

FANCONI CANADA

Unaudited Financial Statements

December 31st, 2007

Prepared By:

Annette Waxberg
Treasurer

June 30, 2008

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

As at December 31, 2007

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
CURRENT ASSETS		
Bank accounts	\$5,459	\$80,450
GIC and other current assets	239,267	158,429
TOTAL CURRENT ASSETS	<u>\$244,726</u>	<u>\$238,879</u>
LIABILITIES & NET ASSETS		
Payables	\$22,500	\$2,545
Net Assets internally restricted for research (note 3)	209,048	226,730
Unrestricted net assets	13,178	9,604
TOTAL LIABILITIES & NET ASSETS	<u>\$244,726</u>	<u>\$238,879</u>

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

For the year ended December 31, 2007

	Jan. 1, 2007 to <u>Dec. 31, 2007</u>	Jan. 1, 2006 to <u>Dec. 31, 2006</u>
REVENUES		
Research contributions	\$107,731	\$120,307
Unrestricted contributions	1,674	2,599
Interest income	4,446	4,070
Total revenues	<u>\$113,851</u>	<u>\$126,976</u>
GRANTS & EXPENSES		
Research projects funded (notes 4 to 9)	\$96,074	\$61,862
Direct Fundraising expenses	29,339	23,631
Administrative expenses	2,546	3,702
Total grants & expenses	<u>\$127,959</u>	<u>\$89,195</u>
Excess <deficit> of revenues over grants & expenses	<u><\$14,108></u>	<u>\$37,781</u>

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

As at Dec. 31, 2007

	<u>Internally Restricted for Research</u>	<u>Unrestricted</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
NET ASSETS				
Balance, beginning of year	\$226,730	\$9,604	\$236,334	\$198,553
Excess <deficit> of revenues over expenses, research	<17,682>		<17,682>	34,814
Excess <deficit> of expenses over revenues, administration		3,574	3,574	2,967
BALANCE, END OF YEAR	<u>\$209,048</u>	<u>\$13,178</u>	<u>\$222,226</u>	<u>\$236,334</u>

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

For the year ended December 31, 2007

	<u>Jan. 1, 2007 to Dec. 31, 2007</u>	<u>Jan. 1, 2006 to Dec. 31, 2006</u>
Cash flows from operating activities		
Boudreau family net fundraising for research	300	\$1,523
Cronin family net fundraising for research	5,378	300
Lauzier family net fundraising for research	750	6,207
Shelson/Waxberg family net fundraising for research	71,267	87,251
Other family net fundraising for research	699	1,395
Administrative contributions	1,674	2,599
Interest	4,446	4,070
Dr. Dror's research project (note 4)	<22,500>	<22,500>
Dr. Durocher's research project (note 5)	<66,500>	-
Dr. Brodeur's research project (note 6)	-	<36,568>
Caroline Huard's research project (note 7)	<6,625>	-
Other research projects	<450>	<2,794>
Administrative costs	<2,546>	<3,702>
Net increase in payables	19,813	2,419
Net cash generated through operating activities	<u>\$5,706</u>	<u>\$40,200</u>
Cash flows from financing & investing activities	-	-
Cash & GIC's, beginning of year	238,753	198,553
Cash & GIC's, end of year	<u>\$244,459</u>	<u>\$238,753</u>

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

As at December 31, 2007

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 – 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 \$22,500 per year.

5. 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 were 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 completed its funding for this research in 2006.

6. Contractual Obligations – Dr. Durocher

On October 3, 2007, Fanconi Canada agreed to fund the first year of the research project entitled "*Charcterization of Fanconi anemia alternative spliced forms in breast cancer cases from non-BRCA1/2 high risk French Canadian families*", headed by Dr. Francine Durocher of the Centre Hospitalier Universitaire de Quebec. Fanconi Canada currently has no further funding commitments for this project.

7. Contractual Obligations – Caroline Huard

A Doctoral Research award was granted to Caroline Huard at Université Laval de Quebec for the project titled *Rôle du corépresseur de la transcription ctBPI (C-terminal binding protein) dans l'anémie de Fanconi* under the CIHR Small Health Organization Partnership Program for 2006. Fanconi Canada's obligation is for one half of \$22,000 per year for three years, commencing October 2007.

8. Contractual Obligations – Julien Vignard

A Post-Doctoral Fellowship in FA Research was awarded to Julien Vignard of Laval University in Quebec City for his project studying the role of FA proteins in DNA double-stranded break repair. Fanconi Canada's obligation is for one half of \$45,000 per year for three years commencing April 2008.

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9. Contractual Obligations – CIHR Partnership 2008 Competition

Fanconi Canada's obligation under the CIHR Small Health Organization Partnership Program for the 2008 competition is for one half of the following amounts: one Masters Award (\$17,500 per year for one year), one Doctoral Research Award (\$22,000 per year for up to three years), one Fellowship (\$55,000 per year for a minimum of 3 up to a maximum of five years). The competition will be decided in 2009.

10. Toronto Fundraiser

The following is a breakdown of the Toronto Fundraiser.

Toronto Fundraiser
Amount Raised for Research
(Unaudited)

For the year ended December 31, 2007

	<u>2007 Fundraiser</u>	<u>2006 Fundraiser</u>
REVENUES		
Table sponsorships	\$52,200	\$44,600
Auction items	19,574	25,427
Donations	10,218	11,253
Ticket sales	9,955	9,380
Event novelties	125	2,380
Total revenues	<u>\$92,072</u>	<u>\$93,040</u>
DIRECT FUNDRAISING EXPENSES	<u><29,108></u>	<u><22,780></u>
Amount raised for research	<u>\$62,964</u>	<u>\$70,260</u>