

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

National Lipid Association, Inc.

Years Ended December 31, 2009 and 2008

Contents

Independent Auditors' Report.....	2
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5
Statements of Cash Flows	7
Notes to Financial Statements	8



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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, 2009 and 2008, 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, 2009 and 2008, 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

April 5, 2010

National Lipid Association, Inc.
 Statements of Financial Position
 December 31, 2009 and 2008

	2009	2008
Assets		
Cash and cash equivalents	\$ 1,656,420	\$ 3,994,919
Investments	1,776,092	-
Grants receivable	107,085	30,115
Total Current Assets	\$ 3,539,597	\$ 4,025,034
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ -	\$ 180,726
Deferred dues	33,875	49,960
Total Current Liabilities	33,875	230,686
Unrestricted Net Assets	3,505,722	3,794,348
Total Liabilities and Net Assets	\$ 3,539,597	\$ 4,025,034

See accompanying notes to financial statements.

National Lipid Association, Inc.
 Statements of Activities
 Years Ended December 31, 2009 and 2008

	Unrestricted	
	2009	2008
Revenue and Support:		
Accreditation	\$ 56,350	\$ 8,554
Contributions	2,396,816	4,815,971
Meeting registration	832,463	562,305
Membership dues	170,010	112,380
Interest and dividends	54,669	54,756
Self Assessment Programs	147,045	118,775
Gain (los s) on sale of investments	1,375	-
Unrealized gain (loss) on investments	(1,668)	-
	3,657,060	5,672,741
Expenses:		
Program services	2,880,505	3,948,844
Support ing services		
Management and general	639,140	492,814
Fundraising	426,041	426,079
	3,945,686	4,867,737
Total Revenue and Support t		
Change in Net Assets	(288,626)	805,004
Net Assets at Beginning of Year	3,794,348	2,989,344
Net Assets at End of Year	\$ 3,505,722	\$ 3,794,348

See accompanying notes to financial statements.

National Lipid Association, Inc.
Statements of Functional Expenses
Year Ended December 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accreditation	\$ 102,524	\$ -	\$ -	\$ 102,524
Annual / Board / Committee meetings	724,263	-	-	724,263
BOD Insurance	13,056	-	-	13,056
Charitable grants	125,000	-	-	125,000
Commissions	-	-	426,041	426,041
Education / Campaigns	1,401,225	-	-	1,401,225
Honorarium	434,988	-	-	434,988
Management fees	-	639,140	-	639,140
Membership Development	12,541	-	-	12,541
Postage and shipping	1,904	-	-	1,904
Printing and reproduction	2,608	-	-	2,608
Professional services	22,141	-	-	22,141
Service charges	30,398	-	-	30,398
Supplies	1,814	-	-	1,814
Taxes and licenses	61	-	-	61
Telephone	648	-	-	648
Travel and lodging	6,710	-	-	6,710
Website	624	-	-	624
Total	\$ 2,880,505	\$ 639,140	\$ 426,041	\$ 3,945,686

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 Cash Flows
 Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Change in net assets	\$ (288,626)	\$ 805,004
Adjustments to reconcile change in net assets to net assets provided by operating activities		
(Increase) decrease in accounts receivable	(76,970)	319,525
(Gain) Loss on sale of investments	(1,375)	
Unrealized (gain) loss on investments	1,668	
Increase (decrease) in deferred grants	-	(150,000)
Increase (decrease) in deferred dues	(16,085)	11,675
Increase in accounts payable	(180,726)	179,726
	(562,114)	1,165,930
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,985,695	-
Purchase of investments	(3,762,080)	-
	(1,776,385)	
Net Cash Provided (Used) by Investing Activities	(1,776,385)	
Net Increase in Cash and Cash Equivalents	(2,338,499)	1,165,930
Cash and Cash Equivalents - beginning of year	3,994,919	2,828,989
Cash and Cash Equivalents - end of year	\$ 1,656,420	\$ 3,994,919

See accompanying notes to financial statements.

National Lipid Association, Inc.
Notes to Financial Statements
Years Ended December 31, 2009 and 2008

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 interests 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.

The Entity maintains cash and cash equivalents in various checking, money market and certificate of deposit accounts with two Federal Deposit Insurance Corporation (FDIC) insured institutions. Accounts secured by the Federal Deposit Insurance Corporation (FDIC) are secured up to \$250,000 held in each insured institution by a depositor. Originally, the insured limit per institution was scheduled to decrease to \$100,000 on January 1, 2010. However, the U.S. Congress passed legislation keeping the \$250,000 threshold in effect until December 31, 2013. At December 31, 2009 and 2008, the Entity had deposits in excess of FDIC coverage of \$1,406,420, and \$3,744,919, respectively.

National Lipid Association, Inc.
Notes to Financial Statements (continued)
Years Ended December 31, 2009 and 2008

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, 2009 and 2008

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, 2009 and 2008, the Entity had no temporarily or permanently restricted net assets.

Date of Management's Review

Subsequent events have been evaluated through April 5, 2010, which is the date the financial statements were available to be issued.

2. Investments

In an effort to diversify funds held by the Entity, the Board of the Entity decided in 2009 to transfer a segment of its cash and cash equivalents in to a mutual fund. The investments held in the mutual fund are held in treasuries and asset protected funds, in order to protect the original investment to the extent possible. The Entity's investment strategy is to employ ultra short-term bonds and debt instruments that are direct obligations of the United States Federal Government.

The investments held in the mutual fund are reported at fair market value. As of December 31, 2009, the value of the investments held in the mutual fund was \$1,776,092.

3. 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.

National Lipid Association, Inc.
Notes to Financial Statements (continued)
Years Ended December 31, 2009 and 2008

4. 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.

5. Deferred Revenues

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

	<u>2009</u>	<u>2008</u>
Membership dues	<u>\$ 33,875</u>	<u>\$ 49,960</u>