



**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, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

**Fanconi Anemia Research Fund**

**Financial Statements and Report of Independent Auditor  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)**

**Fanconi Anemia Research Fund**  
Year Ended December 31, 2023  
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## 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, 2023, 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, 2023, 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 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 02, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Isler CPA  
May 29, 2024

## **FINANCIAL STATEMENTS**

**Fanconi Anemia Research Fund**  
Statement of Financial Position  
December 31, 2023  
(With Summarized Comparative Information December 31, 2022)

	<b>ASSETS</b>	
	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,681,246	\$ 1,994,672
Other Current Assets	54,933	38,798
Total Current Assets	1,736,179	2,033,470
Investments	5,309,235	4,970,524
Beneficial Interest in Assets held by OCF	142,713	128,195
Leases, Right-of-Use Assets	367,631	408,115
Total Assets	\$ 7,555,758	\$ 7,540,304
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 44,295	\$ 18,879
Grants Payable	353,268	92,500
Accrued Payroll	104,715	87,327
Operating Leases Liabilities, Current	56,855	53,704
Total Current Liabilities	559,133	252,410
Operating Leases Liabilities, Noncurrent	331,322	376,621
Total Liabilities	890,455	629,031
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Designated by the Board for Endowment	142,713	128,195
Undesignated	6,522,590	6,783,078
Total Net Assets	6,665,303	6,911,273
Total Net Assets and Liabilities	\$ 7,555,758	\$ 7,540,304

See accompanying notes to financial statements

**Fanconi Anemia Research Fund**  
Statement of Activities  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

	<b>Without Donor Restrictions / 2023 Total</b>	<b>2022 Comparative Total</b>
<b>REVENUES AND SUPPORT</b>		
Contributions and Grants	\$ 3,232,592	\$ 3,006,983
Net Investment Income (Loss)	711,127	(1,109,202)
Other Income	1,777	3,956
Total revenue and support	3,945,496	1,901,737
<b>EXPENSES</b>		
Program Services:		
Research	2,169,984	2,014,736
Family Support	427,009	261,941
Events	642,742	713,568
Total Program Services	3,239,735	2,990,245
Support Services:		
Management and General	552,941	546,860
Fundraising	398,790	358,107
Total Support Services	951,731	904,967
Total Expenses	4,191,466	3,895,212
<b>CHANGE IN NET ASSETS</b>	(245,970)	(1,993,475)
Net Assets, Beginning of Year	6,911,273	8,904,748
Net Assets, End of Year	\$ 6,665,303	\$ 6,911,273

See accompanying notes to financial statements



**Fanconi Anemia Research Fund**  
Statement of Functional Expenses  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

	Program Services			Total Program Services	Support Services		2023 Total Expenses	2022 Total Expenses	
	Research	Family Support	Events		Management and General	Fundraising			Total Support Services
Research Grants	\$ 1,893,822	\$ -	\$ -	\$ 1,893,822	\$ -	\$ -	\$ 1,893,822	\$ 1,652,585	
Awards and Grants	-	5,000	1,500	6,500	-	-	6,500	8,925	
Support Grants to International Organizations	1,250	35,392	1,000	37,642	250	-	250	37,892	
Conferences and Meetings	8,701	4,352	248,686	261,739	26,467	74,114	100,581	171,440	
Salaries and Wages	210,367	288,922	64,852	564,141	184,584	176,150	360,734	791,169	
Payroll Taxes & Benefits	45,376	78,961	6,439	130,776	51,071	58,437	109,508	186,757	
Printing	-	49	912	961	19,574	5,631	25,205	26,166	
Postage	-	6,843	-	6,843	12,467	1,943	14,410	21,253	
Professional Fees	6,964	6,339	-	13,303	85,271	68,425	153,696	166,999	
Supplies	144	602	3,268	4,014	5,618	456	6,074	8,036	
Rent	-	523	12,490	13,013	4,962	3,100	8,062	21,075	
Computer and Equipment	-	-	-	-	1,659	-	1,659	1,659	
Miscellaneous	3,360	-	-	3,360	42,824	6,879	49,703	53,063	
Office Expenses	-	-	-	-	1,728	-	1,728	1,728	
Bank Charges	-	26	-	26	16,761	159	16,920	16,946	
Maintenance	-	-	-	-	40	-	40	40	
Event Expense	-	-	303,595	303,595	-	3,496	3,496	307,091	
Contract Services	-	-	-	-	40,148	-	40,148	40,148	
Lease Expense	-	-	-	-	59,517	-	59,517	59,517	
<b>Total</b>	<b>\$ 2,169,984</b>	<b>\$ 427,009</b>	<b>\$ 642,742</b>	<b>\$ 3,239,735</b>	<b>\$ 552,941</b>	<b>\$ 398,790</b>	<b>\$ 951,731</b>	<b>\$ 4,191,466</b>	<b>\$ 3,895,212</b>

See accompanying notes to financial statements.

**Fanconi Anemia Research Fund**  
Statement of Cash Flows  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (245,970)	\$ (1,993,475)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Unrealized Loss (Gain) on Investments	(473,858)	1,242,361
Transfers in/(out) of investments	391,924	1,279,974
Changes in:		
Other Current Assets	(16,135)	8,593
Lease Activity	(1,664)	22,210
Accounts Payable	25,417	6,522
Payroll Accrual	9,668	1,449
Vacation Accrual	7,719	6,526
Grants Payable	<u>260,768</u>	<u>(26,080)</u>
Net Cash Flow from Operating Activities	<u>(42,131)</u>	<u>548,080</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	<u>(271,295)</u>	<u>(156,817)</u>
Net Cash Flow from Investing Activities	<u>(271,295)</u>	<u>(156,817)</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(313,426)	391,263
Cash and Cash Equivalents, Beginning of Year	<u>1,994,672</u>	<u>1,603,409</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,681,246</u></u>	<u><u>\$ 1,994,672</u></u>
Schedule of Noncash Investing and Financing Activities:		
Unrealized gain (loss)	<u><u>\$ 473,858</u></u>	<u><u>\$ (1,242,361)</u></u>

See accompanying notes to financial statements

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

**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, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

**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 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 4.20% in 2023 and 4.30% in 2022. 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, 2023:

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	\$ 3,340,803	\$ 3,340,803	\$ -	\$ -
Fixed income	1,760,591	1,760,591	-	-
Cash, money market and sweeps	207,842	207,842	-	-
Beneficial interest in assets held by Oregon Community Foundation	<u>142,713</u>	<u>-</u>	<u>-</u>	<u>142,713</u>
Total	<u>\$ 5,451,949</u>	<u>\$ 5,309,236</u>	<u>\$ -</u>	<u>\$ 142,713</u>

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

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

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

Investment gain of \$711,127 includes interest and dividend income of \$208,600, realized gain of \$54,165, and an unrealized gain in value of \$473,858. Related investment fees totaled \$25,496 for 2023. 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, 2023:

	2023
Beginning Balance	\$ 128,195
Investment return, net	20,306
Distributions	(5,788)
Ending balance	\$ 142,713

***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*** - 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.

The organization recognizes most leases on its balance sheet 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. Leases are classified as either finance or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

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.

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. 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.

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.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

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

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.

**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.

**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, 2022, from which the summarized information was derived.

**Subsequent events** - The Organization has evaluated subsequent events through May 29, 2024, 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, 2023 and 2022.

	2023	2022
US equities	\$ 3,340,803	\$ 2,976,453
Beneficial interest in assets of OCF	142,713	128,195
Fixed income bonds	1,760,591	1,747,899
Cash, money market, and sweeps	<u>207,842</u>	<u>246,172</u>
Total investments	<u>\$ 5,451,949</u>	<u>\$ 5,098,719</u>

**NOTE 3 - NET ASSETS**

The Organization had no funds subject to donor restrictions during 2023 and 2022.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

**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:

	2023	2022
Grants payable - current portion	\$ 353,268	\$ 92,500

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

The Organization has \$6,990,482 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures at December 31, 2023. Financial assets consist of \$1,681,246 in cash and \$5,309,235 in investments as of December 31, 2023. 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 \$142,713 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 \$6,965,195 in financial assets available within one year of the balance sheet date to meet cash needs for general expenditures at December 31, 2022.

**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

**NOTE 6 - LEASES**

The Organization leases an office space, a postage machine, a copy 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. The copy machine automatically renews for a one-month period unless vendor is notified otherwise. 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 59,517	\$ 80,935
Short-term lease cost	<u>-</u>	<u>2,280</u>
Total lease cost	<u>\$ 59,517</u>	<u>\$ 83,215</u>

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2023:

<b>Cash paid for amounts included in measurement of lease liabilities:</b>		
Operating cash outflows—payments on operating leases	\$	60,950
 <b>Right-of-use assets obtained in exchange for new lease obligations:</b>		
Operating leases	\$	12,405

Supplemental balance sheet information related to leases is as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Operating leases:</b>		
Operating lease right-of-use assets	<u>\$ 367,631</u>	<u>\$ 408,115</u>
Operating lease liabilities, current	\$ 56,855	\$ 53,704
Operating lease liabilities, non-current	<u>331,322</u>	<u>376,621</u>
Total operating lease liabilities	<u>\$ 388,177</u>	<u>\$ 430,325</u>
 Weighted-average remaining lease term:		
Operating leases	6.60 Years	7.76 Years
 Weighted-average discount rate:		
Operating leases	1.22 %	1.37 %



**Fanconi Anemia Research Fund**  
Notes to Financial Statements  
For the Year Ended December 31, 2023  
(With Summarized Comparative Information for the Year Ended December 31, 2022)

**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, 2023 :

Year ending December 31,	Operating leases
2024	\$ 63,029
2025	62,057
2026	59,449
2027	59,449
2028	58,756
Thereafter	<u>108,380</u>
Total future payments	<u>411,120</u>
Less imputed interest	22,943
Total present value of lease liabilities	<u>\$ 388,177</u>

**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 \$18,526 for the year ending December 31, 2023 and was \$20,352 for the year ending December 31, 2022.

**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 \$1,410,247 of contributions attributable to the efforts of one family. These contributions comprise 44% of total contribution and grant revenue in 2023. In 2022 these contributions and grants were \$1,580,270, representing 53% of total contributions and grant revenue.

Also included in contributions and grants were \$1,665,109 of contributions attributable to the efforts of the Organization's board members. These contributions comprise 52% of total contributions and grant revenue. In 2022 there were \$1,776,711 of contributions attributable to the efforts of the Organization's board members. These contributions comprised 59% of total contribution and grant revenue.

**SUPPLEMENTARY INFORMATION**

**Fanconi Anemia Research Fund  
Schedule of Grants Awarded  
Year Ended December 31, 2023**

<u>Grant recipient</u>	Conditional/ Unconditional	Grant payable at beginning of year	Grants paid during the year	Grants expensed during the year	Grant payable at end of year
Institut de Recerca HSCiSP	Unconditional	\$ -	\$ (40,591)	\$ 81,184	\$ 40,592
Oregon Health & Science University	Unconditional	-	(50,000)	100,000	50,000
University of Chicago	Unconditional	-	(52,660)	52,660	-
Boston Children's Hospital	Conditional	-	(62,500)	62,500	-
Oregon State University/University of Minnesota	Conditional	-	(24,624)	24,624	-
National Cancer Institute	Conditional	-	(184,577)	369,154	184,577
University of California San Francisco	Conditional	-	(50,000)	50,000	-
BC Cancer Institute	Conditional	-	(102,369)	102,369	-
University of Minnesota	Conditional	-	(5,000)	5,000	-
Columbia University	Conditional	-	(78,334)	78,334	-
University of Washington/OHSU	Conditional	62,500	(125,000)	62,500	-
Hospital de la Sant Creu	Conditional	30,000	(30,000)	-	-
Stand Up to Cancer	Conditional	-	(375,000)	375,000	-
Deutsch Fanconi Anemie Hilfe E.V. *	Conditional	-	(122,072)	200,171	78,099
Rockefeller University	Unconditional	-	(64,492)	64,492	-
Stanford University	<u>Conditional</u>	<u>-</u>	<u>(265,834)</u>	<u>265,834</u>	<u>-</u>
<b>Total</b>		<b><u>\$ 92,500</u></b>	<b><u>\$ (1,633,053)</u></b>	<b><u>\$ 1,893,822</u></b>	<b><u>\$ 353,268</u></b>

\* Service grant