FANCONI CANADA

Unaudited Financial Statements

December 31st, 2013

Prepared By:

Annette Waxberg
Treasurer
FANCONI CANADA

Statement of Financial Position
(Unaudited)

As at December 31, 2013

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank accounts</td>
<td>$59,503</td>
<td>$27,538</td>
</tr>
<tr>
<td>GIC and other current assets</td>
<td>333,957</td>
<td>337,201</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>$393,460</td>
<td>$364,739</td>
</tr>
<tr>
<td><strong>LIABILITIES &amp; NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>$35</td>
<td>$85</td>
</tr>
<tr>
<td>Net assets internally restricted for research (note 3)</td>
<td>349,179</td>
<td>321,335</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>44,246</td>
<td>43,319</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td>$393,460</td>
<td>$364,739</td>
</tr>
</tbody>
</table>
## FANCONI CANADA

### Statement of Operations  
(Unaudited)

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research contributions</td>
<td>$176,605</td>
<td>$148,666</td>
</tr>
<tr>
<td>Unrestricted contributions</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Interest income and rebates</td>
<td>4,003</td>
<td>3,937</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$180,608</td>
<td>$152,648</td>
</tr>
<tr>
<td><strong>GRANTS &amp; EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research projects funded (notes 4 to 10)</td>
<td>$107,925</td>
<td>$120,586</td>
</tr>
<tr>
<td>Direct Fundraising expenses</td>
<td>40,836</td>
<td>35,346</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,076</td>
<td>2,990</td>
</tr>
<tr>
<td><strong>Total grants &amp; expenses</strong></td>
<td>$151,837</td>
<td>$158,922</td>
</tr>
<tr>
<td><strong>Excess &lt;deficit&gt; of revenues over grants &amp; expenses</strong></td>
<td>28,771</td>
<td>&lt;$6,274&gt;</td>
</tr>
</tbody>
</table>
FANCONI CANADA

Statement of Changes in Net Assets
(Unaudited)

As at Dec. 31, 2013

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$321,335</td>
<td>$43,319</td>
<td>$364,654</td>
<td>$370,928</td>
</tr>
<tr>
<td>Excess &lt;deficit&gt; of revenues over expenses, research</td>
<td>27,844</td>
<td>27,844</td>
<td></td>
<td>&lt;7,266&gt;</td>
</tr>
<tr>
<td>Excess &lt;deficit&gt; of expenses over revenues, administration</td>
<td></td>
<td>927</td>
<td>927</td>
<td>992</td>
</tr>
<tr>
<td><strong>BALANCE, END OF YEAR</strong></td>
<td>$349,179</td>
<td>$44,246</td>
<td>$393,425</td>
<td>$364,654</td>
</tr>
</tbody>
</table>
FANCONI CANADA

Statement of Cash Flows
(Unaudited)

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net fundraising for research (note 4):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario Fundraiser</td>
<td>$99,563</td>
<td>$75,843</td>
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<tr>
<td>Scotiabank Waterfront Run</td>
<td>21,394</td>
<td>20,598</td>
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<tr>
<td>LAWPRO Employee Fundraising</td>
<td>4,850</td>
<td>5,223</td>
</tr>
<tr>
<td>Lauzier Family Fundraiser</td>
<td>3,565</td>
<td>7,222</td>
</tr>
<tr>
<td>Kestenberg Siegel Lipkus Casual Days</td>
<td>2,240</td>
<td>2,090</td>
</tr>
<tr>
<td>Tribute Cards</td>
<td>2,000</td>
<td>538</td>
</tr>
<tr>
<td>General Donations</td>
<td>712</td>
<td>1,527</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>134,324</td>
<td>113,041</td>
</tr>
<tr>
<td>Administrative contributions</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Interest and rebates</td>
<td>4,003</td>
<td>3,937</td>
</tr>
<tr>
<td><strong>Research projects:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jones (note 5)</td>
<td>-</td>
<td>&lt;1,667&gt;</td>
</tr>
<tr>
<td>Larin (note 6)</td>
<td>&lt;4,375&gt;</td>
<td>&lt;11,000&gt;</td>
</tr>
<tr>
<td>Kaddar (note 7)</td>
<td>-</td>
<td>&lt;22,500&gt;</td>
</tr>
<tr>
<td>Kwan (note 8)</td>
<td>&lt;22,500&gt;</td>
<td>&lt;22,500&gt;</td>
</tr>
<tr>
<td>Tarailo-Graovac (note 9)</td>
<td>-</td>
<td>&lt;16,875&gt;</td>
</tr>
<tr>
<td>Chu (note 10)</td>
<td>&lt;17,500&gt;</td>
<td>-</td>
</tr>
<tr>
<td>Mateo (Note 11)</td>
<td>&lt;16,250&gt;</td>
<td>-</td>
</tr>
<tr>
<td>Carreau (note 12)</td>
<td>&lt;47,300&gt;</td>
<td>&lt;46,044&gt;</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>&lt;1,630&gt;</td>
<td>&lt;2,711&gt;</td>
</tr>
<tr>
<td>Net increase &lt;decrease&gt; in payables</td>
<td>&lt;1,330&gt;</td>
<td>&lt;3,510&gt;</td>
</tr>
<tr>
<td><strong>Net cash generated through operating activities</strong></td>
<td>27,442</td>
<td>&lt;9,784&gt;</td>
</tr>
</tbody>
</table>

**Cash flows from financing & investing activities**

| Cash & GIC's, beginning of year | 364,739 | 374,523 |
| Cash & GIC's, end of year       | 392,181 | 364,739 |
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, which are also covered by interest revenue.

4. **Raffles at Ontario Fundraisers 2012 and 2013**

Fanconi Canada ran a 50/50 draw at the 2012 Ontario Fundraiser and a raffle for prizes at the 2013 Ontario Fundraiser, both of which required a Lottery Licence from the City of Toronto, numbered M698342 and M721698 respectively. The use of lottery proceeds must benefit Toronto resident according to the licence restrictions. Accordingly, the entire proceeds from 2012 were used to fund the research performed at the University of Toronto by Meghan Larin (see note 6), and in 2013 all the proceeds continued to fund Meghan Larin and also were used to fund Abigail Mateo of the Hospital for Sick Children in Toronto (see note 11).

5. **Contractual Obligations – Dr. Martin R. Jones**

The Canadian Institutes of Health Research/Fanconi Canada Post-Doctoral Fellowship in FA Research (under the 2008 CIHR Small Health Organization Partnership Program) was awarded to Dr. Martin R. Jones of the University of British Columbia. Dr. Jones’ project is titled *Characterization of Fanconi anemia and a FA genetic network in C. elegans: A model for developing Fanconi Anemia therapeutic targets*. This three year fellowship has a value of $135,000 which was funded equally by CIHR and Fanconi Canada from May 1, 2009 to April 30, 2012.

6. **Contractual Obligations – Meghan E. Larin**

Fanconi Canada in partnership with the Canadian Institutes of Health Research, has agreed to fund (under the 2009 CIHR Small Health Organization Partnership Program), a three-year doctoral research award to Meghan E. Larin of the University of Toronto, Department of Pharmacology and Toxicology for her project entitled *Fanconi Anemia signaling and Mus81-Eme1: role in replicative stress and development*. The award is for $22,000 per year for a total of $66,000 funded equally by Fanconi Canada and CIHR from September 1, 2010 to August 31, 2013.
7. **Contractual Obligations – Tagrid Kaddar**

Fanconi Canada in partnership with the Canadian Institutes of Health Research (under the 2009 CIHR Small Health Organization Partnership Program), has granted a three-year Fellowship Award to Tagrid Kaddar of Université Laval, Québec to study the role of Fanconi proteins in hematopoiesis. The award is for $45,000 per year for a total of $135,000 funded equally by Fanconi Canada and CIHR from September 1, 2010 to August 31, 2013.

8. **Contractual Obligations – David Howe Kwan**

Fanconi Canada in partnership with the Canadian Institutes of Health Research (under the 2010 CIHR Small Health Organization Partnership Program), has granted a three-year Fellowship Award to David Howe Kwan of the University of British Columbia for his project *Improving Enzymatic Removal of Major Blood Antigens* to help improve the availability and safety of blood transfusions. The award is for $45,000 per year for a total of $135,000 funded equally by Fanconi Canada and CIHR from May 1, 2011 to April 30, 2014.

9. **Contractual Obligations – Maja Tarailo-Graovac**

Fanconi Canada in partnership with the Canadian Institutes of Health Research (under the 2010 CIHR Small Health Organization Partnership Program), has granted a two year Fellowship Award to Maja Tarailo-Graovac of Simon Fraser University for the project *Genome Variations that Drive Increased Fitness in MAD1 and FANC-J-Defective C. elegans* which could add to the knowledge regarding the cause of Fanconi anemia as well as causation and development of cancer in general. The award was originally announced for $78,750, funded equally by Fanconi Canada and CIHR from April 1, 2011 to Dec. 31, 2012. Subsequently, due to a request for maternity leave, the project end date was extended to November 30, 2013 with the funding increased to $95,417, the difference of $16,667 being fully funded by CIHR.

10. **Contractual Obligations – Dr. Jeffrey S. Chu**

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 Fellowship Award to Jeffrey S. Chu of the University of British Columbia for his project *Characterization of genomic alteration in C. elegans lacking Fanconi anemia pathway function* to better understand the FA pathway. The award is for $45,000 per year for a total of $135,000 funded equally by Fanconi Canada and CIHR from May 1, 2013 to July 1, 2016. In 2014, a one year leave of absence was approved with a new end date of June
30, 2017.
11. **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 $35,000 per year for a total of $105,000 funded equally by Fanconi Canada and CIHR from May 1, 2013 to April 30, 2016.

12. **Contractual Obligations – Dr. Madeleine Carreau**

In 2011, Fanconi Canada in partnership with the Fanconi Anemia Research Fund (FARF) of Eugene Oregon agreed to fund the project *Exploring the role of FANCC in developmental cell death*, carried out by Dr. Madeleine Carreau of Laval University, Quebec City, Quebec. The project was to run from January 1, 2012 to December 31, 2013 requiring $189,192 in total, to be funded equally by Fanconi Canada and FARF. Subsequently, the project length was shortened by Dr. Carreau to one year with half the amount required for funding. On November 12, 2012 Fanconi Canada agreed to send $94,596, thereby funding the full amount of the research in two installments, half in 2012 and the other half in 2013.
13. **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**  
(Unaudited)

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Table sponsorships</td>
<td>$75,520</td>
<td>$65,420</td>
</tr>
<tr>
<td>Auction items</td>
<td>29,377</td>
<td>19,794</td>
</tr>
<tr>
<td>Donations</td>
<td>16,673</td>
<td>13,568</td>
</tr>
<tr>
<td>Ticket sales</td>
<td>9,570</td>
<td>10,465</td>
</tr>
<tr>
<td>Raffle tickets</td>
<td>5,890</td>
<td>633</td>
</tr>
<tr>
<td>Event novelties</td>
<td>691</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$137,721</td>
<td>$109,880</td>
</tr>
<tr>
<td><strong>DIRECT FUNDRAISING EXPENSES</strong></td>
<td>&lt;41,396&gt;</td>
<td>&lt;34,049&gt;</td>
</tr>
<tr>
<td><strong>Amount raised for research</strong></td>
<td>$96,325</td>
<td>$75,831</td>
</tr>
</tbody>
</table>
14. **Scotiabank Waterfront Marathon**

Fanconi Canada is in the fourth year of entering a team in the Scotiabank Waterfront Marathon as its second most successful fundraising event.

**Scotiabank Waterfront Marathon**

**Amount Raised for Research**

(UNAUDITED)

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team and Individual Runner Sponsorships</td>
<td>$22,492</td>
<td>$22,138</td>
</tr>
<tr>
<td><strong>DIRECT FUNDRAISING EXPENSES</strong></td>
<td>&lt;1,098&gt;</td>
<td>&lt;1,540&gt;</td>
</tr>
<tr>
<td><strong>Amount raised for research</strong></td>
<td>$21,394</td>
<td>$20,598</td>
</tr>
</tbody>
</table>