

SOCIETY FOR NEURO-ONCOLOGY

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

YEARS ENDED JUNE 30, 2007 AND 2006

Durio & Company, P.C.
Certified Public Accountants

SOCIETY FOR NEURO-ONCOLOGY

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION June 30, 2007, and 2006	2
STATEMENT OF ACTIVITIES Year ended June 30, 2007	3
STATEMENT OF ACTIVITIES Year ended June 30, 2006	4
STATEMENT OF CASH FLOWS Years ended June 30, 2007, and 2006	5
STATEMENT OF EXPENSES Year ended June 30, 2007	6
STATEMENT OF EXPENSES Year ended June 30, 2006	7
NOTES TO FINANCIAL STATEMENTS June 30, 2007, and 2006	8 - 10

Durio & Company

Certified Public Accountants
PROFESSIONAL CORPORATION

6575 WEST LOOP SOUTH, SUITE 400
BELLAIRE, TEXAS 77401-3512

PHONE: (713) 661-5290

FAX: (713) 661-1705

E-MAIL: FIRM@DURIO.PRO

INTERNET: WWW.DURIO.PRO

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, 2007 and 2006, 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, 2007 and 2006, 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, 2007 and 2006, 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.

May 15, 2008



SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF FINANCIAL POSITION

June 30, 2007 and 2006

	<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
ASSETS			
Cash and cash equivalents		\$ 177,551	\$ 71,891
Investments		857,373	435,083
Contributions receivable - Short-term		56,000	108,000
Contributions receivable - Long-term			180,000
Endowment Assets		<u>176,505</u>	<u>144,213</u>
Total Assets		<u>\$ 1,267,429</u>	<u>\$ 939,187</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES			
Accounts payable		\$ 12,500	\$ 9,510
Payroll liabilities		1,080	2,717
Deferred revenue		<u>41,200</u>	<u>291,000</u>
Total Liabilities		<u>54,780</u>	<u>303,227</u>
NET ASSETS			
Unrestricted:			
Designated		98,505	66,213
Undesignated		1,036,144	491,747
Temporarily restricted		-	-
Permanently restricted		<u>78,000</u>	<u>78,000</u>
Total Net Assets		<u>1,212,649</u>	<u>635,960</u>
Total Liabilities and Net Assets		<u>\$ 1,267,429</u>	<u>\$ 939,187</u>

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	\$ 687,861	\$	\$	\$ 687,861
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>1,081,407</u>			<u>1,081,407</u>
EXPENSES				
Program Services:				
Journal	35,373			35,373
Victor Levin Founders Society	41,504			41,504
Meetings	309,974			309,974
Membership	35,175			35,175
	<u>422,026</u>			<u>422,026</u>
Supporting Services:				
Management and general	57,770			57,770
Fund raising	24,922			24,922
	<u>82,692</u>			<u>82,692</u>
Total Expenses	<u>504,718</u>			<u>504,718</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 ACTIVITIES

Year ended June 30, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 190,529	\$	\$ 58,000	\$ 248,529
Membership dues	27,800			27,800
Investment earnings	28,168			28,168
Endowment earnings	9,336			9,336
Total Revenues & Support	255,833		58,000	313,833
EXPENSES				
Program Services:				
Journal	49,450			49,450
Victor Levin Founders Society	35,085			35,085
Meetings	38,693			38,693
Membership	15,290			15,290
	138,518			138,518
Supporting Services:				
Management and general	35,585			35,585
Fund raising	11,343			11,343
	46,928			46,928
Total Expenses	185,446			185,446
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of restrictions	31,700	(31,700)		-
CHANGE IN NET ASSETS - FYE JUNE 30, 2006	102,087	(31,700)	58,000	128,387
NET ASSETS - JUNE 30, 2005	455,873	31,700	20,000	507,573
NET ASSETS - JUNE 30, 2006	\$ 557,960	\$ -	\$ 78,000	\$ 635,960

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF CASH FLOWS

Year ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 576,689	\$ 128,387
(Increase)/decrease in operating assets:		
Investments	(422,290)	(172,902)
Contributions receivable - Short-term	52,000	
Contributions receivable - Long-term	180,000	36,000
Endowment assets	(32,292)	(63,953)
Increase/(decrease) in operating liabilities:		
Accounts payable	2,990	620
Payroll Liabilities	(1,637)	45
Deferred revenue	<u>(249,800)</u>	<u>(33,000)</u>
Net Cash Provided By/(Used For) Operating Activities	<u>105,660</u>	<u>(104,803)</u>
NET INCREASE/(DECREASE) IN CASH	105,660	(104,803)
CASH - BEGINNING OF YEAR	<u>71,891</u>	<u>176,694</u>
CASH - END OF YEAR	<u>\$ 177,551</u>	<u>\$ 71,891</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
STATEMENT OF EXPENSES

Year ended June 30, 2007

	<u>Journal</u>	<u>Founders Society</u>	<u>Meetings</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Audit	\$						\$
Awards		14,000			8,500		\$ 8,500
Bank Charges							14,000
Board of Directors	185		53	4,309	59		59
Consulting Fees		12,000			615		5,162
Copyright Fees	382						12,000
Executive Director Foundation		13,125	13,125		19,688	19,688	382
Insurance		300					78,751
Journal Editorial Office	32,329				1,661		300
Meeting Expenses			237,674				1,661
Miscellaneous					5,394		32,329
Office Expenses			1,419	1,962	2,377		243,068
Office Supplies			120	340	3,156	892	2,377
Portfolio Management Fees					512		7,429
Postage & delivery			1,746		3,589		972
Printing & Copying			18,598	4,172	365	322	3,589
Salaries and Related Expense	1,208	604	36,239	10,267	9,061	3,020	2,433
Telephone	269	475			1,793		22,770
Web Page	1,000	1,000	1,000	1,000	1,000	1,000	60,399
	<u>\$ 35,373</u>	<u>\$ 41,504</u>	<u>\$ 309,974</u>	<u>\$ 35,175</u>	<u>\$ 57,770</u>	<u>\$ 24,922</u>	<u>\$ 504,718</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF EXPENSES

Year ended June 30, 2006

	<u>Journal</u>	<u>Founders Society</u>	<u>Meetings</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Audit	\$	\$	\$	\$	\$	\$	\$
Bank Charges					8,508		8,508
Board of Directors	8	1,521			94		94
Consulting Fees		24,000			2,406	740	4,675
Copyright Fees	755						24,000
Executive Director		4,583	4,583	4,584	6,875		755
Insurance					1,649		27,500
Journal Editorial Office	46,000						1,649
Legal Fees					382		46,000
Meeting Expenses		3,197					382
Office Expenses					1,893		3,197
Office Supplies				266			1,893
Postage & delivery	349			270			1,368
Printing & Copying				55			1,475
Salaries and Related Expense	1,071	536	32,673	9,106	8,034	277	1,021
Telephone	96	77		80	1,951		53,562
Web Page	1,171	1,171	1,171	1,171	1,170	1,170	2,343
	<u>\$ 49,450</u>	<u>\$ 35,085</u>	<u>\$ 38,693</u>	<u>\$ 15,290</u>	<u>\$ 35,585</u>	<u>\$ 11,343</u>	<u>\$ 185,446</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007, and 2006

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, 2007, and 2006

NOTE 2: INVESTMENT ASSETS AND INVESTMENT EARNINGS

As of June 30, 2007 and 2006, the investment assets and investment earnings consisted of the following.

	<u>2007</u>	<u>2006</u>
<u>Investment Assets</u>		
Money Market	\$ 23,232	\$ -
Equity mutual funds	487,299	170,438
Unit investment trusts	<u>523,347</u>	<u>408,858</u>
	<u>\$1,033,878</u>	<u>\$ 579,296</u>
Unrestricted investments	\$ 857,373	\$ 435,083
Endowment assets	<u>176,505</u>	<u>144,213</u>
	<u>\$1,033,878</u>	<u>\$ 579,296</u>
<u>Investment Earnings</u>		
Dividend and interest income	\$ 21,198	\$ 6,857
Realized gain on sale of securities	16,574	18,524
Unrealized gain on securities	<u>75,099</u>	<u>12,123</u>
	<u>\$ 112,871</u>	<u>\$ 37,504</u>
Unrestricted earnings	\$ 80,564	\$ 28,168
Endowment earnings	<u>32,307</u>	<u>9,336</u>
	<u>\$ 112,871</u>	<u>\$ 37,504</u>

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give by donors. As of June 30, 2007 and 2006, the anticipated dates for collection of the pledges are as follows:

	<u>2007</u>	<u>2006</u>
During fiscal year ended:		
June 30, 2007	\$ 56,000	\$ 108,000
June 30, 2008		108,000
June 30, 2009		<u>72,000</u>
	<u>\$ 56,000</u>	<u>\$ 288,000</u>

**SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2007, and 2006**

NOTE 4: 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, 2007 and 2006, the unrestricted designated net assets amounted to \$98,505 and \$66,213 respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of unspent funds that are restricted by donors for certain training and educational purposes. Such funds amounted to \$0 as of June 30, 2007, and June 30, 2006.

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 \$78,000 as of June 30, 2007, and June 30, 2006.