as the beneficiary of a life insurance policy, or payment through cash. Policies can be returned to members if membership is terminated.

The following is a summary of those investments and life insurance policies at December 31, 2021:

Member investments in cash	\$ 7,368,650
Member investments in common stock	18,115
Cash surrender value of member life insurance policies	<u>7,638,534</u>
Total prepaid cryopreservation and standby	<u>\$ 15,025,299</u>

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

(6) Net assets

With donor restrictions - Net assets with donor restrictions are assets whose use by Alcor Life Extension Foundation has been limited by donors to a specific time period, purpose, or both. At December 31, 2021, net assets with donor restrictions include net assets restricted for the specified purpose of research and development. During the year ended December 31, 2020, the Board designated that approximately \$1.5 million of the donor restricted net assets be used exclusively to cover 5 years of salary and benefits for research personnel for ongoing research and development purposes. Releases from restriction during the year ended December 31, 2021 related to using restricted funds for their restricted purpose.

Designated net assets without donor restrictions - As of December 31, 2021, total board designated net assets was \$1,250,714. The funds are intended to be used as a long-term operating reserve and cannot be used without Board approval.

The net assets of Alcor Endowment Support Trust are designed by the Board for long-term income support for the organization. Additionally, the net asset of Alcor Patient Care Trust and Alcor Care Trust are designated for patient care. The Board has authorized management to utilizing the net assets of these entities specifically for these designated purposes.

(7) Line of credit

Alcor Life Extension Foundation 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 it is due upon 90 days notice from the lender. The line of credit is subject to interest at the prime rate plus 1.3% (4.55% at December 31, 2021) with 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, and substantially all property of Alcor Life Extension Foundation. As of December 31, 2021, no amounts were outstanding under this line of credit.

**ALCOR LIFE EXTENSION FOUNDATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(8) 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, 2021. Lease expense totaled \$4,408 for the year ended December 31, 2021.

Cryonics Property, LLC is the lessor for office space under operating leases. The leases expire at various periods through October 2026. Rental income totaled \$56,100 for the year ended December 31, 2021. The remaining expected rental income to be received under these agreements as of December 31, 2021 are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 59,119
2023	60,889
2024	62,704
2025	64,604
2026	<u>52,350</u>
Total future minimum payments	<u>\$ 299,666</u>

Alcor Life Extension Foundation 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 on or before September of each contract year, expiring in September 2025. The remaining commitments for this agreement as of December 31, 2021 are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 20,000
2023	20,000
2024	20,000
2025	<u>20,000</u>
Total remaining commitments	<u>\$ 80,000</u>

(9) Retirement plan

Alcor Life Extension Foundation 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. Effective for the 2019 plan year, the Safe Harbor match was amended to 5% of the participant's eligible compensation. All employer matching and non-elective contributions are discretionary. Alcor Life Extension Foundation contributed \$52,051 to the Plan for the year ended December 31, 2021.

During the year ended December 31, 2021, Alcor Life Extension Foundation established an unfunded 457(b) and 457(f) deferred compensation plan for certain officers. Participants may make an election to defer a portion of their annual compensation. Alcor Life Extension Foundation may make a contribution at its discretion to the 457(b) plan. No such contributions were made during the year ended December 31, 2021. Total assets and related liabilities totaled \$29,372 as of December 31, 2021. The assets are included in other current assets and the liabilities are included in accrued expenses in the accompanying consolidated statement of financial position.

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(10) Contingencies

From time to time, Alcor Life Extension Foundation is involved in various claims and legal action arising in the normal course of operations. In the opinion of management, based on consultation with legal counsel, losses, if any, from those matters are not material to the consolidated financial position or results of operations of Alcor Life Extension Foundation.

(11) Fair value measurements

The following table sets forth the level, within the fair value hierarchy of Alcor Life Extension Foundation's assets and liabilities subject to recurring fair value measurement as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange traded funds	\$ 12,330,075	\$ -	\$ -
Common stocks and equity mutual funds	5,113,488	-	-
Negotiable certificates of deposit	-	6,758,718	-
Domestic large blend mutual funds	7,105,305	-	-
Other	-	67,077	-
Beneficial interest in trusts held by third-party	-	-	131,504
Total	<u>\$ 24,548,868</u>	<u>\$ 6,825,795</u>	<u>\$ 131,504</u>

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

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2021

(12) Liquidity and availability of resources

Alcor Life Extension Foundation monitors its cash position to ensure the fulfillment of all obligations. The Alcor Life Extension Foundation's policy is to maintain financial assets to meet thirty days of operating expenses. As part of Alcor Life Extension Foundation's liquidity plan, excess cash may be invested in short-term investments, certificates of deposit ("CDs"), common stock and mutual funds, with the overall objective of the portfolio to have securities mature concurrent with cash needs.

Alcor Life Extension Foundation's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows at December 31, 2021:

Cash and cash equivalents	\$ 1,095,943
Restricted cash	175,764
Accounts receivable	589,611
Pledges receivable	186,954
Investments	<u>31,263,252</u>
Total financial assets available within one year	33,311,524
Less assets designated by the Board for long-term operating reserve	(1,250,714)
Less assets in trust designated for long-term organization income support	(7,108,400)
Less assets designated for comprehensive member standby	(50,118)
Less net assets with donor restrictions	(2,798,308)
Less assets in trust designated for patient care	<u>(19,229,467)</u>
Financial assets available for general expenditures within one year	<u>\$ 2,874,517</u>

Additionally, the Alcor Life Extension Foundation maintains a \$100,000 line of credit (Note 7). As of December 31, 2021, \$100,000 remained available for use. Additionally, investments can be readily liquidated, except as designated above, to be available for operations.



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

We have reviewed the basic consolidated financial statements of ***Alcor Life Extension Foundation and Affiliates*** as of and for the year ended December 31, 2021, and have issued our report thereon dated July 1, 2022. The review was made primarily for the purpose of expressing a conclusion about whether any material modifications 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 consolidating statement of financial position and consolidating statement of activities and changes in net assets are presented for purposes of additional analysis and are 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 supplementary information and do not express an opinion on such information.

Mayer Hoffman McCann P.C.

July 1, 2022

**ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES**

SUPPLEMENTAL INFORMATION

December 31, 2021

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

	<u>ASSETS</u>						Total
	Alcor Life Extension Foundation	Alcor Patient Care Trust	Cryonics Property, LLC	Alcor Endowment Trust Supporting Organization	Alcor Care Trust Supporting Organization	Consolidating and Eliminating	
CURRENT ASSETS							
Cash and cash equivalents	\$ 658,090	\$ 356,400	\$ 81,453	\$ -	\$ -	\$ -	\$ 1,095,943
Accounts receivable, net	1,854,659	676,088	-	-	237,068	(2,178,204)	589,611
Pledges receivable	158,876	28,078	-	-	-	-	186,954
Notes receivable - current	-	59,603	-	-	-	(59,603)	-
Other current assets	474,506	-	17,944	-	-	(10,218)	482,232
TOTAL CURRENT ASSETS	3,146,131	1,120,169	99,397	-	237,068	(2,248,025)	2,354,740
RESTRICTED CASH	175,764	-	-	-	-	-	175,764
PROPERTY AND EQUIPMENT, net	441,870	845,450	604,066	-	-	-	1,891,386
INVESTMENTS	5,281,785	12,667	-	7,108,400	18,860,400	-	31,263,252
SPLIT INTEREST AGREEMENT ASSET	-	847,246	-	-	-	-	847,246
NOTES RECEIVABLE	-	67,031	-	-	-	(67,031)	-
PREPAID CRYOPRESERVATION AND STANDBY	15,025,299	-	-	-	-	-	15,025,299
TOTAL ASSETS	\$ 24,070,849	\$ 2,892,563	\$ 703,463	\$ 7,108,400	\$ 19,097,468	\$ (2,315,056)	\$ 51,557,687
	<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>						
CURRENT LIABILITIES							
Accounts payable	\$ 2,418,298	\$ 313,293	\$ 41,154	\$ -	\$ -	\$ (2,178,204)	\$ 594,541
Accrued expenses	654,907	-	17,072	-	-	(10,218)	661,761
Notes payable - current	-	-	59,603	-	-	(59,603)	-
TOTAL CURRENT LIABILITIES	3,073,205	313,293	117,829	-	-	(2,248,025)	1,256,302
SPLIT INTEREST AGREEMENT LIABILITY	-	847,246	-	-	-	-	847,246
NOTES PAYABLE	-	-	67,031	-	-	(67,031)	-
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	14,795,299	230,000	-	-	-	-	15,025,299
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	50,118	-	-	-	-	-	50,118
DEFERRED REVENUE	291,408	-	-	-	-	-	291,408
DEFERRED PATIENT CARE RESERVE	-	-	-	-	13,465,754	-	13,465,754
TOTAL LIABILITIES	18,210,030	1,390,539	184,860	-	13,465,754	(2,315,056)	30,936,127
NET ASSETS							
Without donor restrictions							
Controlling Interest	3,062,511	1,502,024	496,045	7,108,400	5,631,714	-	17,800,694
Noncontrolling interest	-	-	22,558	-	-	-	22,558
Total without donor restrictions	3,062,511	1,502,024	518,603	7,108,400	5,631,714	-	17,823,252
With donor restrictions	2,798,308	-	-	-	-	-	2,798,308
TOTAL NET ASSETS	5,860,819	1,502,024	518,603	7,108,400	5,631,714	-	20,621,560
TOTAL LIABILITIES AND NET ASSETS	\$ 24,070,849	\$ 2,892,563	\$ 703,463	\$ 7,108,400	\$ 19,097,468	\$ (2,315,056)	\$ 51,557,687

See Independent Accountants' Review Report on Supplemental Information

**ALCOR LIFE EXTENSION FOUNDATION
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SUPPLEMENTAL INFORMATION

Year Ended December 31, 2021

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)

	Alcor Life Extension Foundation	Alcor Patient Care Trust	Cryonics Property, LLC	Alcor Endowment Trust Supporting Organization	Alcor Care Trust Supporting Organization	Consolidating and Eliminating	Total
REVENUE AND SUPPORT							
Membership dues	\$ 748,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 748,681
Bequests	174,356	-	-	-	-	-	174,356
Contributions	1,764,111	-	-	50	454,000	(571,861)	1,646,300
Interest and distribution income	45,120	3,730	102	84,862	-	(3,730)	130,084
Realized and unrealized gains (losses) on investments	(8,829)	-	-	1,367,657	561,092	-	1,919,920
Cryopreservation and standby	852,456	-	-	-	-	-	852,456
Rental income	1	-	178,713	-	-	(122,614)	56,100
Other	19,308	311,994	817	-	-	-	332,119
TOTAL REVENUE AND SUPPORT	3,595,204	315,724	179,632	1,452,569	1,015,092	(698,205)	5,860,016
EXPENSES							
Payroll and benefits	1,171,925	66,337	-	-	-	-	1,238,262
Occupancy	89,508	33,106	17,943	-	-	(122,614)	17,943
Office expenses	122,729	3,451	-	-	-	-	126,180
Bank charges	40,486	5	54	-	-	-	40,545
Utilities	57,436	9,826	6,854	-	-	-	74,116
Insurance	64,191	33,417	2,818	-	-	-	100,426
Lease expenses	4,188	220	-	-	-	-	4,408
Depreciation	73,440	79,462	24,455	-	-	-	177,357
Bad debt expense	87,733	-	-	-	-	-	87,733
Professional fees	1,030,349	43,851	43,909	-	-	-	1,118,109
Equipment and supplies	152,207	38,998	-	-	-	-	191,205
Marketing	1,093	-	-	-	-	-	1,093
Travel	16,219	-	-	-	-	-	16,219
Publications	43,562	-	-	-	-	-	43,562
Taxes and licenses	22,827	134	34,420	-	-	-	57,381
Repairs and maintenance	16,703	3,186	1,343	-	-	-	21,232
Grant expense	1,200,000	-	-	-	-	-	1,200,000
Miscellaneous	1,578	454,000	3,730	117,861	-	(575,591)	1,578
TOTAL EXPENSES	4,196,174	765,993	135,526	117,861	-	(698,205)	4,517,349
GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT	47,384	-	-	-	-	-	47,384
CHANGE IN NET ASSETS (DEFICIT)	(553,586)	(450,269)	44,106	1,334,708	1,015,092	-	1,390,051
NET ASSETS (DEFICIT), BEGINNING OF YEAR	6,414,405	1,952,293	474,497	5,773,692	4,616,622	-	19,231,509
NET ASSETS, END OF YEAR	\$ 5,860,819	\$ 1,502,024	\$ 518,603	\$ 7,108,400	\$ 5,631,714	\$ -	\$ 20,621,560
NON-CONTROLLING INTERESTS' NET ASSETS, Beginning of year			\$ 20,641				
Net income			1,917				
NON-CONTROLLING INTERESTS' NET ASSETS, End of year			\$ 22,558				

See Independent Accountants' Review Report on Supplemental Information