

ALCOR
LIFE EXTENSION FOUNDATION



FINANCIAL STATEMENTS

For the Twelve Months Ended December 31, 1991

A Special Supplement to CRYONICS Magazine.

ALCOR LIFE EXTENSION FOUNDATION



At year end 1991, as Alcor prepares to celebrate its twentieth anniversary, our financial statements show another level of maturity. Since we instituted our first manual accounting system in 1984, we have consistently grown in financial strength and reporting efficiency. In 1986 we computerized our accounting system. In 1989 our total assets surpassed the million dollar mark and our statements were, for the first time, prepared by an independent Certified Public Accountant. In 1991 we made the transition to a *fund accounting system*.

Fund accounting (usually used by non-profit organizations) provides us with separate balance sheet and income statement information for each part of our operations: the Patient Care Trust Fund, the Endowment Fund, the Research Fund, the General Fund, and totals for the whole organization. We now can present a clearer picture of how we are doing in every area.

One example of the advantage of fund accounting is that the shortfall in the General Fund is now plainly visible. As reported in *Cryonics*, we took steps in mid-year to reduce General Fund spending, and in fact the General Fund nearly broke even in the last quarter of 1991. The Endowment Fund was created to provide a long-term solution to General Fund needs: income from this Endowment is for use in the General Fund. Meanwhile, as the Patient Care Trust Fund continued to build strength, we created a reserve for patient care on the liability side of the Fund's balance sheet. This reserve is equal to the *current* required minimum for long term care multiplied by the patients we have in suspension, thus giving a fair picture of how well the Fund's assets match its liabilities.

Suspension Membership grew by an unprecedented 57% in 1991. We expect perhaps 30% growth in 1992. In order to continue providing the level of service which in part made these exciting growth rates possible, we must quickly recover from the recent loss of personnel key to our suspension capability. To achieve this, we will have substantial expenditures in 1992 for training--a program that is already well under way.

Overall, our assets grew by 11.3% in 1991, and our fund balances (net worth) grew by 12% (before the new Patient Care Reserve). In the year ahead, we look forward to continued financial improvement. We believe that our financial condition is an important indication of organizational stability and staying power. Management welcomes discussion of our present status and future prospects with all interested parties.

THE BOARD OF DIRECTORS

Carlos Mondragón, *President*
Paul Genteman, *Vice-President and Secretary*
David S. Pizer, *Treasurer*
Hugh L. Hixon, *Deputy-Secretary*
H. Keith Henson
C. William Jameson
Brenda Peters
Glenn Tupler
Ralph Whelan

A handwritten signature in black ink, which appears to read "Carlos Mondragón". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carlos Mondragón
President

WARREN L. ROBERTSON
CERTIFIED PUBLIC ACCOUNTANT
405 Mission Road
Glendale, California 91205

Board of Directors
Alcor Life Extension Foundation
Riverside, California

I have compiled the accompanying balance sheet of Alcor Life Extension Foundation, a nonprofit organization, as of December 31, 1991, and the related statements of revenues and expenses and changes in fund balance and statement of cash flows for the period then ended in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Warren L. Robertson, C.P.A.

Glendale, California
March 11, 1992

ALCOR LIFE EXTENSION FOUNDATION
BALANCE SHEET

December 31, 1991

	<u>ASSETS</u>				
	<u>TOTAL</u>	<u>GENERAL FUND</u>	<u>PATIENT CARE FUND</u>	<u>RESEARCH FUND</u>	<u>ENDOW- MENT FUND</u>
Current assets:					
Cash, CDs, CMAs, savings	\$ 712,898	\$ 1,795	\$691,027	\$ 12,072	\$ 8,003
Accounts receivable	<u>55,517</u>	<u>8,611</u>	<u>41,000</u>	<u>5,907</u>	<u>-</u>
Total current assets	768,415	10,406	732,027	17,979	8,003
Fixed assets less depreciation	203,839	22,543	181,296	-	-
Other assets:					
Endowment trust	360,244	-	-	-	360,244
Deferred interest	4,019	4,019	-	-	-
Investments	61,695	2,019	59,676	-	-
Patent	483	483	-	-	-
Deposit	32,860	32,860	-	-	-
Due from other funds	<u>113,763</u>	<u>65,258</u>	<u>5,000</u>	<u>211</u>	<u>43,294</u>
Total	<u>\$1,545,318</u>	<u>\$137,588</u>	<u>\$977,999</u>	<u>\$ 18,190</u>	<u>\$411,541</u>
	=====	=====	=====	=====	=====

LIABILITIES AND FUND BALANCES

Current liabilities:					
Accounts payable	\$ 31,241	\$ 31,241	\$ -	\$ -	\$ -
Leases payable, current	<u>5,662</u>	<u>5,662</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	36,903	36,903	-	-	-
Leases payable, long term	5,963	5,963	-	-	-
Deferred suspension income	60,000	-	60,000	-	-
Patient care reserve	864,416	-	864,416	-	-
Due to other funds	<u>113,763</u>	<u>43,505</u>	<u>16,858</u>	<u>53,400</u>	<u>-</u>
Total liabilities	<u>1,081,045</u>	<u>86,371</u>	<u>941,274</u>	<u>53,400</u>	<u>-</u>
Fund balances:					
Prior years	345,351	158,831	(179,964)	21,768	344,716
Current year	<u>118,922</u>	<u>(107,614)</u>	<u>216,689</u>	<u>(56,978)</u>	<u>66,825</u>
Total fund balances	<u>464,273</u>	<u>51,217</u>	<u>36,725</u>	<u>(35,210)</u>	<u>411,541</u>
Total	<u>\$1,545,318</u>	<u>\$137,588</u>	<u>\$977,999</u>	<u>\$ 18,190</u>	<u>\$411,541</u>
	=====	=====	=====	=====	=====

The accompanying accountant's compilation report and notes
should be read with these financial statements

ALCOR LIFE EXTENSION FOUNDATION
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND BALANCES

For the year ended December 31, 1991

	TOTAL	GENERAL FUND	PATIENT CARE FUND	RESEARCH FUND	ENDOW- MENT FUND
Revenues:					
Program services	\$ 95,823	\$ 95,823	\$ -	\$ -	\$ -
Public support donations	97,326	97,326	-	-	-
Investment revenues	12,749	9,601	3,148	-	-
Patient care	314,354	66,920	267,434	-	-
Research	26,347	-	-	26,347	-
Endowment fund donations	1,538	-	-	-	1,538
Gain on sale	<u>87,494</u>	<u>22,538</u>	<u>-</u>	<u>-</u>	<u>64,956</u>
Total revenues	<u>635,631</u>	<u>272,208</u>	<u>270,582</u>	<u>26,347</u>	<u>66,494</u>
Expenses:					
Salaries	84,781	49,278	22,598	12,905	-
Professional fees	20,365	18,665	-	1,700	-
Legal expenses	149,731	149,146	585	-	-
Postage	10,722	9,263	504	955	-
Rent	14,913	13,616	556	741	-
Telephone	12,250	12,250	-	-	-
Depreciation	17,922	7,642	5,142	5,138	-
Education literature/events	15,437	15,437	-	-	-
Emergency response	27,386	27,386	-	-	-
Medical/other supplies	19,012	3,071	2,526	13,415	-
Bad debts	10,376	10,376	-	-	-
Liquid nitrogen	17,106	-	17,106	-	-
Suspension expense	42,774	-	-	42,774	-
Magazine expense	17,162	17,162	-	-	-
Other expenses	<u>56,772</u>	<u>46,530</u>	<u>4,876</u>	<u>5,697</u>	<u>(331)</u>
Total expenses	<u>516,709</u>	<u>379,822</u>	<u>53,893</u>	<u>83,325</u>	<u>(331)</u>
Excess revenues over expenses	<u>118,922</u>	<u>(107,614)</u>	<u>216,689</u>	<u>(56,978)</u>	<u>66,825</u>
Fund balances:					
Beginning of year	1,209,767	158,831	684,452	21,768	344,716
Less: Patient care reserve (864,416)	(864,416)	-	(864,416)	-	-
	<u>345,351</u>	<u>158,831</u>	<u>(179,964)</u>	<u>21,768</u>	<u>344,716</u>
Fund balances, end of year	\$ 464,273	\$ 51,217	\$ 36,725	\$(35,210)	\$411,541
	=====	=====	=====	=====	=====

The accompanying accountant's compilation report and notes
should be read with these financial statements.

ALCOR LIFE EXTENSION FOUNDATION
STATEMENT OF CASH FLOWS

For the year ended December 31, 1991

Cash provided by operations:

Excess of revenues over expenses	\$ 118,922
Non-cash items included in operations-	
Depreciation	17,922
Symbex partnership loss	<u>1,476</u>

138,320

Other:

Decrease in accounts receivable	68,238
(Increase) in Endowment trust	(360,244)
(Increase) in worker's compensation deposit	(32,860)
(Increase) in other assets	(6,554)
Increase in accounts payable	31,241
(Decrease) in accrued expenses	(10,696)
(Decrease) in leases payable	(5,738)
Increase in deferred suspension income	60,000
(Decrease) in payroll taxes payable	(851)

Funds were provided by:

Sale of DJ house-net	509,358
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Funds were used for:

Acquisition of fixed assets	(3,692)
Investment in United Kingdom facility	<u>(28,000)</u>

Net cash provided

358,522

Cash, CDs, CMAs, savings:

Beginning of year	<u>354,376</u>
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End of year	\$ 712,898
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ALCOR LIFE EXTENSION FOUNDATION
STATEMENT OF OTHER EXPENSES

For the year ended December 31, 1991

	TOTAL	GENERAL FUND	PATIENT CARE FUND	RESEARCH FUND	ENDOW- MENT FUND
Other expenses:					
Insurance	\$ 7,531	\$ 7,531	\$ -	\$ -	\$ -
Payroll taxes	8,696	7,173	902	621	-
Worker's compensation ins.	2,500	1,550	550	400	-
Sign-up expenses	7,091	7,091	-	-	-
Repairs & maintenance	3,675	2,886	755	34	-
Utilities	3,890	2,957	197	736	-
Ambulance expense	1,339	1,339	-	-	-
Miscellaneous	4,521	2,248	2,263	10	-
Other research	3,087	-	-	3,087	-
Interest expense	1,676	1,676	-	-	-
Office expense	4,269	4,269	-	-	-
Shipping	2,190	1,705	209	276	-
Taxes & licenses	1,435	824	-	611	-
Travel	1,434	1,434	-	-	-
Other	3,438	3,847	-	(78)	(331)
Total	\$ 56,772	\$46,530	\$ 4,876	\$ 5,697	\$ (331)
	=====	=====	=====	=====	=====

The accompanying accountant's compilation report and notes
should be read with these financial statements.

ALCOR LIFE EXTENSION FOUNDATION
NOTES TO FINANCIAL STATEMENTS

December 31, 1991

1. Summary of significant accounting policies

A summary of the Foundation's major accounting policies which have been consistently followed in preparing the accompanying financial statements is set forth below.

Investments

Donated investments are reflected as contributions at their fair market values at date of receipt.

Fixed assets

Leasehold improvements and property and equipment are carried at cost. Major additions and betterments are charged to the property accounts while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed in the year acquired. When property is retired or otherwise disposed of, the cost is removed from the asset account, accumulated depreciation is charged for the depreciation provided and the difference, after taking into account any salvage is charged or credited to operations.

Assets are depreciated under the straight-line method over their estimated useful lives. The following lives are used:

Leasehold improvements	40 years
Property & equipment-admin.	5 years
Property & equipment-research	20 years

Restricted funds

As shown in these financial statements, the Patient Care fund, Research fund and Endowment fund are segregated from the General fund indicating they are restricted by outside sources or the the Board of Directors. These funds may be used only in accordance with the purposes established for them.

General fund

The General fund is used for the general operation of the Foundation as directed by the officers and members of the Board of Directors.

2. Nature of the organization

Alcor Life Extension Foundation is a nonprofit California corporation, organized in 1972 to perform research and public education. The organization is recognized as a charitable entity under Section 501(c)3 of the Internal Revenue Code.

The organization's research program concentrates on improving methods of cryonic suspension. Suspension members understand that cryonics offers no guarantees of success and that as present or future suspension patients, they are subjects of a long-term research program.

The Board of Directors and management employees of the organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the organization as effectively and efficiently as possible.

3. Program services

In addition to its research endeavors, Alcor provides an extensive package of information free of charge to the general public upon request. This package includes an 84-page booklet and a catalog of other educational books, papers and materials available from Alcor at cost.

The organization reprints dozens of papers and articles which range in subject matter from highly technical and scientific to sociological and philosophical, all pertinent to issues of health and life extension. The organization also maintains a unique library of books and periodicals relevant to its members' interests in all aspects of life extension.

Alcor publishes an award winning monthly magazine which has several hundred subscribers, including major libraries. It is the only publication of its kind, providing scientific, sociological and economic news bearing on life extension.

The Alcor Speaker's Bureau provides informative presentations to schools, other nonprofit organizations, companies and governmental agencies about Alcor's programs and the current technical and scientific bases for predicting the health care and medicine of the future.

4. Leases payable

Capital lease obligations, secured by office equipment are as follows:

	<u>TOTAL</u>	<u>CURRENT</u>	<u>LONG TERM</u>
Bell lease obligation, monthly payments of \$249, matures January 1993.	\$ 3,164	\$ 2,990	\$ 174
Citicorp lease obligation, monthly payments of \$223, matures February 1995.	<u>8,461</u>	<u>2,672</u>	<u>5,789</u>
Total	\$11,625 =====	\$ 5,662 =====	\$ 5,963 =====

5. Investments

Investments consist of the following:

Perris building	\$ 2,019
Symbex partnership (see note 6)	31,676
United Kingdom building	<u>28,000</u>
Total	\$61,695 =====

6. Related party transactions

Alcor is a limited partner in Symbex Property Group from which Alcor leases its operating facility at \$463 a month.

7. Due from 1st Pacific Bank

A \$96,852 receivable due from 1st Pacific Bank as shown on prior year financial statements was offset against \$86,476 in legal fees based on an agreement with the lawfirm handling the collection resulting in a bad debt write off of \$10,376. The lawfirm will offset their legal fees against any monies collected.

8. Patient care reserve

During 1991 the Board of Directors approved the establishment of a liability to more accurately represent Alcor's obligation to each patient in suspension. The amount of \$864,416 was transferred from the Patient

Care Fund balance to a liability account entitled Patient Care Reserve. That amount represents the currently required minimum for each patient in suspension for long term care, defined by the Patient Care Trust Fund policy as fifty times the annual patient care expense.

9. Deposit

The deposit of \$32,860 represents monies being held by the Workman's Compensation Insurance Fund at the end of 1991 while the Worker's Compensation board determined Alcor's liability for worker's compensation insurance. In excess of \$26,000 was returned to Alcor in early 1992.

10. Due to/from other funds

The offsetting asset and liability accounts amounting to \$113,767 represents monies transferred between the various funds in the daily operation of the organization as directed by Alcor management and the Board of Directors.