

ANNUAL REPORT



2007

Thank you for helping us improve life, one breath at a time

As we complete another year working together to promote lung health and fight lung disease, we want to say. "Thank you!"

Thank you to the selfless volunteers who gave their time and talents to plan and carry out programs and special events, to advocate for good lung health, and generally to help others breathe easier.

Thank you to the generous donors who supported our critical work of education, advocacy and research.

Thank you to the many sponsors and corporate partners who helped make us financially stronger, and who opened new doors for our cause.

Thank you to the thousands of health care professionals, program participants and community members who turned to us as a source of information and services.

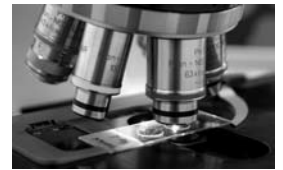
Each and every one of you — the people we serve and the people who champion the work we do — are the true reason we are winning the fight against lung disease.

Effective July 1, 2007 the American Lung Association of Ohio merged with Kentucky, Michigan and Tennessee to form the American Lung Association of the Midland States.

As we move forward we are more committed than ever to meeting the lung health needs of all those in our new region. With a rich and respected history behind us, and a wealth of combined resources, experience and knowledge to draw upon, we believe our best days lie ahead of us. We hope you will agree.

We are sincerely grateful for the opportunity to help people live longer, healthier lives. Thank you for making the successes highlighted in this year's annual report possible.

Research



- Michigan allocated a total of \$388,342 toward research, which included \$122,937 for support of the American Lung Association's national Asthma Clinical Research Centers (ACRC)

- Important medical research conducted here in Michigan and funded this year by the American Lung Association included:

David Arnoff, MD University of Michigan (Ann Arbor)
Defending the Lungs Against Organisms That Cause Pneumonia
Biomedical Research Grant
(Fully funded by ALA national)

Jeffrey Horowitz, MD
University of Michigan (Ann Arbor)
Blocking a Chemical Messenger That Promotes Scarring in Pulmonary Fibrosis
Dalsemer Research Grant
(Funded locally by ALA Michigan)

Bethany B. Moore, PhD
University of Michigan (Ann Arbor)
Seeking a Way To Block Development of Pulmonary Fibrosis
Career Investigator Award
(Funded locally by ALA Michigan)

Thomas A. Moore, PhD
University of Michigan (Ann Arbor)
Looking for Genes That Make Pneumonia Bacteria Especially Powerful
Career Investigator Award
(Funded locally by ALA Michigan)

Education, Advocacy and Community Outreach

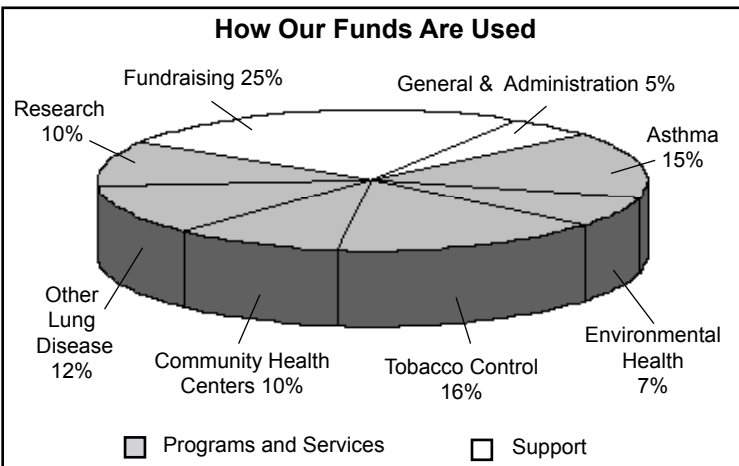
In the past year, using the strategies of education, advocacy and outreach, we have made many achievements in helping improve the health of the citizens of Michigan. As highlighted below, we ...

- Continued our successful Catch Your Breath campaign bringing medical professionals and lay people together to focus on the vital issue of women's lung health
- Continued to move forward to build support for efforts to ensure that all Michigan workers are free from secondhand smoke in their workplaces
- Completed a review of all counties statewide to determine level of disparities in adoption and enforcement of pollution strategies
- Implemented Asthma Friendly School policies in 141 schools, surpassing goal of 85 schools by more than 65 percent
- Provided Open Airways for Schools to 87 schools and trained over 750 school personnel to teach this asthma management program to students
- Strengthened the Asthma Initiative of Michigan, and worked with key coalition partners to develop a plan to address disparities in pediatric asthma and incorporate it into Michigan's State Strategic Plan for Improving Asthma Treatment and Self-Management
- Provided stop-smoking assistance and tobacco or smoking-related information to 100 individuals through our toll-free Lung Help Line
- Formed a new partnership with Blue Cross Blue Shield of Michigan to advance our youth smoking prevention agenda
- Conducted a statewide tuberculosis conference; trained over 1,700 people to administer tuberculin skin tests and 87 trainers to teach skin testing to additional administrators
- Provided lung health information and counseling to nearly 500 individuals in 46 counties statewide through our free, medically-staffed Lung Help Line



Financial Reports

STATEMENT OF FINANCIAL POSITION June 30, 2007 - With comparative totals for 2006		
ASSETS	2007	2006
Current assets		
Cash and cash equivalents	\$406,520	\$ 256,900
Contributions & grants receivables	127,391	112,000
Receivable from affiliates	—	46,928
Prepaid expenses	22,098	69,039
Other assets	17,735	29,934
Total current assets	573,744	514,801
Non-current assets		
Other long-term investments	260,840	663,045
Beach Trust	707,338	636,127
Total investments	968,178	1,299,172
Net property and equipment	87,018	147,956
Total non-current assets	1,055,196	1,447,128
Total Assets	\$1,628,940	\$1,961,929
LIABILITIES AND NET ASSETS		
Current Liabilities		
Share payable to National Office	\$ 125,015	\$ 73,683
Accounts payable	30,116	27,291
Due to affiliates	16,636	39,351
Deferred revenue	—	5,661
Accrued liabilities	67,055	56,080
Total current liabilities	238,822	202,066
Accrued Pension Cost	254,161	110,227
Total liabilities	492,983	312,293
Net Assets		
Unrestricted	364,038	892,216
Unrestricted - Board designated for minimum pension liability	—	63,979
Permanently restricted	771,919	693,441
Total net assets	1,135,957	1,649,636
Total liabilities and net assets	\$1,628,940	\$1,961,929



STATEMENT OF ACTIVITIES Year Ended June 30, 2007 (with comparative totals for 2006)		
	2007	2006
Revenue		
Public support:		
Total direct mail	\$ 1,795,359	\$ 1,642,753
Golf privilege card	655	24,148
Vehicle donation program	2,348	7,194
Special events:		
Gross revenue	342,902	420,743
Direct expenses	(122,997)	(127,160)
Total special events	219,905	293,583
Contributions:		
Workplace giving	127,328	119,002
Memorials	121,582	157,708
Bequests	23,535	7,325
Trust income	386,786	305,348
Other revenue:		
Corporate grants	24,000	29,999
Foundation grants	134,523	172,119
Government grants	544,707	518,203
Grants from ALA	8,000	20,588
Interest and dividends	9,911	30,577
Program service fees	45,732	14,742
Dues	3,415	3,460
Sales of materials	10,909	7,766
Loss on sale of assets	(31,178)	—
Total other revenue	750,019	797,454
Miscellaneous revenue	65,849	216,997
Total Revenue	3,493,366	3,571,512
Expenses		
Program services:	\$ 637,542	\$ 760,372
Asthma	290,514	285,696
Environmental health	656,039	525,592
Tobacco control	385,799	550,195
Community health centers	491,683	453,600
Other lung disease	388,342	347,420
Research	—	—
Total program services	2,849,919	2,922,875
Support services:		
Fund-raising	876,572	611,572
General and administration	210,576	244,856
Total support services	1,087,148	856,428
Total expenses	3,937,067	3,779,303
Decrease in Net Assets from Operations	(443,701)	(207,791)
Nonoperating Activities		
Realized gain on investments	78,478	53,663
Unrealized gain (loss) on investments	25,859	(15,777)
Minimum pension liability	—	163,556
Increase (Decrease) in Net Assets Before other changes to net assets	(339,364)	(6,349)
Effect of Adoption of FASB Statement No. 158	(174,315)	—
Increase (Decrease) in Net Assets	(513,679)	(6,349)
Net Assets - Beginning of year	1,649,636	1,655,985
Net Assets - End of year	\$1,135,957	\$1,649,636

The summary information in this report comes from an audit performed by Plante and Moran, PLLC. The full audit is available upon request from our Oak Park office.

Support and Development Highlights

- The first Climb Detroit fund raiser held at the Detroit Marriott attracted 350 participants who tackled the Renaissance Center's 70-story staircase and raised more than \$102,000.
- We saw a 3-fold increase in support from bequests this fiscal year and in revenue from program service fees.

BOARD OF DIRECTORS

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Michigan Department of
Community Health

Colette Scholten

Colette Scholten and
Associates

You Can Make a Difference

There are lots of ways you can get involved in the fight against lung disease.

- **Volunteer** - Lend your time and talents to programs or services we provide to serve communities statewide.
- **Advocacy** - Help educate opinion leaders and elected officials about lung health issues and priorities.
- **Asthma Walks** - Raise money for asthma programs and research - ask your family and friends to join you.
- **Memorial and Tribute Gifts** - Honor the memory or achievements of a loved one in a meaningful way.
- **Planned Giving** - Remember the Lung Association in your will. A modest percentage bequest is a way people of any income level can make a meaningful gift.

Please use the reply envelope enclosed in this report to request more information or get involved.

LUNG HELP LINE 1-800-LUNG-USA

HAVE YOUR LUNG HEALTH AND STOP-SMOKING
QUESTIONS ANSWERED FREE BY SPECIALLY TRAINED
MEDICAL PROFESSIONALS

Visit us on-line at WWW.ALAM.ORG

ON THE COVER: Top: (Left) In their laboratory at the University of Michigan, Dr. Thomas A. Moore and Dr. Bethany B. Moore work on cutting-edge medical research as they look for answers in how to better diagnose and treat pulmonary fibrosis. (Right) Channel 4 weathercaster Paul Gross and Debbie Morgan prepared to kick things off at the Detroit Asthma Walk.

Bottom: (Left) Deena Centofanti from Fox 2 News made announcements and thanked all those who helped make the Detroit Stair Climb event a huge success. (Right) Many members of the American Lung Association of Michigan's staff took part in "Don't Hold Your Breath: A Fashionable Event for Men and Women," held at the Radisson in Bloomfield Hills.

Our mission is to prevent lung disease and promote lung health.

Our vision is a world free of lung disease.



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ADDITIONAL STATEWIDE OFFICES

Grand Blanc - 48493

12741 S. Saginaw Street, Suite LL2
810-953-3950 / 810-953-3940 (Fax)

Grand Rapids - 49503

C/O Wege Center for Health and Learning
300 Lafayette Street SE, Suite 3400
616-752-5051 / 616-732-3033 (Fax)

Lansing - 48933

403 Seymour Avenue
517-484-4541 / 517-484-2118 (Fax)