

PEARL S. BUCK INTERNATIONAL, INC.
Financial Report
June 30, 2025 and 2024

PEARL S. BUCK INTERNATIONAL, INC.
June 30, 2025 and 2024

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Financial Position	3 - 4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9 - 10
Notes to Financial Statements	11 - 26

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, 2025 and 2024, 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, 2025 and 2024, 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 17, 2026

PEARL S. BUCK INTERNATIONAL, INC.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 151,796	\$ 180,652
Investments - Cash and Cash Equivalents	4,092	3,909
Investments - Operating	34,715	32,955
Current Unconditional Promises to Give Grant Receivable	211,815	75,915
Prepaid Expenses and Other Assets	-	32,000
Total Current Assets	27,764	17,137
Property and Equipment, Net	430,182	342,568
Other Assets		
Long-Term Unconditional Promises to Give, Net	1,570,327	1,755,065
Investments - Endowment	68,045	45,346
Split-Interest Agreements	6,427	6,427
Cash Surrender Value of Bequested Insurance Policy	144,816	138,052
Right of Use Assets - Operating Lease	14,408	13,580
Total Other Assets	46,554	58,644
Total Assets	\$ 2,280,759	\$ 2,359,682

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Line of Credit	\$ 199,226	\$ 72,316
Current Maturities of Long-Term Debt	100,152	63,635
Operating Lease Liabilities, Current	12,842	12,090
Accounts Payable	68,508	80,863
Accrued Expenses and Other Current Liabilities	112,173	118,811
Deferred Revenue	64,550	-
Total Current Liabilities	557,451	347,715
Long Term Liabilities		
Long-Term Debt	1,163,379	1,228,320
Operating Leases Liabilities	33,712	46,554
Split-Interest Agreement Liabilities	104,511	108,440
Total Long Term Liabilities	1,301,602	1,383,314
Total Liabilities	1,859,053	1,731,029
Net Assets		
Without Donor Restrictions		
Undesignated	(985,704)	(976,010)
Invested in Property and Equipment, Net of Related Debt	1,306,796	1,427,969
Total Without Donor Restrictions	321,092	451,959
With Donor Restrictions		
Perpetual in Nature	3,180	3,180
Purpose Restrictions	97,434	173,514
Total With Donor Restrictions	100,614	176,694
Total Net Assets	421,706	628,653
Total Liabilities and Net Assets	\$ 2,280,759	\$ 2,359,682

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.

**Statement of Activities
Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Public Support			
General Contributions	\$ 532,696	\$ -	\$ 532,696
International Program	379,218	37,342	416,560
Memberships	4,309	-	4,309
Gross Special Events Revenue	24,981	-	24,981
Total Public Support	<u>941,204</u>	<u>37,342</u>	<u>978,546</u>
Pearl S Buck House Tours	80,983	-	80,983
Rental	132,810	-	132,810
Royalties	10,000	-	10,000
Other	968	-	968
Global Leadership	2,060	-	2,060
Grants and Contracts	16,000	60,590	76,590
Net Assets Released from Restrictions	184,705	(184,705)	-
Total Support and Revenues	<u>1,368,730</u>	<u>(86,773)</u>	<u>1,281,957</u>
Expenses			
Program Services	1,140,155	-	1,140,155
Supporting Services			
Management and General	305,374	-	305,374
Fundraising	97,975	-	97,975
Total Expenses	<u>1,543,504</u>	<u>-</u>	<u>1,543,504</u>
Change in Net Assets before Nonoperating Revenues, Gains and Other Support	<u>(174,774)</u>	<u>(86,773)</u>	<u>(261,547)</u>
Nonoperating Revenue, Gains and Other Support			
Net Investment Income	2,073	-	2,073
Change in Value of Split-Interest Agreements	-	10,693	10,693
Increase in Cash Surrender Value of Bequested Life Insurance Policy	828	-	828
Insurance Proceeds	41,006	-	41,006
Total Nonoperating Revenue, Gains and Other Support	<u>43,907</u>	<u>10,693</u>	<u>54,600</u>
Change in Net Assets	<u>(130,867)</u>	<u>(76,080)</u>	<u>(206,947)</u>
Net Assets			
Beginning of Year	<u>451,959</u>	<u>176,694</u>	<u>628,653</u>
End of Year	<u>\$ 321,092</u>	<u>\$ 100,614</u>	<u>\$ 421,706</u>

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.

**Statement of Activities
Year Ended June 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Public Support			
General Contributions	\$ 604,177	\$ 5,000	\$ 609,177
International Program	527,529	37,412	564,941
Memberships	5,655	-	5,655
Gross Special Events Revenue	122,395	-	122,395
Less: Cost of Direct Benefit to Donors	<u>(36,210)</u>	<u>-</u>	<u>(36,210)</u>
Total Public Support	1,223,546	42,412	1,265,958
Pearl S Buck House Tours	55,177	-	55,177
Rental	158,074	-	158,074
Royalties	10,500	-	10,500
Other	13,525	-	13,525
Global Leadership	6,390	-	6,390
Grants and Contracts	21,000	65,500	86,500
Net Assets Released from Restrictions	98,108	<u>(98,108)</u>	<u>-</u>
Total Support and Revenues	<u>1,586,320</u>	<u>9,804</u>	<u>1,596,124</u>
Expenses			
Program Services	1,527,681	-	1,527,681
Supporting Services			
Management and General	252,633	-	252,633
Fundraising	<u>142,833</u>	<u>-</u>	<u>142,833</u>
Total Expenses	<u>1,923,147</u>	<u>-</u>	<u>1,923,147</u>
Change in Net Assets before Nonoperating Revenues, Gains and Other Support	<u>(336,827)</u>	<u>9,804</u>	<u>(327,023)</u>
Nonoperating Revenue, Gains and Other Support			
Net Investment Income	2,315	-	2,315
Change in Value of Split-Interest Agreements	-	2,842	2,842
Increase in Cash Surrender Vale of Bequested Life Insurance Policy	1,034	-	1,034
Insurance Proceeds	64,371		64,371
Total Nonoperating Revenue, Gains and Other Support	<u>67,720</u>	<u>2,842</u>	<u>70,562</u>
Change in Net Assets	(269,107)	12,646	(256,461)
Net Assets			
Beginning of Year	<u>721,066</u>	<u>164,048</u>	<u>885,114</u>
End of Year	<u>\$ 451,959</u>	<u>\$ 176,694</u>	<u>\$ 628,653</u>

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Statement of Functional Expenses
Year Ended June 30, 2025

	Total Program Services	Support Services		Total Support Services	Total
		Management & General	Fundraising		
Program Services					
Program Services	\$ 296,721	\$ -	\$ -	\$ -	\$ 296,721
Program Supplies	10,992	-	-	-	10,992
Total Program Services	<u>307,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,713</u>
Operating Expenses					
Salaries	289,424	57,885	38,590	96,475	385,899
Benefits	27,926	986	3,942	4,928	32,854
Payroll Taxes	23,636	4,727	3,152	7,879	31,515
Accounting	26,381	48,994	-	48,994	75,375
Bank Charges	1,232	308	-	308	1,540
Conference and Meetings	275	161	23	184	459
Depreciation	163,224	28,804	-	28,804	192,028
Development	3,919	2,286	327	2,613	6,532
IT Equipment	52,112	10,422	6,948	17,370	69,482
Insurance	49,041	15,413	5,605	21,018	70,059
Interest Expense	31,394	14,489	2,415	16,904	48,298
Maintenance	28,412	8,118	4,059	12,177	40,589
Merchant Fees	13,566	13,566	-	13,566	27,132
Miscellaneous	7	45	6	51	58
Office Expense	4,626	2,891	4,047	6,938	11,564
Operating Lease Expense	10,274	4,742	790	5,532	15,806
Payroll Processing Fees	260	1,302	174	1,476	1,736
Professional Fees	34,376	63,841	-	63,841	98,217
Real Estate Taxes	7,187	1,268	-	1,268	8,455
Registration Fees	5,216	994	-	994	6,210
Special Events Expenses	-	-	12,184	12,184	12,184
Subscription, Dues and Fees	3,902	780	10,924	11,704	15,606
Travel	405	-	-	-	405
Uncollectible Pledges	1,799	8,993	1,199	10,192	11,991
Utilities	53,848	14,359	3,590	17,949	71,797
Total Operating Expenses	<u>832,442</u>	<u>305,374</u>	<u>97,975</u>	<u>403,349</u>	<u>1,235,791</u>
Total Functional Expenses	<u>\$ 1,140,155</u>	<u>\$ 305,374</u>	<u>\$ 97,975</u>	<u>\$ 403,349</u>	<u>\$ 1,543,504</u>
	73.87%	19.78%	6.35%	26.13%	100.00%

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Statement of Functional Expenses
Year Ended June 30, 2024

	Total Program Services	Support Services		Total Support Services	Total
		Management & General	Fundraising		
Program Services					
Program Services	\$ 395,904	\$ -	\$ -	\$ -	\$ 395,904
Program Supplies	30,178	-	-	-	30,178
Total Program Services	<u>426,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,082</u>
Operating Expenses					
Salaries	464,566	11,331	90,647	101,978	566,544
Benefits	55,983	1,365	10,924	12,289	68,272
Payroll Taxes	35,925	876	7,010	7,886	43,811
Accounting	5,610	7,013	128	7,141	12,751
Bank Charges	5,538	-	-	-	5,538
Conference and Meetings	367	418	885	1,303	1,670
Depreciation	183,895	7,662	-	7,662	191,557
Development	576	655	1,388	2,043	2,619
IT Equipment	74,156	6,254	8,934	15,188	89,344
Insurance	57,355	19,665	4,916	24,581	81,936
Interest Expense	31,483	14,046	2,906	16,952	48,435
Maintenance	20,366	2,732	1,739	4,471	24,837
Miscellaneous	1,100	22,616	3,861	26,477	27,577
Office Expense	-	12,091	-	12,091	12,091
Operating Lease Expense	-	17,536	-	17,536	17,536
Payroll Processing Fees	1,491	36	291	327	1,818
Professional Fees	96,698	120,872	2,198	123,070	219,768
Real Estate Taxes	7,452	311	-	311	7,763
Registration Fees	3,908	744	-	744	4,652
Subscription, Dues and Fees	1,873	67	4,748	4,815	6,688
Training	-	134	-	134	134
Travel	5,282	-	-	-	5,282
Utilities	47,975	6,209	2,258	8,467	56,442
Total Operating Expenses	<u>1,101,599</u>	<u>252,633</u>	<u>142,833</u>	<u>395,466</u>	<u>1,497,065</u>
Total Functional Expenses	<u>\$ 1,527,681</u>	<u>\$ 252,633</u>	<u>\$ 142,833</u>	<u>\$ 395,466</u>	<u>\$ 1,923,147</u>
	79.44%	13.14%	7.43%	20.56%	100.00%

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ (206,947)	\$ (256,461)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	192,028	191,557
Lease Expense - Operating	12,090	36,782
Change in Split-Interest Agreements, Net	(10,693)	(2,842)
Change in Cash Surrender Value of Bequested Insurance Policy	(828)	(1,034)
Net Realized and Unrealized Gain on Investments	(1,760)	(2,041)
Uncollectible Pledges	11,991	-
Change in Assets and Liabilities (Increase) Decrease in		
Unconditional Promises to Give	(170,590)	201,555
Grant Receivable	32,000	(32,000)
Prepaid Expenses and Other Assets	(10,627)	(11,122)
Increase (Decrease) in		
Operating Lease Liabilities	(12,090)	(36,782)
Accounts Payable	(12,355)	43,731
Accrued Expenses and Other Current Liabilities	(6,638)	29,293
Deferred Revenue	64,550	(30,750)
Net Cash Provided by (Used in) Operating Activities	(119,869)	129,886
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(7,290)	(59,288)
Net Cash Used in Investing Activities	(7,290)	(59,288)
Cash Flows from Financing Activities		
Net Borrowings on Line of Credit	126,910	27,316
Principal Payments on Long-Term Debt	(28,424)	(35,110)
Net Cash Provided by (Used in) Financing Activities	98,486	(7,794)
Net Increase (Decrease) in Cash and Cash Equivalents (Forwarded)	\$ (28,673)	\$ 62,804

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Net Increase (Decrease) in Cash and Cash Equivalents (Forwarded)	\$ (28,673)	\$ 62,804
Cash and Cash Equivalents		
Beginning of Year	184,561	121,757
End of Year	\$ 155,888	\$ 184,561
Cash and Cash Equivalents	\$ 151,796	\$ 180,652
Investments - Cash and Cash Equivalents	4,092	3,909
Total Cash and Cash Equivalents	\$ 155,888	\$ 184,561
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for Interest	48,788	\$ 15,849
Cash Paid for the Amount Included in the Measurement of the Operating Lease Liabilities	\$ 15,806	\$ 16,330
Supplemental Schedule of Non-cash Investing and Financing Activities		
Right-of-Use Asset Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 60,747

See notes to financial statements.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024

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 uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. There is an allowance for uncollectible promises to give of \$2,929 and \$3,326, at June 30, 2025 and 2024, respectively. For the years ended June 30, 2025 and 2024, uncollectible pledge receivables written off were \$11,991 and \$0, respectively.

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. For the years ended June 30, 2025 and 2024, PSBI had 7,017 and 3,935 volunteer hours, respectively. 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, 2025 and 2024.

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.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

Current Expected Credit Losses (CECL for Account Receivable)

CECL applies to organizations that extend credit (trade accounts receivable) generated from exchange transactions where each side receives commensurate value. Trade receivables do not include contributions, pledges or grant receivables, as these are not considered an extension of credit since the donor did not receive commensurate value in return for their contribution.

At June 30, 2025 and 2024, PSBI's receivable balance consists of contribution receivables only. As a result, CECL has not been applied.

PSBI may extend credit for short-term fees to school districts and other organizations participating in the Cultural Programs. If this occurs, PSBI will record an allowance for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms, based on a review of aged accounts receivable. Past due balances over 90 days and other high risk amounts are reviewed individually for collectability. If the financial condition of PSBI's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, PSBI provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after PSBI has used reasonable collection efforts are written off through a charge to a valuation allowance and a credit to accounts receivable. As of June 30, 2025 and 2024, there were no short-term fees receivable; therefore, an allowance for credit losses was not warranted.

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

GAAP establishes 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, 2025 and 2024, 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.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

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:

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

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, 2025 and 2024, 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 2025 and 2024.

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.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

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 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. At June 30, 2025, there was \$4,000 of grants recognized as deferred revenue in the statement of financial position. At June 30, 2024 and 2023, grants recognized as deferred revenue in the statement of financial position were \$0 and \$30,750, respectively.

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. PSBI received \$50,000 of special event income in 2025 for an event that will occur in 2026. This amount is included in deferred revenues at June 30, 2025. There were no special event fees received in advance as of June 30, 2024 and 2023.

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, 2025, 2024 and 2023.

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.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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

Revenue Recognition and Deferred Revenue (continued)

The following is a summary of exchange revenue recognized over time and point in time during the years ended June 30, 2025 and 2024:

	2025	2024
Over Time	\$ 91,867	\$ 116,180
Point in Time	83,043	147,752
	\$ 174,910	\$ 263,932

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. Deferred rental revenue at June 30, 2025, was \$10,550. There was no deferred rental revenue as of June 30, 2024.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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, 2025, comprise the following:

Financial Assets at Period End	
Cash and Cash Equivalents	\$ 151,796
Investments - Cash and Cash Equivalents	4,092
Investments - Operating	34,715
Unconditional Promises to Give, Current	211,815
Total Financial Assets	<u>402,418</u>
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	100,614
Less Net Assets with Purpose Restrictions to Be Met in Less Than One Year	<u>(57,129)</u>
	<u>43,485</u>
Financial Assets Available to Meet General Expenditures Over the Next Year	<u><u>\$ 358,933</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, 2025 and 2024, 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, 2025 and 2024

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, 2025 and 2024, is as follows:

	2025			
	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	\$ 34,715	\$ 34,715	\$ -	\$ -
Asset Held Under Split- Interest Agreements				
Equity Mutual Funds	144,816	-	144,816	-
Endowment Investments				
Fixed Income Mutual Fund	6,427	6,427	-	-
Total Investments	<u>\$ 185,958</u>	<u>\$ 41,142</u>	<u>\$ 144,816</u>	<u>\$ -</u>
	2024			
	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	\$ 32,955	\$ 32,955	\$ -	\$ -
Asset Held Under Split- Interest Agreements				
Equity Mutual Funds	138,052	-	138,052	-
Endowment Investments				
Fixed Income Mutual Fund	6,427	6,427	-	-
Total Investments	<u>\$ 177,434</u>	<u>\$ 39,382</u>	<u>\$ 138,052</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, 2025 and 2024

4. PROMISES TO GIVE

PSBI has received various pledges and bequests for the years ended June 30, 2025 and 2024. The remaining pledges as of June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Due in Less Than One Year	\$ 211,815	\$ 75,915
Due in One to Five Years	45,822	18,133
Due in Six to Ten Years	6,904	7,810
Due in Eleven to Fifteen Years	5,342	6,044
Thereafter	<u>18,272</u>	<u>19,798</u>
	288,155	127,700
Less Allowance for Uncollectible Pledges	(2,929)	(3,326)
Less Discount to Net Present Value	<u>(5,366)</u>	<u>(3,113)</u>
	279,860	121,261
Less Current Portion	<u>(211,815)</u>	<u>(75,915)</u>
Long-Term Portion	<u><u>\$ 68,045</u></u>	<u><u>\$ 45,346</u></u>

5. PROPERTY AND EQUIPMENT

At June 30, 2025 and 2024, the detail of property and equipment is as follows:

	<u>2025</u>	<u>2024</u>
Land and Improvements	\$ 168,409	\$ 168,409
Buildings and Improvements	6,364,733	6,373,501
Furniture, Fixtures and Equipment	263,979	247,917
Computer Equipment	25,829	25,830
Vehicles	<u>29,351</u>	<u>29,351</u>
	6,852,301	6,845,008
Less Accumulated Depreciation	<u>(5,281,974)</u>	<u>(5,089,943)</u>
Property and Equipment, Net	<u><u>\$ 1,570,327</u></u>	<u><u>\$ 1,755,065</u></u>

Depreciation expense totaled \$192,028 and \$191,557 for the years ended June 30, 2025 and 2024, respectively.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024, was \$24,387 and \$26,690, 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 collections 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. 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, 2025 and 2024, the outstanding balance was \$199,226 and \$72,316, respectively. Interest expense on the line of credit for the years ended June 30, 2025 and 2024, was \$7,839 and \$3,737, respectively, paid at a per annum interest rate of 5.60% and 6.60% respectively.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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. At June 30, 2025 and 2024, the amount outstanding was \$263,531 and \$291,955, respectively.

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. During the year ended June 30, 2025, the SBA signed an agreement to subordinate this loan to the Mid Penn line of credit described in Note 8. Payments are due in monthly installments of \$4,488, beginning November 2023 through October 2051. At June 30, 2025 and 2024, the amount outstanding was \$1,000,000.

Aggregate maturities on the notes are as follows:

Year Ending June 30,	Amount
2026	\$ 100,152
2027	59,396
2028	61,201
2029	63,062
2030	64,980
Thereafter	914,740
	1,263,531
Less Current Maturities	(100,152)
	\$ 1,163,379

Interest expense related to mortgages payable for the years ended June 30, 2025 and 2024, was \$40,949 and \$40,334, respectively.

Payments made on the SBA loan in both 2025 and 2024 were applied to interest. No amounts will be allocated to principal until the accrued interest balance is paid. In 2026, PSBI is planning to pay a little more than the scheduled monthly payment to help reduce the accrued interest due.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

10. OPERATING LEASES

PSBI has two operating leases for office equipment that expire at various dates through June 2029. Operating lease expense for the years ended June 30, 2025 and 2024, was \$15,806 and \$17,536, respectively.

Other Information

	2025	2024
Weighted-average remaining lease term - operating leases	41 Months	53 Months
Weighted-average discount rate - operating leases	6.37%	6.48%

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of June 30, 2025:

Year Ending June 30,	Amount
2026	\$ 15,806
2027	15,806
2028	14,678
2029	7,146
2030	-
Total Undiscounted Cash Flows	53,436
Less: Present Value Discount	(6,882)
Lease Liabilities	\$ 46,554

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held at June 30, 2025 and 2024, respectively, are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Specified Purpose:		
Education Program	\$ 21,422	\$ 21,422
Sponsorships	31,707	37,412
Marketing	4,000	38,068
Virtual Museum	-	32,000
Global Leadership	-	15,000
	<u>57,129</u>	<u>143,902</u>
Subject to the Passage of Time		
Assets Held Under Split Interest Agreement	40,305	29,612
Endowments		
General Purposes	<u>3,180</u>	<u>3,180</u>
Total With Donor Restriction	<u>\$ 100,614</u>	<u>\$ 176,694</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>2025</u>	<u>2024</u>
Sponsorships	\$ 43,047	\$ 40,408
DEI Conference	-	24,200
Marketing	47,418	-
Virtual Museum	65,400	20,000
Global Leadership	20,000	-
Other	<u>8,840</u>	<u>13,500</u>
Total Net Assets Released from Restrictions	<u>\$ 184,705</u>	<u>\$ 98,108</u>

At June 30, 2025 and 2024, perpetual restricted net assets of \$3,180, consist solely of investments to be held in perpetuity, the income from which may be used for general purposes.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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 restrictions and is spent on programs as designated by the Board of Directors. All assets reclassified from the donor-restricted endowment funds to net assets without restrictions during the years ended June 30, 2025 and 2024, were fully utilized. As a result, at June 30, 2025 and 2024, board-designated endowment fund net assets were zero.

As of June 30, 2025, PSBI had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025			
Endowment Funds Without Donor Restrictions	\$ 3,247	\$ -	\$ 3,247
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	-	3,180	3,180
	\$ 3,247	\$ 3,180	\$ 6,427
June 30, 2024			
Endowment Funds Without Donor Restrictions	\$ 3,247	\$ -	\$ 3,247
Donor-Restricted Endowment Funds			
Original Donor-Restricted Gift Amount and Amounts Required to Be Maintained in Perpetuity by Donor	-	3,180	3,180
	\$ 3,247	\$ 3,180	\$ 6,427

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

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 endowment funds in 2025 or 2024.

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, 2025 and 2024, totaled \$5,579 and \$12,042, respectively.

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.

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 who is also an officer owns a company that provides marketing services for PSBI. For the year ended June 30, 2024, PSBI paid the firm a monthly \$550 retainer towards these services. During the year ended June 30, 2025, PSBI discontinued the payment of the retainer and these services were provided pro bono.

PEARL S. BUCK INTERNATIONAL, INC.
Notes to Financial Statements
June 30, 2025 and 2024

15. SPECIAL EVENTS

During the years ended June 30, 2025 and 2024, 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.

During the year ended June 30, 2025, due to the nature of the special events held, there were no cost of direct benefit to the donor. Special event expenses are included in fundraising expenses.

	2025				
	Symposium	Lunar New Year	Other	Total	
Special Event Revenue	\$ 19,352	\$ 3,928	\$ 1,701	\$ 24,981	
Less Cost of Direct Benefit to Donors	-	-	-	-	
Net Special Event Revenue	\$ 19,352	\$ 3,928	\$ 1,701	\$ 24,981	
	2024				
	Woman of Influence	Gala 60th	Exhibit 60th	Other	Total
Special Event Revenue	\$ 15,863	\$ 72,988	\$ 18,101	\$ 15,443	\$ 122,395
Less Cost of Direct Benefit to Donors	(10,117)	(26,093)	-	-	(36,210)
Net Special Event Revenue	\$ 5,746	\$ 46,895	\$ 18,101	\$ 15,443	\$ 86,185

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2026, the date the financial statements were available to be issued and did not identify any events or transactions requiring adjustment to or disclosure in the financial statements.