

SOCIETY FOR NEURO-ONCOLOGY
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2008 AND 2007

SOCIETY FOR NEURO-ONCOLOGY

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION June 30, 2008, and 2007	2
STATEMENT OF ACTIVITIES Year ended June 30, 2008	3
STATEMENT OF ACTIVITIES Year ended June 30, 2007	4
STATEMENT OF CASH FLOWS Years ended June 30, 2008, and 2007	5
STATEMENT OF EXPENSES Year ended June 30, 2008	6
STATEMENT OF EXPENSES Year ended June 30, 2007	7
NOTES TO FINANCIAL STATEMENTS June 30, 2008, and 2007	8 - 10

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INDEPENDENT AUDITOR'S REPORT

Directors and Members
Society For Neuro-Oncology
Houston, Texas

We have audited the accompanying statement of financial position of Society for Neuro-Oncology as of June 30, 2008 and 2007, and the related statements of activities, cash flows and expenses 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 on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statements referred to above present fairly, in all material respects, the financial position of Society for Neuro-Oncology as of June 30, 2008 and 2007, and the results of its activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of expenses for the years ended June 30, 2008 and 2007, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Durio & Company, P.C.

April 30, 2009



SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF FINANCIAL POSITION

June 30, 2008 and 2007

	<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Cash and cash equivalents		\$ 275,919	\$ 177,551
Investments		935,695	857,373
Contributions receivable - Short-term		12,500	56,000
Contributions receivable - Long-term			
Endowment Assets		<u>186,541</u>	<u>176,505</u>
Total Assets		<u>\$ 1,410,655</u>	<u>\$ 1,267,429</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES			
Accounts payable		\$ 22,309	\$ 12,500
Payroll liabilities		1,020	1,080
Deferred revenue		5,600	41,200
Journal publishing liability		<u>681,495</u>	<u>-</u>
Total Liabilities		<u>710,424</u>	<u>54,780</u>
 NET ASSETS			
Unrestricted:			
Designated		98,541	98,505
Undesignated		513,690	1,036,144
Permanently restricted		<u>88,000</u>	<u>78,000</u>
Total Net Assets		<u>700,231</u>	<u>1,212,649</u>
Total Liabilities and Net Assets		<u>\$ 1,410,655</u>	<u>\$ 1,267,429</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 518,772	\$	\$ 10,000	\$ 528,772
Membership dues	187,368			187,368
Meetings	342,680			342,680
Investment earnings/(loss)	(81,678)			(81,678)
Endowment earnings	10,036			10,036
Total Revenues & Support	977,178		10,000	987,178
EXPENSES				
Program Services:				
Journal	824,089			824,089
Victor Levin Founders Society	37,933			37,933
Meetings	505,917			505,917
Membership	32,850			32,850
	1,400,789			1,400,789
Supporting Services:				
Management and general	66,333			66,333
Fund raising	32,474			32,474
	98,807			98,807
Total Expenses	1,499,596		-	1,499,596
CHANGE IN NET ASSETS - FYE JUNE 30, 2008	(522,418)		10,000	(512,418)
NET ASSETS - JUNE 30, 2007	1,134,649		78,000	1,212,649
NET ASSETS - JUNE 30, 2008	\$ 612,231	\$ -	\$ 88,000	\$ 700,231

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 738,587	\$	\$	\$ 738,587
Membership dues	45,895			45,895
Meetings	234,780			234,780
Investment earnings	80,564			80,564
Endowment earnings	32,307			32,307
Total Revenues & Support	<u>1,132,133</u>			<u>1,132,133</u>
EXPENSES				
Program Services:				
Journal	86,099			86,099
Victor Levin Founders Society	41,504			41,504
Meetings	309,974			309,974
Membership	<u>35,175</u>			<u>35,175</u>
	<u>472,752</u>			<u>472,752</u>
Supporting Services:				
Management and general	57,770			57,770
Fund raising	<u>24,922</u>			<u>24,922</u>
	<u>82,692</u>			<u>82,692</u>
Total Expenses	<u>555,444</u>			<u>555,444</u>
CHANGE IN NET ASSETS - FYE JUNE 30, 2007	576,689			576,689
NET ASSETS - JUNE 30, 2006	<u>557,960</u>		<u>78,000</u>	<u>635,960</u>
NET ASSETS - JUNE 30, 2007	<u>\$ 1,134,649</u>	<u>\$ -</u>	<u>\$ 78,000</u>	<u>\$ 1,212,649</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF CASH FLOWS

Year ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (512,418)	\$ 576,689
(Increase)/decrease in operating assets:		
Investments	(78,322)	(422,290)
Contributions receivable - Short-term	43,500	52,000
Contributions receivable - Long-term		180,000
Endowment assets	(10,036)	(32,292)
Increase/(decrease) in operating liabilities:		
Accounts payable	9,809	2,990
Payroll Liabilities	(60)	(1,637)
Deferred revenue	(35,600)	(249,800)
Duke University Press Liability	<u>681,495</u>	<u>-</u>
Net Cash Provided By/(Used For) Operating Activities	<u>98,368</u>	<u>105,660</u>
NET INCREASE/(DECREASE) IN CASH	98,368	105,660
CASH - BEGINNING OF YEAR	<u>177,551</u>	<u>71,891</u>
CASH - END OF YEAR	<u>\$ 275,919</u>	<u>\$ 177,551</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
STATEMENT OF EXPENSES

Year ended June 30, 2008

	<u>Journal</u>	<u>Victor Levin Founders Society</u>	<u>Meetings</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting	\$	\$	\$	\$	\$	\$	\$
Audit					1,170		1,170
Awards		16,000			8,622		8,622
Bank Charges					265		265
Board of Directors		399		538	586	270	1,793
Consulting Fees		400			438		838
Copyright Fees	76						76
Executive Director		15,166	15,167	15,167	22,750	22,750	91,000
Foundation							-
Insurance					1,661		1,661
Journal Expenses	103,888						103,888
Journal Editorial Office	30,000						30,000
Duke University Settlement	687,000						687,000
Meeting Expenses			418,653				418,653
Miscellaneous							-
Office Expenses			1,442	1,797	9,307	609	13,155
Office Supplies		3,363	90	53	2,391		5,897
Portfolio Management Fees							-
Postage & delivery			8,829	758	773		10,360
Printing & Copying			14,475	101	3,492	3,569	21,637
Salaries and Related Expense	1,527	763	45,801	12,977	11,450	3,817	76,335
Telephone	139	383			1,969		2,491
Web Page	1,459	1,459	1,460	1,459	1,459	1,459	8,755
	<u>\$ 824,089</u>	<u>\$ 37,933</u>	<u>\$ 505,917</u>	<u>\$ 32,850</u>	<u>\$ 66,333</u>	<u>\$ 32,474</u>	<u>\$ 1,499,596</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
STATEMENT OF EXPENSES

Year ended June 30, 2007

	<u>Journal</u>	<u>Victor Levin Founders Society</u>	<u>Meetings</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Audit	\$	\$	\$	\$	\$ 8,500	\$	\$ 8,500
Awards		14,000					14,000
Bank Charges					59		59
Board of Directors	185		53	4,309	615		5,162
Consulting Fees		12,000					12,000
Copyright Fees	382						382
Executive Director		13,125	13,125	13,125	19,688	19,688	78,751
Foundation		300					300
Insurance					1,661		1,661
Journal Expenses	50,955						50,955
Journal Editorial Office	32,100						32,100
Meeting Expenses			237,674		5,394		243,068
Miscellaneous					2,377		2,377
Office Expenses			1,419	1,962	3,156	892	7,429
Office Supplies			120	340	512		972
Portfolio Management Fees					3,589		3,589
Postage & delivery			1,746		365	322	2,433
Printing & Copying			18,598	4,172			22,770
Salaries and Related Expense	1,208	604	36,239	10,267	9,061	3,020	60,399
Telephone	269	475			1,793		2,537
Web Page	1,000	1,000	1,000	1,000	1,000	1,000	6,000
	<u>\$ 86,099</u>	<u>\$ 41,504</u>	<u>\$ 309,974</u>	<u>\$ 35,175</u>	<u>\$ 57,770</u>	<u>\$ 24,922</u>	<u>\$ 555,444</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2008, and 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by Society For Neuro-Oncology. are described below to enhance the usefulness of the financial statements to the reader. The objective of the organization is to promote advances in neuro-oncology through research and education, without regard for financial gain. Unlike the financial statements of profit-motivated entities, this report places primary emphasis on the stewardship and use of assets rather than income determination.

Reporting Entity

Society for Neuro-Oncology is a multi-disciplinary organization dedicated to promoting advances in neuro-oncology through research and education. The entity strives to reduce the incidence of brain tumors, improve cure rates, and enhance quality of life. The organization operates exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Membership is drawn from many disciplines, including epidemiology, medical oncology, neuro-oncology, neurosurgery, pathology, pediatrics, psychology, radiology, radiation oncology, and basic science.

Deferred Revenue

Amounts reported on the balance sheets as deferred revenues represent contributions and membership dues that apply to a subsequent year.

Income Taxes

Society for Neuro-Oncology is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the organization qualifies as a public charity and is not a private foundation within the meaning of Section 509(a) of the Code.

Cash and Cash Equivalents

Cash that has been restricted by the donor to be maintained inviolate and in perpetuity is not included in the captions "cash" as used in these financial statements. "Cash equivalents" are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Estimates

Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2008, and 2007

NOTE 2: INVESTMENT ASSETS AND INVESTMENT EARNINGS

As of June 30, 2008 and 2007, the investment assets and investment earnings consisted of the following.

	<u>2008</u>	<u>2007</u>
<u>Investment Assets</u>		
Money Market	\$ 9,385	\$ 23,232
Equity mutual funds	510,489	487,299
Unit investment trusts	<u>602,362</u>	<u>523,347</u>
	<u>\$1,122,236</u>	<u>\$1,033,878</u>
Unrestricted investments	\$ 935,695	\$ 857,373
Endowment assets	<u>186,541</u>	<u>176,505</u>
	<u>\$1,122,236</u>	<u>\$1,033,878</u>
<u>Investment Earnings</u>		
Dividend and interest income	\$ 23,838	\$ 21,198
Realized gain on sale of securities	50,279	16,574
Unrealized gain/(loss) on securities	<u>(145,759)</u>	<u>75,099</u>
	<u>\$ (71,642)</u>	<u>\$ 112,871</u>
Unrestricted earnings/(loss)	\$ (81,678)	\$ 80,564
Endowment earnings	<u>10,036</u>	<u>32,307</u>
	<u>\$ (71,642)</u>	<u>\$ 112,871</u>

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give by donors. As of June 30, 2008 and 2007, the anticipated dates for collection of the pledges are as follows:

	<u>2008</u>	<u>2007</u>
During fiscal year ended:		
June 30, 2008	\$ -	\$ 56,000
June 30, 2009	<u>\$ 12,500</u>	<u>\$ -</u>
	<u>\$ 12,500</u>	<u>\$ 56,000</u>

**SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2008, and 2007**

NOTE 4: JOURNAL PUBLISHING LIABILITY

Duke University Press

Society of Neuro-Oncology sent a notice of non-renewal on May 1, 2008 to Duke University Press, which publishes the Neuro-Oncology journal. The probable loss associated with this decision is \$681,495, as of June 30, 2008, of which \$356,495 represents current liability.

Oxford University Press

Society for Neuro-Oncology is currently negotiating with Oxford University Press to publish the Neuro-Oncology journal. This decision was made to secure favorable future revenue payments from the journal. Management estimates that the net revenue to Society for Neuro-Oncology from this contractual agreement will be approximately \$900,000 over the next five years.

NOTE 5: NET ASSETS

Unrestricted Net Assets - Designated

Unrestricted designated net assets represent amounts designated by the organization to be added to its endowment assets. The amounts so designated are not subject to donor restrictions, and may be utilized for other purposes in the future if the organization so chooses. As of June 30, 2008 and 2007, the unrestricted designated net assets amounted to \$98,541 and \$98,505 respectively.

Permanently Restricted Net Assets

Donor-imposed stipulations require that funds in The Victor Levin Founders Society Endowment be maintained and invested permanently by the organization to continue the mission of the organization. Earnings generated by these invested assets may be used for support of Society of Neuro-Oncology. Permanently restricted net assets amounted to \$88,000 as of June 30, 2008, and \$78,000 as of June 30, 2007.