

SOCIETY FOR NEURO-ONCOLOGY

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

YEARS ENDED JUNE 30, 2013, and 2012

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, 2013, and 2012	2
STATEMENT OF ACTIVITIES Year ended June 30, 2013	3
STATEMENT OF ACTIVITIES Year ended June 30, 2012	4
STATEMENT OF CASH FLOWS Years ended June 30, 2013, and 2012	5
STATEMENT OF EXPENSES Year ended June 30, 2013	6
STATEMENT OF EXPENSES Year ended June 30, 2012	7
NOTES TO FINANCIAL STATEMENTS June 30, 2013, and 2012	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, 2013 and 2012, 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, 2013 and 2012, 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, 2013 and 2012, 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 27, 2014



SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF FINANCIAL POSITION

June 30, 2013 and 2012

	<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash and cash equivalents		\$ 1,403,746	\$ 1,239,556
Investments		696,763	677,295
Contributions receivable - Short-term		25,150	48,100
Prepaid expenses		70,939	-
Endowment assets		<u>178,388</u>	<u>154,697</u>
Total Assets		<u>\$ 2,374,986</u>	<u>\$ 2,119,648</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES			
Accounts payable & accrued expenses		\$ 196,170	\$ 166,125
Payroll liabilities		-	29
Deferred revenue		53,700	38,735
Journal publishing liability		-	25,001
Total Liabilities		<u>249,870</u>	<u>229,890</u>
 NET ASSETS			
Unrestricted:			
Designated		86,838	64,197
Undesignated		1,946,728	1,735,061
Permanently restricted		<u>91,550</u>	<u>90,500</u>
Total Net Assets		<u>2,125,116</u>	<u>1,889,758</u>
Total Liabilities and Net Assets		<u>\$ 2,374,986</u>	<u>\$ 2,119,648</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 784,977	\$	\$ 1,050	\$ 786,027
Membership dues	306,318			306,318
Educational Conferences	957,492			957,492
Investment earnings/(loss)	69,351			69,351
Endowment earnings	23,691			23,691
Total Revenues & Support	2,141,829		1,050	2,142,879
EXPENSES				
Program Services:				
Journal	300,474			300,474
Victor Levin Founders Society	43,732			43,732
Educational Conferences	1,304,833			1,304,833
Membership	40,651			40,651
	1,689,690			1,689,690
Supporting Services:				
Management and general	186,439			186,439
Fund raising	31,392			31,392
	217,831			217,831
	-			-
Total Expenses	1,907,521		-	1,907,521
CHANGE IN NET ASSETS - FYE JUNE 30, 2013	234,308		1,050	235,358
NET ASSETS - JUNE 30, 2012	1,799,258		90,500	1,889,758
NET ASSETS - JUNE 30, 2013	\$ 2,033,566	\$ -	\$ 91,550	\$ 2,125,116

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF ACTIVITIES

Year ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Contributions and grants	\$ 1,021,538	\$		\$ 1,021,538
Membership dues	239,969			239,969
Educational Conferences	622,385			622,385
Investment earnings/(loss)	(28,282)			(28,282)
Endowment earnings	<u>1,142</u>			<u>1,142</u>
Total Revenues & Support	<u>1,856,752</u>		-	<u>1,856,752</u>
EXPENSES				
Program Services:				
Journal	291,644			291,644
Victor Levin Founders Society	41,323			41,323
Educational Conferences	841,952			841,952
Membership	<u>55,177</u>			<u>55,177</u>
	<u>1,230,096</u>			<u>1,230,096</u>
Supporting Services:				
Management and general	142,910			142,910
Fund raising	<u>21,111</u>			<u>21,111</u>
	<u>164,021</u>			<u>164,021</u>
Total Expenses	<u>1,394,117</u>		-	<u>1,394,117</u>
CHANGE IN NET ASSETS - FYE JUNE 30, 2012	462,635		-	462,635
NET ASSETS - JUNE 30, 2011	<u>1,336,623</u>		<u>90,500</u>	<u>1,427,123</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 1,799,258</u>	<u>\$ -</u>	<u>\$ 90,500</u>	<u>\$ 1,889,758</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF CASH FLOWS

Year ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 235,358	\$ 462,635
(Increase)/decrease in operating assets:		
Investments	(19,468)	28,748
Contributions receivable - Short-term	22,950	(4,150)
Prepaid expenses	(70,939)	-
Endowment assets	(23,691)	(1,142)
Increase/(decrease) in operating liabilities:		
Accounts payable & accrued expenses	30,045	10,345
Payroll Liabilities	(29)	(3,974)
Deferred revenue	14,965	(35,800)
Duke University Press Liability	(25,001)	(50,000)
Net Cash Provided By Operating Activities	<u>164,190</u>	<u>406,662</u>
NET INCREASE IN CASH	164,190	406,662
CASH - BEGINNING OF YEAR	<u>1,239,556</u>	<u>832,894</u>
CASH - END OF YEAR	<u>\$ 1,403,746</u>	<u>\$ 1,239,556</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
STATEMENT OF EXPENSES

Year ended June 30, 2013

	<u>Journal</u>	<u>Victor Levin Founders Society</u>	<u>Conferences</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting	\$	\$	\$	\$	\$	\$	\$
Audit					36,329		36,329
Awards		39,930			9,900		9,900
Bank & Credit Card Fees							39,930
Board of Directors			4,852	438	49,252		49,252
Consulting Fees					255		5,545
Insurance		930					930
International Outreach					1,960		1,960
Journal Expenses	4,340		56,116				56,116
Journal Editorial Office	99,646						4,340
Journal Subscriptions	186,675						99,646
Legal Fees							186,675
Meeting Expenses			1,006,398				-
Office Expenses			22,340	1,124	22,504		1,006,398
Office Supplies					9,815		45,968
Postage & delivery				540	22		9,815
Printing & Copying					32		562
Salaries and Related Expense	9,409	1,449	215,127	32,557	53,380	31,392	343,314
Taxes					315		32
Telephone	404	1,423		14	2,675		315
Web Page				5,978			4,516
	\$	\$	\$	\$	\$	\$	\$
	<u>300,474</u>	<u>43,732</u>	<u>1,304,833</u>	<u>40,651</u>	<u>186,439</u>	<u>31,392</u>	<u>1,907,521</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY

STATEMENT OF EXPENSES

Year ended June 30, 2012

	<u>Journal</u>	<u>Society</u>	<u>Conferences</u>	<u>Membership</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Accounting	\$	\$	\$	\$	\$	\$	\$
Audit					33,404		33,404
Awards		21,770			10,500		10,500
Bank Charges							21,770
Board of Directors			1,385		32,757		32,757
Consulting Fees							1,385
Insurance		830					830
International Outreach			9,000		1,849		1,849
Journal Expenses	995						995
Journal Editorial Office	96,000						96,000
Journal Subscriptions	159,700						159,700
Legal Fees							-
Meeting Expenses			711,911				711,911
Office Expenses			3,346	7,096	8,073		18,515
Office Supplies			200	232	17,084		17,516
Postage & delivery				325	432		757
Printing & Copying					4,000		4,000
Salaries and Related Expense	34,305	15,833	116,110	47,500	29,028	21,111	263,887
Telephone	644	2,890		24	1,158		4,716
Web Page					4,625		4,625
	<u>\$ 291,644</u>	<u>\$ 41,323</u>	<u>\$ 841,952</u>	<u>\$ 55,177</u>	<u>\$ 142,910</u>	<u>\$ 21,111</u>	<u>\$ 1,394,117</u>

See the accompanying Notes to Financial Statements

SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013, and 2012

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, 2013, and 2012**

NOTE 2: INVESTMENT ASSETS AND INVESTMENT EARNINGS

As of June 30, 2013 and 2012, the investment assets and investment earnings consisted of the following.

	<u>2013</u>	<u>2012</u>
<u>Investment Assets</u>		
Money Market	\$ 25,743	\$ 9,749
Equities	776,473	671,962
Fixed Income	<u>72,935</u>	<u>150,281</u>
	<u>\$875,151</u>	<u>\$831,992</u>
Unrestricted investments	\$696,763	\$677,295
Endowment assets	<u>178,388</u>	<u>154,697</u>
	<u>\$875,151</u>	<u>\$831,992</u>
 <u>Investment Earnings</u>		
Dividend and interest income	\$ 30,979	\$ 55,507
Realized gain/(loss) on securities	(42,487)	(21,200)
Unrealized gain/(loss) on securities	<u>104,550</u>	<u>(61,447)</u>
	<u>\$ 93,042</u>	<u>\$(27,140)</u>
Unrestricted earnings/(loss)	\$ 69,351	\$(28,282)
Endowment earnings	<u>23,691</u>	<u>1,142</u>
	<u>\$ 93,042</u>	<u>\$(27,140)</u>

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give by donors. As of June 30, 2013 and 2012, the anticipated dates for collection of the pledges are as follows:

	<u>2013</u>	<u>2012</u>
During fiscal year ended:		
June 30, 2013	\$ -	\$48,100
June 30, 2014	<u>25,150</u>	<u>-</u>
	<u>\$25,150</u>	<u>\$48,100</u>

**SOCIETY FOR NEURO-ONCOLOGY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013, and 2012**

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 published the Neuro-Oncology journal. The remaining liability due to this Agreement is \$-0- as of June 30, 2013, and \$25,001 as of June 30, 2012.

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, 2013 and 2012, the unrestricted designated net assets amounted to \$86,838 and \$64,197 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 \$91,550 as of June 30, 2013, and \$90,500 as of June 30, 2012.