

**FANCONI CANADA**

Unaudited Financial Statements

December 31<sup>st</sup>, 2002

Prepared By:

Annette Waxberg  
Treasurer

September 14, 2003

**FANCONI CANADA****Statement of Financial Position**  
(Unaudited)

As at December 31, 2002

	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>
<b>CURRENT ASSETS</b>		
Bank accounts	\$47,347	\$3,244
Undeposited funds	3,692	10,615
Guaranteed Investment Certificate	50,972	75,000
<b>TOTAL CURRENT ASSETS</b>	<u>\$102,011</u>	<u>\$88,859</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
Net Assets internally restricted for research (note 3)	\$97,619	\$85,611
Unrestricted net assets	4,392	3,248
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$102,011</u>	<u>\$88,859</u>

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**FANCONI CANADA****Statement of Operations**  
(Unaudited)

For the year ended December 31, 2002

	Jan. 1, 2002 to <u>Dec. 31, 2002</u>	Jan. 1, 2001 to <u>Dec. 31, 2001</u>
<b>REVENUES</b>		
Research contributions	\$55,258	\$56,865
Unrestricted contributions	1,441	2,133
Interest income	1,540	1,777
Total revenues	<u>\$58,239</u>	<u>\$60,775</u>
<b>GRANTS &amp; EXPENSES</b>		
Research projects funded (notes 4,5,6)	\$43,250	\$19,250
Administrative expenses	1,837	2,162
Total grants & expenses	<u>\$45,087</u>	<u>\$21,412</u>
<b>Excess of revenues over grants &amp; expenses</b>	<u>\$13,152</u>	<u>\$39,363</u>

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**FANCONI CANADA****Statement of Changes in Net Assets**  
(Unaudited)

As at Dec. 31, 2002

	<u>Internally Restricted for Research</u>	<u>Unrestricted</u>	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>
<b>NET ASSETS</b>				
Balance, beginning of year	\$85,611	\$3,248	\$88,859	\$49,496
Excess of revenues over expenses, research	12,008	-	12,008	37,615
Excess of revenues over expenses, administration	-	1,144	1,144	1,748
<b>BALANCE, END OF YEAR</b>	<u>\$97,619</u>	<u>\$4,392</u>	<u>\$102,011</u>	<u>\$88,859</u>

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**FANCONI CANADA****Statement of Cash Flows**  
(Unaudited)

For the year ended December 31, 2002

	<u>Jan. 1, 2002 to</u> <u>Dec. 31, 2002</u>	<u>Jan. 1, 2001 to</u> <u>Dec. 31, 2001</u>
<b>Cash flows from operating activities</b>		
Cronin family fundraising for research	\$11,909	\$20,462
Lauzier family fundraising for research	2,797	7,395
Shelson/Waxberg family fundraising for research	27,803	24,993
Fecteau family fundraising for research	240	1,598
Redekop family fundraising for research	490	490
Other family fundraising for research	550	1,927
Cash received for administrative contributions	1,441	2,088
Cash received for handbook donations	-	45
Cash received for interest	1,540	1,777
Cash refund (paid) for Pasco CIHR Part. (note 4)	11,469	(19,250)
Cash paid for Bradshaw CIHR Partnership (note 5)	(20,750)	-
Cash paid for Dr. Dror's research project (note 6)	(22,500)	-
Cash paid for administrative expenses	(1,837)	(2,162)
<b>Net cash generated through operating activities</b>	<hr/> \$13,152	<hr/> \$39,363
<b>Cash flows from financing &amp; investing activities</b>		
Cash transferred from bank account to GIC	-	37,500
Cash transferred to bank account from GIC	(25,000)	-
Sale (purchase) of GIC	25,000	(37,500)
<b>Net cash used in financing &amp; investing activities</b>	<hr/> -	<hr/> -
<b>Net increase in cash &amp; GIC's</b>	13,152	39,363
Cash & GIC's, beginning of year	88,859	49,496
<b>Cash &amp; GIC's, end of year</b>	<hr/> \$102,011	<hr/> \$88,859

**FANCONI CANADA****Notes to Financial Statements**  
(Unaudited)

As at December 31, 2002

**1. Purpose of the 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. Fanconi Canada is incorporated under the Canada Corporations Act as a not-for-profit organization and 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. Unrestricted investment income is recognized as revenue when earned.

**Investments**

Investments are recorded at the lower of cost and market value.

**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. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**3. Restrictions on net assets**

Fanconi Canada has no net assets with externally imposed restrictions; however, donations from the public are internally restricted to be used for research. Some donations from families afflicted with Fanconi Anemia are directed to cover Fanconi Canada services and administrative expenses as well as interest revenue.

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**4. Contractual Obligations - CIHR Partnership Dr. Pasco**

On April 27, 2001, Fanconi Canada in equal partnership with the Canadian Institutes of Health Research awarded a Postdoctoral Fellowship in Fanconi Anemia Research. Fanconi Canada's portion of the Fellowship Award was \$19,250 per year for 3 years. In January 2002, a partial refund of the amount advanced for the first year was returned to Fanconi Canada since the researcher, Dr. Sylvie Pasco, cancelled the partnership when she left the Hospital for Sick Children for a position in France. A new CIHR partnership was entered into for Fanconi Anemia Research, see note 5.

**5. Contractual Obligations - CIHR Partnership Dr. Bradshaw**

On July 25, 2002, Fanconi Canada and CIHR in a 50/50 partnership awarded Dr. Paul Bradshaw of the Hospital for Sick Children a 3 year Postdoctoral Fellowship for Fanconi anemia research. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250).

**6. Contractual Obligations – Dr. Dror**

On August 7, 2002, Fanconi Canada agreed to partially fund the Canadian Inherited Marrow Failure Registry for Dr. Dror at the Hospital for Sick Children. Fanconi Canada's obligation is \$22,500 per year for two years.