

**Financial Statements, Supporting Schedules
and Other Reports**

National Lipid Association, Inc.

Years Ended December 31, 2008 and 2007

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Cornelius
Schou
Leone &
Matteson

A Limited Liability Company
Certified Public Accountants

Board of Directors
National Lipid Association, Inc.
Jacksonville, Florida

We have audited the accompanying statements of financial position of National Lipid Association, Inc. as of December 31, 2008 and 2007, and the related statements of activities, of functional expenses and of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Lipid Association, Inc. as of December 31, 2008 and 2007, and the changes in its assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cornelius, Schou, Leone & Matteson, LLC

March 20, 2009

National Lipid Association, Inc.
 Statements of Financial Position
 December 31, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	\$ 3,994,919	\$ 2,828,989
Grant receivable	30,115	349,640
Total Current Assets	\$ 4,025,034	\$ 3,178,629
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 180,726	\$ 1,000
Deferred dues	49,960	38,285
Deferred grants	-	150,000
Total Current Liabilities	230,686	189,285
Unrestricted Net Assets	3,794,348	2,989,344
Total Liabilities and Net Assets	\$ 4,025,034	\$ 3,178,629

See accompanying notes to financial statements.

National Lipid Association, Inc.
 Statements of Activities
 Years Ended December 31, 2008 and 2007

	Unrestricted	
	2008	2007
Revenue and Support:		
Accreditation	\$ 8,554	\$ 13,601
Contributions	4,815,971	4,927,988
Meeting registration	562,305	413,775
Membership dues	112,380	90,965
Interest	54,756	109,238
Self Assessment Programs	118,775	109,000
 Total Revenue and Support	5,672,741	5,664,567
 Expenses:		
Program services	3,948,844	3,432,865
Supporting services		
Management and general	492,814	492,814
Fundraising	426,079	584,458
 Total Expenses	4,867,737	4,510,137
 Change in Net Assets	805,004	1,154,430
 Net Assets at Beginning of Year	2,989,344	1,834,914
 Net Assets at End of Year	\$ 3,794,348	\$ 2,989,344

See accompanying notes to financial statements.

National Lipid Association, Inc.
 Statements of Functional Expenses
 Year Ended December 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accreditation	\$ 114,827	\$ -	\$ -	\$ 114,827
Annual / Board / Committee meetings	956,832	-	-	956,832
BOD Insurance	12,177	-	-	12,177
Commissions	-	-	426,079	426,079
Education / Campaigns	2,321,888	-	-	2,321,888
Honorarium	471,900	-	-	471,900
Management fees	-	492,814	-	492,814
Membership Development	25,791	-	-	25,791
Postage and shipping	2,288	-	-	2,288
Printing and reproduction	1,558	-	-	1,558
Professional services	9,511	-	-	9,511
Service charges	22,182	-	-	22,182
Supplies	6,425	-	-	6,425
Taxes and licenses	61	-	-	61
Telephone	849	-	-	849
Travel and lodging	2,100	-	-	2,100
Website	455	-	-	455
Total	<u>\$ 3,948,844</u>	<u>\$ 492,814</u>	<u>\$ 426,079</u>	<u>\$ 4,867,737</u>

See accompanying notes to financial statements.

National Lipid Association, Inc.
 Statements of Functional Expenses
 Year Ended December 31, 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accreditation	\$ 101,528	\$ -	\$ -	\$ 101,528
Annual / Board / Committee meetings	798,271	-	-	798,271
BOD Insurance	3,788	-	-	3,788
Commissions	-	-	584,458	584,458
Education / Campaigns	2,068,739	-	-	2,068,739
Honorarium	371,500	-	-	371,500
Management fees	-	492,814	-	492,814
Membership Development	43,721	-	-	43,721
Postage and shipping	1,965	-	-	1,965
Printing and reproduction	7,647	-	-	7,647
Professional services	8,219	-	-	8,219
Service charges	18,315	-	-	18,315
Supplies	3,536	-	-	3,536
Taxes and licenses	123	-	-	123
Telephone	648	-	-	648
Travel and lodging	4,582	-	-	4,582
Website	283	-	-	283
Total	\$ 3,432,865	\$ 492,814	\$ 584,458	\$ 4,510,137

See accompanying notes to financial statements.

National Lipid Association, Inc.
 Statements of Cash Flows
 Years Ended December 31, 2008 and 2007

	2008	2007
Cash Flows From Operating Activities		
Change in net assets	\$ 805,004	\$ 1,154,430
Adjustments to reconcile change in net assets to net assets provided by operating activities		
(Increase) decrease in accounts receivable	319,525	(180,434)
Increase (decrease) in deferred grants	(150,000)	(584,350)
Increase (decrease) in deferred dues	11,675	(6,065)
Increase in accounts payable	179,726	1,000
Net Cash Provided by Operating Activities	1,165,930	384,581
Net Increase in Cash and Cash Equivalents	1,165,930	384,581
Cash and Cash Equivalents - beginning of year	2,828,989	2,444,408
Cash and Cash Equivalents - end of year	\$ 3,994,919	\$ 2,828,989

See accompanying notes to financial statements.

National Lipid Association, Inc.
Notes to Financial Statements
Years Ended December 31, 2008 and 2007

1. Summary of Significant Accounting Policies

Nature of Operations

National Lipid Association, Inc. (the Entity) was incorporated in the State of Florida on June 18, 2001. The Entity was organized to promote the study of Lipid Medicine throughout the United States; to conduct cultural, educational, and social activities that will best carry out its purposes; to strive for the elevation of the character and protection of proper rights and interest of those members of the organization; and to have all of the powers conferred upon corporations organized under the Florida not for profit Corporation Act.

Basis of Accounting

The financial statements of the Entity have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles.

The Entity follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Entity is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

Any instrument which has an original maturity of ninety days or less when purchased is considered a cash equivalent. Interest income is recognized as earned on cash and cash equivalent balances.

Funds are kept in money market and regular checking accounts. Accounts are secured by the Federal Deposit Insurance Corporation (FDIC). Traditionally, accounts have been secured up to \$100,000. At December 31, 2007, the Entity had deposits in excess of FDIC coverage of \$2,728,989.

In October of 2008, the FDIC raised its amount secured per eligible account held by depositor to \$250,000. This increase is set to expire on January 1, 2010. At December 31, 2008, the Entity had deposits in excess of FDIC coverage of \$3,744,919.

National Lipid Association, Inc.
Notes to Financial Statements (continued)
Years Ended December 31, 2008 and 2007

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Entity's 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 reporting period. Actual reports could differ from those estimates.

Allowance for Doubtful Accounts

The Entity considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Income Taxes

The Entity is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6) of the Code. A final determination of the Entity's exempt status under Section 501(a) of the Code was made on December 27, 2002.

Allocation of Functional Expenses

The costs of providing the program and activities of the Entity have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Entity that is, in substance, unconditional. All such contributions are expected to be fully collectible and no allowance or uncollectible promises have been recorded.

Revenue and Support Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

National Lipid Association, Inc.
Notes to Financial Statements (continued)
Years Ended December 31, 2008 and 2007

1. Summary of Significant Accounting Policies (continued)

Revenue and Support Recognition (continued)

All donor restricted support is reported as an increase in temporarily or permanently restricted net assets. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. At December 31, 2008 and 2007, the Entity had no temporarily or permanently restricted net assets.

2. Commitments and Contingencies

The Entity received a significant portion of revenue and support from various companies, institutes, universities and non-profit agencies. These grants are subject to review and audit by the respective grantor agencies. In the event that the Entity is found to be in violation of the terms of the related grant contracts, the Entity may be required to repay funding received. It is management's opinion that the results of any such review or audit will not materially impact the Entity's financial statements.

3. Donated Services

A significant portion of the Organization's functions is conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements since no objective basis is available to measure its value.

4. Deferred Revenues

The Entity received the following advance payments for activities to be conducted in subsequent years:

	2008	2007
Grants	\$ -	\$ 150,000
Membership dues	49,960	38,285
	\$ 49,960	\$ 188,285