

**FANCONI CANADA**

Unaudited Financial Statements

December 31<sup>st</sup>, 2005

Prepared By:

Annette Waxberg  
Treasurer

June 30, 2006

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

As at December 31, 2005

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>
<b>CURRENT ASSETS</b>		
Bank accounts	\$44,330	\$109,519
Undeposited funds	50	5,801
Guaranteed Investment Certificate	154,173	53,145
<b>TOTAL CURRENT ASSETS</b>	<u>\$198,553</u>	<u>\$168,465</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
Net Assets internally restricted for research (note 3)	\$191,916	\$161,769
Unrestricted net assets	6,637	6,696
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$198,553</u>	<u>\$168,465</u>

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

For the year ended December 31, 2005

	Jan. 1, 2005 to <u>Dec. 31, 2005</u>	Jan. 1, 2004 to <u>Dec. 31, 2004</u>
<b>REVENUES</b>		
Research contributions	\$79,555	\$76,739
Unrestricted contributions	2,262	2,218
Interest income	1,048	2,166
Total revenues	<u>\$82,865</u>	<u>\$81,123</u>
<b>GRANTS &amp; EXPENSES</b>		
Research projects funded (notes 4,5,6,7)	\$49,408	\$20,750
Administrative expenses	3,369	2,848
Total grants & expenses	<u>\$52,777</u>	<u>\$23,598</u>
<b>Excess of revenues over grants &amp; expenses</b>	<u>\$30,088</u>	<u>\$57,525</u>

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

As at Dec. 31, 2005

	<u>Internally Restricted for Research</u>	<u>Unrestricted</u>	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2004</u>
<b>NET ASSETS</b>				
Balance, beginning of year	\$161,769	\$6,696	\$168,465	\$110,940
Excess of revenues over expenses, research	30,147	-	30,147	55,989
Excess of expenses over revenues, administration	-	<59>	<59>	1,536
<b>BALANCE, END OF YEAR</b>	<u>\$191,916</u>	<u>\$6,637</u>	<u>\$198,553</u>	<u>\$168,465</u>

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

For the year ended December 31, 2005

	<u>Jan. 1, 2005 to Dec. 31, 2005</u>	<u>Jan. 1, 2004 to Dec. 31, 2004</u>
<b>Cash flows from operating activities</b>		
Boudreau family fundraising for research	\$180	\$920
Fecteau family fundraising for research	1,511	125
Harvey family fundraising for research	2,414	-
Lauzier family fundraising for research	3,970	1,304
Janelle Redekop memorial donations for research	-	4,670
Shelson/Waxberg family fundraising for research	70,910	69,270
Other family fundraising for research	570	450
Cash received for administrative contributions	2,262	2,218
Cash received for interest	1,048	2,166
Cash paid for Bradshaw CIHR Partnership (note 4)	-	(20,750)
Cash paid for Dr. Dror's research project (note 5)	(22,500)	(22,500)
Cash paid for Dr. Carreau's research project (note 7)	-	-
Cash paid for administrative expenses	(3,369)	(2,848)
<b>Net cash generated through operating activities</b>	<u>\$30,088</u>	<u>\$35,025</u>
<b>Cash flows from financing &amp; investing activities</b>		
Cash transferred from bank account to GIC	\$101,028	\$ -
Cash transferred to bank account from GIC	-	(49,015)
Sale (purchase) of GIC	(101,028)	49,015
<b>Net cash used in financing &amp; investing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash &amp; GIC's</b>	30,088	35,025
Cash & GIC's, beginning of year	168,465	133,440
<b>Cash &amp; GIC's, end of year</b>	<u>\$198,553</u>	<u>\$168,465</u>

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

As at December 31, 2005

**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. 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).

#### **5. 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. In the fall of 2004, Fanconi Canada agreed to continue partial funding for the Registry for 2005 to 2007 at \$22,000 per year.

#### **6. 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). The project and its funding was to commence February 1, 2005, but the start date had been delayed until August 1, 2005 as a result of the maternity leave of the Postdoctoral Fellow. On August 1, 2005, Dr. Brodeur transferred her research to the Centre de Cancérologie de l'Université Laval. Fanconi Canada began funding this research in March 2006 for \$20,734 and will continue the three-year commitment.

#### **7. Contractual Obligations – FARF Partnership Dr. Carreau**

In the fall of 2004, Fanconi Canada agreed to partner 50/50 with the Fanconi Anemia Research Fund, Inc. of Oregon to finance the project of Dr. Madeleine Carreau of the Centre Hospitalier Universitaire de Quebec (CHUQ) titled *Characterization of FANCC Proteolytic Fragments*. Fanconi Canada's obligation was US \$21,750 and Cdn. \$26,908 was paid in 2005.

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## 8. Contractual Obligations – CIHR Partnerships 2006 and 2007

On March 24, 2006, Fanconi Canada and CIHR agreed to co-fund one Fellowship and one Doctoral Research award for each competition in 2006 and 2007 under the Small Health Organizations Partnership Program. The research undertaken would be into Fanconi anemia and would last 3 years for each award. Fanconi Canada's obligation under this partnership would be \$22,500 a year for each Fellowship award and \$11,000 per year for each Doctoral Research award.

## 9. Toronto Fundraiser

Research contributions are shown net of fundraising expenses on the Statement of Operations for all the family fundraising. The following is a breakdown of the Toronto Fundraiser.

### Toronto Fundraiser Amount Raised for Research (Unaudited)

For the year ended December 31, 2005

	<u>2005 Fundraiser</u>	<u>2004 Fundraiser</u>
<b>REVENUES</b>		
Table sponsorships	\$36,500	\$21,800
Auction items	21,641	17,633
Donations	14,631	7,178
Ticket sales	6,690	6,240
Event novelties	2,472	1,953
Total revenues	<u>\$81,934</u>	<u>\$54,804</u>
<b>DIRECT FUNDRAISING EXPENSES</b>	<u>24,284</u>	<u>16,007</u>
<b>Amount raised for research</b>	<u>\$57,650</u>	<u>\$38,797</u>