



Improving Life, One Breath at a Time

• 2005 Annual Report

 **AMERICAN
LUNG
ASSOCIATION®**
*of Metropolitan
Chicago*



JOEL J. AFRICK
Chief Executive Officer



MANUEL P.A. CLAUDIO, M.D.
President, Board of Directors

DEAR FRIENDS

2005 was a landmark year for Chicago public health. The smoke-free Chicago ordinance was the result of a tremendous grassroots effort by the American Lung Association of Metropolitan Chicago and our local health allies. If the experience of other smoke-free cities holds true in Chicago, as a result of this effort, we will begin to see immediate reductions in levels of cancer-causing chemicals and respiratory symptoms among workers previously exposed to secondhand smoke. Gradually, we will see a decline in Chicago's lung cancer and COPD rate.

This ordinance did not occur overnight. Its passage was the result of several years of hard work and a steady process of building on our past successes—both large and small. In this Annual Report, we highlight 10 of our achievements of fiscal year 2005. Some of our successes at ALAMC reflect progress in the early stages of our multi-year initiatives. Others reflect last stage successes. What all of these successes share is that they bring us one step closer to our vision of a world free of lung disease. And each success furthers our goal of improving life one breath at a time.

Best regards,

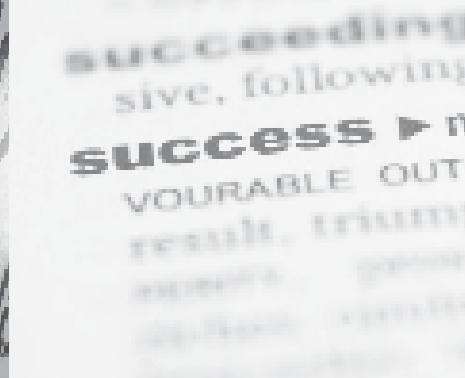
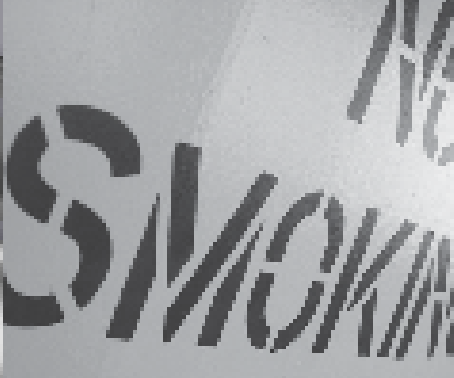
A handwritten signature in black ink that reads "Joel J. Africk".

Joel J. Africk

"I had no idea that lung cancer took more women's lives than breast cancer, cervical cancer and ovarian cancer combined—I immediately shared the news with all the women in my family."

—Amy D., Chicago

A Year of Successes.



On the eve of our hundredth year, it's appropriate to look back at the American Lung Association of Metropolitan Chicago's many successes and challenges. We're proud to say that 2005 was perhaps the most winning year in recent memory. And we plan to keep up the momentum as we move into our centennial year.

In 2005, we made great strides in community education, research, and legislation. And many of our programs have had impacts beyond the Chicago metropolitan area.

This 2005 Annual Report is dedicated to highlighting ten of our most compelling achievements of 2005. But they do not reflect the full spectrum of our efforts for

the year. Please call us at (312) 243-2000 or visit www.lungchicago.org for more information about all of our initiatives.

The Top of 2005

1

Support for COPD Patients

When a patient approached us for much needed information on living with chronic obstructive pulmonary disease (COPD), we realized just how little information was available. So, we launched a full-scale COPD Initiative, including an advisory council consisting of pulmonary specialists, patients, respiratory therapists, and researchers.

The advisory council has worked with ALAMC staff to develop new materials and resources, and patient-oriented events. Also underway is an ambitious community spirometry initiative that is helping boost COPD awareness and identify patients early. A new patient network is growing into the thousands. And this year our quarterly COPD newsletter, *Inspiration*, doubled in circulation and is being adopted by the ALA National office.



Research Programs Fund Promising Lung Disease Treatments

Each year, ALAMC invests in research programs that show promise in the fight against lung disease. We are pleased with both the quality and diversity of our research applications. This year, we supported the work of the ALA Asthma Clinical Research Centers which conduct large scale clinical trials to advance asthma care. We made additional grants to underwrite research in the areas of chronic obstructive pulmonary disease, acute lung injuries, pulmonary edema, new asthma treatments, tuberculosis and other respiratory disorders. And we arranged funding for two important lung cancer research projects.

The following local research grants were just some of the research projects completely or partially funded by ALAMC during fiscal year 2005.

- Irena Balyasnikova, PhD, University of Illinois at Chicago. Investigation of the role of genetics in pulmonary hypertension.
- Rebecca A. Shilling, MD, University of Chicago. Effects of Inducible Costimulator gene expression levels on asthma and allergies.
- Alan Czaplicki, MA, Northwestern University. Strategies for reducing spread of tuberculosis in U.S. and Canada.
- Blanca Camoretti-Mercado, PhD, University of Chicago. Therapeutic effects of statins on asthma.

3

Enjoy a Smoke-Free Chicago

The idea was simple. If you believe secondhand smoke is harmful, then it doesn't belong in the workplace. Yet in Chicago, thousands of hospitality workers were exposed to secondhand smoke every day. ALAMC worked with thousands of volunteers and community organizations on the smoke-free Chicago grassroots campaign. Now that Chicago is going smoke-free, we anticipate seeing a double-digit drop in lung cancer and fewer asthma attacks, among other benefits.



4

Improved Lung Health for Women

Unfortunately, more women die of lung cancer than breast cancer, cervical cancer and ovarian cancer combined. Equally



disturbing is the fact that more women than men die from asthma related deaths. Still, lung health isn't even on the radar for many women. That's why the American Lung Association of Metropolitan Chicago kicked off "Catch Your Breath," an annual Women & Lung Health Conference and ongoing awareness program. In just two years, we have raised awareness—and almost \$500,000 for lung disease research and programs.

"The Community Spirometry Initiative is a great thing. So much of medicine is focused on taking care of people who are already sick. This is about finding lung disease early and making sure it doesn't get worse."
—Dr. Robert Cohen, MD

5

Easier Access for Student Health

The American Lung Association's school-based health programs such as Asthma 101 and Open Airways for Schools can make a significant impact for children with asthma—once they get in the door. To reduce delays in obtaining school clearance, we created the Stakeholders Collaboration to Improve Student Health. More than 300 groups are now involved with the collaboration to streamline and steer needed resources to Chicago Public School students.



“With the help of the Lung Association, my son went from 10 days in the hospital to zero days in just one year, thanks to a week at Asthma Camp. He’s learned so much, and we have too.”

—Patrick F., Oak Park

6

Cleaner Air for the Dan Ryan Corridor

As work on the Dan Ryan Expressway continues, so do our efforts to protect some of

Chicago’s hardest-hit neighborhoods from asthma. Working with researchers, we’ve requested the Illinois Department



of Transportation (IDOT) to reduce diesel exhaust and dust pollution on this urban project to create a national model to protect communities. IDOT is now working to retrofit construction vehicles to reduce fine particle pollution, require the use of low-sulfur diesel fuel, and limit idling to five minutes in construction zones.

7

New State Law for Clean Indoor Air

This year, Governor Blagojevich signed House Bill 672 into law, granting local governments the power to regulate smoking in public places and making it a victory for clean indoor air in Illinois.

As a result, communities throughout Illinois are now free to become “smoke-free.”



8

Hispanic Communities Get the Attention They Deserve

In 2005, the American Lung Association of Metropolitan Chicago developed an extensive Spanish-language asthma education campaign. Designed to address the disproportionate incidence of asthma among Chicago’s Latino population, the program focuses on the principle that children can live happy, active lives, as long as their asthma is under control. Launched at the Mexican Consulate in Chicago in January, this Hispanic Social Marketing Campaign has now been implemented around the U.S.



9

Record Numbers Participate in Hustle Up the Hancock Fundraiser

In February 2005, More than 3,800



climbers, including 343 firefighters and 228 corporate teams, raced up the John Hancock Center in the 8th Annual OfficeMax Hustle Up the Hancock fundraiser benefiting ALA of Metropolitan Chicago. The winner climbed 94 floors in less than ten minutes, but we were the real winners. The event raised more than \$700,000 for lung disease research, education and advocacy.

10

New Legislation Aims to Reduce Diesel Emissions

In partnership with the Clean Air Task Force, we released *Diesel and Health in America: A Lingerin Threat*. The report quantifies the health effects of diesel particulate pollution, including premature death and asthma attacks. To act on these findings, we advocated a bill in Springfield requiring school bus no-idling policies, and lobbied for a bill that would limit idling of large diesel vehicles in Chicago and East St. Louis. The Clean School Bus Bill fell three votes short of passing in the Illinois House. The No-Idling Diesel Bill was passed by the House, but not the Senate. We intend to continue to work for laws to reduce diesel pollutants in the coming year.



“At the ALA of Metropolitan Chicago, we don’t just color within the lines. We decide where the lines should be, and then we fill in the details. When we identify a need, we put everything we have into finding a solution.”

— Joel Africk, CEO

“It’s gratifying to know that in a small way I’ll be able to help [the American Lung Association of Metropolitan Chicago] carry on its work, but in the meantime, my wife and I enjoy guaranteed lifetime income by participating in the ALAMC’s gift annuity program.”

—Dr. David Cugell, Evanston

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\$500 - \$999

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\$1,000 - \$4,999

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Alberts Consulting Group
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Suburban Lung Associates
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Wendy and Thomas Thress

THE EMILY BISSELL HERITAGE SOCIETY:

Perpetuating the Mission of the
American Lung Association of
Metropolitan Chicago

The Emily Bissell Heritage Society
recognizes friends of the ALAMC who
perpetuate our mission through future
gifts and long-term commitments.

You and/or your spouse can join the
Emily Bissell Heritage Society through
any of the following ways:

- Participating in the ALAMC's charitable gift annuity program with a gift of cash or appreciated securities;
- Designating the ALAMC in your will or estate plan to receive a specific amount or percentage of your remaining estate;
- Creating a charitable trust that benefits the ALAMC;
- Naming the ALAMC as a beneficiary of a life insurance policy or retirement plan.

Gifts and commitments may either support the overall work of the ALAMC, or may be designated toward a program of your choice. Your commitment, rather than a certain gift amount, is the overriding factor in qualifying for membership in the Emily Bissell Heritage Society.

For more information, call the ALAMC
Planned Giving Office at (312) 628-0214.

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David Turner Photography
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Village CycleSport
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nomic Opportunity
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\$50,000 - \$99,999

American Lung Association
Clean Air Task Force
Genentech
John Hancock Observatory
Mercedes-Benz of Orland Park
Otho S.A. Sprague Memorial Institute
The Blowitz-Ridgeway Foundation

\$100,000 - \$149,999

Centers for Disease Control
Lungevity Foundation

\$150,000 and up

Boehringer Ingelheim Pharmaceuticals, Inc.
Marion Cournoyer
Illinois Attorney General Kool Mix Settlement
Illinois Department of Public Health

Memorials

Marilyn Bahcall
Todd Barker
Ron L. Biede
Owen R. Burger
Pamela A. Cednick
Naomi Cohen Weiss
Paul M. Cournoyer
William J. Cowlin
Carlisle Dyrby
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Dawn Stratton
Thomas Thomson

Statement of Financial Position

Year Ended June 30, 2005 (with comparative totals for 2004)

	2005			Total	2004
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Assets					
Current assets					
Cash and cash equivalents	\$ 657,251	\$ 79,912	\$ -	\$ 737,163	\$ 531,789
Accounts receivable	184,201			184,201	331,907
Unconditional promises to give	238,230			238,230	273,560
Prepaid expenses and deposits	154,220			154,220	122,228
	<u>1,233,902</u>	<u>79,912</u>	<u>-</u>	<u>1,313,814</u>	<u>1,259,484</u>
Noncurrent assets					
Investments	2,234,817	35,000	1,475,814	3,745,631	3,648,910
Unconditional promises to give		153,153		153,153	90,801
Property and equipment	555,108			555,108	593,308
	<u>2,789,925</u>	<u>188,153</u>	<u>1,475,814</u>	<u>4,453,892</u>	<u>4,333,019</u>
	<u>\$ 4,023,827</u>	<u>\$ 268,065</u>	<u>\$ 1,475,814</u>	<u>\$ 5,767,706</u>	<u>\$ 5,592,503</u>
Liabilities and Net Assets					
Accounts payable and accrued expenses					
Accounts payable	\$ 189,876	\$ -	\$ -	\$ 189,876	\$ 121,369
Share payable to National Headquarters	102,586			102,586	68,631
	<u>292,462</u>	<u>-</u>	<u>-</u>	<u>292,462</u>	<u>190,000</u>
Commitments					
Advance fees and grants	414,126			414,126	374,308
Other				-	13,743
	<u>414,126</u>	<u>-</u>	<u>-</u>	<u>414,126</u>	<u>388,051</u>
Net assets					
Unrestricted	3,317,239			3,317,239	3,429,858
Temporarily restricted		268,065		268,065	170,455
Permanently restricted			1,475,814	1,475,814	1,414,139
	<u>3,317,239</u>	<u>268,065</u>	<u>1,475,814</u>	<u>5,061,118</u>	<u>5,014,452</u>
	<u>\$ 4,023,827</u>	<u>\$ 268,065</u>	<u>\$ 1,475,814</u>	<u>\$ 5,767,706</u>	<u>\$ 5,592,503</u>

Statement of Activities

Year Ended June 30, 2005 (with comparative totals for 2004)

	2005			2004
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Contributions and donations				
Direct mail				
Christmas seals	\$ 223,286	\$ -	\$ -	\$ 223,286
Extra contribution appeal	4,385			4,385
Other direct mail	297,036			297,036
	<u>524,707</u>	<u>-</u>	<u>-</u>	<u>524,707</u>
Golf privilege card				-
Vehicle donation program	156,423			156,423
	<u>156,423</u>	<u>-</u>	<u>-</u>	<u>156,423</u>
Special events				
Special events	1,183,690			1,183,690
Special events direct expenses	(250,963)			(250,963)
Special events net	<u>932,727</u>	<u>-</u>	<u>-</u>	<u>932,727</u>
Other contributions				
Combined federal campaign				-
Workplace giving	33,001			33,001
Memorials	96,296			96,296
Bequests	747,162			747,162
Individual/major gifts and campaigns	88,053	172,117		260,170
Corporate gifts	103,826			103,826
Foundation gifts	56,280			56,280
In-kind gifts	54,137			54,137
	<u>1,178,755</u>	<u>172,117</u>	<u>-</u>	<u>1,350,872</u>
Revenue				
Corporate grants	497,384	99,947		597,331
Foundation grants	272,234			272,234
Government grants	848,300	36,441		884,741
Grants from ALA	26,000			26,000
Interest and dividends	69,790			69,790
Program service fees	164,100			164,100
Dues	14,085			14,085
List leasing	479			479
Rental income	184,995			184,995
Sale of materials	2,072			2,072
Assets released from restrictions	210,895	(210,895)		-
Other revenue	33,905			33,905
	<u>2,324,239</u>	<u>(74,507)</u>	<u>-</u>	<u>2,249,732</u>
Total public support and revenue	<u>5,116,851</u>	<u>97,610</u>	<u>-</u>	<u>5,214,461</u>
				<u>4,667,217</u>

Statement of Activities (continued)
Year Ended June 30, 2005 (with comparative totals for 2004)

	2005			2004	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
Expenses					
Program services	\$ 3,878,380	\$ -	\$ -	\$ 3,878,380	\$ 4,181,811
Supporting services	1,091,152			1,091,152	414,614
Payments to National Headquarters	306,000			306,000	285,023
	<u>5,275,532</u>	<u>-</u>	<u>-</u>	<u>5,275,532</u>	<u>4,881,448</u>
Change in net assets from operations	<u>(158,681)</u>	<u>97,610</u>	<u>-</u>	<u>(61,071)</u>	<u>(214,231)</u>
Nonoperating activities					
Net realized gain (loss) on investments	23,827			23,827	(148,437)
Net unrealized gain (loss) on investments	(16,253)			(16,253)	297,542
Minimum pension liability adjustment	38,488			38,488	-
Increase in value of beneficial interest in irrevocable trust			61,675	61,675	113,326
	<u>46,062</u>	<u>-</u>	<u>61,675</u>	<u>107,737</u>	<u>262,431</u>
Increase (decrease) in net assets	<u>(112,619)</u>	<u>97,610</u>	<u>61,675</u>	<u>46,666</u>	<u>48,200</u>
Net assets					
Beginning of year	<u>3,429,858</u>	<u>170,455</u>	<u>1,414,139</u>	<u>5,014,452</u>	<u>4,966,252</u>
End of year	<u>\$ 3,317,239</u>	<u>\$ 268,065</u>	<u>\$ 1,475,814</u>	<u>\$ 5,061,118</u>	<u>\$ 5,014,452</u>

Statement of Functional Expenses

Year Ended June 30, 2005 (with comparative totals for 2004)

	Program Services						Total
	Asthma	Environmental Health	Tobacco Control	Community Health Centers	Other Lung Disease	Research	
Salaries							
Professional	\$ 291,436	\$ 208,810	\$ 192,208	\$ -	\$ 472,046	\$ -	\$ 1,164,500
Support	15,558	11,913	14,003		42,377		83,851
Temporary	14,174	6,381	18,957		19,591		59,103
Payroll taxes	25,536	18,373	21,351		42,411		107,671
Employee benefits	29,718	15,758	4,438		68,491		118,405
Pension	16,293	11,613	11,568		27,036		66,510
Professional services and fees	30,288	16,792	35,597		131,500		214,177
In-kind cost	16,135	104	34,359		3,469		54,067
ALA regional center support	8,643	6,583	14,813		14,319		44,358
Public education services	79,056	176,004	22,412		87,321		364,793
Business insurance	6,766	5,206	11,757		11,335		35,064
Building occupancy	6,934	24,447	12,665		87,400		131,446
Telephone	4,822	3,711	7,014		9,878		25,425
Travel and local transportation	11,690	2,163	5,450		30,765		50,068
Meetings and conferences	7,191	2,970	3,321		21,054		34,536
Professional education	36,899	9,485	3,194		88,687		138,265
Office and cleaning supplies	14,251	2,379	8,527		16,954		42,111
Program supplies	12,746	5,434	5,683		34,842		58,705
Printing, publications and audio visual	54,762	21,284	48,432		84,728		209,206
Postage and shipping	15,322	8,876	19,590		29,172		72,960
Media expense	61,575	11,318	14,179		43,064		130,136
Office equipment repair	6,990	5,325	12,027		11,946		36,288
Dues and subscriptions	1,420	290	856		638		3,204
Interest expense	161	124	279		269		833
Miscellaneous	7,638	4,209	9,507		9,397		30,751
Awards, grants and professional education						380,185	380,185
Support of other organizations	20,385	6,003	4,808		111,898		143,094
Depreciation	15,212	11,673	26,364		25,419		78,668
	<u>811,601</u>	<u>597,228</u>	<u>563,359</u>	<u>-</u>	<u>1,526,007</u>	<u>380,185</u>	<u>3,878,380</u>
Support of American Lung Association National Education, Research and Service Programs	<u>34,578</u>	<u>18,360</u>	<u>41,861</u>	<u>11,506</u>	<u>19,278</u>	<u>110,313</u>	<u>235,896</u>
	<u>\$ 846,179</u>	<u>\$ 615,588</u>	<u>\$ 605,220</u>	<u>\$ 11,506</u>	<u>\$ 1,545,285</u>	<u>\$ 490,498</u>	<u>\$ 4,114,276</u>

Statement of Functional Expenses (continued)
Year Ended June 30, 2005 (with comparative totals for 2004)

	Supporting Activities			Total	
	Fundraising	Management and	Total	2005	2004
		General			
Salaries					
Professional	\$ 419,260	\$ 168,515	\$ 587,775	\$ 1,752,275	\$ 1,568,122
Support	19,945	22,828	42,773	126,624	156,649
Temporary	15,090	9,560	24,650	83,753	31,570
Payroll taxes	32,944	14,929	47,873	155,544	122,548
Employee benefits	35,461	15,426	50,887	169,292	143,664
Pension	23,196	10,430	33,626	100,136	105,549
Professional services and fees	20,246	3,314	23,560	237,737	208,091
In-kind cost	46	26	72	54,139	245,409
ALA regional center support	7,089	5,165	12,254	56,612	76,453
Public education services	60		60	364,853	207,394
Business insurance	2,305	1,288	3,593	38,657	49,408
Building occupancy	1,299	726	2,025	133,471	125,006
Telephone	1,363	2,291	3,654	29,079	29,630
Travel and local transportation	3,437	4,581	8,018	58,086	40,694
Meetings and conferences	2,356	13,363	15,719	50,255	51,675
Professional education	11,232	1,850	13,082	151,347	168,074
Office and cleaning supplies	3,573	452	4,025	46,136	65,156
Program supplies	623	36	659	59,364	155,018
Printing, publications and audio visual	87,653	37,415	125,068	334,274	289,908
Postage and shipping	45,340	17,682	63,022	135,982	135,771
Media expense	6,860	9	6,869	137,005	52,695
Office equipment repair	2,029	1,216	3,245	39,533	46,479
Dues and subscriptions	3,648	1,328	4,976	8,180	8,094
Interest expense	55	31	86	919	2,821
Miscellaneous	1,904	1,125	3,029	33,780	8,133
Awards, grants and professional education			-	380,185	321,531
Support of other organizations	1,744	751	2,495	145,589	84,080
Depreciation	5,169	2,888	8,057	86,725	96,803
	<u>753,927</u>	<u>337,225</u>	<u>1,091,152</u>	<u>4,969,532</u>	<u>4,596,425</u>
Support of American Lung Association National Education, Research and Service Programs	11,843	58,261	70,104	306,000	285,023
	<u>\$ 765,770</u>	<u>\$ 395,486</u>	<u>\$ 1,161,256</u>	<u>\$ 5,275,532</u>	<u>\$ 4,881,448</u>

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(as of June 30, 2005)

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