

THE ARTHUR W. PAGE SOCIETY 2011 ANNUAL REPORT

Arthur W. Page

ARTHUR W. PAGE SOCIETY

Arthur W. Page

ARTHUR W. PAGE SOCIETY

VISION

The Arthur W. Page Society is committed to the belief that public relations as a function of executive management is central to the success of the corporation. The membership of the Page Society will embrace those individuals who epitomize the highest standards of public relations practice, as exemplified by the Page Principles.

MISSION

To strengthen the management policy role of the corporate public relations officer by providing a continuous learning forum and by emphasizing the highest professional standards.



ARTHUR W. PAGE SOCIETY

The Arthur W. Page Society experienced a very successful year in 2011. The Spring Seminar and Annual Conference, the Page Society's signature events, exceeded records for attendance and received high marks on content and networking. Ongoing efforts to provide continued learning opportunities and peer networking for senior-level communicators who report to Page members were expanded with the introduction of the Learning Community and the Mentorship Program. In addition, our Future Leaders Experience program continued its success and commenced with a second class.

The Page Society also expanded its resources and non-event opportunities, helping members stay connected. The launch of the redesigned website in late 2011 created new ways for members to interact with each other and access intellectual property. A print version of the directory was reintroduced and distributed to members. Changes to membership criteria aimed to ensure that the organization continues to attract the best in the profession.

The Page Society expanded its staff to include five full-time employees, and the Board of Trustees appointed Roger Bolton as president, succeeding Julia Hood, who resigned to return to Haymarket Media. The Board of Trustees is grateful to Julia for bringing the organization forward and professionalizing many of its processes during her highly successful tenure.

The organization ended the year stronger than ever, with greater momentum toward achieving its mission of strengthening the management policy role of the public relations officer by providing a continuous learning forum and by emphasizing the highest professional standards.

Arthur W. Page Society, Inc.

Financial Statements
And
Independent Auditors' Report

December 31, 2011 and 2010

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Kattell and Company P.L.

808-B NW 16th Avenue Gainesville, Florida 32601 TEL: 352-395-6565 FAX: 352-395-6636 www.kattell.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Arthur W. Page Society

We have audited the accompanying statements of financial position of the Arthur W. Page Society, Inc. (the Society) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Society'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 the Arthur W. Page Society, Inc. as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kattell and Company P.L.

May 10, 2012
Gainesville, Florida

Statements of Financial Position
December 31, 2011 and 2010
Arthur W. Page Society, Inc.

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets:		
Cash:		
Checking	\$ 102,592	\$ 51,546
Money Market	172,714	316,909
Total Cash	275,306	368,455
Pledges Receivable	106,110	7,500
Other Receivables	5,086	5,858
Prepayments	5,899	30,859
Investments	992,304	511,738
Total Current Assets	1,384,705	924,410
Fixed Assets:		
Office Equipment	31,672	26,739
Accumulated Depreciation	(21,944)	(20,212)
Net Fixed Assets	9,728	6,527
Security Deposit	11,946	11,946
Total Assets	\$ 1,406,379	\$ 942,883
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 5,631	\$ 1,570
Payroll Taxes Payable	7,736	4,760
Deferred Revenue – Event Fees	256,720	43,410
Deferred Revenue – Member Dues	154,238	260,258
Total Liabilities	424,325	309,998
Net Assets:		
Temporarily Restricted	129,510	69,500
Unrestricted:		
Designated for Reserves	680,837	--
Operating	171,707	563,385
Total Unrestricted	852,544	563,385
Total Net Assets	982,054	632,885
Total Liabilities and Net Assets	\$ 1,406,379	\$ 942,883

See accompanying notes.

Statements of Activities
For the Years Ended December 31, 2011 and 2010
Arthur W. Page Society, Inc.

	2011			2010		
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Revenue:						
Member Dues	\$ 517,515	\$ -	\$ 517,515	\$ 485,533	\$ --	\$ 485,533
Contributions:						
Cash	288,785	129,510	418,295	177,970	69,500	247,470
In-Kind Services	132,100	--	132,100	314,012	--	314,012
Total Contributions	420,885	129,510	550,395	491,982	69,500	561,482
Event Income:						
Annual Conference	315,560	--	315,560	238,115	--	238,115
Spring Seminar	301,165	--	301,165	199,890	--	199,890
Future Leaders Program	217,500	--	217,500	139,988	--	139,988
Other Events	27,750	--	27,750	2,490	--	2,490
Total Event Income	861,975	--	861,975	580,483	--	580,483
Exec. & Leadership Forums	5,590	--	5,590	19,580	--	19,580
Sales of Publications	920	--	920	186	--	186
Interest and Dividend Income	12,926	--	12,926	9,421	--	9,421
Miscellaneous Income	4,441	--	4,441	5,015	--	5,015
Net Assets Released From Restrictions	69,500	(69,500)	--	22,100	(22,100)	--
Total Revenues	1,893,752	60,010	1,953,762	1,614,300	47,400	1,661,700
Expenses:						
Programs:						
Annual Conference	279,484	--	279,484	301,799	--	301,799
Spring Seminar	242,175	--	242,175	210,420	--	210,420
Future Leaders Program	75,589	--	75,589	116,615	--	116,615
Committees and Other	96,425	--	96,425	57,550	--	57,550
General Programs	583,487	--	583,487	691,155	--	691,155
Total Programs	1,277,161	--	1,277,161	1,377,539	--	1,377,539
Management and General	231,909	--	231,909	207,930	--	207,930
Fundraising	91,267	--	91,267	10,943	--	10,943
Total Expenses	1,600,336	--	1,600,336	1,596,412	--	1,596,412
Net from Operations	293,416	60,010	353,426	17,888	47,400	65,288
Gain (Loss) on Investments	(4,257)	--	(4,257)	30,441	--	30,441
Change in Net Assets	289,159	60,010	349,169	48,329	47,400	95,729
Net Assets, Beginning of Year	563,385	69,500	632,885	515,056	22,100	537,156
Net Assets, End of Year	\$ 852,544	\$ 129,510	\$ 982,054	\$ 563,385	\$ 69,500	\$632,885

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2011
Arthur W. Page Society, Inc.

	Program Services					Supporting Activities		Total
	Annual Conference	Spring Seminar	Future Leaders	Committees	General Programs	Management and General	Fundraising	
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --	\$ 433,165	\$ 123,761	\$ 61,881	\$ 618,807
Event Expenses:								
Facilities	153,303	154,329	8,553	20,933	--	--	--	337,118
Audio Visual	23,754	25,761	3,570	3,672	--	--	--	56,757
Transportation	4,065	--	2,204	--	--	--	--	6,269
Meals	--	--	43,428	--	--	--	--	43,428
Speaker Honorarium	3,542	20,834	1,342	--	--	--	--	25,718
Entertainment	1,200	--	700	--	--	--	--	1,900
Photography	500	--	--	--	--	--	--	500
Insurance	650	350	150	--	--	--	--	1,150
Awards	257	--	--	21,665	--	--	--	21,922
Outreach	--	--	--	2,000	1,820	520	260	4,600
Other	4,033	6,003	1,141	--	--	--	--	11,177
Donated Services	52,550	7,550	--	--	50,400	14,400	7,200	132,100
Consultants	--	--	--	--	--	2,583	--	2,583
Temporary Staff	1,056	5,000	--	--	7,082	2,023	1,012	16,173
Travel	3,131	5,739	7,237	2,892	--	17,106	--	36,105
Printing and Publications	4,825	2,912	395	6,358	--	919	665	16,074
Charitable Contributions	--	--	--	500	--	--	--	500
Other	--	--	--	--	3,083	881	440	4,404
Computer Software and Hardware	--	--	42	--	7,179	2,052	1,024	10,297
Bank and Credit Card Fees	5,324	5,082	3,670	468	8,823	--	7,059	30,426
Professional Services	12,200	480	--	--	--	30,819	--	43,499
Postage and Delivery Services	1,290	1,730	1,273	7,117	--	1,655	240	13,305
Insurance	--	--	--	--	4,720	1,349	674	6,743
Meals and Entertainment	--	12	40	15,275	--	2,927	--	18,254
Office Equipment	--	--	425	--	--	--	--	425
Graphic Design and Production	5,950	5,245	360	7,525	10,598	3,028	2,724	35,430
Dues and Subscriptions	--	--	--	5,135	--	464	--	5,599
Website Maintenance and Development	--	--	20	--	28,711	8,203	4,101	41,035
Telephone and Internet Access	1,191	811	1,015	2,721	--	9,500	--	15,238
Supplies	663	337	24	164	--	1,746	--	2,934
Occupancy – Rent and Utilities	--	--	--	--	24,381	6,966	3,483	34,830
Depreciation	--	--	--	--	3,525	1,007	504	5,036
Totals	\$ 279,484	\$ 242,175	\$ 75,589	\$ 96,425	\$ 583,487	\$ 231,909	\$ 91,267	\$ 1,600,336

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2010
Arthur W. Page Society, Inc.

	Program Services					Supporting Activities		Total
	Annual Conference	Spring Seminar	Future Leaders	Committees	General Programs	Management and General	Fundraising	
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --	\$394,233	\$119,307	\$ 5,188	\$ 518,728
Facilities	127,292	115,868	8,760	3,751	--	--	--	255,671
Donated Services	71,128	29,128	--	6,900	178,367	27,302	1,187	314,012
Consultants	--	--	--	--	10,192	3,084	134	13,410
Transportation	--	--	3,862	--	--	--	--	3,862
Awards	150	--	106	20,826	317	96	4	21,499
Other	--	2,821	1,103	--	--	--	--	3,924
Speaker Honorarium	26,824	7,500	380	--	--	--	--	34,704
Entertainment	3,200	--	2,850	--	--	--	--	6,050
Publishing and Sales	--	--	--	--	239	72	4	315
Audio Visual	25,794	20,685	--	--	--	--	--	46,479
Travel	7,780	4,791	14,275	665	11,894	3,600	156	43,161
Printing	6,029	2,144	692	2,882	284	86	4	12,121
Publications	--	--	--	--	1,461	442	20	1,923
Graphic Design and Production	--	150	3,600	3,108	6,176	1,869	81	14,984
Computer Software and Hardware	--	--	291	--	9,964	3,015	131	13,401
Bank and Credit Card Fees	4,172	3,502	2,452	--	8,506	--	3,118	21,750
Professional Services	25,290	21,415	48,000	--	15,200	32,618	200	142,723
Postage and Delivery Services	3,060	904	995	1,707	2,304	697	31	9,698
Insurance	--	--	--	--	11,440	3,462	150	15,052
Meals and Entertainment	--	245	595	11,147	1,102	334	14	13,437
Photography	--	215	--	--	--	--	--	215
Office Equipment	--	--	--	--	2,379	720	31	3,130
Dues and Subscriptions	--	--	--	5,135	285	86	4	5,510
Meals	--	--	26,625	--	--	--	--	26,625
Website Maintenance	--	--	212	--	1,639	496	22	2,369
Telecommunications	890	594	927	1,008	6,428	1,945	85	11,877
Supplies	190	458	890	421	2,608	789	35	5,391
Occupancy – Rent and Utilities	--	--	--	--	23,762	7,191	313	31,266
Depreciation	--	--	--	--	2,375	719	31	3,125
Totals	\$ 301,799	\$ 210,420	\$ 116,615	\$ 57,550	\$ 691,155	\$ 207,930	\$10,943	\$ 1,596,412

See accompanying notes.

Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010
Arthur W. Page Society, Inc.

	<u>2011</u>	<u>2010</u>
Operating Activities:		
Receipts:		
Member Dues	\$ 411,495	\$ 521,729
Contributions	319,685	241,678
Events	1,080,875	511,116
Interest	520	372
Miscellaneous	5,361	5,201
Total Receipts	<u>1,817,936</u>	<u>1,280,096</u>
Cash Disbursements	<u>(1,430,431)</u>	<u>(1,285,387)</u>
Net Cash Provided by (Used in) Operating Activities	387,505	(5,291)
Investing Activities:		
Purchases of Fixed Assets	(8,237)	(5,588)
Purchase of Investments	(575,000)	(60,000)
Sale of Investments	<u>102,583</u>	<u>60,000</u>
Net Cash Used in Investing Activities	<u>(480,654)</u>	<u>(5,588)</u>
Net Change in Cash	(93,149)	(10,879)
Cash, Beginning of Year	<u>368,455</u>	<u>379,334</u>
Cash, End of Year	<u>\$ 275,306</u>	<u>\$ 368,455</u>

Reconciliation of Change in Net Assets to Net Cash from Operating Activities:

Change in Net Assets	\$ 349,169	\$ 95,729
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Investment (Gains)/Losses	4,257	(30,441)
Investment Income Reinvestments	(12,406)	(9,049)
Depreciation Expense	5,036	3,125
Changes in:		
Receivables	(97,838)	7,490
Prepaid Expenses	24,960	(13,684)
Security Deposit	--	19,256
Accounts Payable	4,061	872
Payroll Taxes Payable	2,976	4,325
Deferred Revenue	107,290	(68,146)
Security Deposit	<u>--</u>	<u>(14,768)</u>
Net Cash Used in Operating Activities	<u>\$ 387,505</u>	<u>\$ (5,291)</u>

See accompanying notes.

Notes to the Financial Statements
December 31, 2011 and 2010
Arthur W. Page Society, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Arthur W. Page Society, Inc. have been prepared on the accrual basis of accounting. Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Organization and Operations

The Arthur W. Page Society, Inc. (the Society) is a nonprofit organization committed to the belief that public relations, as a function of executive management, is central to the success of the corporation. Its mission is to strengthen the management policy role of the chief corporate public relations officer by providing a continuous learning forum and by emphasizing the highest standards of public relations practice. Programs include educational forums, research, scholarships for minority students and awards for outstanding achievements.

Tax Exemption

The Society is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Society qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Society holds no uncertain tax positions and, therefore, has no policy for evaluating them. The Society's Form 990, *Return of Organization Exempt from Income Taxes*, is subject to examination by the IRS, generally for three years after the date filed.

Cash

Cash consists of deposits in financial institutions. The bank balance in these accounts exceeded the federal deposit insurance threshold of \$250,000 by approximately \$20,000 and \$114,000 at December 31, 2011 and 2010, respectively.

Receivables

Receivables are comprised of contributions, accounts and other receivables. The Society records receivables at net realizable value using the allowance method, however no allowance is recorded since all amounts are considered fully collectable. There are no identifiable concentrations of credit risk related to these amounts.

Investments

Investments are reported at fair value. The Society invests only in debt and equity securities with readily determinable fair values. Their fair value is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions.

Fixed Assets

The Society capitalizes office equipment costing more than \$500. Depreciation of office equipment is computed using the straight-line method over estimated useful lives of five years.

Revenue Recognition

Registration fees for certain programs and events are earned when the event is held. Registration fees received before the event are reported as deferred revenue.

Membership dues are assessed and are recognized as revenue on a calendar year basis. Membership dues received before the end of the year that pay for memberships of the next year are reported as deferred revenue.

Notes to the Financial Statements
December 31, 2011 and 2010
Arthur W. Page Society, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenue Recognition (concluded)

Contributions received are measured at their fair values and are reported as an increase in net assets. The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support.

Sales are recognized as revenue when the item sold has been delivered.

Contributions of services are recognized at fair value when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Advertising

Advertising costs are expensed as incurred.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. The Society assigns most expenses directly to the related function. However, various overhead costs are allocated to programs, management and general and fundraising based on an estimate of the amount of time spent by Society personnel as they support those functions.

Program services include the expenses of publications, the annual conference, the spring seminar, the Future Leaders program, various activities of the Society's committees, as well as an allocation of salaries and other overhead expenses.

Fundraising expenses consist primarily of an allocation of salaries and overhead expenses.

Management and general expenses include all activities required to conduct the affairs of the Society which are not allocable to other functional areas. These expenses consist primarily of an allocation of salaries and overhead costs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – NET ASSETS

Temporarily restricted net assets consist of cash contributions received and pledges receivable that are intended to support programs of the subsequent year.

The Board of the Society has set aside certain of its liquid assets into separate investment accounts. These assets are separately displayed as Unrestricted Net Assets - Designated for Reserves in recognition of the Board's intent for these funds to serve as a reserve for future operations.

Notes to the Financial Statements
December 31, 2011 and 2010
Arthur W. Page Society, Inc.

NOTE 3 – INVESTMENTS

The Society has invested in the following at year end.

	<u>2011</u>	<u>2010</u>
Cash and Certificates of Deposit	\$ 336,920	\$ 53,613
Mutual Funds:		
Primarily Debt Securities	322,063	134,915
Primarily Equity Securities	333,321	323,210
Totals at Market Value	<u>\$ 992,304</u>	<u>\$ 511,738</u>
Totals at Cost	<u>\$ 958,288</u>	<u>\$ 477,494</u>

NOTE 4 – COMMITMENTS

Contracts. The Society regularly enters into contracts for the use of facilities for its meetings. These contracts have provisions for minimum payments in the event of cancellation. In addition, the Society may, from time to time, enter into contracts for the provision of services where significant portions of the services will be performed and paid for in subsequent years. Minimum commitments under these contracts at December 31, 2011 and 2010 are approximately \$129,000 and \$93,000, respectively.

Facilities Lease. In 2010, the Society entered into a five-year lease for office space with the Council for Public Relations Firms (the Council). The agreement includes an option to cancel with six months notice and forfeiture of the security deposit of \$11,946. Total rent expense includes electricity costs and is reported in the Statement of Functional Expenses.

NOTE 5 – PENSION PLAN

The Society offers a defined contribution retirement plan to all employees. The plan operates under section 401(k) of the Internal Revenue Code. The Society contributes 3% of an eligible employee's payroll and employees are fully vested at the time of the contribution. Total costs of \$15,155 and \$13,051 are included in salaries and benefits for 2011 and 2010, respectively.

NOTE 6 - SUBSEQUENT EVENTS

The Society has evaluated events and transactions for potential recognition or disclosure through May 10, 2012, which is the date the financial statements were available to be issued.