

SOCIETY FOR NEURO-ONCOLOGY

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

YEARS ENDED JUNE 30, 2010 AND 2009

SOCIETY FOR NEURO-ONCOLOGY

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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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 and 2009, 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.

June 15, 2011



SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF FINANCIAL POSITION

June 30, 2010 and 2009

	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash and cash equivalents		\$ 475,126	\$ 378,223
Investments		582,246	581,914
Contributions receivable - Short-term		85,050	32,500
Endowment Assets		<u>120,940</u>	<u>105,254</u>
Total Assets		<u>\$ 1,263,362</u>	<u>\$ 1,097,891</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES			
Accounts payable		\$ 133,124	\$ 13,120
Payroll liabilities		22,232	27,933
Deferred revenue		1,735	6,510
Journal publishing liability		<u>120,705</u>	<u>415,091</u>
Total Liabilities		<u>277,796</u>	<u>462,654</u>
 NET ASSETS			
Unrestricted:			
Designated		32,940	17,254
Undesignated		862,126	529,983
Permanently restricted		<u>90,500</u>	<u>88,000</u>
Total Net Assets		<u>985,566</u>	<u>635,237</u>
Total Liabilities and Net Assets		<u>\$ 1,263,362</u>	<u>\$ 1,097,891</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 821,371	\$	\$ 2,500	\$ 823,871
Membership dues	189,750			189,750
Educational Conferences	117,960			117,960
Investment earnings	66,605			66,605
Endowment earnings	15,686			15,686
Total Revenues & Support	1,211,372		2,500	1,213,872
EXPENSES				
Program Services:				
Journal	286,400			286,400
Victor Levin Founders Society	23,045			23,045
Educational Conferences	385,304			385,304
Membership	45,391			45,391
	740,140			740,140
Supporting Services:				
Management and general	103,898			103,898
Fund raising	19,505			19,505
	123,403			123,403
Total Expenses	863,543		-	863,543
CHANGE IN NET ASSETS - FYE JUNE 30, 2010	347,829		2,500	350,329
NET ASSETS - JUNE 30, 2009	547,237		88,000	635,237
NET ASSETS - JUNE 30, 2010	\$ 895,066	\$ -	\$ 90,500	\$ 985,566

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 690,661	\$	\$	\$ 690,661
Membership dues	176,471			176,471
Educational conferences	401,051			401,051
Investment earnings/(loss)	(353,745)			(353,745)
Endowment earnings/(loss)	(81,287)			(81,287)
Total Revenues & Support	<u>833,151</u>			<u>833,151</u>
EXPENSES				
Program Services:				
Journal	43,633			43,633
Victor Levin Founders Society	34,334			34,334
Educational conferences	702,918			702,918
Membership	38,095			38,095
	<u>818,980</u>			<u>818,980</u>
Supporting Services:				
Management and general	58,974			58,974
Fund raising	20,191			20,191
	<u>79,165</u>			<u>79,165</u>
Total Expenses	<u>898,145</u>			<u>898,145</u>
CHANGE IN NET ASSETS - FYE JUNE 30, 2009	(64,994)			(64,994)
NET ASSETS - JUNE 30, 2008	<u>612,231</u>		<u>88,000</u>	<u>700,231</u>
NET ASSETS - JUNE 30, 2009	<u>\$ 547,237</u>	<u>\$ -</u>	<u>\$ 88,000</u>	<u>\$ 635,237</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF CASH FLOWS

Year ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 350,329	\$ (64,994)
(Increase)/decrease in operating assets:		
Investments	(332)	353,781
Contributions receivable - Short-term	(52,550)	(20,000)
Endowment assets	(15,686)	81,287
Increase/(decrease) in operating liabilities:		
Accounts payable	120,004	(9,189)
Payroll Liabilities	(5,701)	26,913
Deferred revenue	(4,775)	910
Duke University Press Liability	<u>(294,386)</u>	<u>(266,404)</u>
Net Cash Provided By Operating Activities	<u>96,903</u>	<u>102,304</u>
NET INCREASE IN CASH	96,903	102,304
CASH - BEGINNING OF YEAR	<u>378,223</u>	<u>275,919</u>
CASH - END OF YEAR	<u>\$ 475,126</u>	<u>\$ 378,223</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF EXPENSES

Year ended June 30, 2010

	<u>Journal</u>	<u>Founders Society</u>	<u>Conferences</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting	\$	\$	\$	\$	\$	\$	\$
Audit					28,646		28,646
Awards		5,342			10,770		10,770
Bank Charges					5,565		5,565
Board of Directors			597	1,280		93	1,970
Consulting Fees		1,400					1,400
Insurance					1,646		1,646
International Outreach			50,365				50,365
Journal Expenses	1,126						1,126
Journal Editorial Office	130,510						130,510
Journal Subscriptions	125,310						125,310
Legal Fees					10,224		10,224
Meeting Expenses			237,044				237,044
Office Expenses			1,946	3,999	873	538	7,356
Office Supplies			79	351	8,576	23	9,029
Postage & delivery			161	205			366
Printing & Copying			1,207		8,279	309	9,795
Salaries and Related Expense	26,885	12,491	91,698	37,348	25,809	16,296	210,527
Telephone	361	1,605			1,302	38	3,306
Web Page	2,208	2,207	2,207	2,208	2,208	2,208	13,246
	<u>\$ 286,400</u>	<u>\$ 23,045</u>	<u>\$ 385,304</u>	<u>\$ 45,391</u>	<u>\$ 103,898</u>	<u>\$ 19,505</u>	<u>\$ 863,543</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF EXPENSES

Year ended June 30, 2009

	<u>Journal</u>	<u>Founders</u>	<u>Society</u>	<u>Meetings</u>	<u>Membership</u>	<u>Management</u>	<u>Fund</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Accounting						23		23
Audit						10,278		10,278
Awards		20,000						20,000
Bank Charges						750		750
Board of Directors			549	1,380	(582)	295		1,642
Consulting Fees								-
Insurance						3,939		3,939
International Outreach				10,020				10,020
Journal Expenses	39,309							39,309
Journal Editorial Office	61,819							61,819
Journal Subscriptions	91,251							91,251
Duke University Settlement	(174,905)							(174,905)
Meeting Expenses				562,718				562,718
Office Expenses				4,076	2,406	8,073	1,532	16,087
Office Supplies				141	258	3,971		4,370
Postage & delivery				1,375	305	3,860		5,540
Printing & Copying				36,856	40	24	1,970	38,890
Salaries and Related Expense	23,511	10,850		84,153	33,469	23,525	14,471	189,979
Telephone	449	736				1,984	19	3,188
Web Page	2,199	2,199		2,199	2,199	2,252	2,199	13,247
	<u>\$ 43,633</u>	<u>\$ 34,334</u>	<u>\$ 38,095</u>	<u>\$ 702,918</u>	<u>\$ 58,974</u>	<u>\$ 20,191</u>	<u>\$ 898,145</u>	

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010, and 2009

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, 2010, and 2009

NOTE 2: INVESTMENT ASSETS AND INVESTMENT EARNINGS

As of June 30, 2010 and 2009, the investment assets and investment earnings consisted of the following.

	<u>2010</u>	<u>2009</u>
<u>Investment Assets</u>		
Money Market	\$ 14,832	\$ 7,680
Mutual Funds - Equity/Income	146,509	218,443
Unit investment trusts	<u>541,845</u>	<u>461,045</u>
	<u>\$ 703,186</u>	<u>\$ 687,168</u>
Unrestricted investments	\$ 582,246	\$ 581,914
Endowment assets	<u>120,940</u>	<u>105,254</u>
	<u>\$ 703,186</u>	<u>\$ 687,168</u>
<u>Investment Earnings</u>		
Dividend and interest income	\$ 37,661	\$ 28,241
Realized gain/(loss) on sale of securities	(71,647)	(328,117)
Unrealized gain/(loss) on securities	<u>116,277</u>	<u>(135,156)</u>
	<u>\$ 82,291</u>	<u>\$ (435,032)</u>
Unrestricted earnings/(loss)	\$ 66,605	\$ (353,745)
Endowment earnings/(loss)	<u>15,686</u>	<u>(81,287)</u>
	<u>\$ 82,291</u>	<u>\$ (435,032)</u>

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give by donors. As of June 30, 2010 and 2009, the anticipated dates for collection of the pledges are as follows:

	<u>2010</u>	<u>2009</u>
During fiscal year ended:		
June 30, 2010	\$ -	\$ 32,500
June 30, 2011	<u>\$ 85,500</u>	<u>\$ -</u>
	<u>\$ 85,050</u>	<u>\$ 32,500</u>

**SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010, and 2009**

NOTE 4: JOURNAL PUBLISHING LIABILITY

Oxford University Press

Society for Neuro-Oncology signed a five year Journal Publishing Agreement, dated October 2, 2009, with Oxford University Press to publish the Neuro-Oncology journal. This decision was made to secure favorable future revenue payments resulting from additional journal publication and corresponding membership growth.

Duke University Press

Society of Neuro-Oncology signed a Compromise Settlement Agreement and Release, dated August 6, 2009 with Duke University Press, which publishes the Neuro-Oncology journal. The remaining liability due to this Agreement is \$120,705, as of June 30, 2010, of which \$45,705 represents current liability.

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, 2010 and 2009, the unrestricted designated net assets amounted to \$30,440 and \$17,254 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 \$90,500 as of June 30, 2010 and \$88,000 as of June 30, 2009.