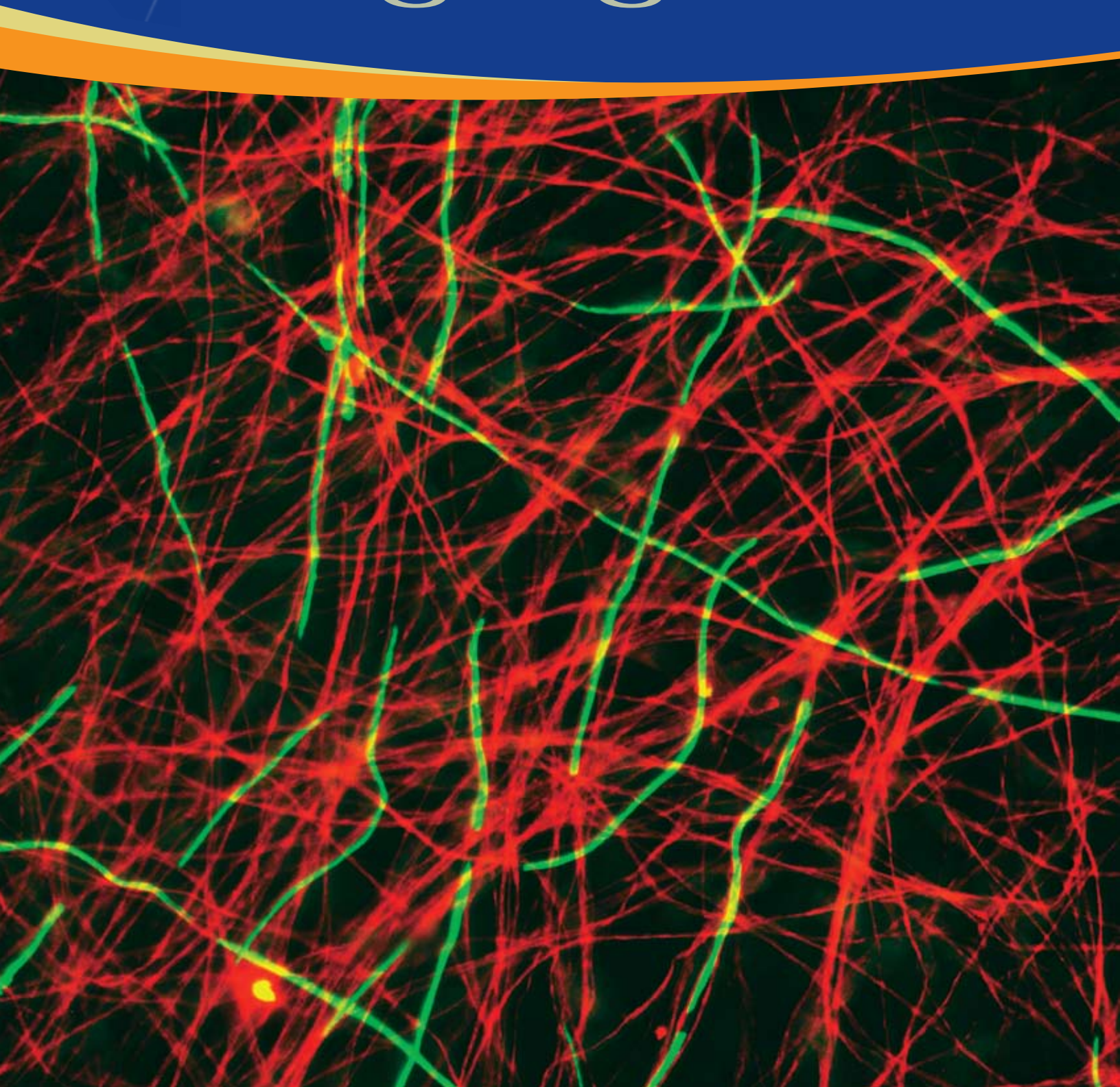




FINANCIAL *and*

Highlights



ORGANIZATIONAL

In the face of substantial economic volatility, SfN's leaders continued to position the Society in FY2009 to support a strong and stable future. SfN's volunteer leadership and staff remain steadfast in actively managing SfN operations and finances, while taking advantage of select opportunities to support long-term growth of the field.

Fiscal year 2009 was a time of tremendous uncertainty in the financial world, as a weakening economy and downward spiral in market valuation gripped the globe. For SfN, the impact of the economic downturn has been moderated thanks in large part to the thoughtful foresight and diligent planning of the Society's leadership and the continuing strong support of SfN's committed membership.

Continued Financial Strength

A successful business model with diversified revenue streams — combined with efficient operations and careful budgeting — enabled SfN to realize a modest year-end surplus in FY2009. Based on preliminary (unaudited) figures, the total was approximately \$217k (\$712k net revenue from the Professional Society offset with a \$494k net expense from 1121 Properties, LLC), exclusive of long-term investment activity.

In calendar year 2008, membership grew to a record 38,761 members, enabling SfN to provide member services that strengthen neuroscience, while contributing to a strong financial base. Other revenue sources were stable as well: authors and subscribers showed their ongoing commitment to *The Journal of*

Neuroscience, with strong subscription trends generating financial value for *The Journal* and the Society. Author submissions in CY2008 continued to increase (more than 4 percent from CY2007), and increasing multi-site and global licensing facilitated worldwide information sharing for larger institutional subscribers. SfN's 38th Annual Meeting in Washington, DC, was a success scientifically and financially, with 15,558 scientific abstracts submitted and 31,652 attendees.

Taking Strategic Action for Future Growth

The Society continued to take select actions to enhance long-term growth of membership, attendee, and subscription bases, while financially protecting the Society from potentially adverse macroeconomic trends.

First, the Society continued to aggressively tighten its operational performance by improving its efficiency. Second, as part of a continuing investment in infrastructure and continuity planning, the Society implemented a new association management system, combining numerous fragmented information sources into an integrated, powerful organization-wide database. This created a single point of entry for

members and customers, streamlined operations, and added reporting capabilities to enhance data-driven analysis and decision-making. Third, the Society's Business Continuity Plan was updated to ensure the Society's work to fulfill its mission is able to continue if a disaster or extended disruption to daily operations occurs. Finally, the Society also invested in its network infrastructure, making a decision to purchase a more flexible server system that will save tens of thousands of dollars over the next five years and reduce the Society's energy usage by an estimated 90 percent compared with the current system.

as increasing revenues. SfN staff continues to explore prospective funding sources with a goal of increasing external funding and allowing for enhanced investment in SfN's mission, consistent with Council's strategic priorities for the Society.

SfN Headquarters Building Success

The Society continues to operate out of its downtown headquarters in Washington, DC, in a Class A office building that it purchased and moved into in 2006. The 84,000 square foot building provides needed space for the Society, as well as additional

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Building Partnerships, Serving Neuroscience

In recognition of the importance of a strong portfolio of partnerships and diversified revenue sources to meet the needs of a growing field and a changing membership, the Society created a Grants and Development department to actively pursue additional support for programs of shared value to donors and neuroscientists. These efforts have resulted in a large gift to the Society. The Waletzky Family made a generous donation to permanently support the Waletzky Prize, which recognizes excellence in research on substance abuse. Along with FY2008's grant to sustain the Julius Axelrod Prize, the Society now has two large, long-term funds established to provide recognition for research excellence.

The Society also applied for several multi-year federal grants, one of which was a five-year renewal of the Neuroscience Scholars Program, funded through the National Institute of Neurological Disorders and Stroke. At the time of this printing, SfN had received a positive award notification of the renewal as well as a new grant from the National Science Foundation to support women scientists. Lastly, the Society has been more proactive in soliciting sponsors for annual meeting events, increasing the number of sponsors by more than 40 percent as well

rental income from tenants. Including the Society, the building is more than 97 percent leased, and the building operations are expected to provide positive cash flow to Society operations beginning in FY2010 and for many years to come.

SfN's diversified investment portfolio experienced a significant decline in the FY2009 in line with reductions in the overall market. The consistent guidance of the Investment Committee, informed by outside investment experts who serve as pro bono committee members, has been to maintain investing discipline and diversification, in the belief that the portfolio will rebound in the coming years. Despite this temporary decline in the value of its long-term investments, the Society's overall FY2009 financial performance was very good: the Society continues to have a strong balance sheet, a diversified revenue base, and substantial long-term growth opportunities and cash flow potential. While not immune to the difficult U.S. and global economic environment, the Society is committed to managing through this turbulent period with financial and programmatic discipline. Our Strategic Plan, including a Reserve Strategy, continues to allow the Society to operate effectively and efficiently to serve our members' interests, despite the financial risks and concerns facing the world today.