

# Canadian Lung Association



## Financial Statements

For the year ended March 31, 2010

**Canadian Lung Association**  
**Financial Statements**  
For the year ended March 31, 2010

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## Auditors' Report

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### To the Members of Canadian Lung Association

We have audited the statement of financial position of the Canadian Lung Association as at March 31, 2010 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



Chartered Accountants, Licensed Public Accountants

May 7, 2010

## Canadian Lung Association Statement of Financial Position

**March 31** **2010**      **2009**

	General Fund	Research Fund	International Project	Total	Total
<b>Assets</b>					
<b>Current</b>					
Cash and short-term investments (Note 1)	\$ 1,280,464	\$ 1,016,246	\$ 12,062	\$ 2,308,772	\$ 2,712,125
Accounts receivable	290,437	37,116	-	327,553	209,504
Prepaid expenses	102,088	9,315	-	111,403	107,151
	<b>1,672,989</b>	<b>1,062,677</b>	<b>12,062</b>	<b>2,747,728</b>	<b>3,028,780</b>
Investments (Note 2)	1,355,062	1,871,275	-	3,226,337	3,156,644
Long-term receivables (Note 3)	342,856	-	-	342,856	400,000
Capital assets (Note 4)	32,788	-	-	32,788	63,596
	<b>\$ 3,403,695</b>	<b>\$ 2,933,952</b>	<b>\$ 12,062</b>	<b>\$ 6,349,709</b>	<b>\$ 6,649,020</b>

### Liabilities and Fund Balances

<b>Current</b>					
Accounts payable and accrued liabilities	\$ 223,864	\$ 12,382	\$ -	\$ 236,246	\$ 165,827
Deferred revenue (Note 7)	1,254,017	331,248	-	1,585,265	1,634,320
	<b>1,477,881</b>	<b>343,630</b>	<b>-</b>	<b>1,821,511</b>	<b>1,800,147</b>
<b>Fund Balances</b>					
Unrestricted	1,417,793	2,590,322	12,062	4,020,177	4,315,942
Internally restricted - CTS	472,458	-	-	472,458	280,368
Internally restricted - Respiratory conference	35,563	-	-	35,563	135,563
Restricted	-	-	-	-	117,000
	<b>1,925,814</b>	<b>2,590,322</b>	<b>12,062</b>	<b>4,528,198</b>	<b>4,848,873</b>
	<b>\$ 3,403,695</b>	<b>\$ 2,933,952</b>	<b>\$ 12,062</b>	<b>\$ 6,349,709</b>	<b>\$ 6,649,020</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Canadian Lung Association Statement of Operations

**For the year ended March 31**

**2010**

**2009**

	General Fund	Research Fund	International Project	Total	Total
<b>Revenue</b>					
Provincial assessments	\$ 790,612	\$ 562,610	\$ -	\$ 1,353,222	\$ 1,098,080
Programs and projects	668,492	-	13,704	682,196	978,673
Sponsorship	2,258,583	52,500	-	2,311,083	2,025,404
Corporate donations	45,124	-	-	45,124	2,261
Bequests and memorials (Note 8)	47,770	-	-	47,770	51,807
Membership	80,334	-	-	80,334	63,813
Sale of materials	24,784	-	-	24,784	15,256
Recovery of prior year grants	-	11,452	-	11,452	15,065
Interest and investment income	64,747	72,049	-	136,796	193,152
Miscellaneous and other income	25,454	-	-	25,454	22,584
Conference registration	356,278	-	-	356,278	324,826
	<b>4,362,178</b>	<b>698,611</b>	<b>13,704</b>	<b>5,074,493</b>	<b>4,790,921</b>
<b>Expenses (schedules)</b>					
Committees	102,200	159,869	-	262,069	211,189
Programs and projects	2,851,699	363,969	1,642	3,217,310	2,772,071
Working groups	113,054	-	-	113,054	33,535
Societies	771,162	-	-	771,162	975,248
General administration	942,903	104,556	-	1,047,459	736,108
	<b>4,781,018</b>	<b>628,394</b>	<b>1,642</b>	<b>5,411,054</b>	<b>4,728,151</b>
<b>Excess (deficiency) of revenue over expenses before unrealized items</b>	<b>(418,840)</b>	<b>70,217</b>	<b>12,062</b>	<b>(336,561)</b>	<b>62,770</b>
<b>Unrealized gain on investments</b>	<b>6,672</b>	<b>9,214</b>	<b>-</b>	<b>15,886</b>	<b>62,963</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (412,168)</b>	<b>\$ 79,431</b>	<b>\$ 12,062</b>	<b>\$ (320,675)</b>	<b>\$ 125,733</b>

## Canadian Lung Association Statement of Changes in Fund Balances

For the year ended March 31

2010      2009

	General Fund				Research Fund		International Project	Total	Total
	Unrestricted	Internally Restricted CTS	Internally Restricted Respiratory Conference	Invested in Capital Assets	Unrestricted	Donor Restricted	Unrestricted		
<b>Balance</b> , beginning of year, as previously reported	\$ 1,858,455	\$ 280,368	\$ 135,563	\$ 63,596	\$ 2,393,891	\$ 117,000	\$ -	\$ 4,848,873	\$ 4,723,140
<b>Retroactive adjustment for amounts invested in capital assets</b> (Note 5)	63,596	-	-	(63,596)	-	-	-	-	-
<b>Balance</b> , beginning of year, as restated	1,922,051	280,368	135,563	-	2,393,891	117,000	-	4,848,873	4,723,140
<b>Excess (deficiency) of revenue over expenses</b>	(504,258)	122,090	(30,000)	-	79,431	-	12,062	(320,675)	125,733
<b>Interfund transfers</b> (Note 6)	-	70,000	(70,000)	-	-	-	-	-	-
<b>Interfund transfers</b> (Note 6)	-	-	-	-	117,000	(117,000)	-	-	-
<b>Balance</b> , end of year	\$ 1,417,793	\$ 472,458	\$ 35,563	\$ -	\$ 2,590,322	\$ -	\$ 12,062	\$ 4,528,198	\$ 4,848,873

## Canadian Lung Association Statement of Cash Flows

For the year ended March 31	2010	2009
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ (320,675)	\$ 125,733
Adjustments for:		
Amortization of capital assets	30,835	20,197
Bond discount/premium amortization	17,043	8,280
Loss on sale of investments	38,499	18,076
Unrealized gain on investments	(15,886)	(62,963)
	(250,184)	109,323
Changes in non-cash working capital items		
Accounts receivable	(118,049)	(30,586)
Prepaid expenses	(4,252)	(57,721)
Accounts payable and accrued liabilities	70,419	(28,668)
Deferred revenue	(49,055)	(290,639)
	(351,121)	(298,291)
<b>Cash flows from investing activities</b>		
Purchase of investments	(188,566)	(632,015)
Sale of investments	214,357	529,441
Long-term receivables	57,144	(198,058)
Capital asset additions	(27)	(44,883)
	82,908	(345,515)
<b>Decrease in cash during the year</b>	<b>(268,213)</b>	<b>(643,806)</b>
<b>Cash and short-term investments, beginning of year</b>	<b>2,842,880</b>	<b>3,486,686</b>
<b>Cash and short-term investments, end of year</b>	<b>\$ 2,574,667</b>	<b>\$ 2,842,880</b>
<b>Represented by:</b>		
Cash and short-term investments (Note 1)	\$ 2,308,772	\$ 2,712,125
Cash component of investments (Note 2)	265,895	130,755
	<b>\$ 2,574,667</b>	<b>\$ 2,842,880</b>

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## Canadian Lung Association Summary of Significant Accounting Policies

**March 31, 2010**

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<b>Nature and Purpose of Organization</b>	The association is a registered charity incorporated in Canada, whose mission is to improve respiratory health. The association is exempt from income taxes.
<b>Basis of Presentation</b>	<p>The association has established funds in accordance with the principles of fund accounting:</p> <p><b>General Fund</b> The General fund accounts for the ongoing operating activities of the association and the following Societies; the Canadian Thoracic Society (CTS) and the Canadian Respiratory Health Professionals (CRHP). The funds of CTS are internally restricted.</p> <p><b>Research Fund</b> Revenues and expenses related to research activities are reported in the Research Fund. A significant portion of the expenses relate to grants and fellowships. Restricted funds have been restricted by donors and are to be used for research and education in the prevention of various lung diseases.</p> <p><b>International Project</b> The International Project Fund was established to describe the financial results of the National Tuberculosis Strengthening Program in Ecuador, which is funded by the Canadian International Development Agency (CIDA) and the Cooperative for Assistance and Relief Everywhere Inc. (CARE). During the year, the association completed work on all of its outstanding international contracts.</p>
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.
<b>Foreign Currency Translation</b>	At the transaction date, each asset, liability, revenue and expense in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included as a credit or charge to operations in the current period.



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# Canadian Lung Association

## Summary of Significant Accounting Policies

March 31, 2010

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### Changes in Accounting Policies

The Canadian Institute of Chartered Accountants (CICA) revised CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions related to presentation and disclosure standards and hence had no impact on the association's net financial position or its results of operations. In addition, the CICA has issued a new standard, CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations. These new standards included:

- presentation of the association's balance sheet and statement of net assets whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets when the association chooses to do so;
- presentation and recognition of revenues and expenses on a gross basis and not a net basis when the association is acting as a principal in transactions; and
- new disclosure standards for organizations that choose to classify some or all of their expenses by function and allocate expenses to a number of functions to which the expenses relate. These include:
  - a requirement for an association that allocates its fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made; and
  - a requirement for an association to disclose the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

These changes are effective for fiscal periods commencing on or after January 1, 2009. Accordingly, these changes were adopted for the association's March 31, 2010 fiscal year. These changes in disclosure and presentation standards, if any, were required on a retrospective basis and comparative amounts were reclassified where applicable.

### Financial Instruments

The new accounting standards for financial instruments require that all financial assets and financial liabilities be classified according to their characteristics, management's intentions, or the choice of category in certain circumstances. When initially recognized, all financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities will be measured at fair value, except for those financial instruments with long-term maturities and for which the association has the intent and ability to hold these financial instruments to maturity which will be measured at amortized cost using the effective interest rate method. Gains or losses arising from a change in the fair value of a financial asset or financial liability are recognized in operations as they occur.

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## Canadian Lung Association

### Summary of Significant Accounting Policies

**March 31, 2010**

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<b>Financial Instruments</b> (continued)	<p>The association's financial instruments include cash and short-term investments, accounts receivable, investments, accounts payable and accrued liabilities. The fair values of these financial instruments are equivalent to their carrying values given their short-term maturities, unless otherwise noted.</p> <p>Unless otherwise mentioned, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments.</p>
<b>Financial Risk Management</b>	<p>The association manages its investment portfolio to earn investment income and invests only in low risk investments. The association is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.</p>
<b>Revenue Recognition</b>	<p>The association follows the deferral method of accounting for contributions. 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.</p> <p>The association receives conditional contributions from certain organizations for projects. Terms of the projects and contribution agreements specify that the unexpended amounts remaining at completion of the projects must be returned. Amounts contributed and received are deferred until they are expended in accordance with the terms of the contribution agreements. Project contributions are recognized as revenue as the related expenses are incurred, and unexpended amounts at year end are reflected in current liabilities as deferred revenue.</p>
<b>Investments</b>	<p>Investments are recorded at market value. Interest on investments is accrued as earned. Dividends are recorded when received. Gains and losses on the sale of investments are recognized in the year of disposal. Fair value changes of investments are recorded as unrealized gains or losses and recognized in the statement of operations.</p>
<b>Capital Assets</b>	<p>Capital assets are stated at cost. Amortization is provided using the straight-line method over three years.</p>
<b>Allocation of Expenses</b>	<p>The association provides several programs as part of their initiative to improve respiratory health. The costs of each program include amounts directly related to providing the program. The association also incurs general support expenses that are common to the administration of the association and each of its programs.</p> <p>The association allocates an allowance for general support expenses to individual projects proportionately based on sponsorship revenues expected to be received in this programs, at a rate of between 5 - 12% of budgeted revenue.</p>

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## Canadian Lung Association Summary of Significant Accounting Policies

**March 31, 2010**

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### **Future Changes in Accounting Standards**

The CICA has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The association, at its option, may adopt IFRS if it so chooses.

In addition, the CICA is currently evaluating the financial reporting standards of not-for-profit organizations. The CICA is examining the needs of the financial statement users of not-for-profit organizations to determine the most appropriate reporting approach which includes considering the existing frameworks of:

- Current not-for-profit standards;
- Private entity standards;
- Public sector standards; and
- International standards.

Therefore, changes in not-for-profit standards are possible over the next several years.

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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

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### 1. Cash and Short-Term Investments

The association's bank accounts are held at one chartered bank and earn interest between 0% and prime less 2.5%. Short-term investments include a guaranteed investment certificate in the amount of \$111,610 which matures June 30, 2010 and earns interest at 3.85%; a guaranteed investment certificate in the amount of \$300,000 which matures November 3, 2010 and earns interest at 0.65%; a guaranteed investment certificate in the amount of \$300,000 which matures June 1, 2011 and earns interest at 1.1%; a guaranteed investment certificate in the amount of \$578,280 which matures July 29, 2010 and earns interest at 4.0% and a guaranteed investment certificate in the amount of \$250,000 which matures November 3, 2011 and earns interest at 1.5%.

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### 2. Investments

The cost of the investments are as follows:

	2010			2009
	General Fund	Research Fund	Total	Total
Cash	\$ 111,676	\$ 154,219	\$ 265,895	\$ 130,755
Equities	80,832	111,625	192,457	166,652
Bonds	1,090,585	1,506,047	2,596,632	2,669,244
	\$ 1,283,093	\$ 1,771,891	\$ 3,054,984	\$ 2,966,651

The carrying values of the investments are as follows:

	2010			2009
	General Fund	Research Fund	Total	Total
Cash	\$ 111,676	\$ 154,219	\$ 265,895	\$ 130,755
Equities	94,785	130,894	225,679	158,112
Bonds	1,148,601	1,586,162	2,734,763	2,867,777
	\$ 1,355,062	\$ 1,871,275	\$ 3,226,337	\$ 3,156,644

The investments in bonds are with the Government of Canada and its Provinces and senior Canadian financial institutions and companies. Interest rates on the bonds range from 3.60% to 6.375% per annum and mature between August 2010 and June 2037.

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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

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### 3. Long-Term Receivables

The Canadian Lung Association and the Ontario Lung Association have signed an agreement for the payment of the Ontario Lung Association's outstanding assessments. According to the terms of this agreement, the Ontario Lung Association will repay the outstanding assessments in monthly instalments of \$4,762 over a 7 year period commencing April 1, 2010, reduced by any balloon payments, without interest. The portion relating to instalments receivable after March 31, 2011 has been classified as long-term.

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### 4. Capital Assets

	2010			2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 23,746	\$ 23,746	\$ -	\$ 23,746	\$ 19,222	\$ 4,524
Computer equipment	24,886	12,831	12,055	26,347	4,317	22,030
Computer software	66,864	46,131	20,733	65,376	28,334	37,042
Leasehold improvements	7,887	7,887	-	7,887	7,887	-
	<b>\$ 123,383</b>	<b>\$ 90,595</b>	<b>\$ 32,788</b>	<b>\$ 123,356</b>	<b>\$ 59,760</b>	<b>\$ 63,596</b>

During the year, property and equipment was purchased for \$27 (2009 - \$44,883).

During the year, the association incurred amortization expense of \$30,835 (2009 - \$20,197) which was charged to the departments for which the related equipment was purchased.

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### 5. Net Assets Invested in Capital Assets

The impact of the revision to CICA Handbook Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, relates to the presentation of the organization's balance sheet and statement of net assets whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets when the association chooses to do so.

The association has not chosen to do so, therefore amounts previously presented as net assets invested in capital assets are now included in unrestricted net assets. This change in accounting policy has been accounted for on a retrospective basis and the 2009 amounts presented for comparative purposes have been reclassified.

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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

### 6. Interfund transfers

During the year, the Board of Directors approved the transfer of \$100,000 of funds internally restricted for respiratory conferences as follows; \$70,000 was transferred to the Canadian Thoracic Society and \$30,000 was transferred to the unrestricted fund to cover the losses of the Canadian Respiratory Health Professionals during the year.

The Board of Directors also approved the transfer of the \$117,000 research fund donor restricted contribution to the unrestricted research fund. The external restrictions relating to this contribution were no longer in effect at year end.

### 7. Deferred Revenue

	Balance at Beginning of Year	Contributions	Expenses Incurred and Revenue Recognized	Balance at End of Year
<b>General Fund</b>				
COPD Alliance	\$ 82,783	\$ -	\$ 28,701	\$ 54,082
Government relations	8,082	-	8,082	-
Stop TB conference	2,933	9,801	-	12,734
Breathworks	141,209	94,784	177,328	58,665
Asthma Program	283	-	283	-
E-Advocacy	819	-	819	-
Special Projects	114,297	4,500	109,628	9,169
Marketing	-	1,047,904	999,904	48,000
LHF Needs Survey	-	92,800	75,070	17,730
Respiratory Conference 2009	321,366	80,000	401,366	-
Respiratory Conference 2010	-	485,700	80,836	404,864
Tobacco Strategic Plan	-	60,000	51,003	8,997
CTS Programs	511,932	692,825	607,431	597,326
Unearned memberships	40,379	43,244	41,173	42,450
	<u>1,224,083</u>	<u>2,611,558</u>	<u>2,581,624</u>	<u>1,254,017</u>
<b>Research Fund</b>				
Research Grants	398,736	309,231	376,719	331,248
<b>International Project</b>				
CIDA advance contributions grant agreement (Note 10)	7,555	-	7,555	-
International Development Projects advance contributions (Note 10)	3,946	-	3,946	-
	<u>11,501</u>	<u>-</u>	<u>11,501</u>	<u>-</u>
	<u>\$ 1,634,320</u>	<u>\$ 2,920,789</u>	<u>\$ 2,969,844</u>	<u>\$ 1,585,265</u>

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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

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### 8. Bequests and Memorials

	<u>2010</u>	<u>2009</u>
Received during the year	\$ 319,208	\$ 207,227
Less: Provincial allocation	<u>(271,438)</u>	<u>(155,420)</u>
	<u>\$ 47,770</u>	<u>\$ 51,807</u>

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### 9. Commitments

The association is committed to monthly premises lease payments of \$4,314 ending September 30, 2011 and an equipment lease of \$550 per month ending September 30, 2011.

Minimum payments over the next two years to meet the above commitments is as follows;

2011	\$ 58,365
2012	<u>29,182</u>
	<u>\$ 87,547</u>

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### 10. Contribution Agreements

Contributions received from government agencies may be subject to audit under the terms and conditions of the contribution agreement. Should an audit reveal that any of the expenses of the project are not in accordance with funding guidelines or should any unspent funds remain at the end of the project, the funder may require the association to reimburse a portion of the funds advanced. No claim for reimbursement has been made to date and management is of the opinion that the amount of any possible claim cannot be anticipated at this time. No provision for reimbursement of funds has been made in the financial statements. In the event any sum has to be reimbursed, it will be treated as a current period expense.

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### 11. Comparative Amounts

In certain instances, 2009 amounts presented for comparative purposes have been reclassified to conform to the financial statement presentation adopted for the current year.

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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

**12. Studentships, Fellowships, Research Grants and Honorariums:**

Included in the departmental societies' expenses of the research fund are the following studentships, fellowships, grants and honorariums:

	2010	2009
<b>Studentships:</b>		
C. Bauer, McMaster University	\$ 10,500	\$ -
J. Hirota, McMaster University	10,500	10,500
N.S. Redhu, University of Manitoba	21,000	-
K. Shalaby, McGill University	21,000	10,500
<b>Fellowships:</b>		
C. Bauer, McMaster University	-	7,500
M.K. Beauchamp, University of Toronto	7,500	7,500
E. Boncoeur, Hotel-Dieu	45,000	22,500
S. Ghavami, University of Manitoba	16,875	33,750
T.L. Hackett, University of British Columbia	33,750	-
S. Hutchinson, University of Saskatchewan	-	7,500
D. Jensen, Queen's University	45,000	-
B. McMullin, University of British Columbia	-	7,500
K. McNab, Laurentian University	-	7,500
B. Mercer, University of New Brunswick	-	7,500
G. Montandon, University of Toronto	18,750	-
S. Price, University of Toronto	1,250	-
A. Semlali, University of Laval	-	50,625
B. Walker, University of Calgary	28,750	-
L. Wickerson, University of Toronto	3,750	-
<b>Grants:</b>		
M. Bellefontaine, Headwaters Health Centre	-	1,500
S. Butcher, University of Saskatchewan	-	19,690
D. Brooks, West Park Healthcare Centre	8,990	19,780
CIHR Institute of Circulatory & Respiratory Diseases	5,313	-
R. Debigare, University of Laval	-	20,000
M. Fitch, Sunnybrook Regional Cancer Centre, Toronto	-	6,178
D. Goodridge, University of Saskatchewan	-	20,255
Hôpital du Sacré-Coeur de Montréal	25,000	-
M. Lobchuck, University of Manitoba	15,669	-
T. Matviychuk, Health Sciences Centre	-	1,000
Newfoundland & Labrador Nurses' Respiratory Society	2,500	-
The Ottawa Hospital	4,092	-
D.W. Reid, University of British Columbia	9,277	-
D. Rennie, University of Saskatchewan	-	15,500
L. Rose, University of Toronto	2,463	-
C. J. Thompson, Receiver General	-	25,000
S. Sidani, Ryerson University	19,990	-
S. Small, Memorial University of Newfoundland	-	10,138
St. Clare Mercy Hospital	700	-
A. Thawer, Calgary Health	-	1,000
<b>Honorariums:</b>		
S. Holgate	1,000	-
National Grant Peer Review Meetings	5,350	-
	\$ 363,969	\$ 312,916



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## Canadian Lung Association Notes to Financial Statements

**March 31, 2010**

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### 13. Allocation of Expenses

General support expenses of \$197,981 (2009 - \$201,876) have been allocated to programs, funds, working groups and societies as follows:

	<u>2010</u>	<u>2009</u>
Breathworks	\$ 20,004	\$ 16,590
Canadian Respiratory Conference	39,370	37,000
Canadian Thoracic Society	7,500	-
Communication and Government Affairs International	5,004	-
Lung Health Framework	-	19,760
Lung Health Framework Secretariat	6,403	41,626
Marketing	34,600	-
Research	24,000	-
Special Projects	38,004	37,500
STOP TB Conference	9,000	47,250
Tobacco Working Group	2,096	2,150
	12,000	-
	<u>\$ 197,981</u>	<u>\$ 201,876</u>

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### 14. Capital Disclosures

The association defines capital as its fund balances and the association's objectives when managing capital are to maintain flexibility between:

- a) enabling it to operate efficiently;
- b) providing liquidity and access to fund balances for growth opportunities; and
- c) generating predictable cash flows for the continuing operations of the association.

The association manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations. The association is not subject to any externally imposed capital requirements.

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**Canadian Lung Association**  
**Schedule 1 - Departmental Expenses of the General Fund**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>Committees</b>		
ALA/CLA Alliance	\$ -	\$ 33
Board of Directors	59,123	49,126
Executive Committee	1,872	10,390
Finance Committee	539	921
Governance Review	-	35
National Awards Committee	4,003	5,306
Partnership Council	36,663	26,969
	<b>102,200</b>	<b>92,780</b>
<b>Programs and Projects</b>		
Breathworks	177,328	178,897
COPD Alliance/conference	46,012	16,284
Canada Health Network	-	1,849
Corporate Funds Development	6,516	-
Special Projects	54,791	286,383
Canadian Respiratory Conference 2008	-	483,325
Canadian Respiratory Conference 2009	444,844	101,278
Canadian Respiratory Conference 2010	121,483	-
Communication and Government affairs	106,931	165,714
E-Advocacy	17,851	26,914
Lung Health Framework	74,644	699,810
Lung Health Framework Guidelines	71,869	-
Lung Health Framework Needs Survey	75,070	-
Lung Health Framework Phase II	963	-
Lung Health Framework Secretariat	506,318	-
Marketing	1,143,708	232,735
National Asthma program	-	15,139
STOP TB conference	3,371	24,638
	<b>2,851,699</b>	<b>2,232,966</b>
<b>Working Groups</b>		
Asthma	-	2,669
Chronic Disease	22,262	21,566
Environmental	13,114	7,132
Fundraising and Marketing	26,675	1,283
Tobacco	51,003	885
	<b>113,054</b>	<b>33,535</b>

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**Canadian Lung Association**  
**Schedule 1 - Departmental Expenses of the General Fund**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>Societies</b>		
Canadian Thoracic Society	677,238	897,164
Canadian Respiratory Health Professionals	93,924	78,084
	<u>771,162</u>	<u>975,248</u>
<b>General Administration</b>		
Administration allocation to programs (Note 13)	(197,982)	(201,876)
Advertising	646	1,879
Amortization	35,565	21,050
Audit fees	15,868	14,350
Equipment leases and repairs	9,825	12,379
General office	34,535	46,351
Insurance	22,187	19,766
Legal fees	3,425	2,850
Memberships	26,103	27,292
Office rent	79,597	84,311
Professional fees	15,373	2,987
Salaries and benefits	779,837	664,329
Staff development, training and recruitment	77,431	11,008
Translation	2,632	5,651
Volunteer and committee expense	14,666	-
Website and internet maintenance	23,195	10,766
	<u>942,903</u>	<u>723,093</u>
	<b>\$ 4,781,018</b>	<b>\$ 4,057,622</b>

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**Canadian Lung Association**  
**Schedule 2 - Departmental Expenses of the Research Fund**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>Committees</b>		
National Grant Review	\$ -	\$ 26,293
Research Committee	<u>159,869</u>	<u>92,116</u>
	<u>159,869</u>	<u>118,409</u>
<b>Programs and Projects</b>		
CLA Scholarships, Fellowships and Research Grants (Note 12)	<u>363,969</u>	<u>312,916</u>
<b>General Administration</b>		
Program costs	10,251	13,015
Salaries and benefits	<u>94,305</u>	<u>-</u>
	<u>104,556</u>	<u>13,015</u>
	<u>\$ 628,394</u>	<u>\$ 444,340</u>

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**Canadian Lung Association**  
**Schedule 3 - CIDA - Ecuador Project Summary of Expenses**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>Ecuador Project - grant agreement</b>		
Advertising and promotion	\$ -	\$ 27
Bank charges	-	6
Direct Program expenses	-	26,905
Foreign exchange gain	-	(5,493)
Office	<b>55</b>	528
Professional fees	-	212
Contribution towards salaries and benefits	-	45,282
Staff recruitment	-	1,323
Telecommunications	<b>45</b>	1,376
Travel	-	4,112
	<hr/>	<hr/>
	<b>\$ 100</b>	<b>\$ 74,278</b>

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**Canadian Lung Association**  
**Schedule 4 - CARE Ecuador Project Summary of Expenses**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>Ecuador Project - monitoring agreement</b>		
Foreign exchange loss	\$ -	\$ 30
Human Resources	-	20,400
Monitoring and evaluation	-	87
Planning and administration	-	1,152
Telephone	-	4
Travel	-	453
	<hr/>	<hr/>
	<b>\$ -</b>	<b>\$ 22,126</b>

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**Canadian Lung Association**  
**Schedule 5 - International Development Projects**  
**Summary of Expenses**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>International Development Projects</b>		
Consultant	\$ -	\$ 17,860
Meeting expense	26	21,572
Direct program expenses	1,516	23,523
Office	-	2,502
Telecommunications	-	107
Travel	-	36,427
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	<b>\$ 1,542</b>	<b>\$ 101,991</b>

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**Canadian Lung Association**  
**Schedule 6 - The America's International Project**  
**Summary of Expenses**

<b>March 31</b>	<b>2010</b>	<b>2009</b>
<b>The America's International Project</b>		
Consultant	\$ -	\$ 5,277
Telecommunications	-	71
Travel	-	22,446
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	<b>\$ -</b>	<b>\$ 27,794</b>

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