

Fanconi Canada
Financial Statements

(Unaudited)
December 31, 2017

Fanconi Canada

Balance Sheet

As at December 31

(Unaudited)

		2017	2016
Assets			
Current			
	Cash	\$364,102	\$466,444
	Short term investments (note 9)	554,110	150,732
	Other	7,533	7,203
		<u>\$925,745</u>	<u>\$624,379</u>
Liabilities			
Current			
	Accounts payable and accrued liabilities	2,597	509
Net assets			
		<u>923,148</u>	<u>623,870</u>
		<u>\$925,745</u>	<u>\$624,379</u>

The accompanying notes are an integral part of these financial statements.

Fanconi Canada

Statement of Changes in Net Assets

For the year ended December 31

(Unaudited)

		2017	2016
Net Assets			
	Balance, beginning of year	\$623,870	\$387,840
	Excess (deficiency) of revenues over expenditures	299,278	236,030
	Balance, end of year	<u>\$923,148</u>	<u>\$623,870</u>

The accompanying notes are an integral part of these financial statements.

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Statement of Operations

For the year ended December 31

(Unaudited)

		2017	2016
Revenues			
	Donations and other contributions	\$349,012	\$331,480
	Interest income and rebates	4,424	1,417
	Total revenues	<u>353,436</u>	<u>332,897</u>
Expenditures			
	Research (notes 4 to 6)	5,710	50,538
	Direct fundraising expenses	42,100	42,516
	Administrative expenses	6,349	3,813
	Total expenditures	<u>54,158</u>	<u>96,867</u>
	Excess (deficiency) of revenues over expenditures	<u>\$299,278</u>	<u>\$236,030</u>

The accompanying notes are an integral part of these financial statements.

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Statement of Cash Flows

For the year ended December 31

(Unaudited)

		2017	2016
Cash flows from operating activities			
Net fundraising			
	Ontario Fundraiser (note 7)	\$102,301	\$110,188
	Scotiabank Waterfront Run (note 8)	15,352	17,800
	LAWPRO Employee Fundraising	6,260	5,993
	Kestenberg Siegel Lipkus Casual Days	2,874	2,473
	Memorial, William Shelson	-	4,080
	Chorneyko Family Fundraisers	140,141	109,027
	Lauzier Family Fundraiser	5,093	5,461
	Ritchie-Mingo Fundraisers	12,614	12,453
	Heath Family Fundraisers	4,303	-
	Bentley Family Fundraisers	1,303	135
	Glavac Family Fundraisers	4,073	11,715
	Memorial, Nicholas Galatsis	5,151	3,138
	Memorial, Tali Rom	48	887
	Tribute Cards and General Donations	5,203	3,772
		<u>304,716</u>	<u>287,122</u>
Research			
	Cada (note 4)	-5,710	-
	Mateo (note 5)	-	-6,250
	Dror (note 6)	-	-42,197
	BC Children's Hospital Vancouver Conference	-	-1,400
	Miscellaneous Conferences	-	-690
	General administrative costs net of rebates	-3,997	-1,524
	Net increase (decrease) in working capital	1,758	-3,542
		296,767	231,519
Cash flows from investing activities			
	Interest income	4,269	969
		301,036	232,488
	Cash and Investments, beginning of year	617,176	384,688
		<u>\$918,212</u>	<u>\$617,176</u>
Cash and Investments, end of year		<u>\$918,212</u>	<u>\$617,176</u>

The accompanying notes are an integral part of these financial statements.

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Notes to Financial Statements

As at December 31, 2017

(Unaudited)

1. Purpose of Organization

Fanconi Canada (Canadian Fanconi Anemia Research Fund/La Fondation Canadienne de Recherche de L'Anemie de Fanconi) raises money to fund research on finding a cure and/or treatment for Fanconi Anemia (a fatal genetic disease causing bone marrow failure and physical anomalies), to raise awareness among members of the general public and the medical community about Fanconi Anemia, its diagnosis and methods of treatment, to provide support to Canadian families affected by Fanconi Anemia, and the publication of newsletters and educational materials in furtherance of the foregoing objectives. On October 15, 2014 Fanconi Canada transitioned its incorporation to the Canada Not-for-profit Corporations Act, from the previous Canada Corporations Act. Fanconi Canada is a registered charity under the Income Tax Act.

2. Significant Accounting Policies

Revenue Recognition

Fanconi Canada follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

Short-term investments

Short-term investments comprising Guaranteed Investment Certificates are initially and subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Contributed Services

Volunteers contribute many hours per year to assist Fanconi Canada in carrying out its service delivery activities, fundraising and day-to-day operations. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Fanconi Canada

Notes to Financial Statements

As at December 31, 2017

(Unaudited)

3. Raffles at Ontario Fundraisers 2017 and 2016

Fanconi Canada ran a raffle for prizes at the 2017 and 2016 Ontario Fundraisers, both of which required a Lottery Licence from the City of Toronto, numbered M789974 and M779822 respectively. The use of lottery proceeds must benefit a Toronto resident according to the licence restrictions. Accordingly, the proceeds from 2017 raffle funded Dr. Michaela Cada (see note 4) and in 2016 went to Abigail Mateo (see note 5) and the Hospital for Sick Children in Toronto to contribute to the Inherited Bone Marrow Failure Patient Conference.

4. Dr. Michaela Cada

Dr. Michaela Cada of the Hospital for Sick Children in Toronto is leading a proposal for a multi-centre Phase I and Phase II trial into N-Acetyl Cysteine (or NAC) as a possible mitigator of bone marrow failure in Fanconi anemia individuals. Fanconi Canada funded \$5,710 for this project to address some changes to the protocol requested by C17 and the local REB. Upon approval, Fanconi Canada intends to participate in funding the project.

5. Contractual Obligations - Abigail Mateo

Fanconi Canada in partnership with the Canadian Institutes of Health Research (under the 2012 CIHR Small Health Organization Partnership Program), has granted a three-year Doctoral Research Award to Abigail Mateo of the Hospital for Sick Children, Toronto for her project *C. elegans p53 family transcription factor has roles in meiotic recombination and DNA interstrand crosslink* to better understand DNA repair with respect to the FA pathway. The award is for \$35,800 per year for a total of \$105,000 funded equally by Fanconi Canada and CIHR from May 1, 2013 to April 30, 2016.

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6. Contractual Obligations – Dr. Yigal Dror

In 2016, Fanconi Canada funded a portion of the project *Dissecting the hematopoietic hierarchy and function in non-malignant and malignant states using inherited disorders with hematopoietic stem cell/progenitor loss*, in the one-time amount of \$42,198 to the Hospital for Sick Children, Toronto. The project is under the supervision of Dr. Yigal Dror and includes the investigation of how FA cells progress from non-leukemic to leukemic states with a view to identify early changes in bone marrow that might aid in developing early detection, prevention and/or treatment.

7. Ontario Fundraiser

The following is a breakdown of the Annual Ontario Fundraiser, the major fundraising initiative for Fanconi Canada.

Ontario Fundraiser
Amount Raised for Research
For the year ended December 31,

	2017	2016
Revenues		
Table sponsorships	\$90,750	\$95,250
Auction items	26,925	31,198
Donations	10,199	8,573
Ticket sales	10,940	12,275
Raffle tickets	5,710	6,440
Event novelties	22	60
Total revenues	144,546	153,796
Direct Fundraising Expenses	-42,245	-43,608
Net Amount Raised	\$102,301	\$110,188

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8. Scotiabank Waterfront Marathon

Fanconi Canada is in the seventh year of entering a team in the Scotiabank Waterfront Marathon.

**Scotiabank Waterfront Marathon
Amount Raised for Research**
For the year ended December 31,

	2017	2016
Revenues		
Team and Individual Runner Sponsorships	\$15,751	\$18,173
Direct Fundraising Expenses	-399	-373
Net Amount Raised	<u>\$15,352</u>	<u>\$17,800</u>

9. Financial Instruments

Fair values approximate amounts at which financial instruments could be exchanged between willing parties, based on current markets for instruments of same risk, principal and remaining maturities. Fair values are based on estimates using valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows which reflect varying degrees of risk. Therefore, due to the use of subjective judgment and uncertainties, the aggregate fair value amount should not be interpreted as being realizable in an immediate settlement of the investments.

As at December 31, 2017 and 2016 the Organization's financial instruments comprise cash, short-term investments and accounts payable and accrued liabilities.

Management believes that the Organization's financial instruments are not subject to credit risk, market risk or interest rate risk.