ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

Year Ended December 31, 2020

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CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

We have audited the accompanying consolidated financial statements of ***Alcor Life Extension Foundation and Affiliates***, which comprise the consolidated statement of financial position as of December 31, 2020, 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.

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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Consolidated Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit, the consolidated financial statements of ***Alcor Life Extension Foundation and Affiliates*** present fairly, in all material respects, the consolidated financial position as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of new accounting standard

As discussed in Note 1 to the consolidated financial statements, ***Alcor Life Extension Foundation and Affiliates*** changed their method of accounting for revenue from contracts with customers effective January 1, 2020 in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 606, "*Revenue from Contracts with Customers*", under the full retrospective method. Our opinion is not modified with respect to this matter.

Mayer Hoffman McCann P.C.

January 27, 2022

ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2020

A S S E T S

CURRENT ASSETS	
Cash and cash equivalents	$ 2,334,011
Accounts receivable, net	55,778
Pledges receivable	277,338
Other current assets	188,433
TOTAL CURRENT ASSETS	2,855,560
RESTRICTED CASH	332,266
PROPERTY AND EQUIPMENT, net	1,672,817
INVESTMENTS	27,004,595
SPLIT INTEREST AGREEMENT ASSET	1,242,608
PREPAID CRYOPRESERVATION AND STANDBY	13,302,934
TOTAL ASSETS	$ 46,410,780

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

CURRENT LIABILITIES	
Accounts payable	$ 68,678
Accrued expenses	194,916
TOTAL CURRENT LIABILITIES	263,594
SPLIT INTEREST AGREEMENT LIABILITY	1,242,608
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	13,302,934
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	200,126
DEFERRED REVENUE	151,731
DEFERRED PATIENT CARE RESERVE	12,018,278
TOTAL LIABILITIES	27,179,271
NET ASSETS	
Without donor restrictions	
Controlling interest	14,695,930
Noncontrolling interest	20,641
Total without donor restrictions	14,716,571
With donor restrictions	4,514,938
TOTAL NET ASSETS	19,231,509
TOTAL LIABILITIES AND NET ASSETS	$ 46,410,780

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, 2020

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Membership dues	$ 624,909	$ -	$ 624,909
Bequests	322,832	-	322,832
Contributions	793,719	313,782	1,107,501
Interest and distribution income	153,434	-	153,434
Realized and unrealized gains on investments	1,301,365	-	1,301,365
Cryopreservation and standby	1,017,219	-	1,017,219
Rental income	56,920	-	56,920
Other	36,332	-	36,332
Total revenue and support before net assets released from restrictions	4,306,730	313,782	4,620,512
Net assets released from restrictions	377,839	(377,839)	-
TOTAL REVENUE AND SUPPORT	4,684,569	(64,057)	4,620,512
EXPENSES			
Payroll and benefits	1,169,316	-	1,169,316
Occupancy	22,581	-	22,581
Office expenses	115,561	-	115,561
Bank charges	32,682	-	32,682
Utilities	69,511	-	69,511
Insurance	77,834	-	77,834
Lease expenses	4,009	-	4,009
Depreciation	210,346	-	210,346
Bad debt expense	80,283	-	80,283
Professional fees	2,038,966	-	2,038,966
Equipment and supplies	137,657	-	137,657
Marketing	2,946	-	2,946
Travel	19,023	-	19,023
Publications	83,294	-	83,294
Taxes and licenses	45,379	-	45,379
Repairs and maintenance	33,670	-	33,670
Miscellaneous	-	-	-
TOTAL EXPENSES	4,143,058	-	4,143,058
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	21,724	-	21,724
CHANGE IN NET ASSETS	519,787	(64,057)	455,730
NET ASSETS, BEGINNING OF YEAR	14,196,784	4,578,995	18,775,779
NET ASSETS, END OF YEAR	$ 14,716,571	$ 4,514,938	$ 19,231,509
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	$ 4,399	$ -	$ 4,399
CHANGE IN NET ASSETS ATTRIBUTABLE TO CONTROLLING INTEREST	515,388	(64,057)	451,331
CHANGE IN NET ASSETS	$ 519,787	$ (64,057)	$ 455,730

ALCOR LIFE EXTENSION FOUNDATION AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Payroll and benefits	$ 461,563	$ 649,255	$ 58,498	$ 1,169,316
Occupancy	17,403	5,178	-	22,581
Office expenses	7,558	108,003	-	115,561
Bank charges	28	32,654	-	32,682
Utilities	24,660	44,851	-	69,511
Insurance	32,374	45,460	-	77,834
Lease expenses	200	3,809	-	4,009
Depreciation	186,023	24,323	-	210,346
Bad debt expense	-	80,283	-	80,283
Professional fees	407,920	1,631,046	-	2,038,966
Equipment and supplies	136,985	672	-	137,657
Marketing	-	2,946	-	2,946
Travel	11,113	7,910	-	19,023
Publications	83,294	-	-	83,294
Taxes and licenses	38,056	7,323	-	45,379
Repairs and maintenance	11,829	21,841	-	33,670
TOTAL EXPENSES	$ 1,419,006	$ 2,665,554	$ 58,498	$ 4,143,058

ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets attributable to controlling interest	$ 451,331
Adjustments to reconcile the change in net assets attributable to controlling interest to net cash used in operating activities:	
Change in net assets attributable to noncontrolling interest	4,399
Provision for bad debts	80,283
Depreciation	210,346
Realized and unrealized gains on investments	(1,301,365)
Loss on disposal of property and equipment	21,724
Changes in operating assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	208,435
Pledges receivable	(125,517)
Other current assets	(45,921)
Prepaid cryopreservation and standby	(464,261)
Increase (decrease) in:	
Accounts payable	(193,138)
Accrued expenses	48,330
Deferred cryopreservation revenues	464,261
Deferred comprehensive member revenue	(154,145)
Deferred revenue	67,305
Deferred patient care reserve	481,097
Net cash used in operating activities	(246,836)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(576,301)
Purchases of investments	(11,400,028)
Proceeds from sale of investments	7,638,428
Net cash used in investing activities	(4,337,901)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(4,584,737)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	7,251,014
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	$ 2,666,277

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

	2020
Cash and cash equivalents	$ 2,334,011
Restricted cash	332,266
Cash, cash equivalents, and restricted cash	$ 2,666,277

See Notes to Consolidated Financial Statements

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

Nature of operations – ***Alcor Life Extension Foundation*** is a California 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 purchased an additional 11.5962% interest during 2019 for and had an ownership interest of 95.6542% in Cryonics Property, LLC at December 31, 2020. 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. During the year ended December 31, 2020, the Alcor Patient Care Trust transferred approximately $200,000 to the Alcor Care Trust Supporting Organization. Effective August 9, 2020, the Board of Directors approved the transfer of the Deferred Patient Care Reserve from the Alcor Patient Care Trust to the Alcor Care Trust Supporting Organization establishing a $12 million liability as of December 31, 2020.

(1) <u>Nature of operations and summary of significant accounting policies (continued)</u>

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 for Alcor Life Extension Foundation's members. Restricted cash is collected through monthly dues and released when services are performed. At December 31, 2020, funds collected that had not been spent for their intended purpose are reported as restricted cash with an offsetting liability of deferred comprehensive member standby 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, 2020, accounts receivable are net of an allowance for doubtful accounts of $134,999.

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, 2020, 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, 2020.

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.

(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 2020.

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 Alcor Life Extension Foundation's board members are officers. 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, 2020, 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.

(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:

	1/1/2020	12/31/2020
Deferred cryopreservation and standby revenue	$ 12,838,673	$ 13,302,934
Deferred comprehensive member standby revenue	354,271	200,126
Deferred patient care reserve	10,757,695	12,018,278
Total contract liabilities	$ 23,950,639	$ 25,521,338

(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.

(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 not satisfied as of December 31, 2020.

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, 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.

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

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 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 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. Alcor Life Extension Foundation adopted this standard for the year ended December 31, 2020. As a result of the adoption, management determined that a portion the transaction price from cryopreservation contracts should be recognized over time instead of at a point in time. As a result, an implementation adjustment of $570,586 was posted to reduce beginning net assets to reflect the cumulative impact of the change.

For contracts that were modified before the beginning of the earliest reporting period presented, Alcor Life Extension Foundation applied the practical expedient to reflect the aggregate of all modifications that occurred before the beginning of the earliest period presented with respect to identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations.

The following tables summarize the retroactive effects of adopting ASC 606:

Consolidated statement of financial position	Reported under ASC 605	Effect of adoption	Reported under ASC 606
Deferred patient care revenue	11,103,079	915,199	12,018,278
Net assets	20,146,708	(915,199)	19,231,509

Consolidated statement of activities and change in net assets	Reported under ASC 605	Effect of adoption	Reported under ASC 606
Cryopreservation and standby	749,514	267,705	1,017,219
Realized and unrealized gains on investments	2,216,517	(915,152)	1,301,365
Contributions	1,375,253	(267,752)	1,107,501

Consolidated statement of activities and change in net assets	Reported under ASC 605	Effect of adoption	Reported under ASC 606
Change in net assets	1,366,530	(915,199)	451,331
Change in deferred patient care reserve	(450,938)	915,199	464,261

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

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.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820) Disclosure Framework – *Changes to the Disclosure Requirements for Fair Value Measurement*, which changes disclosure requirements for unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and narrative disclosures related to measurement uncertainty. The ASU is effective for fiscal years beginning after December 15, 2019. The Organization adopted this ASU for the year ended December 31, 2020.

Subsequent events – Alcor Life Extension Foundation has evaluated subsequent events through January 27, 2022 which is the date the consolidated financial statements were available to be issued.

(2) Investments

Investments consist of the following at December 31, 2020:

Negotiable certificates of deposit (fair value)	$ 4,655,016
Cash and cash equivalents	393,241
Exchange traded funds	11,812,939
Domestic large blend mutual funds	5,770,537
Common stock and equity mutual funds	4,290,837
Unregistered preferred stock	12,667
Other	69,358
Total investments	$ 27,004,595

(3) Property and equipment

Property and equipment consists of the following at December 31, 2020:

Cost or donated value:	
Land, buildings, and leasehold improvements	$ 1,888,181
Machinery and office equipment	1,775,255
Vehicles	43,760
Total cost or donated value	3,707,196
Accumulated depreciation	(2,034,379)
Net property and equipment	$ 1,672,817

Depreciation expense charged to operations was $210,346 for the year ended December 31, 2020.

(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 $124,101 as of December 31, 2020 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 a annual basis. Accordingly, Alcor recognizes income annually for the distributions to which they are entitled. As of December 31, 2020, Alcor met the conditions to receive approximately $137,000 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 two irrevocable trusts. The trusts include 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 $1,242,608 as of December 31, 2020

(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, 2020:

Member investments in cash	$ 5,872,756
Cash surrender value of member life insurance policies	7,430,178
Total prepaid cryopreservation and standby	$ 13,302,934

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, 2020, net assets with donor restrictions include net assets restricted for the specified purpose of research and development. Releases from restriction during the year ended December 31, 2020 related to using restricted funds for their restricted purpose. During the year ended December 31, 2020, the Board has designated that $1.5 million be used exclusively to cover 5 years of salary and benefits for research personnel for ongoing research and development 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 day notice from the lender. The line of credit is subject to interest at the prime rate plus 1.3% (4.55% at December 31, 2020) 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, 2020, no amounts were outstanding under this line of credit.

(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, 2020. Lease expense totaled $4,009 for the year ended December 31, 2020.

Cryonics Property, LLC is the lessor for office space under operating leases. The leases expire at various periods through December 2021. Rental income totaled $56,920 for the year ended December 31, 2020, with future minimum lease payments totaling $107,491 expected to be received in 2021.

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 2024. The remaining commitments for this agreement as of December 31, 2020 are as follows:

Years Ending December 31,		
2021	$	20,000
2022		20,000
2023		20,000
2024		20,000
Total remaining commitments	$	80,000

(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 $49,725 to the Plan for the year ended December 31, 2020.

(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, 2020:

	Level 1	Level 2	Level 3
Exchange traded funds	$ 11,812,939	$ -	$ -
Common stocks and equity mutual funds	4,290,837	-	-
Negotiable certificates of deposit	-	4,655,016	-
Domestic large blend mutual funds	7,013,145	-	-
Other	-	69,358	-
Beneficial interest in trusts held by third-party	-	-	124,101
Total	$ 23,116,921	$ 4,724,374	$ 124,101

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

(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, 2020:

Cash and cash equivalents	$ 2,334,011
Restricted cash	332,266
Accounts receivable	55,778
Pledges receivable	277,338
Investments	27,004,595
Total financial assets available within one year	30,003,988
Less assets in trust designated for long-term organization income support	(5,773,692)
Less assets designated for comprehensive member standby	(200,126)
Less net assets with donor restrictions	(4,514,938)
Less assets in trust designated for patient care	(17,630,896)
Financial assets available for general expenditures within one year	$ 1,884,336

Additionally, the Alcor Life Extension Foundation maintains a $100,000 line of credit (Note 7). As of December 31, 2020, $100,000 remained available for use. Additionally, investments can be readily liquidated, except as designated above, to be available for operations.

MHM

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

We have audited the consolidated financial statements of ***Alcor Life Extension Foundation and Affiliates*** as of and for the year ended December 31, 2020, and our report thereon dated January 27, 2022 which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities and changes in net assets presented on pages 20 and 21 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial information and results of operations of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann P.C.

January 27, 2022

ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES

SUPPLEMENTAL INFORMATION

December 31, 2020

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

A S S E T S

	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
CURRENT ASSETS							
Cash and cash equivalents	$ 983,494	$ 954,853	$ 395,664	$ -	$ -	$ -	$ 2,334,011
Accounts receivable, net	510,198	118,058	-	-	-	(572,478)	55,778
Pledges receivable	251,350	25,988	-	-	-	-	277,338
Other current assets	188,433	-	-	-	-	-	188,433
TOTAL CURRENT ASSETS	1,933,475	1,098,899	395,664	-	-	(572,478)	2,855,560
RESTRICTED CASH	332,266	-	-	-	-	-	332,266
PROPERTY AND EQUIPMENT, net	597,802	921,935	153,080	-	-	-	1,672,817
INVESTMENTS	4,554,860	41,143	-	5,773,692	16,634,900	-	27,004,595
SPLIT INTEREST AGREEMENT ASSET	-	1,242,608	-	-	-	-	1,242,608
PREPAID CRYOPRESERVATION AND STANDBY	13,302,934	-	-	-	-	-	13,302,934
TOTAL ASSETS	$ 20,721,337	$ 3,304,585	$ 548,744	$ 5,773,692	$ 16,634,900	$ (572,478)	$ 46,410,780

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

	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
CURRENT LIABILITIES							
Accounts payable	$ 506,042	$ 109,684	$ 25,430	$ -	-	$ (572,478)	$ 68,678
Accrued expenses	146,099	-	48,817	-	-	-	194,916
TOTAL CURRENT LIABILITIES	652,141	109,684	74,247	-	-	(572,478)	263,594
SPLIT INTEREST AGREEMENT LIABILITY	-	1,242,608	-	-	-	-	1,242,608
DEFERRED CRYOPRESERVATION AND STANDBY REVENUE	13,302,934	-	-	-	-	-	13,302,934
DEFERRED COMPREHENSIVE MEMBER STANDBY REVENUE	200,126	-	-	-	-	-	200,126
DEFERRED REVENUE	151,731	-	-	-	-	-	151,731
DEFERRED PATIENT CARE RESERVE	-	-	-	-	12,018,278	-	12,018,278
TOTAL LIABILITIES	14,306,932	1,352,292	74,247	-	12,018,278	(572,478)	27,179,271
NET ASSETS							
Without donor restrictions							
Controlling Interest	1,899,467	1,952,293	453,856	5,773,692	4,616,622	-	14,695,930
Noncontrolling interest	-	-	20,641	-	-	-	20,641
Total without donor restrictions	1,899,467	1,952,293	474,497	5,773,692	4,616,622	-	14,716,571
With donor restrictions	4,514,938	-	-	-	-	-	4,514,938
TOTAL NET ASSETS	6,414,405	1,952,293	474,497	5,773,692	4,616,622	-	19,231,509
TOTAL LIABILITIES AND NET ASSETS	$ 20,721,337	$ 3,304,585	$ 548,744	$ 5,773,692	$ 16,634,900	$ (572,478)	$ 46,410,780

See Independent Auditors' Report on Supplemental Information

ALCOR LIFE EXTENSION FOUNDATION
AND AFFILIATES

SUPPLEMENTAL INFORMATION

Year Ended December 31, 2020

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

REVENUE AND SUPPORT	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
Membership dues	$ 624,909	$ -	$ -	$ -	$ -	$ -	$ 624,909
Bequests	322,832	-	-	-	-	-	322,832
Contributions	2,195,137	11,093,908	-	127	191,816	(12,373,487)	1,107,501
Interest and distribution income	68,593	-	265	84,576	-	-	153,434
Realized and unrealized gains on investments	57,968	-	-	865,429	377,968	-	1,301,365
Cryopreservation and standby	749,514	267,705	-	-	-	-	1,017,219
Rental income	1	-	176,735	-	-	(119,816)	56,920
Other	36,332	-	-	-	-	-	36,332
TOTAL REVENUE AND SUPPORT	4,055,286	11,361,613	177,000	950,132	569,784	(12,493,303)	4,620,512
EXPENSES							
Payroll and benefits	1,114,111	55,205	-	-	-	-	1,169,316
Occupancy	87,791	32,025	22,581	-	-	(119,816)	22,581
Office expenses	110,295	5,266	-	-	-	-	115,561
Bank charges	32,647	28	7	-	-	-	32,682
Utilities	56,779	7,659	5,073	-	-	-	69,511
Insurance	46,577	28,592	2,665	-	-	-	77,834
Lease expenses	3,809	200	-	-	-	-	4,009
Depreciation	130,959	72,060	7,327	-	-	-	210,346
Bad debt expense	80,283	-	-	-	-	-	80,283
Professional fees	1,995,269	31,280	12,417	-	-	-	2,038,966
Equipment and supplies	103,038	34,619	-	-	-	-	137,657
Marketing	2,946	-	-	-	-	-	2,946
Travel	19,023	-	-	-	-	-	19,023
Publications	83,294	-	-	-	-	-	83,294
Taxes and licenses	22,018	107	23,254	-	-	-	45,379
Repairs and maintenance	30,549	664	2,457	-	-	-	33,670
Miscellaneous	-	196,873	-	1,117,861	11,058,753	(12,373,487)	-
TOTAL EXPENSES	3,919,388	464,578	75,781	1,117,861	11,058,753	(12,493,303)	4,143,058
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	21,724	-	-	-	-	-	21,724
CHANGE IN NET ASSETS (DEFICIT)	114,174	10,897,035	101,219	(167,729)	(10,488,969)	-	455,730
NET ASSETS (DEFICIT), BEGINNING OF YEAR	6,300,231	(8,944,742)	373,278	5,941,421	15,105,591	-	18,775,779
NET ASSETS, END OF YEAR	$ 6,414,405	$ 1,952,293	$ 474,497	$ 5,773,692	$ 4,616,622	$ -	$ 19,231,509
NON-CONTROLLING INTERESTS' NET ASSETS, Beginning of year			$ 16,242				
Net income			4,399				
NON-CONTROLLING INTERESTS' NET ASSETS, End of year			$ 20,641				

See Independent Auditors' Report on Supplemental Information