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FINANCIAL STATEMENTS  
With Independent Auditor's Report

YEARS ENDED AUGUST 31, 2022 AND 2021

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FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Page Ahead  
Seattle, Washington

**Opinion**

We have audited the accompanying financial statements of Page Ahead (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively 'the financial statements').

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Page Ahead as of August 31, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Page Ahead 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Ahead'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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards 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.
- 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 Ahead'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 Ahead'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.

### **Other Matters**

The financial statements for Page Ahead as of August 31, 2021 and for the year then ended were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated May 23, 2022.



Jacobson Jarvis & Co, PLLC  
Seattle, Washington  
January 9, 2023

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STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 527,330	\$ 570,230
Investments	60,000	100,000
Accounts receivable	19,692	50,013
Book inventory	76,669	82,800
Prepaid expenses and security deposits	<u>4,550</u>	<u>1,776</u>
Total Current Assets	688,241	804,819
Investments held for endowment	100,000	100,000
Security deposits	5,648	5,648
Office equipment, net	<u>8,827</u>	<u>4,798</u>
	<u>\$ 802,716</u>	<u>\$ 915,265</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 2,070	\$ 2,531
Accrued payroll liabilities	<u>16,828</u>	<u>19,002</u>
Total Current Liabilities	18,898	21,533
Net Assets		
Without donor restriction	603,642	717,218
With donor restriction	<u>180,176</u>	<u>176,514</u>
Total Net Assets	<u>783,818</u>	<u>893,732</u>
	<u>\$ 802,716</u>	<u>\$ 915,265</u>

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STATEMENTS OF ACTIVITIES

YEARS ENDED AUGUST 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support</b>						
Contributions - foundations and corporations	\$ 264,767	\$ 208,197	\$ 472,964	\$ 236,146	\$ 263,947	\$ 500,093
Contributions - general public	275,697	-	275,697	218,519	-	218,519
Grants from government agencies	-	-	-	115,367	-	115,367
Special event revenue	242,292	-	242,292	213,759	-	213,759
Less: Special event direct benefit to donor	(17,746)	-	(17,746)	(3,455)	-	(3,455)
In-kind contribution	149,014	-	149,014	35,782	-	35,782
Bequests	59,414	-	59,414	14,619	-	14,619
Total Public Support	973,438	208,197	1,181,635	830,737	263,947	1,094,684
<b>Revenue</b>						
Program fee income	176,881	-	176,881	130,839	-	130,839
Other revenue	24,899	-	24,899	3,875	-	3,875
Total Revenue	201,780	-	201,780	134,714	-	134,714
<b>Net Assets Released from Restrictions</b>						
Satisfaction of purpose restriction	204,535	(204,535)	-	435,616	(435,616)	-
Total Net Assets Released from Restrictions	204,535	(204,535)	-	435,616	(435,616)	-
Total Public Support, Revenue, and Other Support	1,379,753	3,662	1,383,415	1,401,067	(171,669)	1,229,398
<b>Expenses</b>						
Program services	1,161,031	-	1,161,031	1,080,263	-	1,080,263
Management and general	219,929	-	219,929	107,021	-	107,021
Fundraising	112,369	-	112,369	107,828	-	107,828
Total Expenses	1,493,329	-	1,493,329	1,295,112	-	1,295,112
Change in Net Assets	(113,576)	3,662	(109,914)	105,955	(171,669)	(65,714)
Net Assets - Beginning of Year	717,218	176,514	893,732	611,263	348,183	959,446
Net Asset - End of Year	\$ 603,642	\$ 180,176	\$ 783,818	\$ 717,218	\$ 176,514	\$ 893,732

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STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED AUGUST 31, 2022 AND 2021

	2022				2021			
	Total Program Services	Management and General	Fundraising	Total	Total Program Services	Management and General	Fundraising	Total
Cost of purchased books	\$ 739,431	\$ -	\$ -	\$ 739,431	\$ 708,771	\$ -	\$ -	\$ 708,771
Salaries and related expenses	210,462	54,923	89,525	354,910	200,193	52,472	92,246	344,911
Occupancy	81,312	10,056	2,681	94,049	70,520	7,157	2,317	79,994
Other	35,961	12,397	20,163	68,521	38,391	15,103	12,265	65,759
Professional fees and contract services	131	34,962	-	35,093	2,999	29,002	1,000	33,001
Special event venue expenses	385	-	17,746	18,131	150	-	3,305	3,455
Depreciation	-	5,268	-	5,268	-	3,287	-	3,287
In-kind expenses	93,349	102,323	-	195,672	59,389	-	-	59,389
Total Expenses before direct benefit to donor	1,161,031	219,929	130,115	1,511,075	1,080,413	107,021	111,133	1,298,567
Less: Direct benefit to donor	-	-	(17,746)	(17,746)	(150)	-	(3,305)	(3,455)
Total Expenses	<u>\$ 1,161,031</u>	<u>\$ 219,929</u>	<u>\$ 112,369</u>	<u>\$ 1,493,329</u>	<u>\$ 1,080,263</u>	<u>\$ 107,021</u>	<u>\$ 107,828</u>	<u>\$ 1,295,112</u>

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STATEMENTS OF CASH FLOWS

YEARS ENDED AUGUST 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from:		
Donors	\$ 1,385,428	\$ 1,032,791
Government agencies	25,000	115,367
Programs	176,881	130,839
Investment	2,124	3,265
Gain on forgiveness of Paycheck Protection Program loan	-	(53,142)
Other revenue	37,372	138,236
Cash paid for:		
Personnel	(357,084)	(325,907)
Services and supplies	<u>(1,343,324)</u>	<u>(1,045,920)</u>
Net Cash Provided (Used) by Operating Activities	(73,603)	(4,471)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	40,000	-
Purchases of property and equipment	<u>(9,297)</u>	<u>(1,713)</u>
Net Cash Provided (Used) by Investing Activities	<u>30,703</u>	<u>(1,713)</u>
Changes in Cash and Cash Equivalents	(42,900)	(6,184)
Cash and Cash Equivalents - beginning of year	<u>570,230</u>	<u>576,414</u>
Cash and Cash Equivalents - end of year	<u>\$ 527,330</u>	<u>\$ 570,230</u>



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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Page Ahead Children's Literacy Program (Page Ahead) was incorporated as a nonprofit corporation on March 22, 1993, under the laws of the State of Washington, to provide literacy services to children in communities of concentrated low income. Page Ahead, also known as Books for Kids, accomplishes its mission of promoting literacy primarily through the following programs (metrics stated below are unaudited):

Book Up Summer aims to mitigate the summer learning loss experienced primarily by children from low-income families. This evidence-based program is designed to increase access to books, inspire children to read by allowing them to choose the books they want and, ultimately, reduce the literacy achievement gap in Washington. Through Book Up Summer, 19,216 students in grades K-2 chose nearly 244,990 books to take home to read over the summer.

The Books for Kids program gives new books to children at motivational events in collaboration with partner sites, as well as through 19 little free libraries located in book desert neighborhoods in Seattle. In the past year, Page Ahead distributed approximately 10,653 new books to approximately 1,263 children. Sites are selected based upon the need of the population served at each site.

Page Ahead's early learning programs, Story Times and Story Leaders, encourage early language development in children, provide reading resources for families and support educators in small group reading instruction. Through Story Times, trained volunteers engage preschool and kindergarten students in positive reading experiences for learners of all types, and Story Leaders provides preschool teachers with shared reading training and free books for their students. Last year, 1,083 children and families in need received more than 8,800 new books through the Story Leaders program.

Page Ahead has its main office facilities in Seattle, Washington, and operates throughout Washington state. Support for Page Ahead comes from monetary and in-kind donations from individuals, corporations, municipalities, and foundations.

Basis of presentation

Page Ahead presents its financial statements on an accrual basis of accounting in accordance with FASB Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, Page Ahead is required to report information regarding its financial position and activities based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors are reported as increases in net assets with donor restrictions when received. When a 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 restriction. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Net assets with donor restrictions are as follows as of August 31:

	<u>2022</u>	<u>2021</u>
Book Up Summer	\$ 75,394	\$ 55,394
Story Leaders	4,782	21,120
Endowment (perpetual)	<u>100,000</u>	<u>100,000</u>
	<u>\$ 180,176</u>	<u>\$ 176,514</u>

Cash

Cash consists of general checking and savings accounts. Page Ahead maintains its cash in bank accounts that may exceed federally insured limits at times during the year. Page Ahead has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Investments

Investments consist of certificates of deposit and are reported at cost plus accrued interest in the statement of financial position.

Accounts Receivable

Receivables as of August 31, 2022 and 2021, consist primarily of pledges and grants receivable. Management reviews the collectability of receivables on a periodic basis and determines the appropriate amount of any allowance. Page Ahead charges off receivables to the allowance when management determines that a receivable is not collectible. No allowance was considered necessary at August 31, 2022 or 2021, and all receivables are expected to be collected during the next year.

Book Inventory

Inventory consists of new books that are either purchased or donated. Purchased books are valued at the cost Page Ahead pays to purchase the books. Donated books are valued using a weighted average. This value results in an amount that is lower than the net realizable value of the book inventory.

Office Equipment and Depreciation

Fixed assets are stated at cost, if purchased, and at estimated fair value, if donated, and are depreciated on the straight-line method over the estimated useful lives of the assets. Fixed assets with a cost greater than \$500 are capitalized. Donations of fixed assets are recognized as unrestricted support in the year of the donation.

Concentration

For the years ended August 31, 2022 and 2021, Page Ahead had no revenue concentrations.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and revenue recognition

Page Ahead recognizes revenue from services when the services are provided. Page Ahead recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized until the conditions on which they depend have been met.

Many individuals donate significant amounts of time to the program operations of Page Ahead. The value of their contributed time is not reflected in the accompanying financial statements because their tasks do not require specialized skills. About 2,330 and 2,260 hours were donated during the years ended August 31, 2022 and 2021, respectively. This total does not include hours donated by the Board of Directors or its committees.

Special event revenue

Page Ahead hosts events to raise funds for its operations and recognizes revenue from the events when the event takes place or when donations are received.

Bequests

Page Ahead recognizes revenue from bequests when (1) the bequest becomes an unconditional promise to give and (2) when the amount to be received can be estimated. This is usually when the deceased person's will has gone through probate.

Program fee income

Program fee income consists primarily of an administrative fee collected from participating schools or school districts. The fee is approximately \$5-7 per eligible child currently and represents a fraction of the cost of providing the program to each school. The fee is billed to schools in the spring of each school year after the number of participating children at each location is determined. Program income is recognized when the book fair takes place (point in time).

In-Kind goods and services

Page Ahead receives donated books and professional services. Donated books are valued using a weighted average. Donated services are recorded as in-kind contributions and are recognized as revenue at estimated values at the date of receipt if they (a) create or enhance non-financial assets, or (b) require specialized skills and would need to be purchased if not provided by donation. Corresponding expenses are recognized as the assets and services are utilized.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the years ended August 31, in-kind contributions consisted of the following:

	<u>2022</u>	<u>2021</u>
Books	\$ 46,691	\$ 35,537
Professional services	<u>102,323</u>	<u>-</u>
	<u>\$ 149,014</u>	<u>\$ 35,537</u>

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and of functional expenses. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include salaries and related expenses which are allocated on the basis of estimates of time and effort, and occupancy costs which are allocated on a square footage basis. Professional fees and contract services expenditures are based on actual expenses charged to each program or supporting function.

Income taxes

The Internal Revenue Service has recognized Page Ahead as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

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 disclosures 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.

Reclassification

Certain accounts in the August 31, 2021 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended August 31, 2021.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE B - LIQUIDITY

Page Ahead strives to maintain liquid financial assets sufficient to cover 120 days of general expenditures. Increasing cash reserves are used to expand future programming sustainably. Financial assets in excess of daily cash requirements are invested in certificates of deposit. Page Ahead has net assets with donor restrictions that are designated for activities planned and budgeted for during the next 12 months.

The following table reflects Page Ahead's financial assets as of August 31, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor time restrictions greater than one year.

	<u>2022</u>	<u>2021</u>
Financial Assets at Year-end		
Cash	\$ 527,330	\$ 570,230
Investments	160,000	200,000
Receivables	<u>19,692</u>	<u>50,013</u>
Total financial assets	707,022	820,243
Less: Amounts not available to be used within one year		
Investments held for endowment	(100,000)	(100,000)
Net assets with donor restrictions greater than one year	<u>(80,176)</u>	<u>(76,514)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 526,846</u>	<u>\$ 643,729</u>

NOTE C - OFFICE EQUIPMENT

Office equipment consists of the following as of August 31:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 46,613	\$ 37,316
Less: Accumulated depreciation	<u>(37,786)</u>	<u>(32,518)</u>
Net property and equipment	<u>\$ 8,827</u>	<u>\$ 4,798</u>

NOTE D - LINE OF CREDIT

Page Ahead has an unsecured line of credit agreement with a bank for \$40,000 for both years ending August 31, 2022 and 2021. The agreement has no stated expiration date. Borrowings would bear interest at the daily finance charge rate plus 2.75% as determined by the financial institution. There were no outstanding borrowings as of August 31, 2022 or 2021.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE E - COMMITMENTS

Page Ahead occupies office space under an operating lease expiring in July 2026. The lease contains escalating lease rates and requires Page Ahead to pay its pro rata share of triple net charges such as property taxes and insurance. Rent expense (including triple net charges) for office space was \$82,955 and \$76,730 in fiscal years 2022 and 2021, respectively. Future minimum lease payments (excluding triple net charges) are as follows:

2023	\$	69,449
2024		71,532
2025		73,678
2026		<u>69,391</u>
	\$	<u>284,050</u>

NOTE F - RETIREMENT PLAN

Page Ahead has an IRA SIMPLE Master plan that covers substantially all employees. Employer matching contributions may range from 1% to 3% of compensation for each calendar year and are 100% vested at all times. Employer contributions amounted to \$9,208 in the fiscal year 2022 and \$8,722 in the fiscal year 2021. These amounts represent matching contributions based on participants elective deferrals.

NOTE G - ENDOWMENT

Page Ahead's endowment consists of funds donated subject to a donor-imposed restriction that the principal amount donated must be maintained in an investment account and cannot be used by Page Ahead, but the income earned on the account may be used for purposes specified by the donor. As required by GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Page Ahead has interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Page Ahead classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, plus (b) the original value of subsequent gifts to the endowment. The remaining portion of the donor-restricted endowment fund that is not classified as perpetually restricted is classified as unappropriated endowment earnings until those amounts are appropriated for expenditure by Page Ahead in a manner consistent with the standard of prudence prescribed by UPMIFA.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE G - ENDOWMENT (Continued)

In accordance with UPMIFA, Page Ahead considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investment;
- (6) Other resources of the organization; and
- (7) The investment policies of the organization.

Return Objectives and Risk Parameters

Page Ahead has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Page Ahead must hold in perpetuity or for a donor-specified period.

Strategies for Achieving Objectives

To satisfy its objectives, Page Ahead relies on a total return strategy in which investment returns are achieved through current yield (interest). Page Ahead targets fixed-income investments to achieve its return objectives within prudent risk constraints. The endowment investments are made exclusively with certificates of deposit (institution rated AA or better with maturities of 12 months or less).

Spending Policy and How the Investment Objectives Relate to Spending Policy

Page Ahead has a policy of retaining principal and distributing any income. The distributions are to be made annually in an amount equal to the income from the previous year. If the income is not to be distributed immediately following the year in which they were earned, then the amount equal to the income shall be retained within the endowment fund for distribution within the next two years.

Summary of Endowment Activity

Endowment net assets consisted of \$100,000 of donor-restricted endowment funds and are classified as net assets with donor restrictions at both August 31, 2022 and 2021.

There were no changes in endowment net assets during the years ended August 31, 2022 or 2021.

The endowment fund as of August 31, 2022 and 2021, is invested entirely in certificates of deposit. Earnings during 2022 and 2021 were not significant.



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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

NOTE G - ENDOWMENT (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires. There were no deficiencies of this nature at August 31, 2022 or 2021.

NOTE H - NOTE PAYABLE

In May 2020, Page Ahead received a loan from the Paycheck Protection Program (PPP) implemented from the CARES Act. The note bears interest at 1% and is unsecured. Page Ahead received full forgiveness of the outstanding principal and interest in June 2021. The proceeds have been recorded as other income during fiscal year 2021.

The Small Business Administration (SBA) has stated that certain PPP loans will be subject to review by the SBA for compliance with program requirements. If the SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request or the subsequent use of the loan proceeds, the SBA will seek repayment of the PPP loan, including interest and potential penalties. While Page Ahead believes the loan was properly obtained and forgiven, there can be no assurance regarding the outcome of an SBA review. Page Ahead has not accrued any liability associated with the risk of an adverse SBA review.

NOTE I - SUBSEQUENT EVENTS

Page Ahead has evaluated subsequent events through the date these financial statements were available to be issued, which was January 9, 2023.