

**THE NEWFOUNDLAND AND LABRADOR
LUNG ASSOCIATION
BALANCE SHEET
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014**

ASSETS

		2014	2013
Current Assets			
Cash	Note 10	\$ 148,772	\$ 91,988
Accounts Receivable		15,719	12,808
Due from Newfoundland & Labrador		-	133,747
Prepaid expenses		-	1,000
		<u>164,491</u>	<u>239,543</u>
Capital Assets			
Capital Assets at cost	Note 4	7,403	9,409
		<u>7,403</u>	<u>9,409</u>
Total Assets		<u>171,894</u>	<u>248,952</u>

LIABILITIES

Current Liabilities			
Accounts Payable and Accruals		94,329	125,300
Payroll Deductions		2,128	11,988
Deferred Revenue		54,470	86,533
		<u>150,927</u>	<u>223,821</u>

Net Assets			
Net Assets		20,967	25,131
		<u>20,967</u>	<u>25,131</u>

Total Liabilities and Net Assets		<u>\$ 171,894</u>	<u>\$ 248,952</u>
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ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



Gregory G. Stokes
Chartered Accountant

THE NEWFOUNDLAND AND LABRADOR
LUNG ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014

		Unrestricted	Restricted	
	Total	Operating Fund	Research & Dev.	Travel Assistance
Balance, net assets beginning of year	\$ 25,131	\$ (130,447)	\$ 78,750	\$ 76,828
Deficit for year	(4,164)	836	-	(5,000)
Balance, net assets end of year	\$ 20,967	\$ (129,611)	\$ 78,750	\$ 71,828

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



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THE NEWFOUNDLAND AND LABRADOR
LUNG ASSOCIATION
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS (DEFICIT)
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014

		Current 2014	Prior 2013
REVENUE			
Fundraising	Note 9	\$ 83,210	\$ 148,666
Government grants		359,781	301,238
Bequests		-	211,999
Other Revenue	Note 11	39,496	6,988
Total Revenue		482,487	668,891
EXPENDITURES			
Fundraising costs	Note 9	-	41,759
Wages		313,058	265,993
Equipment and software		576	7,969
Accounting and legal		2,556	2,792
Administrative - consultation		773	773
Advertising and promotion		63,772	8,076
Conference and meetings		4,512	3,350
Business fees and licenses		753	1,325
Courier and postage		3,729	8,161
Interest and Bank charges		4,088	7,238
Amortization expense		2,006	2,739
Insurance		3,963	4,922
Scholarships and Bursaries		1,100	1,500
Donations		2,602	3,990
Program expense		-	1,153
Credit Card Charges		22,727	20,364
National assesement		1,891	2,397
Office expenses		883	1,163
Supplies		37,093	34,173
Rent		8,675	9,455
Telephone		5,745	9,551
Travel expenses		1,149	1,137
Utilities		-	4,242
Other		5,000	6,000
Peggy Lewis memorial expenses		486,651	450,221
Total Expenditure		486,651	450,221
Surplus (Deficit) of Revenue over Expenditures for year		\$ (4,164)	\$ 218,670

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



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**THE NEWFOUNDLAND AND LABRADOR
LUNG ASSOCIATION
STATEMENT OF CASH FLOWS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
Cash provided from (Used for)		
Operations		
Surplus (Deficit) of Revenue over Expenditures for the year	\$ (4,164)	\$ 218,670
Add item not involving cash	2,006	2,739
	<u>(2,158)</u>	<u>221,409</u>
Changes In Non-working Capital		
Accounts Receivable, trade	130,836	(136,316)
Prepaid	1,000	4,879
Accounts Payable and Accruals Liabilities	(40,831)	(59,937)
Deferred Revenue	(32,063)	74,033
	<u>58,942</u>	<u>(117,341)</u>
Financing Activities		
Increase (Decrease) of Long-Term debt	-	(2,250)
Bank Loan	-	(59,000)
	<u>-</u>	<u>(61,250)</u>
Net cash Provided	56,784	42,818
Cash beginning of year	91,988	49,170
Cash end of year	\$ 148,772	\$ 91,988
Note: Cash Represented By:		
Cash	<u>\$ 148,772</u>	<u>\$ 91,988</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



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**THE NEWFOUNDLAND AND LABRADOR
LUNG ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014**

1. General

The Newfoundland and Labrador Lung Association is incorporated under the Articles of Incorporation of Newfoundland and Labrador. The Association operates as a non-profit charitable corporation under the laws of Canada. The purpose of the Association is to support health issues in the province of Newfoundland and Labrador.

2. Summary of Significant Accounting Policies:

a) Revenue

The Association follows the policy of recognizing revenue from donations, bequests and fund raising activities in the period in which they are received. All other revenue are recognized on an accrual basis.

b) Revenue Recognition:

The organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue of the fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All other revenues and expenses are recorded on the accrual basis.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for not-for-profit organizations 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 revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

d) Amortization

Capital assets are recorded at cost, and are being amortized using the declining balance method at the following rates per annum:

Health Education Equipment	20%
Office Furniture and Equipment	20%
Computer Equipment	25%

e) Donated Materials and Services

Donations in kind for goods and services that would normally be purchased by the Association are recorded at fair market value.



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**THE NEWFOUNDLAND AND LABRADOR
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NOTES TO FINANCIAL STATEMENTS CONT'D
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FOR THE YEAR ENDED MARCH 31, 2014**

2. Summary of Significant Accounting Policies (Cont'd):

f) Pledges

Donation pledges are recorded when the cash is received.

3. Financial Instruments

The Association classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred.

During 2009, the CICA announced that not-for-profit organizations could elect to continue to apply CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation in place of CICA Handbook Sections 3862, Financial Instruments - Disclosure and 3863, Financial Instruments - Presentation. The Association has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with CICA Handbook Section 3861.

The Association has classified cash and investments as "held-for-trading", accounts receivable as "loans and receivables" and accounts payable and accrued liabilities as "other financial liabilities". All financial instruments are recognized at fair value on initial recognition.

Subsequent to initial recognition, financial assets classified as "held-for-trading" are recorded at fair value. Gains and losses realized on disposal, unrealized gains and losses from market fluctuations and other investment income are reported in the statement of operations.

Subsequent to initial recognition, financial instruments classified as loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method.

It is management's opinion that the Association is not exposed to significant currency, interest or credit risk on these financial instruments.

4. Capital Assets

	Cost	Accumulated Depreciation	Net Book Value 2014	Net Book Value 2013
Health Education Equipment	\$ 17,143	\$ 15,372	\$ 1,771	\$ 2,213
Office Furniture and Equipment	59,275	55,199	4,076	5,122
Computer Equipment & Office	13,326	11,770	1,556	2,074
	<u>\$ 89,744</u>	<u>\$ 82,341</u>	<u>\$ 7,403</u>	<u>\$ 9,409</u>

5. Income Tax Status

The Association is a registered charity and as such, is exempt from taxes under Section 149 (1)(f) of the Income Tax Act.



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**THE NEWFOUNDLAND AND LABRADOR
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NOTES TO FINANCIAL STATEMENTS CONT'D
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FOR THE YEAR ENDED MARCH 31, 2014**

6 Restatement of Comparative Year

The 2014 comparative figures have been restated to conform to the current year financial presentation.

7 Going Concern

The financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations that are applicable to a going concern, meaning that the Association will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the use of Canadian Accounting Standards for not-for-profit organizations that are applicable to a going concern is potentially inappropriate because there is significant doubt about the appropriateness of the going concern assumption. Given the operating losses accumulated in past years and the deficiency of working capital, the Association's ability to realize its assets and discharge its liabilities depends on continued support from government programs and fundraising activities. The Association has taken measures to decrease its expenses and to increase program revenues. These policies will continue in the future. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management feels that measures described above will mitigate the effect of the facts that raise doubt about the appropriateness of this assumption.

8 Commitments - [REDACTED] Memorial

In 2009 the Association confirmed its commitment to spend \$155,000 over the following six years; \$110,000 will be spent on research programs and \$45,000 will be spent on the lung transplant travel assistance program. Funds earned by this fund will increase this commitment. As of March 31 this commitment is \$150,578. (2013- \$155,578.)

**THE NEWFOUNDLAND AND LABRADOR
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NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED MARCH 31, 2014**

9 Fundraising

During the fiscal year, the Association was involved in the following fundraising activities:

	Gross Revenue	Direct Expenses	Net Profit
Donations and beques	\$ 15,257	-	\$ 15,257
Christmas seals	67,953	-	67,953
	<u>\$ 83,210</u>	<u>\$ -</u>	<u>\$ 83,210</u>

10 Cash

Cash consists of the following:

	2014	2013
Bank		
- General	\$ 121,041	\$ 64,227
- [REDACTED] Memorial	27,346	27,356
- Other	387	405
	<u>\$ 148,774</u>	<u>\$ 91,988</u>

11. Other Revenue

Other revenue consists of prior years accounts payable that was written off from the association's records - \$38,427 and other revenue of \$1,067.