

Financial Statements of

BRITISH COLUMBIA LUNG ASSOCIATION

Year ended March 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Members of the British Columbia Lung Association

Report on the Financial Statements

We have audited the accompanying financial statements of British Columbia Lung Association, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis of Qualified Opinion

In common with many charitable organizations, British Columbia Lung Association derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of British Columbia Lung Association. Therefore, we were not able to determine whether, as at or for the years ended March 31, 2016 and 2015, any adjustments might be necessary to donations revenues and excess of revenues over expenses reported in the statement of operations, excess of revenues over expenses in the statement of cash flows and current assets and unrestricted net assets recorded in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended March 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of British Columbia Lung Association as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

June 17, 2016

Burnaby, Canada

BRITISH COLUMBIA LUNG ASSOCIATION

Financial Statements Index

Year ended March 31, 2016

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BRITISH COLUMBIA LUNG ASSOCIATION

Statement of Financial Position

March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|-------------------------|----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 37,390 | \$ 193,358 |
| Investments (note 3) | 7,311,500 | 11,429,756 |
| Accounts receivable | 851,843 | 750,371 |
| Prepaid expenses | 15,667 | 16,210 |
| | <u>8,216,400</u> | <u>12,389,695</u> |
| Investments (note 3) | 1,518,869 | - |
| Other assets (note 4) | 26,697 | 25,071 |
| Capital assets (note 5) | 1,728,709 | 1,746,085 |
| | <u>\$ 11,490,675</u> | <u>\$ 14,160,851</u> |

Liabilities and Net Assets

| | | |
|--|----------------------|----------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 497,993 | \$ 705,165 |
| Deferred contributions (note 6) | 697,802 | 2,109,336 |
| | <u>1,195,795</u> | <u>2,814,501</u> |
| Net assets: | | |
| Unrestricted | 8,566,171 | 9,600,265 |
| Invested in capital assets | 1,728,709 | 1,746,085 |
| | <u>10,294,880</u> | <u>11,346,350</u> |
| Commitments (note 9) | | |
| | <u>\$ 11,490,675</u> | <u>\$ 14,160,851</u> |

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director and Chairperson



Director and Honorary Treasurer

BRITISH COLUMBIA LUNG ASSOCIATION

Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|----------------|------------|
| Revenue: | | |
| Contributions from fundraising campaigns: | | |
| Christmas Seal Appeal | \$ 821,351 | \$ 892,487 |
| Bike Trek | 194,773 | 281,167 |
| Country Hearts Campaign | 142,211 | 161,343 |
| Spring Appeal | 152,540 | 150,704 |
| Summer Campaign | 102,019 | 100,050 |
| Climb the Wall | 88,955 | 74,977 |
| Golf Cards | 53,533 | 59,969 |
| Race and Urban Scavenger Hunt | 77,796 | 52,753 |
| SuperTeam | 11,070 | 43,195 |
| Gaming | 850 | 2,900 |
| Vehicle Donation Program | 2,419 | 650 |
| | <hr/> | <hr/> |
| | 1,647,517 | 1,820,195 |
| Government grants | 3,272,008 | 3,399,234 |
| Bequests and memorials | 361,463 | 878,008 |
| Investment income | 197,048 | 256,732 |
| Donations | 309,305 | 258,600 |
| Other | 178,280 | 424,310 |
| | <hr/> | <hr/> |
| | 5,965,621 | 7,037,079 |
| Expenses: | | |
| Fundraising expenses (schedule 1) | 1,310,417 | 1,288,318 |
| Grants and awards (schedule 2) | 1,010,394 | 922,851 |
| Health services (schedule 3) | 4,179,366 | 4,340,130 |
| Operating and administrative (schedule 4) | 475,596 | 488,481 |
| | <hr/> | <hr/> |
| | 6,975,773 | 7,039,780 |
| Deficiency of revenue over expenses before undernoted | (1,010,152) | (2,701) |
| Change in fair value of investments | (46,414) | 189,589 |
| Foreign exchange gain | 5,096 | 72,740 |
| | <hr/> | <hr/> |
| | (41,318) | 262,329 |
| Excess (deficiency) of revenue over expenses | <hr/> | <hr/> |
| | \$ (1,051,470) | \$ 259,628 |

See accompanying notes to financial statements.

BRITISH COLUMBIA LUNG ASSOCIATION

Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

| | Unrestricted | Invested in capital assets | 2016 | 2015 |
|---|--------------|-------------------------------|---------------|---------------|
| Balance, beginning of year | \$ 9,600,265 | \$ 1,746,085 | \$ 11,346,350 | \$ 11,086,722 |
| Excess (deficiency) of revenue over expenses | (1,001,460) | (50,010) | (1,051,470) | 259,628 |
| Net additions to capital assets | (32,634) | 32,634 | - | - |
| Balance, end of year | \$ 8,566,171 | \$ 1,728,709 | \$ 10,294,880 | \$ 11,346,350 |

See accompanying notes to financial statements.

BRITISH COLUMBIA LUNG ASSOCIATION

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|----------------|-------------|
| Cash provided by (used in): | | |
| Operating: | | |
| Excess (deficiency) of revenue over expenses | \$ (1,051,470) | \$ 259,628 |
| Items not involving cash: | | |
| Amortization of capital assets | 50,010 | 55,370 |
| Fair value change of investments | 46,414 | (189,589) |
| Foreign exchange gain | (5,096) | (72,740) |
| Change in non-cash operating working capital: | | |
| Increase in accounts receivable | (101,472) | (205,572) |
| Decrease (increase) in prepaid expenses | 543 | (3,570) |
| Increase in other assets | (1,262) | (1,626) |
| Increase (decrease) in accounts payable and accrued liabilities | (207,172) | 44,526 |
| Decrease in deferred contributions | (1,411,534) | (257,858) |
| | (2,681,039) | (371,431) |
| Investments: | | |
| Purchase of investments | (6,311,665) | (8,742,023) |
| Proceeds from sale of investments | 8,869,370 | 8,454,947 |
| Purchase of capital assets | (32,634) | (5,990) |
| | 2,525,071 | (293,066) |
| Decrease in cash | (155,968) | (664,497) |
| Cash, beginning of year | 193,358 | 857,855 |
| Cash, end of year | \$ 37,390 | \$ 193,358 |

See accompanying notes to financial statements.

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2016

1. Operations:

British Columbia Lung Association (the "Association") is a registered Canadian charity incorporated under the Society Act (British Columbia). The purpose of the Association is to support medical research and education programs aimed at respiratory disease and to conduct fundraising activities to provide financial support for such programs. Under the provisions of the Income Tax Act, the Association is exempt from Canadian federal and provincial income taxes and is able to issue donation receipts for income tax purposes.

Under the provisions of the Income Tax Act, the Association is exempt from Canadian federal and provincial income taxes.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook and include the following accounting policies:

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions which include donations and government grants. Donations are recorded when received or receivable when a realizable value can be reasonably estimated. Externally restricted contributions are initially deferred and recognized as revenue in the period in which the related expenses are incurred or the restrictions met.

Amounts received related to fundraising events to be held after the fiscal year end are deferred and recognized on completion of the fundraising event.

Contributions of irrevocable charitable remainder trusts or life insurance policies are recorded as revenue upon receipt of funds at the net present value or cash surrender value respectively.

Investment income is recognized as revenue when earned.

Donated gifts in-kind are recorded at fair value, when fair value can be reasonably estimated provided the goods or services would normally be required for operations. Fair value is determined to be the value of the donation at the date of the contribution. Due to the difficulty of determining the fair value, donated services of this nature are not recognized in the financial statements.

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

2. Significant accounting policies (continued):

(b) Capital assets:

Capital assets are stated at cost less accumulated amortization and are amortized on the declining-balance basis using the following rates:

| Asset | Rate |
|-------------------------------|------|
| Building | 5% |
| Office furniture and fixtures | 20% |
| Computer equipment | 30% |
| Vehicles | 30% |
| Computer software | 100% |

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for amortization and provisions for contingencies. Actual results could differ from those estimates.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost. The Association has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets recorded at amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Association does not hold any financial derivatives as at March 31, 2016.

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

3. Investments:

| | 2016 | 2015 |
|---|---------------------|----------------------|
| Guaranteed investment certificates, measured at amortized cost | \$ 6,382,689 | \$ 8,932,948 |
| Quoted shares, measured at fair value | 2,447,680 | 2,496,808 |
| | <u>\$ 8,830,369</u> | <u>\$ 11,429,756</u> |

The Guaranteed investment certificates have an effective interest rate of 1.45 % to 2.25% (2014 - 1.40 % to 2.25%) with maturities of 2017 to 2020.

The total investments balance is classified as follows on the statement of financial position:

| | 2016 | 2015 |
|-----------|---------------------|----------------------|
| Current | \$ 7,311,500 | \$ 11,429,756 |
| Long-term | 1,518,869 | - |
| | <u>\$ 8,830,369</u> | <u>\$ 11,429,756</u> |

4. Other assets:

| | 2016 | 2015 |
|-------------------------|-----------|-----------|
| Life insurance policies | \$ 26,697 | \$ 25,071 |

The Association has been named the irrevocable beneficiary of one (2015 - one) life insurance policy with coverage totaling \$52,449 (2015 - \$52,449). At March 31, 2016, the insurance policy has a cash surrender value, representing fair value, totaling \$26,697(2015 - \$25,071), which is recorded as an asset. In the event that the donor discontinues paying the premiums, the Association will receive proceeds equal to the cash surrender value. Upon the death of the donor, the total coverage will be payable to the Association.

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

5. Capital assets:

| 2016 | Cost | Accumulated depreciation | Net book value |
|-------------------------------|---------------------|--------------------------|---------------------|
| Land | \$ 987,043 | \$ - | \$ 987,043 |
| Building | 2,138,948 | 1,435,071 | 703,877 |
| Office furniture and fixtures | 511,746 | 502,493 | 9,253 |
| Computer equipment | 274,776 | 258,093 | 16,683 |
| Vehicles | 71,059 | 64,711 | 6,348 |
| Computer software | 40,424 | 34,919 | 5,505 |
| | \$ 4,023,996 | \$ 2,295,287 | \$ 1,728,709 |

| 2015 | Cost | Accumulated depreciation | Net book value |
|-------------------------------|---------------------|--------------------------|---------------------|
| Land | \$ 987,043 | \$ - | \$ 987,043 |
| Building | 2,108,582 | 1,399,159 | 709,423 |
| Office furniture and fixtures | 511,746 | 500,180 | 11,566 |
| Computer equipment | 274,776 | 250,943 | 23,833 |
| Vehicles | 71,058 | 61,990 | 9,068 |
| Computer software | 38,156 | 33,004 | 5,152 |
| | \$ 3,991,361 | \$ 2,245,276 | \$ 1,746,085 |

6. Deferred contributions:

Changes in deferred contributions are as follows:

| | 2016 | 2015 |
|------------------------------|-------------------|---------------------|
| Balance, beginning of year | \$ 2,109,336 | \$ 2,367,194 |
| Contributions received | 1,979,944 | 3,166,927 |
| Amount recognized as revenue | (3,391,478) | (3,424,785) |
| Balance, end of year | \$ 697,802 | \$ 2,109,336 |

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

7. Pension plan:

The Association provides a defined contribution pension plan to its employees which vests after two years of service. The Association is required to pay a contribution ranging from 5% to 10% of the employee's gross pay. For the year ended March 31, 2016, the Association contributed \$92,328 (2015 - \$99,946) in pension plan payments for its employees. This amount is included in expenses.

8. Related entity:

The Association is related to the Lung Foundation of British Columbia (the "Foundation") as all of the directors of the Foundation are also directors of the Association and neither entity is considered to control the other. The Foundation is a registered charity formed to provide funds to support research and studies into the prevention and control of lung and related diseases.

The net assets and results from operations of the Foundation have not been included in these financial statements. A financial summary of the Foundation as at and for its year ended March 31, 2016 is as follows:

| | 2015 | 2015 |
|-------------------------------|------------|------------|
| Financial Position: | | |
| Total assets | \$ 832,682 | \$ 833,047 |
| Total net assets | 832,682 | 833,047 |
| <hr/> | | |
| | 2016 | 2015 |
| Results of Operations: | | |
| Total revenue | \$ 18,235 | \$ 40,951 |
| Total expenses | (16,865) | (19,765) |
| | \$ 1,370 | \$ 21,186 |
| <hr/> | | |
| Cash Flows: | | |
| Operating activities | \$ 1,759 | \$ 17,173 |
| Investing activities | (24,260) | 15,000 |

BRITISH COLUMBIA LUNG ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

9. Commitments:

The Association is committed to expenses for grants, awards and health services. The Association is also committed to payments under an operating lease for a vehicle. The minimum annual payments under the funding and operating lease commitments are as follows:

| | | |
|------|----|-----------|
| 2017 | \$ | 783,625 |
| 2018 | | 252,875 |
| | \$ | 1,036,500 |

10. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to the accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

The Association is exposed to fair value risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 3.

11. Trust Funds

Certain assets have been conveyed or assigned to the Association to be administered as directed by agreement. The Association holds these assets for the benefit of, and stands in a fiduciary relationship, to the beneficiaries. The Better Pharmacare Coalition and STOP TB funds of \$59,302 (2015 - \$89,723) and \$5,360 (2015 - \$6,815) respectively, which are administered by the Association, have not been included within the Association's accounts.

BRITISH COLUMBIA LUNG ASSOCIATION

Fundraising Expenses

Schedule 1

Year ended March 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Administrative: | | |
| Credit card and online fees | \$ 13,730 | \$ 29,245 |
| Data processing and mechanical inserting | 25,253 | 24,913 |
| Education and training | 1,920 | 1,721 |
| Licenses and memberships | 1,441 | 325 |
| Publicity | 63,520 | 46,126 |
| Programs | 91,142 | 110,009 |
| Salaries and employee benefits | 506,532 | 486,214 |
| Telephone | 10,409 | 10,743 |
| Travel and meetings | 18,407 | 21,724 |
| Volunteers | 5,647 | 5,388 |
| Materials | 192,365 | 166,894 |
| Postage | 380,051 | 385,016 |
| | <u>\$ 1,310,417</u> | <u>\$ 1,288,318</u> |

BRITISH COLUMBIA LUNG ASSOCIATION

Grants and Awards

Schedule 2

Year ended March 31, 2016

| | 2016 | 2015 |
|---|----------------|----------------|
| Fellowships: | | |
| Respiratory Medicine: | | |
| Dr. S. Grzybowski Memorial | \$ 25,000 | \$ 18,750 |
| Dr. W. Thurlbeck Memorial | 25,000 | 18,750 |
| Pulmonary Radiology - Dr. R. Miller Memorial | 25,000 | 25,000 |
| Pulmonary Pathology - Dr. K. Pump Memorial | 25,000 | 25,000 |
| Rehabilitation Medicine | 31,250 | 25,000 |
| Transitional TB Research | 50,000 | 50,000 |
| | <u>181,250</u> | <u>162,500</u> |
| Ongoing grants: | | |
| UBC Continuing Professional Dev. & Knowledge Translation | 28,000 | 18,000 |
| Nursing Bursaries - Community Colleges | 8,000 | 6,000 |
| Canadian Lung Association - Research | 79,898 | 93,735 |
| Canadian Lung Association - Annual | 147,093 | 153,456 |
| Respiratory Technology Bursary - TRU | 3,000 | 3,000 |
| International Union Against TB and Lung Disease | 9,754 | 8,785 |
| Hidalgo Lung Association Project | 3,803 | - |
| Professional Grants | 5,500 | 2,000 |
| Helen H. Findlay Nursing Bursary - BCIT | 1,000 | 1,000 |
| Canadian Respiratory Network Investigator Award | 50,000 | 50,000 |
| | <u>336,048</u> | <u>335,976</u> |
| Community service projects: | | |
| Healthy Living Alliance | 10,000 | 10,000 |
| Direct Patient Support | 7,500 | 11,000 |
| TB-2 Unit VGH Grant | - | 3,000 |
| Community respiratory programs | 30,000 | 400 |
| Educational Internet Website | 24,846 | 8,247 |
| Anne Fanning TB Grant | - | 2,717 |
| | <u>72,346</u> | <u>35,364</u> |
| Project and equipment grants – Approved June 2015 | | |
| Dr. Yossef Av-Gay Intracellular growth of Mycobacterium tuberculosis: prospects for drug discovery | 15,375 | - |
| Dr. Delbert Dorscheid Conjugated Linoleic Acid (CLA) – A Novel and natural anti-viral and anti-inflammatory molecule in asthma | 12,500 | - |
| Dr. David Granville Extracellular Granzyme B and pulmonary epithelial barrier disruption | 12,500 | - |
| Dr. Sarah Henderson The respiratory and cardiovascular risks associated with sub-daily exposure to forest fire smoke | 12,500 | - |
| Dr. Zakaria Hmama Attenuated proapoptotic BCG strains as novel TB vaccines | 12,500 | - |
| Dr. Janice Leung Accelerated aging and oxidative stress: Mechanisms of lung disease in HIV | 12,500 | - |
| Dr. Ma'En Obeidat Integrative genomics approach to unravel the molecular mechanisms underlying lung function measures and lung cancer | 12,500 | - |
| Dr. Christopher Ryerson - \$50,000 (Over 2 Years) Researching frailty, sarcopenia and healthcare costs in fibrotic interstitial lung disease (the 'REFReSH-ILD Study') | 12,500 | - |
| Dr. Andrew Sandford Genetic determinants of obstructive sleep apnea | 12,500 | - |
| Dr. William Sheel The aging lung: Sex differences in the sensation of breathlessness during exercise | 12,500 | - |
| Dr. Scott J. Tebbutt Validation of predictive biomarkers of the late phase asthmatic response | 15,375 | - |
| | <u>143,250</u> | <u>-</u> |

BRITISH COLUMBIA LUNG ASSOCIATION

Grants and Awards

Schedule 2
(continued)

Year ended March 31, 2016

| | 2016 | 2015 |
|---|--------------|------------|
| Project and equipment grants – Approved June 2014: | | |
| Dr. Michael Brauer – Has AirCare led to lower mortality in BC Lower Mainland? | 12,500 | 12,500 |
| Dr. Christopher Carlsten – A novel approach to characterizing the human airway responses to complex environmental exposures | 25,000 | 12,500 |
| Dr. Vincent Duronio – Aberrant p53-mediated signaling in the pathogenesis of idiopathic pulmonary fibrosis | 25,000 | 12,500 |
| Dr. Lindsay Eltis – Inhibitors of cholesterol catabolism in <i>Mycobacterium tuberculosis</i> | 25,000 | 12,500 |
| Dr. Jeremy Hirota – The role of uric acid in airway health and disease | 25,000 | 12,500 |
| Dr. Bradley Quon – Identification of novel blood biomarkers to predict pulmonary exacerbations in cystic fibrosis | 25,000 | 12,500 |
| Dr. Santiago Ramon-Garcia – Repurposing veterinary anti-parasitic drugs to treat tuberculosis | 25,000 | 12,500 |
| Dr. Nico Marr – Immunological determinants of severe respiratory syncytial virus infection in early life | 25,000 | 12,500 |
| | 187,500 | 100,000 |
| Project and equipment grants – Approved June 2013: | | |
| Dr. Yossef Av-Gay – Elucidating the role of ergothioneine in the physiology and pathogenesis of <i>Mycobacterium tuberculosis</i> | 15,000 | 30,000 |
| Dr. Nick Bansback – Testing whether a patient decision aid improve adherence to treatment in patients with obstructive sleep apnea: A pilot study | 15,000 | 30,000 |
| Dr. Jordan Guenette – Mechanisms of exertional dyspnea in fibrotic interstitial lung disease | 15,000 | 30,000 |
| Dr. Tillie-Louise Hackett – Molecular determinants of small airway obstruction in COPD | 15,000 | 30,000 |
| Dr. Charles Thompson – The synergistic activities of cephalosporins and rifampicins against <i>Mycobacterium tuberculosis</i> | 15,000 | 30,000 |
| Dr. Stephan van Eeden – The impact of HMG-CoA reductase inhibitors on lung inflammation in COPD | 15,000 | 30,000 |
| | 90,000 | 180,000 |
| Project and equipment grants – Approved June 2012: | | |
| Dr. Jeremy Hirota – The airway epithelium NLRP3 inflammasome: Central player in air pollution mediated innate and adaptive immune responses | - | 10,850 |
| Dr. James Kronstad – Emergence of <i>Cryptococcus gattii</i> in BC: evaluation of the immune response during pulmonary infection | - | 12,211 |
| Dr. Pascal Lavoie – Genetic susceptibility to neonatal chronic lung disease | - | 11,250 |
| Dr. Nico Marr – Role of RIG-I in susceptibility of infants to severe RSV infection | - | 15,000 |
| Dr. Christopher Miller – A pilot study: Effect of inhaled gaseous nitric oxide on the bacterial load in chronic mechanically ventilated adults | - | 6,950 |
| Dr. Bradley Quon – Identification of novel plasma biomarkers to predict treatment response in acute exacerbations of cystic fibrosis | - | 11,250 |
| Dr. David Speert – <i>Burkholderia cepacia</i> complex bacteria in lung infections in cystic fibrosis: understanding the contribution of bacterial exopolysaccharide production to disease severity | - | 15,000 |
| Dr. Patrick Tang – Utility of enhanced TB molecular epidemiology | - | 15,000 |
| | | 97,511 |
| Other grants: | | |
| Miscellaneous grants | - | 11,500 |
| | \$ 1,010,394 | \$ 922,851 |

BRITISH COLUMBIA LUNG ASSOCIATION

Health Services Expense

Schedule 3

Year ended March 31, 2016

| | 2016 | 2015 |
|--------------------------------|---------------------|---------------------|
| Data processing | \$ 2,877 | \$ 2,503 |
| Education and training | 2,530 | 2,888 |
| Health education material | 4,906 | 13,183 |
| Medical equipment | 1,018 | 1,178 |
| Licenses and memberships | 546 | 446 |
| Postage | 66,467 | 40,561 |
| Printing and supplies | 19,920 | 17,740 |
| Programs | 3,395,121 | 3,599,255 |
| Publicity | 4,057 | 4,464 |
| Salaries and employee benefits | 611,300 | 593,120 |
| Telephone | 11,349 | 11,299 |
| Travel | 29,351 | 23,370 |
| Volunteers | 335 | 955 |
| "Your Health" magazine | 29,588 | 29,168 |
| | <u>\$ 4,179,365</u> | <u>\$ 4,340,130</u> |

BRITISH COLUMBIA LUNG ASSOCIATION

Operating and Administrative Expenses

Schedule 4

Year ended March 31, 2016

| | 2016 | 2015 |
|--------------------------------|-------------------|-------------------|
| Amortization | \$ 50,010 | \$ 55,370 |
| Audit and legal | 24,735 | 27,214 |
| Building maintenance | 27,295 | 22,793 |
| Data processing | 2,843 | 2,653 |
| Directors' meetings and travel | 38,294 | 49,012 |
| Education and training | 627 | 488 |
| Equipment maintenance | 6,367 | 7,574 |
| General insurance | 22,972 | 21,303 |
| Interest and bank charges | 17,405 | 23,332 |
| Janitorial services | 7,302 | 7,660 |
| Licenses and memberships | 665 | 1,991 |
| Light, heat and water | 17,444 | 18,571 |
| Postage | 971 | 1,236 |
| Salaries and employee benefits | 227,959 | 217,983 |
| Stationery and office supplies | 4,774 | 4,610 |
| Telephone | 9,915 | 11,047 |
| Travel - staff | 16,018 | 15,644 |
| | <u>\$ 475,596</u> | <u>\$ 488,481</u> |