

Arthur W. Page Society

Financial Statements
And
Independent Auditors' Report

December 31, 2022

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Kattell and Company P.L.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Arthur W. Page Society

June 15, 2023

Report on the Financial Statements

Opinion.

We have audited the accompanying financial statements of the Arthur W. Page Society, Inc. (Page), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Page as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Page and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Page's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Report on the Financial Statements (concluded)

Auditors' Responsibilities for the Audit of the Financial Statements (concluded).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Page's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Page's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information. We have previously audited Page's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedules of financial position and activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter. As discussed in Note 1 to the financial statements, Page made a change in its accounting for leased office space in accordance with recently issued financial accounting standards.

Kattell and Company P.L.

"Not everything that counts can be counted, and not everything that can be counted counts."

-Albert Einstein

Statement of Financial Position
December 31, 2022
(with summarized information for 2021)
Arthur W. Page Society

	<u>2022</u>	<u>2021</u>
Assets		
Cash:		
Checking	\$ 401,991	\$ 165,556
Money Market	152,139	841,422
Total	554,130	1,006,978
Receivables	101,993	310,133
Prepaid Expenses	109,964	102,375
Investments	2,291,066	2,894,964
Operating Lease Right-of-Use Asset	75,820	--
Intangible Assets	146,500	331,491
Security Deposit	5,711	5,711
Total Assets	\$ 3,285,184	\$ 4,651,652
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 126,035	\$ 73,040
Member Credits	40,799	40,799
Operating Lease Liability	75,814	--
Deferred Revenue – Event Fees	313,525	510,411
Deferred Revenue – Member Dues	1,277,463	1,134,945
Total Liabilities	1,833,636	1,759,195
Net Assets:		
With Donor Restrictions	55,000	94,547
Without Donor Restrictions	1,396,548	2,797,910
Total Net Assets	1,451,548	2,892,457
Total Liabilities and Net Assets	\$ 3,285,184	\$ 4,651,652

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2022
(with summarized information for 2021)
Arthur W. Page Society

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue:				
Member Dues	\$ 2,901,099	\$ --	\$ 2,901,099	\$ 2,692,449
Contributions:				
Cash	725,785	5,000	730,785	573,404
In-Kind Services	309,500	--	309,500	329,000
Total Contributions	1,035,285	5,000	1,040,285	902,404
Event Income:				
Annual Conference	432,280	--	432,280	263,040
Spring Seminar	579,723	--	579,723	111,200
Future Leaders Program	438,400	--	438,400	230,375
Other Events	170,764	--	170,764	24,300
Total Event Income	1,621,167	--	1,621,167	628,915
Learning Lab Subscriptions	157,986	--	157,986	58,844
Other Income	571	--	571	1,817
Net Assets Released from Restrictions	44,547	(44,547)	--	--
Total Revenues	5,760,655	(39,547)	5,721,108	4,284,429
Expenses:				
Programs:				
Belong	1,155,203	--	1,155,203	822,691
Connect	1,933,874	--	1,933,874	1,063,099
Inspire	676,777	--	676,777	543,283
Learn	903,607	--	903,607	602,452
Leadership	308,933	--	308,933	275,005
Diversity Action Alliance	629,750	--	629,750	255,068
Total Programs	5,608,144	--	5,608,144	3,561,598
Management and General	1,029,904	--	1,029,904	686,455
Fundraising	67,056	--	67,056	43,544
Total Expenses	6,705,104	--	6,705,104	4,291,597
Net from Operations	(944,449)	(39,547)	(983,996)	(7,168)
Net Investment Return	(325,401)	--	(325,401)	242,695
Loss on Discontinued Operations – Learning Lab	(131,512)	--	(131,512)	--
Change in Net Assets	(1,401,362)	(39,547)	(1,440,909)	235,527
Net Assets, Beginning of Year	2,797,910	94,547	2,892,457	2,656,930
Net Assets, End of Year	\$ 1,396,548	\$ 55,000	\$ 1,451,548	\$ 2,892,457

See accompanying notes.

Statement of Functional Expenses
For the Year Ended December 31, 2022
(with summarized information for 2021)
Arthur W. Page Society

	2022									2021
	Program Services						Supporting Activities		Totals	Totals
	Belong	Connect	Inspire	Learn	Leadership	Diversity Action Alliance	Management & General	Fundraising		
Salaries and Benefits	\$ 651,743	\$ 496,503	\$ 352,241	\$ 376,080	\$ 248,559	\$ 275,200	\$ 628,411	\$ 43,269	\$ 3,072,006	\$ 2,572,273
Event Expenses:										
Facilities/Food Beverage	79,049	488,705	--	145,345	8,929	135,315	--	--	857,343	119,784
Audio Visual	28,960	454,151	--	12,202	2,275	25,434	--	--	523,022	108,251
Other	7,624	147,382	--	40,695	2,260	56,930	--	389	255,280	77,053
Donated Services	5,000	32,950	86,550	185,000	--	--	--	--	309,500	329,000
Travel, Meals, Entertainment	10,901	103,352	1,530	5,167	59	26,488	29,000	--	176,497	19,409
Bank and Credit Card Fees	74,741	31,064	684	14,302	483	534	1,220	20,255	143,283	97,539
Professional Services	176,164	88,605	204,455	52,286	30,788	70,031	170,182	921	793,432	476,530
Office Expenses	112,522	84,687	26,724	67,626	12,339	36,230	192,897	1,658	534,683	325,375
Occupancy – Rent and Utilities	8,499	6,475	4,593	4,904	3,241	3,588	8,194	564	40,058	166,383
Totals	\$ 1,155,203	\$ 1,933,874	\$ 676,777	\$ 903,607	\$ 308,933	\$ 629,750	\$ 1,029,904	\$ 67,056	\$ 6,705,104	\$ 4,291,597

See accompanying notes.

Statement of Cash Flows
For the Year Ended December 31, 2022
(with summarized information for 2021)
Arthur W. Page Society

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (1,440,909)	\$ 235,527
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Loss on Learning Lab	131,512	--
Investment (Gains)/Losses	339,623	(158,153)
Investment Income Reinvestments	(13,955)	(83,964)
Amortization – Website Development Costs	53,479	26,740
Amortization – Right of Use Asset	7,221	--
Stock Donations	(21,770)	(28,772)
Changes in:		
Receivables	208,140	27,056
Prepaid Expenses	(7,589)	(16,435)
Security Deposit	--	46,409
Payables	52,995	(100,469)
Deferred Revenue	<u>(54,368)</u>	<u>439,859</u>
Net Cash Provided by (Used in) Operating Activities	(745,621)	387,798
Cash Flows from Investing Activities:		
Cash Withdrawal from Investments	300,000	--
Website Development Costs	<u>--</u>	<u>(336,231)</u>
Net Cash Provided by (Used in) Investing Activities	<u>300,000</u>	<u>(336,231)</u>
Cash Flows from Financing Activities:		
Lease Liability Payments	<u>(7,227)</u>	<u>--</u>
Net Cash Provided by (Used in) Financing Activities	(7,227)	--
Net Change in Cash	(452,848)	51,567
Cash, Beginning of Year	<u>1,006,978</u>	<u>955,411</u>
Cash, End of Year	<u>\$ 554,130</u>	<u>\$ 1,006,978</u>

Non-cash financing and investing activities: The Corporation entered into a long-term operating lease agreement for administrative office space effective November 1, 2022 and computed the right-of-use asset and net present value of future lease payments of \$83,041.

See accompanying notes.

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Arthur W. Page Society (Page) 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 enterprise leadership role of the chief communications officer by embracing the highest professional standards, advancing the way communications is understood, practiced and taught, and providing a collegial and dynamic learning environment. Programs include educational forums and awards for outstanding achievements.

Tax Exemption

Page 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, Page qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

Basis of Accounting

The financial statements of Page have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America, as applicable for not-for-profit corporations (GAAP).

Cash

Cash consists of deposits in financial institutions. Bank balances exceeded federal deposit insurance limits of \$250,000 by approximately \$245,000 and \$723,000 at December 31, 2022 and 2021, respectively.

Receivables

Receivables are comprised of contributions, accounts and other receivables. Page 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. Page 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. (Also known as Level 1 of the fair value hierarchy.)

Intangible Assets

Page capitalizes costs to develop internal-use website software during the application and graphics development stages. Costs of planning, content development and operations are expensed as incurred. Recognized intangible assets are recorded at cost when acquired and are amortized over their estimated useful lives. Intangible assets with indefinite useful lives are not amortized.

Property and Equipment

Page capitalizes property and equipment with an original acquisition value of more than \$10,000. In addition, Page records right-of-use lease assets with a value of \$10,000 or more. Page reports depreciation of property and equipment, if any, and amortization of right-of-use assets using the straight-line method over estimated useful lives as determined at the time of acquisition.

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, the excess of assets over liabilities, are reported in two classes that are based upon the existence or absence of restrictions imposed by donors:

With donor restrictions. Net assets with donor restrictions are restricted by a donor to be used for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions. The Corporation's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Without donor restrictions. Net assets without donor restrictions are available to support operations. These net assets are constrained only by the broad limits resulting from the nature of the organization.

Revenue Recognition - Contracts with Customers.

Event Income. Registration fees for programs and events are earned when the event is held. Registration fees received before the event are reported as deferred revenue. Amounts received after the event, if any, are reported as receivables.

Membership dues. Membership dues are amortized on a straight-line basis over 12 months from the anniversary date of membership. Unamortized annual membership fees are displayed as deferred revenue. Page does not have a contract with a member/customer until payment is received; therefore membership revenue is recognized only after receipt of dues.

Learning Lab Subscriptions. Learning Lab Subscriptions are amortized on a straight-line basis over 12 months from the date the subscription was purchased. Unamortized subscriptions are displayed as deferred revenue. Page records a receivable for subscription benefits provided before the fee has been paid.

Revenue Recognition - Contributions

Contributions. Contributions received are measured at their fair values and are reported as an increase in net assets. Page reports gifts of cash and other assets as support with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 support without donor restrictions.

Contributions of services. 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.

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Recognition and Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific function are assigned directly to that function, whereas costs common to multiple functions have been allocated. Salaries and wages, benefits and payroll taxes are allocated based on employee estimates of the percentage of time spent in each function. Some of office, travel and meals, and rent and electric expense are allocated based on salary allocations. Bank and credit card fees are allocated based on the proportions of collected revenues.

Program Services.

BELONG program areas aim to cultivate a diverse community of engaged senior leaders who feel a sense of belonging and support for Page work and for each other. Specific programs and initiatives include membership recruiting, new member onboarding, renewals campaigns, regional conversations, Page DEI initiatives (excludes DAA), Page Up task forces, and responses to general membership inquiries.

CONNECT program areas create engagement opportunities and help members build strong connections with each other. Specific program areas include Spring Seminar, Page Annual Conference, Page Up Annual Conference, Page International Exchange, Member Match, PageConnect, Page Up Think Thursdays and Mentoring, and our general member engagement strategy.

INSPIRE program areas create transformative thought leadership content that defines the future role of the CCO and advances our ability to influence our enterprises. Specific programs and initiatives include the creation of research reports, CCO guides, podcasts, newsletters, and other content as well as the convening of Page Conversations on thought leadership-related and hot topics.

LEARN program areas aim to equip members and their teams to be effective strategic leaders as envisioned in the Page Model and Pacesetter report. Specific programs and initiatives include webinars, Future Leaders Experience, Learning Lab, Case Study Competition, PR Leadership Forum, and partnerships with other organizations on academic curriculum and learning.

LEADERSHIP includes work with the Board of Trustees, as well as the Nominating & Governance and Honors committees. It also includes time spent on general strategy related to Belong, Connect, Inspire and Learn that is not program-specific.

DIVERSITY ACTION ALLIANCE (DAA) has been established as a disregarded entity and is run separately from Page, with its own governance structure. Page provides back-office support and financial support along with other founder organizations. DAA initiatives included an industry-wide effort to collect benchmark data on the diversity of the profession, advancement of an industry-wide action pledge to advance DEI initiatives within signatory organizations, webinars and programs that guide and advance the thinking of communications leaders, and a gala fundraiser event.

Management and General. Management and general activities are those that provide governance oversight, business and financial management, financial recordkeeping, budgeting, legal and human resource management.

Fundraising. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Activities including publicizing and conducting fundraising campaigns, maintaining donor lists, and any other activities that solicit contributions from corporations, foundations, individuals and others.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Advertising

Advertising costs, if any, are expensed as incurred.

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Prior Year Information

Certain prior year information may be presented differently in order to conform to the current year presentation.

Change in Accounting Policy

Page implemented ASC 842 of the Financial Accounting Standards Board, *Leases*. This standard requires recognition of lease assets and liabilities and measurement using the facts and circumstances that existed at the period of implementation. Implementation of this new accounting standard did not require any adjustments to previously reported information. See Note 9 for more information.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the date of the statement of financial position are all financial assets without donor or other restrictions limiting their use, and are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash	\$ 554,130	\$ 1,006,978
Contributions Receivable (Note 4)	56,480	62,300
Other Receivables	20,513	197,833
Investments	<u>2,291,066</u>	<u>2,894,964</u>
Total Financial Assets	<u>2,922,189</u>	<u>4,162,075</u>
Not available for general expenditure:		
Board-designated reserves (Note 6)	<u>(1,368,010)</u>	<u>(1,047,564)</u>
Available Financial Assets	<u>\$ 1,554,179</u>	<u>\$ 3,114,511</u>

All donor restricted net assets are expected to be available for general expenditure in the subsequent fiscal year. Board-designated reserves are not intended to be used for general expenditures; however, they may be made available as needed. Page has structured its financial assets to be available as its general expenditures and liabilities come due. Page does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them. Page invests cash in excess of foreseeable cash needs in highly liquid investments. See Note 5 for more detail on investments.

NOTE 3 – INTANGIBLE ASSETS

Intangible assets consist of the following:

	<u>2022</u>	<u>2021</u>
Page Website - in progress	\$ 124,500	\$ 124,500
Learning Lab Web Platform	--	128,234
Learning Lab Content	--	83,497
Domain Name	22,000	22,000
Less Amortization	<u>--</u>	<u>(26,740)</u>
Total Intangible Assets	<u>\$ 146,500</u>	<u>\$ 331,491</u>

Page's website was put into use in 2016 and has been fully amortized. A new website is in progress and will be launched in 2023. Page launched a learning lab web portal in 2021, but discontinued its use as of December 31, 2022. Page purchased a domain name in 2018 for \$22,000. The recorded value is not subject to amortization since the domain name will be useful for an indefinite number of years.

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 4 – RECEIVABLES

Receivables consist of the following:

	<u>2022</u>	<u>2021</u>
Contracts with Customers - Registrations	\$ 20,513	\$ 13,547
Facility Deposits	--	132,166
Security Deposit	--	52,120
Contributions	<u>81,480</u>	<u>112,300</u>
Receivables	<u>\$ 101,993</u>	<u>\$ 310,133</u>

Page paid deposits on facilities for events to be held in 2020. The related events were canceled; the amounts receivable were refunds received from the facilities. The Security Deposit was due from the landlord of the office lease which ended in 2021. Contributions receivable represent pledges from donors that are expected to be received in the following years:

	<u>2022</u>	<u>2021</u>
2022	\$ --	\$ 62,300
2023	56,480	25,000
2024	<u>25,000</u>	<u>25,000</u>
Pledges Receivable	<u>\$ 81,480</u>	<u>\$ 112,300</u>

NOTE 5 – INVESTMENTS

Investments consist of the following at year end:

	<u>2022</u>	<u>2021</u>
Cash in Banks	\$ 8,150	\$ 18,917
Exchange-Traded and Mutual Funds:		
Money Market Funds	388,790	666,569
Primarily Debt Securities	791,152	745,651
Primarily Equity Securities	<u>1,102,974</u>	<u>1,463,827</u>
Totals at Market Value	<u>\$ 2,291,066</u>	<u>\$ 2,894,964</u>

Net Investment Return consists of the following:

	<u>2022</u>	<u>2021</u>
Interest Income	\$ 38,876	\$ 38,677
Advisory Fees	(24,654)	(25,490)
Gains and (Losses)	<u>(339,623)</u>	<u>229,508</u>
Net Investment Return	<u>\$ (325,401)</u>	<u>\$ 242,695</u>

NOTE 6 – NET ASSETS

Without Donor Restrictions – Designated for Reserves. The Board of Page designates a portion of its net assets without donor restrictions as an operating reserve. The amount designated is computed as 25% of the board-adopted operating budget for the year. Board designated reserves were \$1,368,010 and \$1,047,564 for the years ended December 31, 2022 and 2021, respectively.

With Donor Restrictions. Net assets with donor restrictions consist of the following:

	<u>2022</u>	<u>2021</u>
Contributions unavailable for spending during the current year	\$ 5,000	\$ 4,100
Unexpended purpose restricted contributions:		
Diversity Action Alliance (time and purpose)	<u>50,000</u>	<u>90,447</u>
Totals	<u>\$ 55,000</u>	<u>\$ 94,547</u>

Notes to the Financial Statements
December 31, 2022
Arthur W. Page Society

NOTE 7 – COMMITMENTS

Page regularly enters into contracts for the use of facilities for its meetings and events. These contracts have provisions for minimum payments in the event of cancellation. In addition, Page 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, 2022 and 2021 are approximately \$301,000 and \$353,000 respectively.

NOTE 8 – PENSION PLAN

Page offers a defined contribution retirement plan to all employees. The plan operates under section 401(k) of the Internal Revenue Code. Page contributes 3% of an eligible employee's payroll. Employer contributions are fully vested when made. Total costs of \$76,485 and \$64,949 are included in salaries and benefits for 2022 and 2021, respectively.

NOTE 9 – LEASE OF OFFICE SPACE

Effective November 1, 2022, Page discontinued its month-to-month lease for office space and entered into an agreement with a term of 23 months. Page calculated an operating lease right-of-use asset and a lease liability of \$83,041 for the present value of the lease payments for the lease term. Page used an estimated incremental borrowing rate of 5.5% to compute the lease liability. The lease asset will be amortized on a straight-line basis for the lease term of 23 months. Future lease payments are \$45,540 and 34,155 for the years ending December 31, 2023 and 2024.

Total rental expense, which includes a prorated share of utilities, for the years ended December 31, 2022 and 2021 was \$32,839 and \$180,456 respectively. These leases required a security deposit of \$5,711 at December 31, 2022 and 2021, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

Page purchased approximately \$36,000 of goods and services from a company owned by a member of the Board of Directors during the years ending December 31, 2022 and 2021.

NOTE 11 – SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with Page's financial statements for the year ended December 31, 2021, from which the summarized information was derived

NOTE 12 - SUBSEQUENT EVENTS

Page has evaluated events and transactions for potential recognition or disclosure through June 15, 2023, which is the date the financial statements were available to be issued.

Combining Schedule of Financial Position
December 31, 2022
Arthur W. Page Society

	<u>DAA</u>	<u>PAGE</u>	<u>Intercompany</u>	<u>Total</u>
Assets				
Cash:				
Checking	\$ --	\$ 401,991	\$ --	\$ 401,991
Money Market	--	152,139	--	152,139
Total	--	554,130	--	554,130
Receivables	54,800	47,193	--	101,993
Prepayments	35,000	74,964	--	109,964
Investments	--	2,291,066	--	2,291,066
Right of Use Asset	--	75,820	--	75,820
Intangible Assets	--	146,500	--	146,500
Security Deposit	--	5,711	--	5,711
Due from DAA	--	345,191	(345,191)	--
Total Assets	<u>\$ 89,800</u>	<u>\$ 3,540,575</u>	<u>\$ (345,191)</u>	<u>\$ 3,285,184</u>
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	\$ 1,707	\$ 124,328	\$ --	\$ 126,035
Member Credits	--	40,799	--	40,799
Operating Lease Liability	--	75,814	--	75,814
Deferred Revenue – Event Fees	--	313,525	--	313,525
Deferred Revenue – Member Dues	--	1,277,463	--	1,277,463
Due to PAGE	345,191	--	(345,191)	--
Total Liabilities	346,898	1,831,929	(345,191)	1,833,636
Net Assets:				
With Donor Restrictions	53,000	2,000	--	55,000
Without Donor Restrictions:				
Designated for Reserves	--	1,368,010	--	1,368,010
Operating	(310,098)	338,636	--	28,538
Total Without Restrictions	(310,098)	1,706,646	--	1,396,548
Total Net Assets	(257,098)	1,708,646	--	1,451,548
Total Liabilities and Net Assets	<u>\$ 89,800</u>	<u>\$ 3,540,575</u>	<u>\$ (345,191)</u>	<u>\$ 3,285,184</u>

Combining Schedule of Activities
For the Year Ended December 31, 2022
Arthur W. Page Society

	DAA	PAGE	Intercompany	Total
Revenue:				
Member Dues	\$ --	\$ 2,901,099	\$ --	\$ 2,901,099
Contributions:				
Cash	239,743	528,542	(37,500)	730,785
In-Kind Services	--	309,500	--	309,500
Total Contributions	<u>239,743</u>	<u>838,042</u>	<u>(37,500)</u>	<u>1,040,285</u>
Event Income:				
Annual Conference	--	432,280	--	432,280
Spring Seminar	--	579,723	--	579,723
Future Leaders Program	--	438,400	--	438,400
Other Events	--	170,764	--	170,764
Total Event Income	<u>--</u>	<u>1,621,167</u>	<u>--</u>	<u>1,621,167</u>
Learning Lab Subscriptions	--	157,986	--	157,986
Other Income	<u>--</u>	<u>571</u>	<u>--</u>	<u>571</u>
Total Revenues	239,743	5,518,865	(37,500)	5,721,108
Expenses:				
Salaries and Benefits	262,086	2,809,920	--	3,072,006
Event Expenses:				
Facilities/Food Beverage	135,315	722,028	--	857,343
Audio Visual	25,434	497,588	--	523,022
Other	56,930	198,350	--	255,280
Donated Services	--	309,500	--	309,500
Travel, Meals, Entertainment	26,488	150,009	--	176,497
Bank and Credit Card Fees	5	143,278	--	143,283
Professional Services	64,174	729,258	--	793,432
Office Expenses	34,856	537,327	(37,500)	534,683
Occupancy	<u>--</u>	<u>40,058</u>	<u>--</u>	<u>40,058</u>
Total Expenses	605,288	6,137,316	(37,500)	6,705,104
Net from Operations	(365,545)	(618,451)	--	(983,996)
Net Investment Return	--	(325,401)	--	(325,401)
Loss on Learning Lab	<u>--</u>	<u>(131,512)</u>	<u>--</u>	<u>(131,512)</u>
Change in Net Assets	(365,545)	(1,075,364)	--	(1,440,909)
Net Assets, Beginning of Year	108,447	2,784,010	--	2,892,457
Net Assets, End of Year	\$ (257,098)	\$ 1,708,646	\$ --	\$ 1,451,548