Miracle Flights and Affiliate
(A Nonprofit Organization)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2022

(With Report of Independent Auditors' Thereon)

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RBSM LLP
Accountants & Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Miracle Flights and Affiliate

Opinion

We have audited the financial statements of Miracle Flights (a nonprofit organization) and affiliate, which comprise the consolidated statement of financial position as of April 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Miracle Flights, Inc. as of April 30, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miracle Flights and affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Miracle Flights, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit 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 Miracle Fligths, Inc.'s internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miracle Fligths, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules beginning on page 17 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures 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 financial statements as a whole.

RBSM LLP

RBSM LLP
New York, New York
December 4, 2023

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
APRIL 30, 2022

ASSETS

Assets		
Cash and cash equivalents	$	2,208,934
Accounts receivable		6,821
Investments in marketable securities		40,099,316
Prepaid expenses and other current assets		960,545
Land, building and equipment, net		9,750,058
Total assets	$	53,025,674

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	$	88,862
Accrued liabilities		1,092,482
Secured line of credit		3,600,000
Prepaid rent		21,215
Tenant security deposits		37,085
Total liabilities		4,839,644
Net assets		
Without donor restrictions		48,186,030
Total net assets		48,186,030
Total liabilities and net assets	$	53,025,674

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, and other support			
Contributions	$ 559,541	$ 10,000	$ 569,541
In-kind contributions	784,155	-	784,155
Rental income	1,721,223	-	1,721,223
Total support	3,064,919	10,000	3,074,919
Net assets released from restrictions	44,635	(44,635)	-
Functional expenses			
Program services			
Program services	2,368,368	-	2,368,368
Total program services	2,368,368	-	2,368,368
Supporting services			
Fundraising	255,178	-	255,178
Management and administrative	770,439	-	770,439
Total supporting services	1,025,617	-	1,025,617
Total functional expenses	3,393,985	-	3,393,985
Building expenses	1,267,909	-	1,267,909
Total expenses	4,661,894	-	4,661,894
Other income (expense):			
Investment income, net of fees	897,431	-	897,431
Other (expense)	(574,139)	-	(574,139)
Interest expense	(36,537)	-	(36,537)
Realized gain on investments	782,191	-	782,191
Unrealized gain (loss) on investments	(2,263,535)	-	(2,263,535)
Total other income (expense)	(1,194,589)	-	(1,194,589)
Change in net assets	(2,746,929)	(34,635)	(2,781,564)
Net assets, May 1, 2021	50,932,959	34,635	50,967,594
Net assets, April 30, 2022	$ 48,186,030	$ -	$ 48,186,030

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
(EXCLUSIVE OF BUILDING EXPENSES)
FOR THE YEAR ENDED APRIL 30, 2022

	Program Services	Supporting Services		
	Flights	Fundraising	Management and Administrative	Total Expenses
Bank and credit card fees	$ 1,583	$ 148	$ 380	$ 2,111
Dues and subscriptions	-	-	11,516	11,516
Fundraising, public relations/advertising	68,708	179,951	78,524	327,183
Insurance	-	-	23,102	23,102
Meals and entertainment	2,803	-	1,201	4,004
Office supplies	6,657	621	1,598	8,876
Postage	16,735	1,562	4,017	22,314
Professional fees and services	191,583	-	447,027	638,610
Salaries, wages and benefits	763,937	71,301	183,345	1,018,583
Special events	6,154	-	-	6,154
Telephone	6,259	584	1,502	8,345
Travel resources	1,293,114	-	-	1,293,114
Vehicle	10,835	1,011	2,600	14,446
Depreciation	-	-	15,627	15,627
Total functional expenses	$ 2,368,368	$ 255,178	$ 770,439	$ 3,393,985

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2022

Cash flows from operating activities:		
Decrease in net assets	$	(2,781,564)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation		511,987
Unrealized gain on securities		2,263,535
Realized losses on sale of securities		(782,191)
Changes in operating assets and liabilities:		
Accounts receivable		3,740
Prepaid expenses and other current assets		(256,548)
Accounts payable		9,056
Accrued liabilities		748,862
Prepaid rent		(29,537)
Net cash used in operating activities		(312,660)
Cash flows from investing activities:		
Purchase of fixed assets		(492,036)
Sale of securities		17,709,173
Purchase of securities		(18,080,878)
Net cash used by investing activities		(863,741)
Cash flows provided by financing activities:		
Proceeds from secured line of credit		2,650,000
Net cash provided by financing activities		2,650,000
Net change in cash and cash equivalents		1,473,599
Cash, restricted cash and cash equivalents as of May 1, 2021		735,335
Cash and cash equivalents as of April 30, 2022	$	2,208,934
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$	29,803
Taxes	$	-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The accompanying consolidated financial statements include the consolidated accounts of Miracle Flights (hereinafter referred to as "MF") and MFFK Holdings, Inc. (hereinafter referred to as "Holdings"). Such consolidated group is collectively referred to as Miracle Flights and Affiliate (hereinafter referred to as the "Organization"). The consolidated financial statements have been presented on a consolidated basis due to common management and board.

Miracle Flights was founded in 1985 and is a nonprofit organization operating under the laws of the state of Nevada. During February 2016, MF amended the articles of incorporation to change its name from Miracle Flights for Kids, Inc. to Miracle Flights. Its mission is dedicated to helping low income and very sick children and their families overcome financial obstacles that prevent them from accessing proper medical care and second opinions. MF flies children and their families who are struggling with serious cancers and other debilitating diseases to specialized medical treatment centers across the United States. Children and their families needing medical treatment or seeking a second opinion not available in their own hometown are eligible to apply for a miracle mission. To date, the Organization has provided more than 144,000 nationwide airline flights to facilitate urgent medical care for those in need.

On May 14, 2013, the Organization formed MFFK Holdings, Inc., a nonprofit under the laws of the state of Nevada. The sole purpose is to hold commercial real estate property located in Las Vegas, Nevada. On June 28, 2013, Holdings purchased, for cash, two commercial properties for the total of $10.9 million with the intent of leasing out office space. MF relocated to these facilities in January 2014.

Principles of consolidation – The consolidated financial statements include the accounts of MF and Holdings. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of accounting – The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Basis of presentation – The accompanying consolidated financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements of Non-Profit Organizations.* Under ASC 958 as amended on ASU 2016-14, the Organization is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets and changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the Organization's discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent net assets which are subject to donor-imposed stipulations and whose use is restricted by time and/or purpose. Some donor restrictions are temporary in nature; those restrictions will be lifted pursuant to certain actions of the Organization or by the passage of time and are presented as purpose restricted. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

When a donor restriction expires, such as when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

All restricted support is reported as an increase in net assets with donor restrictions, based on the nature of the restriction. All unrestricted support is reported as an increase in net assets without donor restrictions.

Operations and financial liquidity of assets – The organization has $2,208,934 of cash and cash equivalents as well as marketable securities that can be readily liquidated, all of which are available to meet the organization's anticipated cash demands for operations for the forthcoming year. The majority of the cash receipts originate from the donations from individuals and other organizations. The related allocation of fees are paid subsequent to the collection of the donation. At times the company may invest funds in short term certificates of deposits and marketable securities which are in excess of its anticipated cash flow budget for the next ninety days. Funds received with donor specific restriction purposes are normally expended in the year for that designated purpose.

Currently the board of directors has deemed that the cash and cash equivalents on hand as of April 30, 2022 of $2,208,934 is sufficient in the event of a financial distress of immediate liquidity need resulting from events outside the typical life cycle of collecting donations and settling financial liabilities.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue – Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are recorded when they are received. Promises to give (pledges) are recorded at their net present value when collection of the gift is reasonably assured. Contributions are without donor restrictions unless specifically restricted by the donor.

Miracle Flights owns an office building in Las Vegas, Nevada and collects rents from the tenants. Revenues are recognized in the period in which the property was rented and is done on a straight-line basis over the term of the lease.

Donated Services and Materials – Donated services are recognized as in-kind donations if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional allocation of expenses – The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management's estimate of the benefit to the related program and supporting service and certain expenses are allocated to program, general and administrative, and fundraising based on a percentage of utilization. The allocation of expenses at April 30, 2022 were allocated approximately 70% to programs, 24% to support services, and 6% to fundraising expenses.

Cash and cash equivalents – Cash and cash equivalents include all cash balances in the banks and brokerage accounts. The accounts are maintained by institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At various times the organization maintains cash in financial institutions in excess of amounts insured by the federal government. As of April 30, 2022 there was $1,708,934 of cash held in excess of the FDIC insurable limits. The Organization has not experienced any losses in these accounts.

Investments & Annuities – Marketable equity securities and other investments are stated at their fair value, which is determined by quoted market prices. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on these investments, is included in investment income (loss) in the statement of activities, net of fees.

Fixed Assets – Fixed assets are stated at cost, if purchased, or fair market value, if donated. Depreciation is computed using the straight-line method over the estimated useful lives ranging from five to thirty-nine years. The Organization capitalizes all fixed assets over $500 with an estimated useful life greater than five years. When assets are retired or otherwise disposed, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. The cost of maintenance and repairs are expensed as incurred, while significant renewals and betterments are capitalized.

The Organization periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Organization uses an estimate of related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Fair value of financial instruments – The financial instruments of the Organization include cash equivalents, mutual funds, and equities, accounts payable and accrued liabilities. The fair value hierarchy under U.S. GAAP distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels:

Level one – Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level two – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level three – Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use. The Organization has determined the estimated fair values of its financial instruments using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the Organization's estimates are not necessarily indicative of the amounts that it, or holders of the instruments, could realize in a current market exchange. The use of different assumptions or valuation methodologies could have a material effect on the estimated fair value amounts.

Investments totaling $40,099,316 are based on information available as of April 30, 2022. Current estimates of fair value could differ significantly from the amounts presented.

Fair Value Measurements at April 30, 2022 Using:

Assets:	Total Carrying Value as of 04/30/2022	Quoted Marked Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments in marketable securities	$ 40,099,316	$ 34,720,949	-0-	$ 5,378,367
Total	$ 40,099,316	$ 34,720,949	-0-	$ 5,378,367

The following are what make up the balance in level 3:

Private Equity Core Funds

Private Equity Core Fund (QP) IV (Offshore), L.P, Private Equity Core Fund (QP) VII (Offshore), L.P., Private Equity Core Fund (QP) VIII (Offshore), L.P. and Private Equity Core Fund (QP) IX (Offshore), L.P (the "Partnership") were formed in accordance with the Cayman Islands Exempted Limited Partnership Law. The General Partner of each Partnership is 50 South Capital Advisors, LLC, a wholly owned subsidiary of Northern Trust Corporation and an investment advisor registered with the U.S. Securities and Exchange Commission.

Private Equity Core Funds IV, VII, VIII and IX are illiquid alternative investments. For these investments, there is no redemption process. Rather, the investor participates in the lifecycle of the fund. There can occasionally be an opportunity for a private transaction on the secondary market.

The average life cycle for a private equity fund is around 12 years from inception to close (when any remaining commitments have been cancelled and the full value of the fund has been distributed).

The Organization has committed $1,800,000 to PE VII, $1,000,000 to PE VIII, $750,000 to PE IV and $750,000 PE IX, which $651,690, $461,900, $667,275 and $572,657 of the commitment remains outstanding, respectively.

Alpha Core Strategies Fund

Alpha Core Strategies Fund (the "Fund") is a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end, diversified management investment company. 50 South Capital Advisors, LLC ("50 South") serves as the Fund's investment manager. 50 South is a wholly owned direct subsidiary of Northern Trust Corporation ("NTC"), and is registered with the U.S. Securities and Exchange Commission as an investment adviser. Northern Trust Securities, Inc. ("NTSI"), a subsidiary of NTC, serves as the placement agent for the Fund.

The Alpha Core Strategies Fund (Hedge) can be redeemed under the following parameters:

- 60 day notice required with quarterly (i.e. calendar quarter-end) liquidity
- No redemption fee
- 95% of value is paid out within a few weeks of quarter-end
- Remainder (holdback) is paid once audit is complete for the fiscal year

The fair value is $2,085,035.

Level 3 Fair Value Measurements at April 30, 2022:

	Total
Beginning balance	$4,129,302
Net gain or (loss)	804.292
Purchases	177,343
Sales	-
Transferred into level 3 – capital calls	267,430
	$5,378,367

* Gain or (loss) mixed into unrealized investment loss line on Statement of Activities.

* Funds were changed from level 1 to level 3 because funds were used to purchase level 3 investments.

* Fair market value for level 3 investments is based on prices from an external manager or other-directed pricing source. Management reviews fair value monthly to make sure the investments are performing up to expectations.

Income taxes – The Internal Revenue service has determined that MF and Holdings are charitable organizations exempt from federal income taxes under sections 501(c)(3) and 501(c)(2), respectively, of the IRC. Federal information returns for years prior to fiscal 2019 are no longer subject to examination by tax authorities.

Advertising costs – Advertising costs incurred in the normal course of operations are expensed accordingly. There was $35,068 in advertising costs for the fiscal year ending April 30, 2022.

New Accounting Pronouncement – In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This guidance requires lessees to recognize lease assets and liabilities for most leases classified as operating leases under previous U.S. GAAP. The standard has been delayed and is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted for financial statements that have not been previously issued. The Organization is assessing the potential effect this guidance may have on their financial statements and will implement for Fiscal year ending April 30, 2023.

In September 2020, the FASB issued ASU 2020-07 on Topic 958, Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets. The FASB ASU requires nonprofit organizations to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The ASU does allow for early adoption. The Organization intends to adopt the provisions of this ASU 2020-07 for Fiscal year ending April 30, 2023, which is not expected to have any impact on the financials.

In November 2021, the FASB issued ASU 2021-09, Discount rate for leases that are not public business entities. Topic 842 currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this Update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk free rate or an -incremental borrowing rate), regardless of whether it has made the risk-free rate election. The effective date for this Update is different for entities that have not yet adopted Topic 842 as of November 11, 2021, and those that have. Topic 842 becomes effective for private companies and not-for-profit organizations that are not conduit bond obligors for fiscal years beginning after December 15, 2021.

The Organization is currently evaluating the effect these updates will have on its financial statements.

The Organization does not believe any other recently issued but not yet effective accounting pronouncements once effective will not have any effect on the Company's reporting needs.

2. LAND, BUILDING, AND EQUIPMENT, NET

As of April 30, 2022, land, building, and equipment consisted of the following:

Buildings and Improvement	$ 11,086,214
Furniture and Fixtures	194,319
Computers and Equipment	38,552
Box Truck	16,429
	11,335,514
Less: accumulated depreciation	(3,382,975)
	7,952,539
Land	1,797,519
	$ 9,750,058

The depreciation expenses for the year ended April 30, 2022 is $511,987.

3. INVESTMENT IN MARKETABLE SECURITIES

Investment in marketable securities consists of the following at April 30, 2022:

Securities, beginning of year	$ 41,208,955
Sale of securities and other	(17,709,173)
Purchase of securities	18,080,878
Net realized gain of securities	782,191
Net unrealized loss of securities	(2,263,535)
	$ 40,099,316

4. IN-KIND CONTRIBUTIONS

As of April 30, 2022, the Organization received $784,155 of in-kind donations, which consist primarily of donated flights, flight resources and ground transportation. These services have been reported as revenue without donor restrictions and the related in-kind expenses have been included in program services-in-kind and fundraising services-in-kind.

5. CONTRIBUTIONS

As of April 30, 2022, the Organization received $569,541 of contributions, which consist primarily of direct public support of $245,333, federal and other grants of $314,208, restricted grants of $10,000, fundraising of $- and contributions of $10,000 have been reported as revenues with donor restrictions. Contributions of $559,541 have been reported as revenues without donor restrictions.

6. ACCRUED LIABILITIES

Included in accrued liabilities as of April 30, 2022, are amounts to refund a portion of contributions from an estate in the amount of $450,000 and the terms of settlement of litigation noted in Note 10 in the amount of $350,000.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of $34,635 at April 30, 2021 were restricted for flight costs associated with a specific city or state in the United States of America and have been fully used up.

8. CONCENTRATIONS

Cash

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At April 30, 2022, the Company had $1,708,934 in excess of the FDIC insured limit.

Leases – Rental Income

Holdings leases space to fifteen tenants (including MF), with two tenants representing 30% and 11%, respectively, of the total rental income.

9. RENTAL ASSETS

Holdings, as lessor, maintains long-term operating lease agreements with unaffiliated lessees related to its investment in real estate properties expiring at various dates through 2029. The following is a schedule of approximate future minimum rents receivable under non-cancelable leases that have initial or remaining terms in excess of one year as of April 30, 2022:

April 30, 2023	$	1,682,203
2024		1,355,531
2025		1,292,838
2026		1,166,884
2027		1,001,456
thereafter		1,860,343
Total	$	8,359,255

10. LEGAL MATTERS

On June 26, 2015, MFFK filed suit against Med Lien Management, Inc., ("Med Lien") and its two principals, Brad Esposito and Lincoln Lee, as a result of their default on a $2.2 million dollar loan obligation. Pursuant to a Lending Agreement dated April 30, 2013, MFFK agreed to loan Med Lien $2,200,000 in exchange for Med Lien's repayment of the money plus interest, for a total repayment obligation of $3,520,000. The Lending Agreement was secured by a Promissory Note and Assignment of Liens. Both principals, Lee and Esposito expressly agreed to personally guaranty Med Lien's obligations under the Lending Agreement and Promissory Note. Med Lien borrowed funds from MFFK with the express written understanding that it would make six interest only payments of $220,000 each, at six month intervals beginning October 30, 2013, with the final repayment of the principal amount of $2,200,000 due on April 30, 2016. As collateral for the Lending Agreement, Med Lien executed a written agreement providing for the assignment of numerous medical liens in the event of a default. Med Lien made the first three interest payments but failed to remit the $220,000 due on April 30, 2015.

During the course of Christiansen Law Office's ("CLO") prosecution of the state court breach of contract action against Med Lien, Esposito and Lee, discovery revealed that the original $2.2 million dollar loan was induced by fraud and further involved self-dealing and breaches of fiduciary duties by MFFK former Board Member, Michael McDonald. Additionally, the named Defendants had co-mingled funds with various sham alter ego entities. Accordingly, MFFK filed an Amended Complaint to add causes of action against McDonald, Southern Nevada Medical Associates ("SNMA"), Critical Care Medical Consultants ("CCMC") and Quality Care Medical ("QCM").

On May 19, 2016, the district court issued an order striking the answers of Esposito and Med Lien and subsequently held an evidentiary hearing to determine the amount of damages. On May 19, 2016, the court entered its Findings of Fact, Conclusions of Law and Order, holding the Defendants jointly and severally liable for Breach of Contract, Breach of the Implied Covenant of Good Faith and Fair Dealing, Fraud in the Inducement, Unjust Enrichment, Declaratory Relief, Accounting, Fraudulent Misrepresentation and/or Concealment, and Fraudulent Conveyance/Transfer. On June 22, 2016, a Judgment was entered in favor of MFFK and against Defendants for each and every cause of action (independently and severally), resulting in an award of $2,782,096 in compensatory damages. Each of the Defendants was also assessed $100,000 in punitive damages for a total award to MFFK in the amount of $2,982,096. The financial solvency of both debtors however, is questionable at best and thus, CLO cannot determine the likely amount of total recovery based upon the judgment.

MFFK also brought claims under its Directors and Officer's Liability insurance policy to recoup the losses it sustained as a result of McDonald's misconduct and self-dealing, but the insurance carrier initially denied coverage. On September 7, 2016, the parties stipulated to allow McDonald to amend his Answer to assert third-party claims against the Federal Insurance Company – Chubb Group of Insurance Companies ("Federal" and/or "Chubb") regarding its denial of insurance coverage to MFFK and McDonald. Thereafter, MFFK went to mediation with McDonald and Chubb on September 20, 2016, and again on December 8, 2016. The parties were able to reach a confidential global settlement agreement to resolve this matter, wherein Chubb paid MFFK a total of $387,500 and McDonald's benefactors made a charitable donation of $262,500 to MFFK on his behalf. Based upon Defendants satisfaction of their settlement obligations, MFFK's claims against McDonald were dismissed with prejudice.

MFFK further learned of an approximately $350,000 breach of contract action that Med Lien filed against third party lien and medical services entities, Solution Providers Associates, its principal, Dr. John Nelson, and Centennial Medical Imaging. MFFK intervened as a Plaintiff in that action and Med Lien concedes MFFK would be entitled to any proceeds recovered as a result of that litigation. On or about June 20, 2017, the parties agreed to resolve the matter for the sum of $460,000, with $68,000 to be paid on or before September 1, 2017, monthly payments of no less than $5,500 for October, November and December 2017, and an additional balloon payment to bring the total paid to $100,000 on or before January 1, 2018. That agreement was formalized in writing and included confessions of judgment, which may be taken in the event of default. Defendants are presently in default but have expressed a desire to restructure their payment plan and cure the default. However, Defendants have been unable to reach their counsel for more than two years in order to finalize the transaction. The parties are currently awaiting the court's guidance but in either case, have the option of filing and recording the default judgment and then pursuing collection.

Additionally, MFFK, as a lienholder, was served with two separate interpleader actions, wherein the total amount of the liens for medical treatment and services exceeds the amount of the settlement funds available. Accordingly, it is up to the court to determine how the proceeds should be divided based on the number of parties that answer the complaint. Accordingly, on March 21, 2017, MFFK filed its Answer in *Glen Lerner Injury Attorneys v. Cleveland Powe, et al.*, Case No. A-16-745663-C, and on April 6, 2017, MFFK filed its answer in *Glen Lerner Injury Attorneys v. William Woods, Sr. et al*, Case No. A-17-751653-C, in order to protect its right, interest, entitlement and/or benefit to the settlement funds based upon its existing lien. While MFFK is zealously pursuing all avenues of financial recovery with respect to losses sustained as a result of the Med Lien loan, the likelihood of success in collecting on the full amount owed is subject to a number of unresolved variables. Thus, the timing and full extent of collection remains unknown at this point and all balances have been written off.

On August 1, 2019, the retired Miracle Flights CEO, Ann McGee and her husband, William McGee filed suit against MF seeking injunctive and declaratory relief with respect to the enforceability and validity of certain employment and/or consulting agreements related to her compensation and seat on the MF Board of Directors ("BOD"), as a result of certain disputes regarding the compensation and benefits package to which retired Miracle Flights CEO, Ann McGee and her husband, William McGee, were entitled.

MF had filed counterclaims alleging Breach of Fiduciary Duty, Constructive Fraud and Declaratory Relief against McGee, as well as claims for Constructive Trust and Unjust Enrichment against both Ms. McGee and her husband, William McGee. In a nutshell, MF alleged McGee fraudulently inflated her salary and that of her husband, which ultimately resulted in MF paying excessive retirement benefits. William McGee did not have a written agreement formalizing the compensation and retirement benefits to which he is entitled. MF contends Ms. McGee unilaterally determined the benefits and compensation to which her husband was entitled. While Ms. McGee had a number of written employment agreements during her tenure with MF, the challenge has been determining which employment agreement was enforcible and should govern her retirement compensation and benefits. In March 2023, MF had arrived at a mutual settlement of all claims for a one time payment of $350,000, although such agreement was never subject to an executed final written agreement, but in draft only. McGee subsequently denied having agreed with the terms of such draft agreement. In August 2023, the court determined that such agreement was in fact binding for a one time payment of $350,000, a catch up payment of less than $15,000 for some past health insurance costs and annuity payments, as well as the continuation of the terms of the health insurance and pension payments that had been previously in place for the overall settlement of all of the McGee claims. The terms of the settlement agreement was finalized and executed in October 2023 by both parties.

11. RETIREMENT PLANS

In November 2015, the founders of the Organization retired. The Board of Directors agreed on a retirement plan for Ann McGee to be funded by the purchase of annuities totaling $6,047,935, which would provide annual annuity payments to Mrs. McGee totaling an amount not to exceed 75% of her final salary during her lifetime.

The Organization is the beneficiary of the annuities and upon her passing, the annuities will be transferred back to the Organization in the form of a contribution from Mrs. McGee's estate.

The Board of Directors also agreed on a retirement plan for Bill McGee to be funded by the purchase of annuities totaling $1,145,090, which would provide annual annuity payments to Mr. McGee totaling an amount not to exceed 75% of his final salary during his lifetime. The Organization is the beneficiary of the annuities and upon his passing, the annuities will be transferred back to the Organization in the form of a contribution from Mr. McGee's estate. Mr. McGee's retirement plan is under no contractual obligations.

The annuities were purchased to cover Ann and Bill McGee's retirement liability. Although the annuities are held in the name of Miracle Flights, the Organization is contractually obligated to leave Ann McGee's annuities intact until the events described above occur.

As a term of the CEO's employment contract entered into in October of 2015 and renewed in September of 2021, the Company finalized in May 2022, a supplemental retirement plan for the executive funded through a split-dollar retirement plan. The split-dollar plan is being used as a supplemental and retention benefit for the CEO. Under the split dollar arrangement, the premium payments are made by the Company and are considered taxable benefits paid to the executive. Upon the death of the CEO, the Company may recover all or a portion of the premiums paid.

The Organization's Board of Directors have also agreed to fund the health insurance of Ann and Bill McGee, for their lifetime, as part of their retirement arrangement.

12. SECURED LINE OF CREDIT

On April 8, 2020, the Company entered into a Credit and Security Agreement with a financial institution. The Company has a $4,000,000 secured line-of-credit. The obligation is secured by the Company's investments held at the same financial institution and matures July 5, 2023. In October 2022, the Company increased the line of credit to $7,000,000, which has a new maturity date of October 20, 2023. The balance as of April 30, 2022 totaled $3,600,000. The interest on the unpaid principal is payable monthly at a rate of interest equal to the greater of (a) 1.55%, (b) Prime rate minus 1.625% (c) Daily Simple SOFR (Secured Overnight Financing Rate) Based Rate of 1.55% or (d) Daily Simple SOFR plus 1.55%. The unpaid principal is due at maturity. Interest expense as of April 30, 2022 was $29,803.

13. OFFICER SALARY

Mark Brown, CEO of Miracle Flights receives compensation via an annual salary, 20% of Mr. Brown's salary is allocated to MFFK Holdings Inc. for the role of on-site manager.

14. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 4, 2023, the date the financial statements were issued. See notes 10, 11 and 12 for updates.

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
SCHEDULE OF FINANCIAL POSITION CONSOLIDATION
APRIL 30, 2022

ASSETS

	Miracle Flights	MFFK Holdings, Inc.	Elimination	Consolidated
Assets				
Cash and cash equivalents	1,947,367	261,567	-	2,208,934
Accounts receivable	294	6,527	-	6,821
Investments in marketable securities	40,099,316	-	-	40,099,316
Prepaid expenses and other current asset	27,969	932,576	-	960,545
Land, building and equipment, net	92,165	9,657,893	-	9,750,058
Intercompany affiliate	5,464,373	-	(5,464,373)	-
Total assets	47,631,484	10,858,563	(5,464,373)	53,025,674

LIABILITIES AND NET ASSETS

	Miracle Flights	MFFK Holdings, Inc.	Elimination	Consolidated
Liabilities				
Accounts payable	40,231	48,631	-	88,862
Accrued liabilities	1,092,482	-	-	1,092,482
Secured line of credit	3,600,000	-	-	3,600,000
Prepaid rent	-	21,215	-	21,215
Tenant security deposits	-	37,085	-	37,085
Intercompany affiliate	-	5,464,373	(5,464,373)	-
Total liabilities	4,732,713	5,571,304	(5,464,373)	4,839,644
Net assets				
Without donor restrictions	42,898,771	5,287,259	-	48,186,030
Total net assets	42,898,771	5,287,259	-	48,186,030
Total liabilities and net assets	47,631,484	10,858,563	(5,464,373)	53,025,674

See Notes to Accompanying Consolidated Financial Statements.

MIRACLE FLIGHTS AND AFFILIATE
(A NONPROFIT ORGANIZATION)
SCHEDULE OF ACTIVITIES CONSOLIDATION
FOR THE YEAR ENDED APRIL 30, 2022

	Miracle Flights	MFFK Holdings, Inc.	Elimination *	Consolidated
Revenues, and other support				
Contributions	$ 569,541	$ -	$ -	$ 569,541
In-kind contributions	784,155	-	-	784,155
Total contributions	1,353,696	-	-	1,353,696
Special events	-	-		-
Rental income	-	1,939,697	(218,474)	1,721,223
Other support	-	1,939,697	(218,474)	1,721,223
Total support	1,353,696	1,939,697	(218,474)	3,074,919
Functional expenses				
Program services				
Program services	2,368,368	-	-	2,368,368
Total program services	2,368,368	-	-	2,368,368
Supporting services				
Fundraising	255,179	-	-	255,179
Management and administrative	988,913	-	(218,474)	770,438
Total supporting services	1,244,091	-	(218,474)	1,025,617
Total functional expenses	3,612,459	-	(218,474)	3,393,985
Building expenses	-	1,267,909	-	1,267,909
Total expenses	3,612,459	1,267,909	(218,474)	4,661,894
Other income (expense):				
Investment income, net of fees	897,431	-	-	897,431
Other income/ (expense)	(578,354)	4,215	-	(574,139)
Interest expense	(36,537)	-	-	(36,537)
Realized gain on investments	782,191	-	-	782,191
Unrealized gain (loss) on investments	(2,263,535)	-	-	(2,263,535)
Total other income (expense)	(1,198,804)	4,215	-	(1,194,589)
Change in net assets	(3,457,567)	676,003	-	(2,781,564)
Net assets, May 1, 2021	46,358,687	4,608,907	-	50,967,594
Net assets, April 30, 2022	$ 42,901,120	$ 5,284,910	$ -	$ 48,186,030

See Notes to Accompanying Consolidated Financial Statements.