

FANCONI CANADA

Unaudited Financial Statements

December 31st, 2003

Prepared By:

Annette Waxberg
Treasurer

June 30, 2004

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

As at December 31, 2003

	<u>Dec. 31, 2003</u>	<u>Dec. 31, 2002</u>
CURRENT ASSETS		
Bank accounts	\$20,136	\$47,347
Undeposited funds	11,144	3,692
Guaranteed Investment Certificate	102,160	50,972
TOTAL CURRENT ASSETS	<u>\$133,440</u>	<u>\$102,011</u>
LIABILITIES & NET ASSETS		
Research projects payable (note 6)	\$22,500	-
Net Assets internally restricted for research (note 3)	105,780	\$97,619
Unrestricted net assets	5,160	4,392
TOTAL LIABILITIES & NET ASSETS	<u>\$133,440</u>	<u>\$102,011</u>

June 30, 2004

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

For the year ended December 31, 2003

	Jan. 1, 2003 to <u>Dec. 31, 2003</u>	Jan. 1, 2002 to <u>Dec. 31, 2002</u>
REVENUES		
Research contributions	\$51,411	\$55,258
Unrestricted contributions	992	1,441
Interest income	1,204	1,540
Total revenues	<u>\$53,607</u>	<u>\$58,239</u>
GRANTS & EXPENSES		
Research projects funded (notes 4,5,6,7)	\$43,250	\$43,250
Administrative expenses	1,428	1,837
Total grants & expenses	<u>\$44,678</u>	<u>\$45,087</u>
Excess of revenues over grants & expenses	<u>\$8,929</u>	<u>\$13,152</u>

June 30, 2004

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

As at Dec. 31, 2003

	<u>Internally Restricted for Research</u>	<u>Unrestricted</u>	<u>Dec. 31, 2003</u>	<u>Dec. 31, 2002</u>
NET ASSETS				
Balance, beginning of year	\$97,619	\$4,392	\$102,011	\$88,859
Excess of revenues over expenses, research	8,161	-	8,161	12,008
Excess of revenues over expenses, administration	-	768	768	1,144
BALANCE, END OF YEAR	<u>\$105,780</u>	<u>\$5,160</u>	<u>\$110,940</u>	<u>\$102,011</u>

June 30, 2004

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

For the year ended December 31, 2003

	<u>Jan. 1, 2003 to</u> <u>Dec. 31, 2003</u>	<u>Jan. 1, 2002 to</u> <u>Dec. 31, 2002</u>
Cash flows from operating activities		
Cronin family fundraising for research	\$150	\$11,909
Fecteau family fundraising for research	1,812	240
Lauzier family fundraising for research	9,214	2,797
Redekop family fundraising for research	30	490
Shelson/Waxberg family fundraising for research	36,735	27,803
Audrey Hettinga memorial donations	3,210	-
Other family fundraising for research	260	550
Cash received for administrative contributions	992	1,441
Cash received for interest	1,204	1,540
Cash refund for Pasco CIHR Partnership (note 4)	-	11,469
Cash paid for Bradshaw CIHR Partnership (note 5)	(20,750)	(20,750)
Cash paid for Dr. Dror's research project (note 6)	-	(22,500)
Cash paid for administrative expenses	(1,428)	(1,837)
Net cash generated through operating activities	<u>\$31,429</u>	<u>\$13,152</u>
Cash flows from financing & investing activities		
Cash transferred from bank account to GIC	\$50,000	-
Cash transferred to bank account from GIC	-	(25,000)
Sale (purchase) of GIC	(50,000)	25,000
Net cash used in financing & investing activities	<u>-</u>	<u>-</u>
Net increase in cash & GIC's	31,429	13,152
Cash & GIC's, beginning of year	102,011	88,859
Cash & GIC's, end of year	<u>\$133,440</u>	<u>\$102,011</u>

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

As at December 31, 2003

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.

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.

7. Contractual Obligations – CIHR Partnership Dr. Brodeur

On March 31, 2004, Fanconi Canada and CIHR in a 50/50 partnership awarded Dr. Isabelle Brodeur of the Centre Hospitalier Universitaire de Quebec (CHUQ) a 3 year Postdoctoral Fellowship for Fanconi anemia research, based on the August 15, 2003 competition. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250).

8. Contractual Obligations – CIHR Partnership 2004 Competition

On August 24, 2004, Fanconi Canada and CIHR posted another competition for a 3 year Postdoctoral Fellowship in a 50/50 partnership to be awarded early in 2005. Fanconi Canada's portion of the Fellowship Award is \$20,750 per year for 3 years (for a potential total of \$62,250).