



**FANCONI ANEMIA**  
**RESEARCH FUND**  
Advancing Research. Supporting Families.

FANCONI ANEMIA RESEARCH FUND, INC.

Financial Statements and Report of Independent Auditor

For the Year Ended December 31, 2022

(With Summarized Comparative Information for the Year Ended December 31, 2021)

**Fanconi Anemia Research Fund**  
Year Ended December 31, 2022  
Table of Contents

Independent Auditor's Report	1 - 2
 <b>FINANCIAL STATEMENTS:</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13
Supplemental Schedule of Grants Awarded	14



## Independent Auditor's Report

To the Board of Directors  
Fanconi Anemia Research Fund  
Eugene, Oregon

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### Opinion

We have audited the accompanying financial statements of Fanconi Anemia Research Fund, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fanconi Anemia Research Fund as of December 31, 2022, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fanconi Anemia Research Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fanconi Anemia Research Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fanconi Anemia Research Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fanconi Anemia Research Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of grants awarded on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Report on Summarized Comparative Information**

We have previously audited Fanconi Anemia Research Fund's 2021 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 03, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Isler CPA  
May 30, 2023

## **FINANCIAL STATEMENTS**

**Fanconi Anemia Research Fund**  
Statement of Financial Position  
December 31, 2022  
(With Summarized Comparative Information December 31, 2021)

	<b>ASSETS</b>	
	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,994,672	\$ 1,603,409
Other Current Assets	38,798	47,392
Total Current Assets	2,033,470	1,650,801
Investments	4,970,524	7,298,361
Beneficial Interest in Assets held by OCF	128,195	165,877
Leases, Right-of-Use Assets	408,115	-
Total Assets	\$ 7,540,304	\$ 9,115,039
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 18,879	\$ 12,359
Grants Payable	92,500	118,580
Accrued Payroll	87,327	79,352
Operating Leases Liabilities, Current	53,704	-
Total Current Liabilities	252,410	210,291
Operating Leases Liabilities, Noncurrent	376,621	-
Total Liabilities	629,031	210,291
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Designated by the Board for Endowment	128,195	165,877
Undesignated	6,783,078	8,738,871
Total Net Assets	6,911,273	8,904,748
Total Net Assets and Liabilities	\$ 7,540,304	\$ 9,115,039

See accompanying notes to financial statements

**Fanconi Anemia Research Fund**  
Statement of Activities  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

	<b>Without Donor Restrictions / 2022 Total</b>	<b>2021 Comparative Total</b>
<b>REVENUES AND SUPPORT</b>		
Contributions and Grants	\$ 3,006,983	\$ 2,990,378
Net Investment Income (Loss)	(1,109,202)	669,177
Other Income	3,956	326,493
Total revenue and support	1,901,737	3,986,048
<b>EXPENSES</b>		
Program Services:		
Research	2,014,736	1,836,716
Family Support	261,941	272,798
Events	713,568	80,680
Total Program Services	2,990,245	2,190,194
Support Services:		
Management and General	546,860	536,467
Fundraising	358,107	274,243
Total Support Services	904,967	810,710
Total Expenses	3,895,212	3,000,904
<b>CHANGE IN NET ASSETS</b>	(1,993,475)	985,144
Net Assets, Beginning of Year	8,904,748	7,919,604
Net Assets, End of Year	\$ 6,911,273	\$ 8,904,748

See accompanying notes to financial statements

**Fanconi Anemia Research Fund**  
Statement of Functional Expenses  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

	Program Services			Total Program Services	Support Services		2022 Total Expenses	2021 Total Expenses	
	Research	Family Support	Events		Management and General	Fundraising			Total Support Services
Research Grants	\$ 1,652,585	\$ -	\$ -	\$ 1,652,585	\$ -	\$ -	\$ 1,652,585	\$ 1,478,573	
Awards and Grants	250	7,175	1,500	8,925	-	-	8,925	12,100	
Support Grants to International Organizations	3,050	54,225	-	57,275	-	-	57,275	10,000	
Confrences and Meetings	11,313	310	107,244	118,867	22,148	30,425	171,440	111,718	
Salaries and Wages	255,500	147,000	-	402,500	148,868	239,801	388,669	764,841	
Payroll Taxes & Benefits	59,633	37,161	-	96,794	24,923	65,040	89,963	179,137	
Printing	-	528	1,055	1,583	30,761	3,511	34,272	58,424	
Postage	-	-	-	-	10,552	1,304	11,856	18,681	
Professional Fees	28,512	14,542	-	43,054	101,513	8,200	109,713	152,622	
Supplies	893	752	2,425	4,070	3,884	82	3,966	7,430	
Rent	-	14	5,910	5,924	4,121	616	4,737	57,054	
Computer and Equipment	-	-	-	-	4,132	-	4,132	20,440	
Miscellaneous	3,000	158	-	3,158	49,872	5,187	55,059	51,763	
Office Expenses	-	-	-	-	5,268	-	5,268	26	
Bank Charges	-	76	-	76	32,934	-	32,934	44,073	
Maintenance	-	-	-	-	514	-	514	4,500	
Event Expense	-	-	595,434	595,434	-	3,941	3,941	599,375	
Contract Services	-	-	-	-	24,155	-	24,155	19,022	
Lease Expense	-	-	-	-	83,215	-	83,215	-	
<b>Total</b>	<b>\$ 2,014,736</b>	<b>\$ 261,941</b>	<b>\$ 713,568</b>	<b>\$ 2,990,245</b>	<b>\$ 546,860</b>	<b>\$ 358,107</b>	<b>\$ 904,967</b>	<b>\$ 3,895,212</b>	<b>\$ 3,000,904</b>

See accompanying notes to financial statements.



**Fanconi Anemia Research Fund**  
Statement of Cash Flows  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,993,475)	\$ 985,144
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Unrealized Loss (Gain) on Investments	1,242,361	(396,706)
Other Nonoperating income	-	(587,187)
Transfers in/(out) of investments	1,279,974	217,559
Changes in:		
Other Current Assets	8,593	17,563
Lease Activity	22,210	-
Accounts Payable	6,522	(21,272)
Payroll Accrual	1,449	2,256
Vacation Accrual	6,526	(198)
Grants Payable	<u>(26,080)</u>	<u>(346,118)</u>
Net Cash Flow from Operating Activities	<u>548,080</u>	<u>(128,959)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(156,817)	-
Net Cash Flow from Investing Activities	<u>(156,817)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from PPP loan	<u>-</u>	<u>144,915</u>
Net cash Flow From Financing Activities	<u>-</u>	<u>144,915</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	391,263	15,956
Cash and Cash Equivalents, Beginning of Year	<u>1,603,409</u>	<u>1,587,453</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,994,672</u>	<u>\$ 1,603,409</u>
Schedule of Noncash Investing and Financing Activities:		
Unrealized gain (loss)	\$ (1,242,361)	\$ 396,706
PPP loan forgiveness	<u>-</u>	<u>316,033</u>
Net Noncash Activities	<u>\$ (1,242,361)</u>	<u>\$ 712,739</u>

See accompanying notes to financial statements

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities** - Fanconi Anemia Research Fund (the "Organization") is a nonprofit organization incorporated in the State of Oregon on February 27, 1989. The Organization was established to fund research into a cure or effective treatment for victims of Fanconi Anemia and to offer support services to affected families. The primary funding sources are contributions from individuals and foundations.

The Organization's current programs consist of the following:

Research - This program supports various scientific studies, which may lead to a cure or effective treatment for Fanconi Anemia, and education on the progress of current research.

Family Support - This program provides support to Fanconi Anemia families through education and networking.

Events - This program provides educational opportunities regarding Fanconi Anemia.

**Basis of presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions include amounts designated by the board of directors for specified purposes. During 2015 the board established the David B. Frohnmayer Scientific Research Fund ("DBF Fund"). The board of directors approved an operating reserve policy in 2017 which sets a target minimum balance for the DBF Fund. This amount is adjusted each year based upon project load.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. There were no net assets with donor restrictions at the end of the fiscal year.

**Revenue recognition** - Contributions are recognized when cash, securities or other assets are received; or criteria for an unconditional promise to give is met. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue is recorded with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Governmental grant revenue from cost-reimbursement contracts are recognized to the extent of eligible expenses. Governmental grant revenue not subject to restrictions is recognized upon execution of the agreement.

**Cash and cash equivalents** - For purposes of the Statement of Cash Flows, the Organization considers all bank time deposits and highly liquid investments, that are not held in brokerage accounts, that are available for current use with an initial maturity of three months or less to be cash equivalents. Total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times, the Organization's balances may exceed amounts insured by the FDIC.

**Investments** - The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value. Net investment return (loss) is reported in the statement of activities and consists of the realized gains or losses and the unrealized appreciation (decline) of those investments.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Board-designated endowment fund** - During 2018 the Organization established the Amy Winn and Christopher Byrd award endowment fund. The initial allocation of funds to the endowment fund was made by the board of directors and has no donor restrictions. As such the endowment fund is part of net assets without donor restrictions. The endowment fund was set up to fund the Amy Winn and Christopher Byrd award that is presented annually to someone who is striving to to make a difference and has set high goals for him/herself. In addition to funding the award, the endowment is scheduled to fund the travel cost of the award winner to the annual meeting for adults with Fanconi Anemia. All funds within the endowment fund were invested in the Social Impact Pool with the Oregon Community Foundation (OCF). Investments within this fund are subjected to an environmental, social and governance screening. Distributions out of the endowment fund are subject to OCF discretion. Distributions are based on the grant percentage payout policy for permanent funds which is periodically updated by the board of directors of OCF. This payout rate ranges from 4% to 5% and is applied to a 13-quarter trailing average of fund market values. This rate is reviewed annually and was 4.30% in 2021 and 4.35% in 2020, respectively. In no event will such percentages be less than a reasonable rate of return.

**Fair value measurements** - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data;

Level 3 - Significant unobservable inputs for assets or liabilities.

A significant portion of our investment assets are classified within Level 1 because they comprise money market accounts, equities and ETF funds with readily determinable fair values based on daily redemption values. The fair value of our beneficial interest in assets held by the Oregon Community Foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements. The following table presents assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments:				
Equities	\$ 2,976,453	\$ 2,976,453	\$ -	\$ -
Fixed income	1,747,899	1,747,899	-	-
Cash, money market and sweeps	246,172	246,172	-	-
Beneficial interest in assets held by Oregon Community Foundation	<u>128,195</u>	<u>-</u>	<u>-</u>	<u>128,195</u>
Total	<u>\$ 5,098,719</u>	<u>\$ 4,970,524</u>	<u>\$ -</u>	<u>\$ 128,195</u>

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fair value measurements (continued)***

Investment loss of \$1,109,202 includes interest and dividend income of \$164,431, realized gain of \$558, and an unrealized loss in value of \$(1,242,361). Related investment fees totaled \$31,830 for 2022. The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2022:

	2022
Beginning Balance	\$ 165,877
Investment return, net	(31,894)
Distributions	(5,788)
Ending balance	\$ 128,195

***Contributions*** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restriction support that increase those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

***Donated materials and services*** - The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its program services and fundraising campaigns. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied. Donated materials and supplies are reflected as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

***Leases*** - In February 2016, the FASB issued ASC Topic 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement.

The Organization adopted ASU No. 2016-02, Leases (Topic 842), as of January 1, 2022, using the alternative modified retrospective approach. The alternative modified retrospective approach provides a method for recording leases as of initial application of the standard. All transition provisions to leases will be applied at date of initial application.

The Organization elected the “package of practical expedients” under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the “hindsight” practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on January 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate asset class. The non-lease components typically represent additional services transferred to the Entity, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

For purposes of determining lease classification, the Organization has made an accounting policy election to define "major part" as 75% of the assets remaining economic life. The Organization has also made an accounting policy election to define "substantially all" as 90% of the fair value of the asset.

Adoption of Topic 842 resulted in the recording of additional ROU assets of \$459,286 and lease liabilities related to the Organization's operating leases of \$481,671, at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

**Use of estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional expense allocation** - The expenses of the Organization are categorized as either program services or supporting services. Program services include direct and indirect costs related to providing the services and activities for which purpose the Organization exists. Supporting services include administration and fundraising activities. Administration expenses relate to the overall direction of the Organization, including board activities, general record keeping, business management, and budgeting. Fundraising expenses relate to the solicitation of contributions to support organizational goals. The Organization has elected to not allocate costs amongst the various services.

**Income taxes** - The Organization is organized as an Oregon nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS and reports in other states where the Organization has activities. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Comparative financial information** - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles; accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Subsequent events** - The Organization has evaluated subsequent events through May 30, 2023, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**NOTE 2 - INVESTMENTS**

The Organization's investments, which are carried at fair value, consist of the following at December 31, 2022 and 2021.

	2022	2021
US equities	\$ 2,976,453	\$ 4,419,077
Beneficial interest in assets of OCF	128,195	165,877
Fixed income bonds	1,747,899	2,395,948
Cash, money market, and sweeps	246,172	483,336
Total investments	\$ 5,098,719	\$ 7,464,238

**NOTE 3 - NET ASSETS**

The Organization had no funds subject to donor restrictions during 2022 and 2021.

**NOTE 4 - GRANTS PAYABLE**

The Organization has entered into contracts to provide grants to researchers that will be made in installments over the terms of the contracts. These grants are considered to be current liabilities at December 31:

	2022	2021
Grants payable - current portion	\$ 92,500	\$ 118,580

**NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$6,965,195 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures at December 31, 2022. Financial assets consist of \$1,994,672 in cash and \$4,970,524 in investments as of December 31, 2022. Investments are listed as noncurrent on the Statement of Financial Position as the Organization intends to hold them for more than 12 months, but if the need arose, these investments could be converted to cash for use within the next year. Not included in this amount \$128,195 is invested in a quasi endowment fund. The Organization has a goal to maintain financial assets, which consists of cash and short term investments on hand to meet 90 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests approximately 6% in cash and CDs, which it could easily withdraw in the event of an unanticipated liquidity need. The Organization had \$8,901,769 in financial assets available within one year of the balance sheet date to meet cash needs for general expenditures at December 31, 2021.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 6 - LEASES**

The Organization leases an office space, postage machine and a letter stuffer under operating lease agreements that have initial terms ranging from 5 to 10 years. The office space lease includes one option to renew at the Organization's sole discretion, with renewal terms that can extend the lease term 5 years. Neither of the other two leases contained renewal options. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2022:

	2022
Operating lease cost	\$ 80,935
Short-term lease cost	2,280
Total lease cost	\$ 83,215

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2022:

<b>Cash paid for amounts included in measurement of lease liabilities:</b>	
Operating cash outflows—payments on operating leases	\$ 58,725
 <b>Right-of-use assets obtained in exchange for new lease obligations:</b>	
Operating leases	\$ 459,286

Supplemental balance sheet information related to leases is as follows as of December 31, 2022:

<b>Operating leases:</b>	
Operating lease right-of-use assets	\$ 408,115
Operating lease liabilities, current	\$ 53,704
Operating lease liabilities, non-current	376,621
Total operating lease liabilities	\$ 430,325
 Weighted-average remaining lease term:	
Operating leases	7.76 Years
 Weighted-average discount rate:	
Operating leases	1.37 %

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2022  
(With Summarized Comparative Information for the Year Ended December 31, 2021)

**NOTE 6 - LEASES (CONTINUED)**

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2022 :

Year ending December 31,	Operating leases
2023	\$ 60,257
2024	60,257
2025	59,285
2026	56,677
2027	56,677
Thereafter	165,307
Total future payments	458,460
Less imputed interest	28,135
Total present value of lease liabilities	\$ 430,325

**NOTE 7 - RETIREMENT PLAN**

The Organization has an IRS Section 403(b)(7) plan ("Fanconi Anemia Research Fund, Inc. Retirement Plan") that covers eligible employees, as defined by the plan. Employees are eligible immediately upon becoming employed and may elect to have elective deferrals up to the maximum amount allowed by law to the plan each year, but not less than \$200 annually. The employer provides a 100% match of employee contributions up to a maximum match of \$2,000 per year. Retirement plan expense was \$20,352 for the year ending December 31, 2022 and was \$20,275 for the year ending December 31, 2021.

**NOTE 8 - COMMITMENTS**

The Organization has entered into several contractual agreements securing hotel accommodations for future conferences. These agreements often contain cancellation clauses that would require the Organization to pay some portion of the contracted fees if a future conference were cancelled or relocated. The possibility of cancellation of future conferences is remote and the potential financial impact of cancellation has been deemed to be not material. Therefore, no liability has been accrued.

**NOTE 9 - CONCENTRATIONS**

Included in contributions and grants were \$1,580,270 of contributions attributable to the efforts of one family. These contributions comprise 53% of total contribution and grant revenue in 2022. In 2021 these contributions and grants were \$1,472,859, representing 49% of total contributions and grant revenue.

Also included in contributions and grants were \$1,776,711 of contributions attributable to the efforts of the Organization's board members. These contributions comprise 59% of total contributions and grant revenue. In 2021 there were \$1,728,485 of contributions attributable to the efforts of the Organization's board members. These contributions comprised 58% of total contribution and grant revenue.



**SUPPLEMENTARY INFORMATION**

**Fanconi Anemia Research Fund  
Schedule of Grants Awarded  
Year Ended December 31, 2022**

<u>Grant recipient</u>	<u>Conditional/ Unconditional</u>	<u>Grant payable at beginning of year</u>	<u>Grants paid during the year</u>	<u>Grants expensed during the year</u>	<u>Grant payable at end of year</u>
VU Medical Center	Unconditional	\$ 58,580	\$ (58,580)	\$ -	\$ -
UMASS/UPENN	Conditional	-	(27,044)	27,044	-
Georgetown/Yale	Conditional	-	(125,000)	125,000	-
Boston Children's Hospital	Conditional	-	(125,000)	125,000	-
Oregon State University/University of Minnesota	Conditional	-	(24,624)	24,624	-
National Cancer Institute	Conditional	-	(184,577)	184,577	-
University of California San Francisco	Conditional	-	(50,000)	50,000	-
University of California San Francisco (2)	Conditional	-	(71,118)	71,118	-
BC Cancer Institute	Conditional	-	(50,717)	50,717	-
University of Minnesota	Conditional	-	(62,500)	62,500	-
Columbia University	Conditional	-	(39,167)	39,167	-
University of Washington/Rockefeller	Conditional	-	(37,647)	37,647	-
Frandacio Puigert	Conditional	-	(34,634)	34,634	-
University of Washington/OHSU	Conditional	-	(62,500)	125,000	62,500
Hospital de la Sant Creu	Conditional	60,000	(30,000)	-	30,000
Stand Up to Cancer	Conditional	-	(375,000)	375,000	-
University of Minnesota	Conditional	-	(5,000)	5,000	-
Deutsch Fanconi Anemie Hilfe E.V. *	Conditional	-	(244,144)	244,144	-
Rockefeller University	Conditional	-	(32,246)	32,246	-
Stanford University	<u>Conditional</u>	<u>-</u>	<u>(39,167)</u>	<u>39,167</u>	<u>-</u>
<b>Total</b>		<b><u>\$ 118,580</u></b>	<b><u>\$ (1,678,665)</u></b>	<b><u>\$ 1,652,585</u></b>	<b><u>\$ 92,500</u></b>

\* Service grant