

FINANCIAL STATEMENTS

BioONE

**FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**

BIOONE

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GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
BioOne
Washington, D.C.

We have audited the accompanying statements of financial position of BioOne as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of BioOne's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BioOne as of December 31, 2009 and 2008, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

April 22, 2010

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BIOONE

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 892,688	\$ 289,173
Investments (Note 2)	2,800,580	2,681,267
Accounts receivable, net	2,693,472	1,853,814
Prepaid expenses	<u>14,370</u>	<u>12,703</u>
Total current assets	<u>6,401,110</u>	<u>4,836,957</u>
FIXED ASSETS		
Furniture and equipment, net of accumulated depreciation and amortization of \$8,280 and \$8,682 for 2009 and 2008, respectively	<u>1,741</u>	<u>4,083</u>
OTHER ASSETS		
Letter of credit (Note 5)	18,545	-
Long-term investments (Note 2)	<u>715,745</u>	<u>570,200</u>
Total other assets	<u>734,290</u>	<u>570,200</u>
TOTAL ASSETS	<u>\$ 7,137,141</u>	<u>\$ 5,411,240</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Royalty expense payable (Note 7)	\$ 2,225,263	\$ 1,915,148
Accounts payable	160,242	180,102
Surplus share payable	650,877	499,999
Accrued vacation	31,901	30,314
Deferred subscription income, net	<u>3,731,374</u>	<u>2,852,745</u>
Total current liabilities	6,799,657	5,478,308
NET ASSETS - Unrestricted		
Undesignated	-	(67,068)
Board-designated	<u>337,484</u>	<u>-</u>
Total net assets	<u>337,484</u>	<u>(67,068)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,137,141</u>	<u>\$ 5,411,240</u>

See accompanying notes to financial statements.

BIOONE

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Unrestricted</u>	
	<u>2009</u>	<u>2008</u>
REVENUE		
Subscription sales	\$ 6,034,022	\$ 2,244,796
Ancillary revenue	44,124	37,807
Contributions in-kind	130,036	136,748
Interest and dividend income (Note 2)	47,540	71,740
Miscellaneous income	<u>15,819</u>	<u>4,705</u>
Total revenue	<u>6,271,541</u>	<u>2,495,796</u>
EXPENSES		
Program Services:		
BioOne.1	3,816,142	1,732,427
BioOne.2	827,587	355,540
BioOne Open Access	42,750	20,775
UniBio	24,474	27,077
Education	<u>22,529</u>	<u>14,193</u>
Total program services	<u>4,733,482</u>	<u>2,150,012</u>
Management and General	<u>653,575</u>	<u>637,659</u>
Total expenses	<u>5,387,057</u>	<u>2,787,671</u>
Total operating surplus (deficit) before surplus share, gain (loss) on investments and non-recurring items	884,484	(291,875)
Surplus share	(650,000)	(499,999)
Investment gain (loss) (Note 2)	<u>170,068</u>	<u>(105,718)</u>
Changes in net assets before non-recurring items	404,552	(897,592)
NON-RECURRING ITEMS		
Prior year subscription income (Note 6)	-	956,345
Accrual conversion subsidy (Note 7)	<u>-</u>	<u>(1,177,734)</u>
Changes in net assets	404,552	(1,118,981)
Net assets at beginning of year	<u>(67,068)</u>	<u>1,051,913</u>
NET ASSETS AT END OF YEAR	<u>\$ 337,484</u>	<u>\$ (67,068)</u>

See accompanying notes to financial statements.

BIOONE

**STATEMENT OF FUNCTIONAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>BioOne.1</u>	<u>BioOne.2</u>	<u>BioOne Open Access</u>	<u>UniBio</u>	<u>Education</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
REVENUE								
Subscription sales	\$ 5,129,135	\$ 874,097	\$ -	\$ 30,790	\$ -	\$ 6,034,022	\$ -	\$ 6,034,022
Ancillary revenue	36,968	7,156	-	-	-	44,124	-	44,124
Contributions in-kind	106,633	21,703	1,700	-	-	130,036	-	130,036
Interest and dividend income (Note 2)	-	-	-	-	-	-	47,540	47,540
Miscellaneous income	1,016	457	-	10,772	-	12,245	3,574	15,819
Total revenue	<u>5,273,752</u>	<u>903,413</u>	<u>1,700</u>	<u>41,562</u>	<u>-</u>	<u>6,220,427</u>	<u>51,114</u>	<u>6,271,541</u>
EXPENSES								
Royalty expenses	1,913,180	310,145	-	12,793	-	2,236,118	-	2,236,118
Discounts and commissions	1,374,899	267,731	-	11,701	-	1,654,331	-	1,654,331
Technology expenses	527,157	249,516	42,750	-	-	819,423	-	819,423
Personnel expenses	-	-	-	-	-	-	383,530	383,530
Professional contract services	-	-	-	-	-	-	138,823	138,823
General and administrative	906	195	-	(20)	-	1,081	117,626	118,707
Travel and meetings	-	-	-	-	22,529	22,529	13,596	36,125
Total expenses	<u>3,816,142</u>	<u>827,587</u>	<u>42,750</u>	<u>24,474</u>	<u>22,529</u>	<u>4,733,482</u>	<u>653,575</u>	<u>5,387,057</u>
Total operating surplus (deficit) before surplus share and net unrealized gain on investments	1,457,610	75,826	(41,050)	17,088	(22,529)	1,486,945	(602,461)	884,484
Surplus share	(516,567)	(133,433)	-	-	-	(650,000)	-	(650,000)
Investment gain (Note 2)	-	-	-	-	-	-	170,068	170,068
CHANGE IN NET ASSETS	<u>\$ 941,043</u>	<u>\$ (57,607)</u>	<u>\$ (41,050)</u>	<u>\$ 17,088</u>	<u>\$ (22,529)</u>	<u>\$ 836,945</u>	<u>\$ (432,393)</u>	<u>\$ 404,552</u>

See accompanying notes to financial statements.

BIOONE

**STATEMENT OF FUNCTIONAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	BioOne.1	BioOne.2	BioOne Open Access	UniBio	Education	Total Program Services	Management and General	Total
REVENUE								
Subscription sales	\$1,942,131	\$ 281,884	\$ -	\$ 20,781	\$ -	\$ 2,244,796	\$ -	\$ 2,244,796
Ancillary revenue	33,181	4,626	-	-	-	37,807	-	37,807
Contributions in-kind	115,746	21,002	-	-	-	136,748	-	136,748
Interest and dividend income (Note 2)	-	-	-	-	-	-	71,740	71,740
Miscellaneous income	-	-	-	-	-	-	4,705	4,705
Total revenue	<u>2,091,058</u>	<u>307,512</u>	<u>-</u>	<u>20,781</u>	<u>-</u>	<u>2,419,351</u>	<u>76,445</u>	<u>2,495,796</u>
EXPENSES								
Royalty expenses	707,287	99,475	-	20,813	-	827,575	-	827,575
Discounts and commissions	593,919	92,188	-	6,264	-	692,371	-	692,371
Technology expenses	403,222	151,267	19,510	-	-	573,999	-	573,999
Personnel expenses	-	-	-	-	-	-	361,511	361,511
Professional contract services	27,916	12,573	1,261	-	-	41,750	134,284	176,034
General and administrative	83	37	4	-	-	124	116,579	116,703
Travel and meetings	-	-	-	-	14,193	14,193	25,285	39,478
Total expenses	<u>1,732,427</u>	<u>355,540</u>	<u>20,775</u>	<u>27,077</u>	<u>14,193</u>	<u>2,150,012</u>	<u>637,659</u>	<u>2,787,671</u>
Total operating surplus (deficit) before surplus share, net unrealized loss on investments, and non-recurring items	358,631	(48,028)	(20,775)	(6,296)	(14,193)	269,339	(561,214)	(291,875)
Surplus share	(438,325)	(61,674)	-	-	-	(499,999)	-	(499,999)
Investment loss (Note 2)	-	-	-	-	-	-	(105,718)	(105,718)
Change in net assets before non-recurring items	(79,694)	(109,702)	(20,775)	(6,296)	(14,193)	(230,660)	(666,932)	(897,592)
NON-RECURRING ITEMS								
Prior year subscription income (Note 6)	837,230	119,115	-	-	-	956,345	-	956,345
Accrual conversion subsidy (Note 7)	(994,271)	(183,463)	-	-	-	(1,177,734)	-	(1,177,734)
CHANGE IN NET ASSETS	<u>\$ (236,735)</u>	<u>\$ (174,050)</u>	<u>\$ (20,775)</u>	<u>\$ (6,296)</u>	<u>\$ (14,193)</u>	<u>\$ (452,049)</u>	<u>\$ (666,932)</u>	<u>\$ (1,118,981)</u>

See accompanying notes to financial statements.

BIOONE

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 404,552	\$ (1,118,981)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,342	3,186
Unrealized (gain) loss	(170,065)	105,718
Realized gain	(3)	-
(Increase) decrease in:		
Accounts receivable, net	(839,658)	(1,105,918)
Prepaid expenses	(1,667)	(9,961)
Letter of credit	(18,545)	-
Increase (decrease) in:		
Royalty expense payable	310,115	-
Accounts payable	(19,860)	3,459
Surplus share payable	150,878	88,243
Accrued vacation	1,587	2,673
Deferred subscription income, net	<u>878,629</u>	<u>2,852,746</u>
Net cash provided by operating activities	<u>698,305</u>	<u>821,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,998,242)	(3,357,185)
Sale of investments	2,903,452	-
Purchase of fixed assets	<u>-</u>	<u>(2,985)</u>
Net cash used by investing activities	<u>(94,790)</u>	<u>(3,360,170)</u>
Net increase (decrease) in cash and cash equivalents	603,515	(2,539,005)
Cash and cash equivalents at beginning of year	<u>289,173</u>	<u>2,828,178</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 892,688</u>	<u>\$ 289,173</u>

See accompanying notes to financial statements.

BIOONE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

BioOne was incorporated on August 23, 1999 as a not-for-profit corporation under the statutes of the District of Columbia. BioOne is a collaborative organization, bringing together scientific societies, non-profit publishers, and libraries to provide sustainable access to critical, peer-reviewed research in the biological, ecological, and environmental sciences.

Recently issued accounting standards -

In June 2009, the Financial Accounting Standards Board (FASB) issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, BioOne has updated references to GAAP in its financial statements issued for the year ended December 31, 2009. The adoption of FASB ASC 105 did not impact BioOne's financial position or results of operations.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

BioOne considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, BioOne maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

In-kind contributions -

In-kind contributions consists of digital conversion. All in-kind contributions have been recorded at their fair market value as of the date of gift or service.

Income tax status -

BioOne is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2009, BioOne has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

BIOONE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Uncertain tax positions (continued) -

Since the provisions of FASB ASC 740-10 were not effective for 2008, BioOne utilized its prior policy of accounting for these positions, following the guidance in FASB ASC 450, *Contingencies*. Disclosure is not required of a loss contingency involving an unasserted claim or assessment when there has been no manifestation by a potential claimant of an awareness of a possible claim or assessment unless it is considered probable that a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Using that guidance, as of December 31, 2008, BioOne had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fixed assets -

Fixed assets consist of office computer equipment and software, and are stated at cost. Equipment and software costing more than \$3,000 is capitalized and depreciated using the straight-line method over the estimated useful lives of the respective assets, generally three years for equipment and software.

Investments -

Investments are recorded at market value on the accompanying Statements of Financial Position. Realized and unrealized gains and losses are listed separately in the accompanying Statements of Activities and Changes in Net Assets and Statements of Functional Expenses.

Risks and uncertainties -

BioOne invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair value measurements -

BioOne adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurements (continued) -

BioOne accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, BioOne has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market BioOne has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

Accounts receivable -

Accounts receivable consist primarily of subscription sales revenue reported by sales agents but not yet remitted to BioOne. BioOne uses the allowance method to determine the uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific accounts.

Royalty payable and related expense -

BioOne pays royalties to participating publishers based on contractually specified percentages of net subscription and ancillary revenue earnings. Royalty expenses include 50% of net subscription sales earned in the current calendar year for BioOne.1 and BioOne.2, 100% of net subscription sales earned in the current calendar year for UniBio, and 100% of net ancillary revenues reported in the current calendar year for pay-per-view sales and copyright permission fees. Distribution of subscription sales is based on the publisher's pro-rata shares of 1) cumulative number of pages contributed to the database and 2) annual number of royalty-eligible accesses to that content. Royalty expense payable at year-end represents amounts owed to participating publishers and not paid as of year-end.

Surplus payable and related expense -

For any fiscal year in which BioOne realizes an operating surplus, BioOne's Board of Directors may, at its discretion, elect to distribute a portion of that surplus to its participating publishers.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Surplus payable and related expense (continued)-

Surplus share payable at year-end represents the discretionary amounts authorized by the Board for the current year.

Deferred subscription income -

Deferred subscription income is recognized in monthly installments as subscription fulfillment occurs, with unearned amounts recorded as deferred income. Deferred subscription income is reported net of discounts and commissions.

Net asset classification -

The financial statements are presented in accordance with generally accepted accounting principles, which require BioOne to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of BioOne and include both internally designated and undesignated resources.

Due to the accrual conversion subsidy payment (Note 7), the unrestricted net assets decreased by approximately \$1,100,000 during 2008. At such time that the unrestricted net assets recover, the Board-designated funds will be reinstated to the full \$570,000 as approved by the Board of Directors. As of December 31, 2009, the Board-designated balance is \$337,484.

There were no temporarily or permanently restricted net assets at December 31, 2009 and 2008.

Subscription and ancillary revenues -

Subscriptions are stated at gross amounts, inclusive of discounts and commissions. Ancillary revenues are derived from pay-per-view purchases and copyright permission fees and are recognized at the time revenues for related transactions are reported to BioOne.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specifically, shared technology costs have been allocated based on the amount of content contributed to the database by collection in the calendar year. For 2009 and 2008, allocations are as follows:

• BioOne. 1	66.87%
• BioOne. 2	30.11%
• BioOne Open Access	3.02%

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

2. INVESTMENTS

Investments consisted of the following at December 31, 2009 and 2008, and are carried at market value, all of which are classified in accordance with FASB ASC 820 as Level 1:

	2009		
	Short-Term	Long-Term	Total
Cash	\$ 190,003	\$ -	\$ 190,003
U.S. Treasury money market fund	36,337	-	36,337
Fixed income mutual fund	1,628,342	-	1,628,342
Equities	-	715,745	715,745
Bonds	945,898	-	945,898
TOTAL INVESTMENTS	\$ 2,800,580	\$ 715,745	\$ 3,516,325
	2008		
	Short-Term	Long-Term	Total
Cash	\$ 367,136	\$ -	\$ 367,136
Certificates of deposit	800,000	-	800,000
U.S. Treasury money market fund	1,001,312	-	1,001,312
Fixed income mutual fund	512,819	-	512,819
Equities	-	570,200	570,200
TOTAL INVESTMENTS	\$ 2,681,267	\$ 570,200	\$ 3,251,467

Included in investment income (loss) are the following:

	2009	2008
Interest and dividends	\$ 47,540	\$ 71,740
Unrealized gain (loss)	170,065	(105,718)
Realized gain	3	-
TOTAL INVESTMENT INCOME (LOSS)	\$ 217,608	\$ (33,978)

3. LEASE COMMITMENT

BioOne sub-leases office space under an annual written agreement. Rent expense for the years ended December 31, 2009 and 2008 was \$19,463 and \$17,583, respectively.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

4. CONCENTRATION OF CREDIT RISK

At times during the year, BioOne maintains cash balances at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

5. LETTER OF CREDIT

BioOne was required by the government of Brazil to obtain a letter of guarantee for their subscription through CAPES. As of December 31, 2009, the balance of the letter was \$18,545.

6. PRIOR YEAR SUBSCRIPTION INCOME

Prior year subscription income consists of net subscription revenues remitted to BioOne by its previous North American sales agent at the termination of contract, and unattributable to a specific BioOne collection. It was a one time occurrence during the year ended December 31, 2008.

7. ACCRUAL SUBSIDY INCOME

During fiscal year 2008, BioOne changed from a modified cash basis of accounting to an accrual basis, with regards to the method of recognizing subscription sales revenue. (For more information on the change in accounting methodology, reference (Note 8). This change affected the revenue share pool, and thus, royalty payments to publishers. In order to mitigate the financial impact to participating publishers of this transition, the Board of Directors elected to pay a one-time revenue share subsidy to participating publishers, which is reflected as a non-operating, non-recurring item in the accompanying Statements of Activities and Changes in Net Assets and Statements of Functional Expenses.

For titles participating in BioOne prior to 2008, the subsidy was sufficient to bring the 2008 revenue share earnings in line with 2007. For titles new to BioOne in 2008, thus having no 2007 comparative data, the subsidy was sufficient to equal predicted earning on a cash-basis methodology.

8. CHANGE IN ACCOUNTING METHODOLOGY

Effective January 1, 2008, the management of BioOne elected to change from a modified cash basis of accounting to an accrual basis of accounting, with regard to the methodology for recognizing subscription sales revenue. BioOne determined that it is impracticable to determine the cumulative effect of applying this change retrospectively because records of subscription sales were not maintained using this methodology. This method was adopted prospectively, and thus, for fiscal year 2008, BioOne recognized deferred subscription income for future periods. The impact of the change in accounting methodology resulted in a variance of approximately (\$1.6 million) in the 2008 royalty pool and a variance of approximately (\$1.1 million) from the 2007 revenue share.

9. SUBSEQUENT EVENTS

In preparing these financial statements, BioOne has evaluated events and transactions for potential recognition or disclosure through April 22, 2010, the date the financial statements were issued.