

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Financial Report**  
**June 30, 2023 and 2022**



**PEARL S. BUCK INTERNATIONAL, INC.**  
**June 30, 2023 and 2022**

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## **Independent Auditors' Report**

To the Board of Directors  
Pearl S. Buck International, Inc.  
Perkasie, Pennsylvania

### **Opinion**

We have audited the financial statements of Pearl S. Buck International, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Pearl S. Buck International, Inc. as of June 30, 2023 and 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 audits 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 Pearl S. Buck International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 accounting principles generally accepted in the United States of America, 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 Pearl S. Buck International, Inc.'s ability to continue as a going concern for 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.
- 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 Pearl S. Buck International, Inc.'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 Pearl S. Buck International, Inc.'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.

*DunlapSLK, PC*

Chalfont, Pennsylvania  
March 28, 2024

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 118,049	\$ 297,822
Investments - Cash and Cash Equivalents	3,708	3,574
Investments - Operating	30,914	29,725
Current Unconditional Promises to Give	263,388	252,226
Prepaid Expenses and Other Assets	6,015	12,679
Total Current Assets	422,074	596,026
Property and Equipment, Net	1,887,334	2,073,153
Other Assets		
Long-Term Unconditional Promises to Give, Net	71,974	172,260
Investments - Endowment	6,427	6,427
Split-Interest Agreements	129,548	127,397
Right of Use Assets - Operating Lease	34,679	-
Total Other Assets	242,628	306,084
 <b>Total Assets</b>	 <b>\$ 2,552,036</b>	 <b>\$ 2,975,263</b>

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Line of Credit	\$ 45,000	\$ -
Current Maturities of Mortgages Payable	29,725	28,790
Operating Lease Liabilities, Current	16,776	-
Accounts Payable	37,132	12,455
Accrued Expenses and Other Current Liabilities	89,518	66,803
Deferred Revenue	30,750	41,750
Total Current Liabilities	248,901	149,798
Long Term Liabilities		
Mortgages Payable	1,297,340	1,326,872
Operating Leases Liabilities	17,903	-
Split-Interest Agreement Liabilities	102,778	88,812
Total Long Term Liabilities	1,418,021	1,415,684
<b>Total Liabilities</b>	<b>1,666,922</b>	<b>1,565,482</b>
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	(839,203)	(495,036)
Invested in Property and Equipment, Net of Related Debt	1,560,269	1,717,491
Total Without Donor Restrictions	721,066	1,222,455
With Donor Restrictions		
Perpetual in Nature	3,180	3,180
Purpose Restrictions	160,868	184,146
Total With Donor Restrictions	164,048	187,326
Total Net Assets	885,114	1,409,781
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,552,036</b>	<b>\$ 2,975,263</b>

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**

**Statement of Activities  
Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Public Support			
General Contributions	\$ 514,001	\$ -	\$ 514,001
International Program	546,579	40,408	586,987
Memberships	7,770	-	7,770
Gross Special Events Revenue	67,508	-	67,508
Less: Cost of Direct Benefit to Donors	<u>(12,364)</u>	<u>-</u>	<u>(12,364)</u>
Total Public Support	1,123,494	40,408	1,163,902
Pearl S Buck House Tours	40,930	-	40,930
Rental	134,723	-	134,723
Other	15,060	-	15,060
Cultural Tours	2,760	-	2,760
Consulting	16,004	-	16,004
Grants and Contracts	15,117	32,500	47,617
Net Assets Released from Restrictions	<u>84,371</u>	<u>(84,371)</u>	<u>-</u>
Total Support and Revenues	<u>1,432,459</u>	<u>(11,463)</u>	<u>1,420,996</u>
<b>Expenses</b>			
Program Services			
Cultural Programs	108,758	-	108,758
International Programs	757,269	-	757,269
Pearl S. Buck House	784,097	-	784,097
Supporting Services			
Management and General	178,874	-	178,874
Fundraising	<u>106,344</u>	<u>-</u>	<u>106,344</u>
Total Expenses	<u>1,935,342</u>	<u>-</u>	<u>1,935,342</u>
<b>Change in Net Assets before Nonoperating Revenues, Gains and Other Support</b>	<u>(502,883)</u>	<u>(11,463)</u>	<u>(514,346)</u>
<b>Nonoperating Revenue, Gains and Other Support</b>			
Net Investment Income	1,494	-	1,494
Decrease in Value of Split-Interest Agreements	<u>-</u>	<u>(11,815)</u>	<u>(11,815)</u>
Total Nonoperating Revenue, Gains and Other Support	<u>1,494</u>	<u>(11,815)</u>	<u>(10,321)</u>
<b>Change in Net Assets</b>	(501,389)	(23,278)	(524,667)
<b>Net Assets</b>			
Beginning of Year	<u>1,222,455</u>	<u>187,326</u>	<u>1,409,781</u>
End of Year	<u>\$ 721,066</u>	<u>\$ 164,048</u>	<u>\$ 885,114</u>

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**

**Statement of Activities  
Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Public Support			
General Contributions	\$ 318,621	\$ -	\$ 318,621
International Program	564,971	64,737	629,708
Memberships	11,080	-	11,080
Gross Special Events Revenue	24,018	-	24,018
Less: Cost of Direct Benefit to Donors	<u>(2,202)</u>	<u>-</u>	<u>(2,202)</u>
Total Public Support	916,488	64,737	981,225
Pearl S Buck House Tours	32,357	-	32,357
Rental	181,380	-	181,380
Other	17,970	-	17,970
Cultural Tours	1,800	-	1,800
Consulting	31,619	-	31,619
Grants and Contracts	66,931	15,568	82,499
Net Assets Released from Restrictions	42,328	<u>(42,328)</u>	<u>-</u>
Total Support and Revenues	<u>1,290,873</u>	<u>37,977</u>	<u>1,328,850</u>
<b>Expenses</b>			
Program Services			
Cultural Programs	179,035	-	179,035
International Programs	787,111	-	787,111
Pearl S. Buck House	837,998	-	837,998
Supporting Services			
Management and General	124,838	-	124,838
Fundraising	76,496	-	76,496
Total Expenses	<u>2,005,478</u>	<u>-</u>	<u>2,005,478</u>
<b>Change in Net Assets before Nonoperating Revenues, Gains and Other Support</b>	<u>(714,605)</u>	<u>37,977</u>	<u>(676,628)</u>
<b>Nonoperating Revenue, Gains and Other Support</b>			
Net Investment Income	2,570	-	2,570
Decrease in Value of Split-Interest Agreements	-	(10,296)	(10,296)
Total Nonoperating Revenue, Gains and Other Support	<u>2,570</u>	<u>(10,296)</u>	<u>(7,726)</u>
<b>Change in Net Assets</b>	(712,035)	27,681	(684,354)
<b>Net Assets</b>			
Beginning of Year	<u>1,934,490</u>	<u>159,645</u>	<u>2,094,135</u>
End of Year	<u>\$ 1,222,455</u>	<u>\$ 187,326</u>	<u>\$ 1,409,781</u>

See notes to financial statements.



**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	Program Services				Support Services			Total
	Cultural Program	International Program	Pearl S. Buck House	Total Program Services	Management & General	Fundraising	Total Support Services	
Program/Outreach								
Health	\$ -	\$ 33,045	\$ -	\$ 33,045	\$ -	\$ -	\$ -	\$ 33,045
Education	-	20,871	-	20,871	-	-	-	20,871
Psycho-Social	-	20,403	-	20,403	-	-	-	20,403
CB/ID	-	5,602	-	5,602	-	-	-	5,602
Program Services	-	343,406	-	343,406	-	-	-	343,406
Total Program/Outreach	-	423,327	-	423,327	-	-	-	423,327
Operating Expenses								
Salaries	56,431	200,101	317,629	574,161	31,724	56,622	88,346	662,507
Benefits	1,899	16,048	30,598	48,545	3,238	4,363	7,601	56,146
Payroll Taxes	4,310	15,035	23,515	42,860	2,745	5,595	8,340	51,200
Professional Fees	22,013	6,328	11,241	39,582	39,099	1,560	40,659	80,241
Accounting	-	-	-	-	15,550	-	15,550	15,550
Supplies	1,383	2,603	13,480	17,466	416	2,439	2,855	20,321
Telephone	971	2,974	4,916	8,861	1,217	865	2,082	10,943
Postage and Handling	222	2,970	977	4,169	176	1,770	1,946	6,115
Office Expense and Equipment Rental	1,114	4,440	6,590	12,144	4,612	1,609	6,221	18,365
Insurance	3,329	18,492	34,466	56,287	19,033	5,025	24,058	80,345
Interest Expense	2,024	7,429	17,949	27,402	12,389	2,363	14,752	42,154
Utilities	1,943	6,367	31,500	39,810	5,188	2,115	7,303	47,113
Maintenance	2,165	7,934	19,466	29,565	3,830	2,423	6,253	35,818
Printing	72	188	1,785	2,045	31	402	433	2,478
Direct Mail Expenses	-	-	-	-	-	2,396	2,396	2,396
Travel	-	498	411	909	-	9	9	918
Advertising	3,216	320	14,188	17,724	-	-	-	17,724
Conference and Meetings	366	1,622	2,664	4,652	2,118	1,406	3,524	8,176
Training	-	-	-	-	-	-	-	-
Subscription, Dues and Fees	218	664	1,897	2,779	146	7,080	7,226	10,005
Equipment (Non-Capital)	5,729	21,782	35,269	62,780	5,545	7,184	12,729	75,509
Depreciation - Donor Restricted	-	-	142,212	142,212	5,894	-	5,894	148,106
Depreciation	1,035	3,797	60,827	65,659	862	1,047	1,909	67,568
Uncollectible Pledges	-	-	-	-	23,418	-	23,418	23,418
Real Estate Taxes	-	-	6,364	6,364	1,213	-	1,213	7,577
Miscellaneous	-	20	-	20	430	71	501	521
Bank Charges	318	13,691	6,153	20,162	-	-	-	20,162
Foreign Currency Exchange (Gain)/Loss	-	639	-	639	-	-	-	639
Total Operating Expenses	108,758	333,942	784,097	1,226,797	178,874	106,344	285,218	1,512,015
Total Functional Expenses	\$ 108,758	\$ 757,269	\$ 784,097	\$ 1,650,124	\$ 178,874	\$ 106,344	\$ 285,218	\$ 1,935,342
	5.62%	39.13%	40.51%	85.26%	9.24%	5.49%	14.74%	100.00%

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	Program Services				Support Services			Total
	Cultural Program	International Program	Pearl S. Buck House	Total Program Services	Management & General	Fundraising	Total Support Services	
Program/Outreach								
Health	\$ -	\$ 45,525	\$ -	\$ 45,525	\$ -	\$ -	\$ -	\$ 45,525
Education	-	16,568	-	16,568	-	-	-	16,568
Psycho-Social	-	15,193	-	15,193	-	-	-	15,193
CB/ID	-	6,380	-	6,380	-	-	-	6,380
Program Services	-	373,961	1,212	375,173	-	-	-	375,173
Total Program/Outreach	-	457,627	1,212	458,839	-	-	-	458,839
Operating Expenses								
Salaries	103,419	199,051	322,607	625,077	41,482	20,646	62,128	687,205
Benefits	4,746	13,033	31,638	49,417	2,325	1,394	3,719	53,136
Payroll Taxes	7,862	14,753	24,986	47,601	3,170	1,798	4,968	52,569
Professional Fees	24,067	5,215	5,699	34,981	24,712	15,955	40,667	75,648
Accounting	-	-	-	-	14,825	-	14,825	14,825
Supplies	2,607	4,570	12,574	19,751	1,598	3,735	5,333	25,084
Telephone	1,626	3,298	5,283	10,207	635	687	1,322	11,529
Postage and Handling	359	4,249	1,242	5,850	108	426	534	6,384
Office Expense and Equipment Rental	2,306	5,087	7,597	14,990	913	1,020	1,933	16,923
Insurance	7,885	15,658	29,963	53,506	15,498	3,485	18,983	72,489
Interest Expense	3,140	6,234	28,697	38,071	1,240	1,387	2,627	40,698
Utilities	3,575	7,179	34,209	44,963	1,415	1,580	2,995	47,958
Maintenance	13,091	26,069	50,801	89,961	5,182	5,787	10,969	100,930
Printing	-	27	119	146	-	33	33	179
Direct Mail Expenses	-	-	-	-	-	3,543	3,543	3,543
Travel	(81)	586	46	551	-	107	107	658
Advertising	44	188	1,815	2,047	17	169	186	2,233
Conference and Meetings	437	1,145	1,989	3,571	1,059	863	1,922	5,493
Training	23	46	76	145	9	10	19	164
Subscription, Dues and Fees	1,190	1,264	2,371	4,825	(337)	12,490	12,153	16,978
Equipment (Non-Capital)	412	1,038	2,631	4,081	163	388	551	4,632
Depreciation - Donor Restricted	-	-	192,075	192,075	5,894	-	5,894	197,969
Depreciation	1,945	4,170	67,037	73,152	856	970	1,826	74,978
Uncollectible Pledges	-	-	-	-	-	-	-	-
Real Estate Taxes	-	-	7,553	7,553	-	-	-	7,553
Miscellaneous	-	-	-	-	2,981	-	2,981	2,981
Bank Charges	382	15,839	5,778	21,999	1,093	23	1,116	23,115
Foreign Currency Exchange (Gain)/Loss	-	785	-	785	-	-	-	785
Total Operating Expenses	179,035	329,484	836,786	1,345,305	124,838	76,496	201,334	1,546,639
 Total Functional Expenses	 \$ 179,035	 \$ 787,111	 \$ 837,998	 \$ 1,804,144	 \$ 124,838	 \$ 76,496	 \$ 201,334	 \$ 2,005,478
	8.93%	39.25%	41.79%	89.96%	6.22%	3.81%	10.04%	100.00%

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (524,667)	\$ (684,354)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation	215,674	272,947
Lease Expense - Operating	16,248	-
Change in Split-Interest Agreement, Net	11,815	10,296
Net Realized and Unrealized (Gain) Loss on Investments	(1,189)	1,104
Uncollectible Pledges	23,418	-
Change in Assets and Liabilities		
(Increase) Decrease in		
Unconditional Promises to Give	65,706	82,957
Prepaid Expenses and Other Assets	6,664	(7,773)
Increase (Decrease) in		
Operating Lease Liabilities	(16,248)	-
Accounts Payable	24,677	(68,495)
Accrued Expenses and Other Current Liabilities	22,715	20,213
Deferred Revenue	(11,000)	-
Net Cash Used in Operating Activities	(166,187)	(373,105)
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	-	(217)
Purchases of Property and Equipment	(29,855)	(23,232)
Net Cash Used in Investing Activities	(29,855)	(23,449)
<b>Cash Flows from Financing Activities</b>		
Net Borrowings (Payments) on Line of Credit	45,000	(85,000)
Proceeds from the Issuance of Long-Term Debt	-	1,000,000
Principal Payments on Long-Term Debt	(28,597)	(321,396)
Net Cash Provided by Financing Activities	16,403	593,604
<b>Net Increase (Decrease) in Cash and Cash Equivalents (Forwarded)</b>	<b>\$ (179,639)</b>	<b>\$ 197,050</b>

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (Forwarded)</b>	\$ (179,639)	\$ 197,050
Cash and Cash Equivalents		
Beginning of Year	301,396	104,346
End of Year	\$ 121,757	\$ 301,396
Cash and Cash Equivalents	\$ 118,049	\$ 297,822
Investments - Cash and Cash Equivalents	3,708	3,574
Total Cash and Cash Equivalents	\$ 121,757	\$ 301,396
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash Paid During the Year for Interest	\$ 8,027	\$ 22,517
Cash Paid for the Amount Included in the Measurement of the Operating Lease Liabilities	\$ 17,903	\$ -
<b>Supplemental Schedule of Non-cash Investing and Financing Activities</b>		
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liabilities	\$ 50,927	\$ -

See notes to financial statements.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Pearl S. Buck International, Inc. (PSBI), located in Perkasio, PA, provides opportunities to explore and appreciate other cultures, builds better lives for children around the globe and promotes the legacy of PSBI's founder by preserving and interpreting her National Historic Landmark Home. The functions of PSBI include:

- International Programs - Serving children and families who would otherwise be denied basic nutrition, health care and education. (Formerly branded "Opportunity House").
- Cultural Programs - Offering opportunities for international exchange, cultural awareness and diversity appreciation to equip people with the skills necessary to thrive in the 21st Century.
- Pearl S. Buck House - Inspiring people who visit the Pearl S. Buck House by her story, so that they embrace and engage in her continuing legacy.

**Basis of Accounting**

The financial statements of PSBI have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

**Use of Estimates**

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Basis of Presentation**

Accounting standards prescribe display standards for general-purpose financial statements for all not-for-profit organizations. PSBI's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which require PSBI to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PSBI. These net assets may be used at the discretion of PSBI's management and the Board of Directors.

**Net Assets With Donor Restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of PSBI or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Contributions**

Investments, property, and other non-cash contributions are recorded at fair value on the date of gift or bequest. Contributions are considered to be available for unrestricted use unless they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from purpose or time restrictions. If a restricted contribution is recognized and used in the same period, it is recognized as an increase in net assets without restrictions.

**Promises to Give**

Promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. PSBI determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. There were no promises that were uncollectable at June 30, 2023 or 2022.

**Contributed Services**

Many individuals and corporations volunteer their time and services and perform a variety of tasks that assist PSBI with specific programs and committee assignments. Because no objective basis is available to measure the value of these services, they do not meet the requirements for recognition under GAAP, and therefore, the value of these services was not recorded during the years ended June 30, 2023 and 2022.

**Cash and Cash Equivalents**

Cash and cash equivalents includes all cash balances and highly liquid investments purchased with an initial maturity date of three months or less. PSBI maintains its cash accounts in several commercial banks. The amount on deposit may exceed the federally insured limit. PSBI has not experienced any losses in such accounts. PSBI believes it is not exposed to any significant credit risk on cash.

**Accounts Receivable**

Receivables consist mainly of short-term fees from school districts and other organizations participating in the Cultural Programs. PSBI provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts past due 90 days are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of uncollectability has occurred. When all collection efforts have been exhausted, the accounts are written off. As of June 30, 2023 and 2022, an allowance was not warranted.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Investments**

Investments in securities with readily determinable fair value are reported at fair value on the statement of financial position. Unrealized gains and losses are recorded in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

**Fair Value Measurements**

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This framework expands disclosures about fair value measurements.

**Assets Held and Liabilities Under Split-Interest Agreements**

In 1996, a donor established a charitable remainder unitrust naming PSBI as a 75% beneficiary and the trustee. Under the terms of the unitrust, PSBI shall pay to the donor during his lifetime and that of his spouse a 6% distribution each year without an income limitation. At the time of the donor's death and that of his spouse, the trust is to terminate and the remaining assets are to be distributed. PSBI has recorded the respective asset at its fair value at June 30, 2023 and 2022, and a related liability representing the present value of the estimated future payments. Changes in the value of the asset and liability assumptions or estimates are recognized as increases or decreases in the value of split-interest agreements in the accompanying statements of activities.

**Property and Equipment**

Property and equipment are stated at cost. Major replacements and betterments of \$2,500 or more are capitalized while maintenance and repairs are expensed as incurred. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

<u>Classifications</u>	<u>Years</u>
Land and Improvements	5 - 30
Buildings and Improvements	5 - 39
Furniture, Fixtures and Equipment	3 - 10
Computer Equipment	3
Vehicles	3

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Advertising**

Advertising costs are charged to expense as incurred or the first time the advertising takes place.

**Income Tax Status**

PSBI qualifies as a not-for-profit organization that is exempt from income taxes under paragraph 501(c)(3) of the Internal Revenue Code. Accordingly, its income related to its tax exempt purpose is not subject to federal or state income taxes. PSBI did not have any unrelated business income during the years ended June 30, 2023 and 2022 that would be subject to federal or state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

PSBI accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2023 and 2022.

PSBI's federal Forms 990 – *Return of Organization Exempt from Income Tax* - for the last three years' filing remain subject to examination by the Internal Revenue Service.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include, occupancy, depreciation, salaries, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated based on estimates of time and effort spent by each employee allocated to the program or supporting function. The percentage of total salaries of the program or supporting function is used to allocate expenses.

**Revenue Recognition and Deferred Revenue**

PSBI derives its revenue from contributions, grants, memberships, special events, house tours and other programs and investment income. Revenue from certain grants, special events, and programs held are recognized under these new standards as described below.

Grants

PSBI receives grant funding from various sources. The grant agreements contain conditions relating to performance requirements or the incurrence of allowable expenditures. Revenue is recognized over time as each requirement is met or as the allowable expenditure is incurred. Any funds received prior to PSBI's right to recognize revenue is reported as deferred revenue in the statement of financial position. PSBI received grants of \$30,750 and \$41,750 that have not been recognized as support as of June 30, 2023 and 2022, respectively, and have been recognized as deferred revenue in the statement of financial position.



**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Revenue Recognition and Deferred Revenue (continued)**

Special Events

PSBI holds several events each year. The amount determined to be the fair value of the direct benefit to donors is recognized as special event revenue when the event takes place, as that is when control of the promised service is transferred to the donor. The amount received in excess of the fair value of the direct benefit to donors is recognized as contribution revenue at the time it is received. All amounts for the event are due prior to the event and are recognized in deferred revenue until each event takes place. See Note 15 for the breakout of these revenues and expenses. There were no special event fees received in advance as of June 30, 2023 and 2022.

Admissions

PSBI charges admission to tour the Pearl S. Buck House. The admission price gives the patron access to the house and its collections and public areas for the day. Payment is made prior to entering the museum, is nonrefundable, and is recognized at the point of sale.

Programs

PSBI provides international and cultural educational programs to individuals. PSBI recognizes the fees for these programs over the period of time the program takes place. The performance obligation of providing these programs is simultaneously received and consumed by the participants over the program period. All fees must be received before the program begins and are nonrefundable. Program fees are recorded as deferred revenue and recognized over the period of the program. There were no program fees received in advance as of June 30, 2023 and 2022.

Membership

PSBI offers memberships to patrons of the organization. These memberships can be purchased at any point in the year and are non-refundable. The main benefits are free admission to the house and recognition in the annual report. The membership fees are allocated between membership fees and admissions, based on the value of the benefits received at each level of membership. A member can select from several different levels that each provide pre-determined benefits. PSBI recognizes the revenue for memberships received evenly throughout the membership year as the benefits are being provided and consumed by the member simultaneously.

The following is a summary of exchange revenue recognized over time and point in time during the years ended June 30, 2023 and 2022:

	2023	2022
Over Time	\$ 70,447	\$ 111,549
Point in Time	98,834	55,973
	\$ 169,281	\$ 167,522

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Rental Income**

PSBI charges rental fees for the use of the Estate Pavilion, Cultural Center and the Janet L. Mintzer Center. One-half of the rental fee is due upon booking and non-refundable, recognized at the time the venue is booked. The remainder of the fee is due 15 days prior to the rental event and is recognized upon receipt. Rental deposits are recorded as deferred revenue until the event takes place. There was no deferred revenue as of June 30, 2023 and 2022.

**Foreign Currency**

Assets and liabilities of foreign operations are translated into U.S. dollars using year-end rates, and income and expenses are translated using average exchange rates during the year. PSBI has certain foreign assets, including property and equipment and cash on hand, and liabilities. The value of these foreign assets and liabilities and the related revenue and expense will fluctuate with changes in the exchange rates. For the years ended June 30, 2023 and 2022, there were losses of \$639 and \$785, respectively, on foreign currency translations and exchanges.

**New Accounting Pronouncements Adopted**

**Contributed Nonfinancial Assets**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2020-07, *Not-for-Profit Entities*, which updates Topic ASC 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update addresses the presentation and disclosure of contributed nonfinancial assets, which includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The update is effective for annual reporting periods beginning after June 15, 2021 and early adoption is permitted. PSBI adopted the guidance during its year ended June 30, 2022. The adoption of this update did not affect the recognition of revenues and expenditures by PSBI but improved the disclosure of contributions of nonfinancial assets.

**Leases**

Effective July 1, 2022, PSBI adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). PSBI has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, PSBI accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of June 30, 2022) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, PSBI recognized on July 1, 2022 (a) a lease liability of \$50,927, which represents the present value of the remaining lease payments of \$54,387, discounted using an interest rate of 3.25%, and (b) a right-of-use asset of \$50,927. PSBI has elected the practical expedient option for each class of its assets to account for each separate component and the non-lease components associated with that lease component as a single lease component.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**2. AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditures, that is, without donor restrictions or board designations limiting their use within one year of June 30, 2023, comprise the following:

Financial Assets at Period End	
Cash and Cash Equivalents	\$ 118,049
Investments - Cash and Cash Equivalents	3,708
Investments - Operating	30,914
Unconditional Promises to Give, Current	<u>263,388</u>
Total Financial Assets	<u>416,059</u>
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	164,048
Less Net Assets with Purpose Restrictions to Be Met in Less Than One Year	<u>(134,098)</u>
	<u>29,950</u>
Financial Assets Available to Meet General Expenditures Over the Next Year	<u><u>\$ 386,109</u></u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowment is restricted for general purposes. Donor restricted endowments are not available for general expenditure. As of June 30, 2023 and 2022, there were no board designated endowment funds.

As part of its liquidity plan, PSBI invests excess cash in short-term investments, including money market accounts.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**3. FAIR VALUE MEASUREMENT**

Accounting standards have a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 consists of observable inputs other than quoted prices included in Level 1; and Level 3 consists of unobservable inputs that have the lowest priority.

Information related to PSBI's assets measured at fair value on a recurring basis at June 30, 2023 and 2022, is as follows:

	2023			
	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Bond Mutual Funds	\$ 30,914	\$ 30,914	\$ -	\$ -
Asset Held Under Split- Interest Agreements				
Equity Mutual Funds	129,548	-	129,548	-
Endowment Investments				
Fixed Income Mutual Fund	6,427	6,427	-	-
Total Investments	<u>\$ 166,889</u>	<u>\$ 37,341</u>	<u>\$ 129,548</u>	<u>\$ -</u>
	2022			
	Fair Value	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Bond Mutual Funds	\$ 29,725	\$ 29,725	\$ -	\$ -
Asset Held Under Split- Interest Agreements				
Equity Mutual Funds	127,397	-	127,397	-
Endowment Investments				
Fixed Income Mutual Fund	6,427	6,427	-	-
Total Investments	<u>\$ 163,549</u>	<u>\$ 36,152</u>	<u>\$ 127,397</u>	<u>\$ -</u>

The Level 2 fair value of PSBI's split interest agreement is the aggregation of all future cash flows discounted to present value at prevailing market returns for similar investments. PSBI believes that changes in fair value will not have a material effect on PSBI's changes in net assets, its cash flows or financial position.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**4. PROMISES TO GIVE**

PSBI has received various pledges and bequests for the years ended June 30, 2023 and 2022. The remaining pledges as of June 30, 2023 and 2022, are as follows:

	2023	2022
Due in Less Than One Year	\$ 263,388	\$ 252,226
Due in One to Five Years	46,999	85,128
Due in Six to Ten Years	7,810	26,407
Due in Eleven to Fifteen Years	6,044	24,640
Thereafter	19,798	55,940
	344,039	444,341
Less Allowance for Doubtful Accounts	(3,703)	-
Less Discount to Net Present Value	(4,974)	(19,855)
	335,362	424,486
Less Current Portion	(263,388)	(252,226)
Long-Term Portion	\$ 71,974	\$ 172,260

**5. PROPERTY AND EQUIPMENT**

At June 30, 2023 and 2022, the detail of property and equipment is as follows:

	2023	2022
Land and Improvements	\$ 168,410	\$ 168,410
Buildings and Improvements	6,295,478	6,265,624
Furniture, Fixtures and Equipment	266,652	326,321
Computer Equipment	25,830	58,616
Vehicles	29,351	29,351
	6,785,721	6,848,322
Less Accumulated Depreciation	(4,898,387)	(4,775,169)
Property and Equipment, Net	\$ 1,887,334	\$ 2,073,153

Depreciation expense totaled \$215,674 and \$272,947 for the years ended June 30, 2023 and 2022, respectively.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**6. COMPENSATED ABSENCES**

Obligations relating to compensating employees for vacation days earned have been recorded as a liability. Accrued vacation pay as of June 30, 2023 and 2022 was \$23,644 and \$27,501, respectively.

**7. COLLECTIONS**

Collection items include art, photography and/or artifacts that relate to the legacy of Pearl S. Buck. PSBI ensures that the Collections are maintained, displayed and preserved in accordance with professional museum standards. PSBI adheres to the ethical principles and definition of direct care established by the American Alliance of Museums and considers direct care to entail actions that enhance the life, usefulness, or quality of the collection items to ensure they will continue to benefit the public. PSBI's collection management policy includes conservation services, archival services, collections care investments identified through a conservation assessment and/or plan, and collection care training for staff and volunteers, as activities that are considered direct care of collection items.

In conformity with the practice adopted by many museums and in accordance with the provisions of accounting standards, PSBI does not capitalize donated works of art and collections or recognize them as revenues or gains. Accounting standards provide that such donations need not be recognized if they are added to collection that are held for public exhibition, education, or protected unencumbered, cared for, and preserved and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire or care for other items for collections. The cost of all objects purchased is reported as a separate program expense.

**8. LINE OF CREDIT**

PSBI has a \$500,000 secured line of credit from a commercial bank that bears interest at 3.25%. Substantially all of the assets of PSBI collateralize this line of credit and PSBI is required to maintain its primary banking relationship with the lender. At June 30, 2023 and 2022, the outstanding balance was \$45,000 and \$0, respectively.

**9. MORTGAGES PAYABLE**

In October 2020, PSBI acquired a note payable from Mid Penn Bank. in the amount of \$680,000. The note bears an interest rate of 3.2% per annum for the first 90 months, then resets to an interest rate to float at the tax free equivalent of the Wall Street Journal prime rate, or a fixed rate to be determined. The mortgage is secured by all of PSBI's real estate and personal property. Payments are due in monthly installments of \$3,313, through 2040. An additional principal payment of \$300,000 was made in January 2022.

In November 2021, PSBI acquired a note payable from the Small Business Administration, under the Economic Injury Disaster Program, in the amount of \$1,000,000. The note bears an interest rate of 2.75% per annum and is secured by all of PSBI's real estate and personal property. Payments are due in monthly installments of \$4,488, beginning November 2023 through October 2051.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**9. MORTGAGES PAYABLE (continued)**

At June 30, 2023 and 2022, the outstanding balances on these notes were \$1,327,065 and \$1,355,662, respectively. Aggregate maturities on the notes are as follows:

Year Ending June 30,	Amount
2024	\$ 29,725
2025	30,691
2026	46,357
2027	59,815
2028	61,632
Thereafter	1,098,845
	\$ 1,327,065

Interest expense for the years ended June 30, 2023 and 2022, was \$40,499 and \$40,698, respectively.

**10. OPERATING LEASES**

PSBI has two operating leases for office equipment that expire in April 2025 and September 2028. Operating lease expense for the years ended June 30, 2023 and 2022 was \$16,271 and \$16,416, respectively.

**Other Information as of June 30, 2023**

Weighted-average remaining lease term - operating leases	23 months
Weighted average discount rate - operating leases	3.25%

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of June 30, 2023:

Year Ending June 30,	Amount
2024	\$ 17,903
2025	15,172
2026	1,515
2027	1,515
2028	379
Total Undiscounted Cash Flows	36,484
Less: Present Value Discount	(1,805)
	\$ 34,679

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions held at June 30, 2023 and 2022, respectively, are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Specified Purpose:		
Education Program	\$ 21,422	\$ 21,422
DEI Conference	24,200	26,900
Sponsorships	40,408	34,737
Marketing	38,068	15,568
Other	<u>10,000</u>	<u>-</u>
	134,098	98,627
Subject to the Passage of Time		
Assets Held Under Split Interest Agreement	26,770	85,519
Endowments		
General Purposes	<u>3,180</u>	<u>3,180</u>
	<u>\$ 164,048</u>	<u>\$ 187,326</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Sponsorships	\$ 34,737	\$ 39,228
DEI Conference	2,700	3,100
Other	<u>46,934</u>	<u>-</u>
Total Net Assets Released from Restrictions	<u>\$ 84,371</u>	<u>\$ 42,328</u>

At June 30, 2023 and 2022, perpetual restricted net assets of \$3,180, consist solely of investments to be held in perpetuity, the income from which is restricted for general purposes.



**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**12. ENDOWMENT**

PSBI follows Financial Accounting Standards Board (FASB) Staff Position 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds*, now incorporated into FASB ASC 958. The Commonwealth of Pennsylvania has not yet adopted UPMIFA, but PSBI is required by these accounting standards to disclose certain matters associated with its board designated quasi-endowment and perpetual endowment funds.

**Interpretation of Relevant Law**

Pennsylvania law requires the historical dollar amount of a donor-restricted endowment fund to be preserved. PSBI's donors have requested that the original amount of the endowment remain intact, and that the income and any appreciated value be used to carry out the mission of PSBI. As a result of this, PSBI classifies as perpetually restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets without donor restriction and is spent on programs as designated by the Board of Directors.

As of June 30, 2023 and 2022, PSBI had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2023			
Board-Designated Endowment Funds	\$ -	\$ -	\$ -
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	-	3,180	3,180
	\$ -	\$ 3,180	\$ 3,180
June 30, 2022			
Board-Designated Endowment Funds	\$ -	\$ -	\$ -
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	-	3,180	3,180
	\$ -	\$ 3,180	\$ 3,180

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**12. ENDOWMENT (continued)**

**Investment Return Objectives, Risk Parameters and Strategies**

PSBI recognizes that the primary fiduciary obligation regarding the endowment funds is to maximize the inflation-adjusted principal value of the assets to meet current and future needs and obligations of PSBI. Assets of the endowment funds are to be diversified to protect against large investment losses and to reduce the probability of excessive performance volatility. PSBI recognizes the likelihood of periodic market declines and is willing to accept the possibility of some short-term declines in market value in order to achieve potentially higher long-term investment returns. Asset allocation will be structured to minimize downside volatility while maximizing return at an acceptable level.

To satisfy its long-term rate-of-return objectives, PSBI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). PSBI targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policies**

Investment and spending policies are reviewed and recommended by the Finance Committee, and approved by the Board.

There was no activity in the perpetual endowment fund in 2023 or 2022.

**13. RETIREMENT BENEFITS**

PSBI participates in a defined contribution plan for the benefit of its employees. The plan is available to all eligible employees, as defined by the plan. PSBI matches 30% of participant's contributions, up to IRS limits. This match is mandatory per the plan. Contributions by PSBI under this plan for the years ended June 30, 2023 and 2022 totaled \$9,401 and \$16,592, respectively.

**PEARL S. BUCK INTERNATIONAL, INC.**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**14. RELATED PARTY**

In May 1979, a volunteer association, the Pearl S. Buck Volunteer Association (PSBVA) was formed by individuals who desired to promote the welfare of PSBI. The PSBVA is an entity separate and apart from PSBI. Pursuant to the governing documents of the PSBVA, the assets, liabilities and fund transactions of the organization are not under the direction or control of PSBI. These accounts and transactions, therefore, are not presented in the accompanying financial statements of PSBI.

Additionally, during the year ended June 30, 2023, PSBI entered into Board-approved transactions with related parties. A Board member is an employee of the bank that holds PSBI's mortgage and bank accounts and a second board member owns a company that PSBI has on a monthly \$550 retainer for marketing services.

**15. SPECIAL EVENTS**

During the years ended June 30, 2023 and 2022, PSBI conducted special events designed to inform supporters about current operations and activities, and to raise funds for PSBI. The table below summarizes support received and related costs of these events.

	2023			
	Taste of the World	Woman of Influence	Total	
Special Event Revenue	\$ 40,273	\$ 27,235	\$ 67,508	
Less Expenses	(8,595)	(3,769)	(12,364)	
Net Special Event Revenue	<u>\$ 31,678</u>	<u>\$ 23,466</u>	<u>\$ 55,144</u>	
	2022			
	Designer Bag Bingo	Save the Children of Ukraine	Other	Total
Special Event Revenue	\$ 10,290	\$ 9,759	\$ 3,969	\$ 24,018
Less Expenses	(439)	(1,763)	-	(2,202)
Net Special Event Revenue	<u>\$ 9,851</u>	<u>\$ 7,996</u>	<u>\$ 3,969</u>	<u>\$ 21,816</u>

**16. SUBSEQUENT EVENTS**

Management has evaluated events and transactions that occurred after June 30, 2023, through March 28, 2024, the date the financial statements were available to be issued.