

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidated Financial Statements and Schedules  
(With Independent Auditors' Report)

December 31, 2020 and 2019

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**  
December 31, 2020 and 2019

Table of Contents

Independent Auditors' Report	1- 3
Consolidated Statements of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 – 20
Supplementary Information:	
Consolidating Statement of Financial Position	21
Consolidating Statement of Activities	22
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	24
Federal Audit Reports:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Independent Auditors' Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance	27-28
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings	29-30

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Population Media Center, Inc. and Subsidiaries  
South Burlington, Vermont

### Opinion

We have audited the accompanying consolidated financial statements of Population Media Center, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

We did not audit the financial statements of Population Institute, Inc. ("PI"), an entity under common control, which statements reflect total assets of approximately \$6,029,000 as of December 31, 2020, and total revenues of approximately \$1,396,000 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for PI, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements 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 generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### **Report on Summarized Comparative Information**

The prior year summarized comparative information has been derived from the Organization's 2019 consolidated financial statements which were audited by other auditors, and in their report dated June 5, 2020 they expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.

*McSoley McCoy & Co.*

South Burlington, Vermont  
August 30, 2021  
VT Reg. No. 92-349

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidated Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets:</u>		
Cash and cash equivalents in the U.S.	\$ 7,211,773	\$ 1,994,617
Cash - board designated restricted funds	2,869,895	2,977,757
Cash in other countries	336,230	221,828
Certificates of deposit	1,152,636	1,520,960
Prepaid expenses and advances	149,542	165,496
Royalty income receivable	118,187	52,830
Grants, contributions and bequests receivable	621,777	1,261,671
Investments	7,691,305	14,200,030
Investments - charitable gift annuities	6,170	6,979
Property and equipment, net of accumulated depreciation	<u>815,037</u>	<u>836,439</u>
 Total assets	 <u>\$ 20,972,552</u>	 <u>\$ 23,238,607</u>
 <u>Liabilities and net assets:</u>		
Accounts payable	\$ 62,306	\$ 147,343
Accrued expenses	542,757	451,722
Refundable advances	141,983	124,251
Liability - charitable gift annuities	<u>4,700</u>	<u>5,240</u>
 Total liabilities	 <u>751,746</u>	 <u>728,556</u>
 Net Assets:		
Without donor restrictions:		
Operating	2,705,784	3,001,259
Board-designated reserve	4,271,123	3,602,424
Board-designated restricted funds	4,869,895	5,055,006
Investment in property and equipment	815,037	836,439
With donor restrictions	<u>7,558,967</u>	<u>10,014,923</u>
 Total net assets	 <u>20,220,806</u>	 <u>22,510,051</u>
 Total liabilities and net assets	 <u>\$ 20,972,552</u>	 <u>\$ 23,238,607</u>

The accompanying notes are an integral part of these consolidated statements.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidated Statement of Activities  
For the Year Ended December 31, 2020  
(With Summarized Financial Information for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<u>Revenues, gains and other support:</u>				
Contributions and grants	\$ 2,413,747	\$ 3,650,721	\$ 6,064,468	\$ 8,722,590
Contract income	402,101	-	402,101	344,409
Investment income	616,431	-	616,431	691,131
Interest and other income	32,365	-	32,365	83,811
Net assets released from restrictions:				
Transfers to fulfill purpose restrictions	<u>6,106,677</u>	<u>(6,106,677)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support, net	<u>9,571,321</u>	<u>(2,455,956)</u>	<u>7,115,365</u>	<u>9,841,941</u>
<u>Expenses:</u>				
Program services:				
National and international initiatives	6,002,608	-	6,002,608	7,899,230
Public outreach	1,239,322	-	1,239,322	1,435,128
General program development	<u>647,796</u>	<u>-</u>	<u>647,796</u>	<u>952,257</u>
Total program services	<u>7,889,726</u>	<u>-</u>	<u>7,889,726</u>	<u>10,286,615</u>
Supporting services:				
Management and general	1,106,071	-	1,106,071	906,451
Fundraising	<u>407,873</u>	<u>-</u>	<u>407,873</u>	<u>404,539</u>
Total supporting services	<u>1,513,944</u>	<u>-</u>	<u>1,513,944</u>	<u>1,310,990</u>
Change in liability - charitable gift annuities	<u>940</u>	<u>-</u>	<u>940</u>	<u>900</u>
Total expenses	<u>9,404,610</u>	<u>-</u>	<u>9,404,610</u>	<u>11,598,505</u>
Change in net assets	166,711	(2,455,956)	(2,289,245)	(1,756,564)
Net assets - beginning of year	<u>12,495,128</u>	<u>10,014,923</u>	<u>22,510,051</u>	<u>24,266,615</u>
Net assets - end of year	<u>\$ 12,661,839</u>	<u>\$ 7,558,967</u>	<u>\$ 20,220,806</u>	<u>\$ 22,510,051</u>

The accompanying notes are an integral part of these consolidated statements.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2020

(With Summarized Financial Information for 2019)

	Program Expenses			Total				2020	2019
	General Program	Public	Nat'l and Int'l	Program	Management				
	Development	Outreach	Initiatives	Expenses	and General	Fundraising	Total	Total	
U.S. salaries	\$ 483,660	\$ 538,855	\$ 778,933	\$ 1,801,448	\$ 611,328	\$ 266,113	\$ 2,678,889	\$ 2,333,151	
Benefits and taxes	106,235	136,166	170,156	412,557	137,583	59,019	609,159	558,770	
Bank and credit card fees	30	-	12,671	12,701	4,749	4,017	21,467	21,768	
Vehicle expense	-	-	41,369	41,369	-	-	41,369	34,031	
Computer and website	12,924	44,137	32,669	89,730	94,593	5,342	189,665	104,021	
Conferences and workshops	1,378	10,204	22,051	33,633	9	881	34,523	147,819	
Contractual services	28,245	400,645	3,212,232	3,641,122	46,623	47,266	3,735,011	3,710,532	
Depreciation	-	33,614	26,850	60,464	24,265	1,199	85,928	76,982	
Dues and publications	4,707	4,133	3,604	12,444	-	4,221	16,665	26,116	
Fees and registrations	2,615	436	601	3,652	1,403	2,816	7,871	8,558	
Grants awarded	-	28,500	3,375	31,875	-	-	31,875	91,232	
Insurance	-	5,929	2,603	8,532	36,748	211	45,491	42,970	
Miscellaneous	4,274	22	15,472	19,768	5,336	-	25,104	18,566	
Non-capitalized equip. costs	-	1,680	67,679	69,359	2,035	42	71,436	230,818	
Office and other supplies	233	2,828	27,802	30,863	2,977	46	33,886	23,855	
Postage and shipping	148	2,642	8,655	11,445	567	2,736	14,748	34,751	
Printing and copying	2	9,939	5,067	15,008	939	10,071	26,018	38,431	
Production supplies and services	-	-	344,997	344,997	-	-	344,997	2,054,554	
Professional fees	-	-	82,952	82,952	47,031	-	129,983	159,943	
Public relations	-	1,704	444,921	446,625	1,683	640	448,948	465,378	
Rent and related costs	-	11,854	168,030	179,884	69,438	424	249,746	225,491	
Studio rental and airtime	-	-	372,536	372,536	-	-	372,536	584,430	
Telephone and internet	1,766	157	25,992	27,915	6,797	2,556	37,268	41,075	
Travel	1,579	3,231	119,022	123,832	8,895	179	132,906	538,226	
Utilities	-	2,646	12,369	15,015	3,072	94	18,181	26,137	
	<u>\$ 647,796</u>	<u>\$ 1,239,322</u>	<u>\$ 6,002,608</u>	<u>\$ 7,889,726</u>	<u>\$ 1,106,071</u>	<u>\$ 407,873</u>	<u>\$ 9,403,670</u>	<u>\$ 11,597,605</u>	

The accompanying notes are an integral part of these consolidated statements.



**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Operating activities:</u>		
Change in net assets	\$ (2,289,245)	\$ (1,756,564)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	85,928	76,982
Realized and unrealized gains on investments	(537,732)	(597,843)
Net investment income on investments - charitable gift annuities	(671)	(1,058)
Change in liability - charitable gift annuities	940	900
(Increase) decrease in operating assets:		
Prepaid expenses and advances	15,954	38,034
Royalty income receivable	(65,357)	120,191
Grants, contributions and bequests receivable	639,894	471,966
Increase (decrease) in operating liabilities:		
Accounts payable	(85,037)	86,611
Accrued expenses	91,035	(373,251)
Refundable advances	<u>17,732</u>	<u>31,777</u>
Total adjustments	<u>162,686</u>	<u>(145,691)</u>
Net cash used by operating activities	<u>(2,126,559)</u>	<u>(1,902,255)</u>
<u>Investing activities:</u>		
Acquisition of property and equipment	(64,525)	(51,637)
Net additions to certificates of deposit	368,324	(472,390)
Purchase of investments	(7,910,594)	(15,271,804)
Proceeds from the sale of investments	<u>14,957,050</u>	<u>10,151,458</u>
Net cash provided (used) by investing activities	<u>7,350,255</u>	<u>(5,644,373)</u>
Net increase (decrease) in cash and cash equivalents	5,223,696	(7,546,628)
Cash and cash equivalents, beginning of year	<u>5,194,202</u>	<u>12,740,830</u>
Cash and cash equivalents, end of year	<u>\$ 10,417,898</u>	<u>\$ 5,194,202</u>

The accompanying notes are an integral part of these consolidated statements.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2020 and 2019

#### 1. Summary of Significant Accounting Policies

Organization - Population Media Center, Inc. ("PMC,") was incorporated in Vermont in 1998 with the mission of working worldwide to stabilize human population at levels that can be sustained by the world's natural resources. To fulfill its mission, PMC concentrates on entertainment broadcasting designed to educate people about the benefits of small families, encourage the use of effective family planning methods, elevate the status of women, and promote the concept of gender equity. PMC's operations are headquartered in South Burlington, Vermont and it employs staff there who work in program development, fundraising and clerical support. PMC has contracted employees and sub-subcontracted "country directors" in a number of other countries working on major multi-year media development projects tailored for the local cultures.

Incorporated in Washington, D.C. in 1969, Population Institute, Inc.'s ("PI" or "the Institute") mission is to improve the health and wellbeing of people and the planet by supporting policies and programs that promote sexual and reproductive health and rights.

In June 2008, the Institute amended its bylaws to become a membership organization with PMC as its sole member. No consideration was transferred pursuant to the transaction and the two entities continue to operate with a high level of autonomy. Under U.S. generally accepted accounting principles in effect at the time, the transaction was accounted for under the "carryover" method. The consolidated financial statements include the accounts of PMC and its wholly controlled subsidiary, PI (together "the Organization"). All significant inter-company accounts and transactions have been eliminated in consolidation (if any).

Basis of Accounting - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without. Contributions received are recorded as either "with donor restrictions" or "without donor restrictions" depending upon the existence and/or nature of any *donor-imposed* restrictions. Restricted net assets are reclassified to those without restriction upon satisfaction of the time or purpose restrictions. Restricted contributions whose restrictions are met in the same period as received are shown as increases in net assets with donor restrictions with a corresponding transfer to net assets without donor restrictions. The transfer of assets with donor-imposed conditions is accounted for as a refundable advance, instead of as a contribution, until the conditions have been substantially met.

Refundable Advances - Refundable advances represent certain government and institutional grants that are conditioned upon the Organization incurring qualifying costs. Contribution revenue is recognized as the qualifying costs are incurred.

Cash and Cash Equivalents - The Organization treats all U.S. cash accounts, checking, savings, money market, and other cash funds with an initial maturity of three months or less (except for money market funds in the investment portfolio) as cash and cash equivalents for purposes of the statements of cash flows.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

### Summary of Significant Accounting Policies (continued)

Description of Programs - A description of the programs included in these consolidated financial statements is as follows:

“General Program Development” - With the purposes described above, PMC continues to initiate media projects in Asia, Africa and Latin America and in the U.S. This ongoing exploratory, development and support work includes meetings with governmental officials, broadcasters, and non-governmental organizations, assessment of mass media regarding coverage of relevant information and audience penetration, and other research and development activities. While in the development stages, the Organization classifies these projects, as “General Program Development”.

“Public Outreach” - This category of program activities includes speaking and writing work done by PMC staff as well as the program-related portion of the website, newsletters, annual report and other communication efforts. All of PI’s various programs, including the annual “Global Media Awards” are included in this category.

“National and International Initiatives” - In addition to PMC’s work through its own contract employees in Ethiopia, Burundi, the Democratic republic of Congo, Nigeria, Rwanda, Zambia, Uganda, Nepal, Haiti, and the U.S., the Organization is working through its “country directors”, its own employees and others to establish and expand specific media projects in a number of other countries and regions (including Mexico and Guatemala) each with the goal of working with broadcasters and human-service organizations to promote small family norms and the avoidance of adolescent parenthood, each tailored to the local culture.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Any amortization of these discounts would be reflected in contribution revenue. Conditional promises to give are not included in support until the contributions are substantially met.

Effective January 1, 2020, the Organization adopted ASU 2018-08, Not-For-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies and improves the scope and accounting guidance for both contributions received and made to assist all entities in evaluating whether a transaction should be accounted for as a contribution or exchange transaction. This standard was adopted on the modified retrospective basis. Under the modified retrospective method of adoption, prior periods are not restated and the new guidance is applied prospectively to revenue transactions completed on or after January 1, 2020. Given the nature of the Organization’s revenue transactions, the new guidance had an immaterial impact on the Organization’s revenue, results of operations and financial position for the year ended December 31, 2020.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

### Summary of Significant Accounting Policies (continued)

Use of estimates - The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements - Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. The guidance states that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions market participants would use in pricing the asset or liability under current market conditions at the measurement date.

As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that is based on the subjectivity of inputs. It distinguishes between observable inputs (Levels 1 and 2) which are either observable from market data or corroborated by observable market data and those that are unobservable (Level 3). Three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

Level 2 – Inputs other than quoted prices, included in Level 1, that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs include quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means. This category generally includes certain U.S. Government and agency mortgage-backed debt securities and alternative investments using net asset value (NAV) per share for which the Company has the ability to redeem its investment at or close to the measurement date.

Level 3 – Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The inputs reflect the Company's assumptions based on the best information available in the circumstances. This category generally includes certain private debt and equity instruments, alternative investments where the investee measured at NAV per share or the redemption date is not close to the measurement date.

All investments have been valued in accordance with the definition of Level 1 inputs as described above.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value.

Furthermore, although the Company's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

### Summary of Significant Accounting Policies (continued)

Comparative financial information - The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class (and, for the statement of functional expenses, in total but not by functional category). Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Recently Issued Accounting Standards - In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the consolidated statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right of use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the consolidated statement of financial position for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the consolidated statement of activities.

The new standard is effective for the Organization for fiscal years beginning January 1, 2022.

### 2. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as publicly supported organizations under Section 509(a)(1). Contributions to each qualify for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A).

FASB ASC 740, Income Taxes, requires entities to disclose in their consolidated financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax exempt status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax exempt status. Management believes the Organization has no uncertain tax positions. The Organization anticipates that it will not have a change in uncertain tax positions during the next twelve months that would have a material impact on the Organization's consolidated financial statements. If necessary the Organization would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Organization is no longer subject to federal and state income tax examinations by tax authorities for years before the tax year ended December 31, 2017.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2020 and 2019

#### 3. Donated Services, Facilities, and Materials

PMC received \$17,230 in donated legal services and \$56,374 in donated social media advertising and marketing in 2020 (\$57,344 benefiting program activities, \$10,500 benefiting general and administrative activities, and \$5,760 benefiting fundraising activities). PMC and PI also receive, both in the U.S. and other countries, hundreds of hours of volunteer program-related services and substantial amounts of donated airtime, production, and support, which are not recognized in the consolidated financial statements because they do not meet the criteria for recognition under U.S. generally accepted accounting principles or cannot be reasonably determined.

#### 4. Retirement Plan

The Organization maintains a 401(k) pension plan for the benefit of its U.S. employees. After six months of employment, all regular U.S. based employees at least 21 years of age who work more than 20 hours per week are eligible to participate. The plan allows employee deferrals and includes employer contributions equal to 8% of the covered employee's compensation. Employer contributions to the retirement plan were \$189,566 in 2020 and \$168,899 in 2019.

#### 5. Concentration of Cash on Deposit

The Organization has concentrated its credit risk by maintaining deposits in 1) U.S. financial institutions that, at times, exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC), 2) brokerage accounts covered by private insurance, and 3) foreign accounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk to cash.

#### 6. Charitable Gift Annuities

PI administers several charitable gift annuities ("CGAs") that provide for payment of distributions to the grantor or other designated beneficiaries over the agreement's term (usually the designated beneficiary's lifetime). At the end of the CGA's term, the remaining assets are available for the Organization's use. No agreements were established in 2019 or 2020. Charitable gift annuity assets, held in a separate investment account and administered by a third-party organization, are reported at fair market value (determined by "Level 1" inputs by reference to quoted market prices) in the Organization's consolidated statements of financial position. On an annual basis, the Organization revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments (\$4,700 and \$5,240 at December 31, 2020 and 2019, respectively) is calculated using a discount rate of 1% and applicable mortality tables. "Change in liability – charitable gift annuities" on the consolidated statements of activities is the change in the present value of the liability (net of current year payments to beneficiaries). Net investment income on the charitable gift annuity assets (\$671 for 2020 and \$1,058 for 2019) is included in interest and other income on the consolidated statements of activities.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

7. Operating Leases

PMC rents office space under a non-cancelable lease expiring in July 2021. PMC also rents office space in several foreign countries under leases generally with non-cancelable terms that are set to expire in 2021. Minimum annual lease payments for 2021 and 2022 (not including allocable common area charges – approximately \$1,900 per month as of 2020) are \$45,729 and \$0, respectively.

Rent paid on all leases (including other informal rental arrangements) totaled \$233,598 in 2020 and \$225,491 in 2019.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31<sup>st</sup>.

	2020	2019
For PMC National Initiatives in:		
Western hemisphere	\$5,968,343	\$ 8,274,548
African nations	1,141,878	1,293,161
Nepal	324,387	364,518
Restricted for social norms project	6,796	17,012
Restricted to future time periods	20,072	40,072
For specific PI projects	37,518	25,612
Restricted for perpetuity reserve	59,973	-
	<u>\$7,558,967</u>	<u>\$ 10,014,923</u>

\$220,448 of the \$7,558,967 in net assets with donor restrictions at December 31, 2020 (\$265,907 of the \$10,014,923 at December 31, 2019) were represented by amounts in grants, contributions, and bequests receivable at year-end.

# POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

## 9. Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of general fundraising efforts and major program activities. The Organization manages liquidity by investing surplus funds – and then withdrawing them to operations as needed – in the board designated fund discussed below. The Board also authorizes transfers of board designated funds in order to fund special program activities where current available resources are insufficient.

The following reflects the Organization's financial assets as of December 31<sup>st</sup>, reduced by amounts not available for general use within one year because of donor-imposed or internal designations. Amounts available include amounts that are available for general expenditure in the following year (i.e. time restricted donations, if any). Amounts not available include amounts set aside for operating or other reserves that *could* be drawn upon if the board of directors approved the action.

	2020	2019
Cash and equivalents in the U.S.	\$ 7,211,773	\$1,994,617
Short-term treasuries in the investments (net of Board designated)	3,491,371	8,373,414
Receivables expected to be collected in the coming year	690,554	1,203,071
Less: net assets with donor restrictions for specific purposes	<u>(7,478,922)</u>	<u>(9,974,851)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,914,776</u>	<u>\$1,596,251</u>

## 10. Cash, Foreign Operations, & Currency Translations

A significant portion of the PMC's activities are conducted outside the U.S. with approximate amounts of direct expenses incurred by PMC staff and consultants as follows:

	2020	2019
Mexico	\$ 219,000	\$ 1,768,000
Nigeria	594,000	1,034,000
Zambia	718,000	742,000
Haiti	479,000	570,000
Burundi	612,000	534,000
Uganda	442,000	445,000
Ethiopia	612,000	396,000
Guatemala	251,000	388,000
Democratic Republic of Congo	107,000	261,000
Rwanda	242,000	86,000
Nepal	97,000	83,000
Ghana	5,000	63,000
Burkina Faso	64,000	-
Kenya	260,000	-
Angola	8,000	-
Sahel	4,000	-
Peru	17,000	46,000
	<u>\$ 4,731,000</u>	<u>\$ 6,416,000</u>



**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

Cash, Foreign Operations, & Currency Translations (continued)

The Organization also has cash on hand as of December 31<sup>st</sup> as follows:

	<u>2020</u>	<u>2019</u>
Ethiopia	\$ 137,357	\$ 151,455
Zambia	27,447	36,765
Burundi	11,770	17,892
Uganda	64,971	9,063
Nigeria	42,088	3,606
Nepal	5,499	2,993
Haiti	-	64
Burkina Faso	16,102	-
Kenya	30,996	-
	<u>\$ 336,230</u>	<u>\$ 221,838</u>

Currency translation adjustments and transaction losses (gains) included in “miscellaneous expenses” on the consolidated statement of functional expenses, were approximately (\$10,608) and \$1,772, during the years ended December 31, 2020 and 2019, respectively.

**11. Grants, Contributions, and Bequests Receivable**

Unconditional grants, contributions, and bequests receivable, which are included in the consolidated financial statements, consisted of the following as of December 31<sup>st</sup>.

	<u>2020</u>	<u>2019</u>
Without donor restrictions:		
Expended and due on conditional grants	\$ 88,983	\$ 587,987
Bequests receivable	202,420	360,200
Other without donor restrictions	109,926	47,577
Donor restricted:		
For work in Uganda	26,146	100,000
For work in Kenya	111,128	-
For work in Burkina Faso	17,509	-
For work in Ethiopia	7,061	-
For work in Zambia	58,604	35,600
For work in Haiti	-	50,000
For work in Burundi	-	3,000
For work in Guatemala	-	3,000
For work in the Democratic Republic of Congo	-	33,735
For other projects	-	500
For future time periods	-	40,072
Total grants, contributions, and bequests receivable	<u>\$ 621,777</u>	<u>\$ 1,261,671</u>
Receivable in less than one year	\$ 621,777	\$ 1,203,071
Receivable in one to five years	-	58,600
Total grants, contributions, and bequests receivable	<u>\$ 621,777</u>	<u>\$ 1,261,671</u>

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Grants, Contributions, and Bequests Receivable (continued)

Conditional promises to give at December 31, 2020 included the balance of funding on a number of reimbursement-type and other conditional grants (from U.S., international, and U.N. agencies, and from major international private foundations) – over \$1,430,000 from UNFPA and \$500,000 from UNICEF for work in Ethiopia, over \$140,000 from an international organization for work in Uganda, \$1,000,000 from several organizations for work in Burundi, over \$600,000 from multiple organizations for work in Ethiopia, \$190,000 from organizations for work in Rwanda, over \$670,000 from multiple organizations for work in Nigeria, and nearly \$50,000 from an international organization for work in Nepal. Conditional promises to give are not recorded until the conditions have been substantially met (the funds have been expended pursuant to the conditions of the grant).

12. Property and Equipment

Property and equipment consisted of the following as of December 31<sup>st</sup>:

	2020	2019
Land, buildings, and improvements	\$ 1,315,589	\$ 1,283,719
Office furniture, equipment, and website	<u>346,921</u>	<u>325,023</u>
Subtotal	1,662,510	1,608,742
Less: accumulated depreciation	<u>(847,473)</u>	<u>(772,303)</u>
Net property and equipment	<u>\$ 815,037</u>	<u>\$ 836,439</u>

Additions to equipment are recorded at cost when purchased and at market value when donated. Depreciation, amounting to \$85,928 for 2020 and \$76,982 for 2019, is recorded on a straight-line basis over the estimated useful lives of the assets (ten to forty years for U.S. buildings and improvements, three to seven years for U.S. equipment, and two to three years for all assets in other countries).

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

13. Investments

The cost, fair market value (determined by “Level 1” inputs by reference to quoted market prices), and unrealized appreciation / (depreciation) of PMC’s investments, by investment class, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
As of December 31, 2020:			
Money market funds	\$ 236,168	\$ 236,168	\$ -
Fixed income securities & mutual funds	5,098,981	5,156,150	57,169
Equities & equity mutual funds	<u>1,653,918</u>	<u>2,298,987</u>	<u>645,069</u>
	<u>\$ 6,989,067</u>	<u>\$ 7,691,305</u>	<u>\$ 702,238</u>
As of December 31, 2019:			
Money market funds	\$ 861,773	\$ 861,773	\$ -
Fixed income securities & mutual funds	11,733,799	11,793,057	59,528
Equities & equity mutual funds	<u>1,020,414</u>	<u>1,545,200</u>	<u>524,786</u>
	<u>\$ 13,615,986</u>	<u>\$ 14,200,030</u>	<u>\$ 584,314</u>

Net investment income is summarized as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 102,996	\$ 112,374
Realized & unrealized gains	537,732	597,843
Investment fees	<u>(24,297)</u>	<u>(19,086)</u>
Net gain on investments	<u>\$ 616,431</u>	<u>\$ 691,131</u>

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2020 and 2019

#### 14. PMC Education Entertainment in the U.S.

In 2010, PMC began developing – as it has done for years overseas – a serial drama for the U.S. market targeting Spanish-speaking youth. The first season of the series was produced in 2012 and began streaming online in 2013 via a major online “content distributor.” PMC’s total development costs for the first season of the serial (“Season One”) were over \$3,000,000. Though U.S. generally accepted accounting principles require entities in the “film and production industry” to capitalize intangible development costs and amortize the costs based on expected future revenue, PMC had no reasonable expectation of significant future revenue and therefore expenses the development costs as incurred.

The revenue return for Season One exceeded expectations. PMC’s royalty revenue has totaled over \$4,508,000 through the end of 2020 (\$240,836 for 2020 and \$344,409 for 2019 including \$118,187 in net royalties receivable at December 31, 2020 (\$52,830 at December 31, 2019)). PMC also earned royalties on distribution outside the U.S. in 2017 of \$69,451.

PMC entered into license agreements with a for-profit production company for brokering the distribution of Season One, for producing and brokering the distribution of Season Two and subsequent seasons, and for marketing the distribution of the series overseas. Under the agreements, PMC retains ownership of the intellectual property, creative control and budget rights, and the production company receives a commission on the royalties from advertising revenue. For Seasons Two, Three, and Four, the online content distributor has paid, and continues to pay, the majority of production costs. PMC’s expectations for future revenue are much different for Seasons Two, Three, and Four. No royalties are due until the online content distributor has recouped all of its production, marketing, and distribution costs (estimated at over \$14 million) with eventually approximately 14% of any residual revenue to be received by PMC. Though PMC has incurred nearly \$2,500,000 in pre-production development costs for Seasons Two through Four, due to the nature of the agreement with the online content distributor, PMC believes it has no reasonable expectation for future revenue from Seasons Two through Four and has again expensed the development costs as incurred.

In 2015, PMC began development and production activities on a serial drama based in New York City, incurring direct expenses of approximately \$27,000 in 2020 and \$40,000 in 2019. Again, PMC has no reasonable expectation of significant future revenue and therefore has expensed the development costs as incurred.

#### 15. Concentration of Revenue

The Organization received \$3,000,000 in contributions from one individual donor (via a donor-advised fund at a community foundation) during 2019 – an amount representing approximately 30% of its total revenue for the year. The Organization received \$1,500,000 in 2020 from one charitable gift fund – representing approximately 20% of total revenue for the year.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

### 16. Board Designated Net Assets

In 2007, the PMC board of directors established a “board-designated perpetuity” for the long-term benefit of the Organization. An opening deposit of \$700,000 was made in early 2008 to the separate investment account that houses the perpetuity. Another \$750,000 was added in 2019. The balance in the account was \$2,606,607 at December 31, 2020 (\$2,101,433 at December 31, 2019).

In 2017, using \$1,300,000 in proceeds from the sale of real property, PI established its own board-designated perpetuity (for the long-term benefit of the Institute) with funds deposited into a separate investment account. The balance in the account was \$1,664,516 at December 31, 2020 (\$1,500,991 at December 31, 2019).

In 2017, using non-specifically restricted amounts from the same donor discussed in note 15, PMC and PI both created “board-designated restricted funds” designated for the support of targeted programmatic activities:

- \$2,000,000 fund at PMC created in 2017 was invested in money market and checking accounts (“cash – board designated restricted funds”) through 2018 and is now invested in short-term government bonds included in the investment portfolio. \$77,249 was added to the fund in 2019 (representing the unexpended portion of the \$1,000,000 grant from PI).
- \$5,000,000 at PI (\$3,000,000 to create the fund in 2017 and \$2,000,000 added to the fund in 2018) is invested in several money market and checking accounts. \$426,351 was released from the fund in 2017, \$353,657 was released in 2018, \$1,242,245 was released in 2019, and \$107,862 was released in 2020.

### 17. Net Assets With Donor Restrictions and Perpetuity

The board-designated reserve was created in 2020. This fund includes \$50,000 that PMC received from an estate as an undesignated restricted reserve.

The Board has the ultimate responsibility for the fund’s oversight. The Board has delegated investment responsibility for the fund to the Board’s Investment Committee. The Committee reports to the Board semi-annually on the fund’s progress. In addition, investment allocation policies and withdrawal schedules have been established by the Board.

The fair values of the Organization’s reserve funds, is summarized as follows as of December 31, 2020:

	With Donor <u>Restrictions</u>	<u>Total</u>
Donor Restricted:		
Reserve Funds	<u>\$ 59,973</u>	<u>\$ 59,973</u>

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

18. Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the consolidated statement of activities. The Organization allocates its payroll, tax and benefit costs based on actual time worked by staff on the various program, general and administrative, and fundraising activities as recorded on contemporaneous timesheets. Other costs (such as occupancy and depreciation, telephone and internet, and computer and website expenses) are attributable to and benefit one or more program or supporting services and are allocated based on the direct payroll allocation percentages discussed immediately above.

19. Subsequent Events and Report Issuance Date

Management has evaluated events subsequent to December 31, 2020 through August 30, 2021 (the date these consolidated financial statements were available to be issued) for potential recognition or disclosure as required under U.S. generally accepted accounting principles.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidating Statement of Financial Position

December 31, 2020

	<u>PMC</u>	<u>PI</u>	<u>Eliminations</u>	<u>PMC and Subsidiary</u>
<u>Assets:</u>				
Cash and cash equivalents in the U.S.	\$ 6,557,346	\$ 654,427	\$ -	\$ 7,211,773
Cash - board designated restricted funds	-	2,869,895	-	2,869,895
Cash in other countries	336,230	-	-	336,230
Certificates of deposit	1,152,636	-	-	1,152,636
Prepaid expenses and advances	116,472	33,070	-	149,542
Royalty income receivable	118,187	-	-	118,187
Grants, contributions and bequests receivable	582,107	39,670	-	621,777
Investments	6,026,789	1,664,516	-	7,691,305
Investments - charitable gift annuities	-	6,170	-	6,170
Property and equipment, net of accumulated depreciation	<u>53,623</u>	<u>761,414</u>	<u>-</u>	<u>815,037</u>
 Total assets	 <u>\$ 14,943,390</u>	 <u>\$ 6,029,162</u>	 <u>\$ -</u>	 <u>\$ 20,972,552</u>
 <u>Liabilities and net assets:</u>				
Accounts payable	\$ 43,798	\$ 18,508	\$ -	\$ 62,306
Accrued expenses	503,505	39,252	-	542,757
Refundable advances	141,983	-	-	141,983
Liability - charitable gift annuities	<u>-</u>	<u>4,700</u>	<u>-</u>	<u>4,700</u>
 Total liabilities	 <u>689,286</u>	 <u>62,460</u>	 <u>-</u>	 <u>751,746</u>
 Net assets:				
Without donor restrictions:				
Operating	2,034,907	670,877	-	2,705,784
Board-designated reserve	2,606,607	1,664,516	-	4,271,123
Board-designated restricted funds	2,000,000	2,869,895	-	4,869,895
Investment in property and equipment	53,623	761,414	-	815,037
With donor restrictions	<u>7,558,967</u>	<u>-</u>	<u>-</u>	<u>7,558,967</u>
 Total net assets	 <u>14,254,104</u>	 <u>5,966,702</u>	 <u>-</u>	 <u>20,220,806</u>
 Total liabilities and net assets	 <u>\$ 14,943,390</u>	 <u>\$ 6,029,162</u>	 <u>\$ -</u>	 <u>\$ 20,972,552</u>

See independent auditors' report.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Consolidating Statement of Activities  
For the Year Ended December 31, 2020

	PMC			PI				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	PMC and Subsidiary
<u>Revenues, gains and other support:</u>								
Contributions and grants	\$ 1,268,385	\$ 3,650,721	\$ 4,919,106	\$ 1,645,362	\$ -	\$ 1,645,362	\$ (500,000)	\$ 6,064,468
Contract income	402,101	-	402,101	-	-	-	-	402,101
Investment income	452,235	-	452,235	164,196	-	164,196	-	616,431
Interest and other income	17,819	-	17,819	14,546	-	14,546	-	32,365
Net assets released from restrictions:								-
Transfers to fulfill purpose restrictions	6,081,065	(6,081,065)	-	25,612	(25,612)	-	-	-
Total revenues, gains and other support	8,221,605	(2,430,344)	5,791,261	1,849,716	(25,612)	1,824,104	(500,000)	7,115,365
<u>Expenses:</u>								
Program services:								
National and international initiatives	6,002,608	-	6,002,608	-	-	-	-	6,002,608
Public outreach	211,923	-	211,923	1,527,399	-	1,527,399	(500,000)	1,239,322
General program development	647,796	-	647,796	-	-	-	-	647,796
Total program services	6,862,327	-	6,862,327	1,527,399	-	1,527,399	(500,000)	7,889,726
Supporting services:								
Management and general	875,034	-	875,034	231,037	-	231,037	-	1,106,071
Fundraising	373,196	-	373,196	34,677	-	34,677	-	407,873
Total supporting services	1,248,230	-	1,248,230	265,714	-	265,714	-	1,513,944
Change in liability - charitable gift annuities	-	-	-	940	-	940	-	940
Total expenses	8,110,557	-	8,110,557	1,794,053	-	1,794,053	(500,000)	9,404,610
Change in net assets	111,048	(2,430,344)	(2,319,296)	55,663	(25,612)	30,051	-	(2,289,245)
Net assets - beginning of year	6,584,089	9,989,311	16,573,400	5,911,039	25,612	5,936,651	-	22,510,051
Net assets - end of year	\$ 6,695,137	\$ 7,558,967	\$ 14,254,104	\$ 5,966,702	\$ -	\$ 5,966,702	\$ -	\$ 20,220,806

See independent auditors' report.



**POPULATION MEDIA CENTER, INC. AND SUBSIDIARY**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantors Number	Expenditures
<b>U.S. Agency for International Development (USAID):</b>			
Zambia Community Radio Program to Improve the Health of Women and Children	98.001	Not Applicable	\$ 680,858
Burundi - Tubiteho (Let's Take Care of Them) Project Subrecipient to Pathfinder International, Inc.	98.001	53-0235320	<u>82,147</u>
<b><i>Total U.S. Agency for International Development (USAID)</i></b>			763,005
<b>U.S. Department of State (DOS):</b>			
Zambia Community Radio Program to Improve Electoral Participation	19.700	Not Applicable	<u>96,348</u>
<b><i>Total U.S. Department of State (DOS)</i></b>			<u>96,348</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 859,353</u>

See notes to schedule of expenditures of federal awards.

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**

Notes to Schedule of Expenditures of Federal Awards

December 31, 2020 and 2019

**1) Basis of Presentation**

The schedule of expenditures of Federal awards (the “Schedule”) includes the federal award activity of Population Media Center, Inc. (the “Organization”) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows for the Organization.

**2) Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Organization has elected to use the ten percent (10%) de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditors' Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit of  
Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Population Media Center, Inc. and Subsidiary  
South Burlington, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Population Media Center, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 30, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Population Media Center, Inc. and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



South Burlington, Vermont  
August 30, 2021  
Vermont Reg. No. 92-349

**Independent Auditors' Report on Compliance for the Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors of  
Population Media Center, Inc. and Subsidiary  
South Burlington, Vermont

**Report on Compliance for the Major Federal Program**

We have audited Population Media Center, Inc. and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Population Media Center, Inc. and Subsidiary's major federal program for the year ended December 31, 2020. Population Media Center, Inc. and Subsidiary's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs and status of prior audit findings.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Population Media Center, Inc. and Subsidiary's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Population Media Center, Inc. and Subsidiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Population Media Center, Inc. and Subsidiary's compliance.

## Opinion on Major Federal Program

In our opinion, Population Media Center, Inc. and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

Management of Population Media Center, Inc. and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Population Media Center, Inc. and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Population Media Center, Inc. and Subsidiary's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Population Media Center, Inc. and Subsidiary's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirements of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'McSoley McCoy & Co.'.

South Burlington, Vermont  
August 30, 2021  
Vermont Reg. No. 92-349

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**  
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings  
December 31, 2020

**1) Summary of Auditors' Results**

***Consolidated Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   no

Noncompliance material to the consolidated financial statements noted? \_\_\_\_\_ yes   X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   no

Type of auditors' report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516(a)(vii)? \_\_\_\_\_ yes   X   no

***Identification of Major Programs***

Name of federal program or cluster	CFDA #
U.S. Aid for International Development (USAID): Cooperative Agreement – Zambia Community Radio Program to Improve the Health of Women and Children and Burundi Tubiteho (Let's Take Care of Them) Project	98.001

Dollar threshold used to distinguish between type A and type B programs, as those terms are defined in the OMB Uniform Guidance: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes   X   no

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**  
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings  
December 31, 2020

**2) Finding Relating to the Consolidated Financial Statements Required to be Reported in Accordance with *Government Auditing Standards***

There were no findings related to the consolidated statements required to be reported.

**3) Findings and Questioned Costs for Federal Awards**

There were no findings and questioned costs for federal awards required to be reported.

**STATUS OF PRIOR AUDIT FINDINGS  
AS OF DECEMBER 31, 2020**

There were no prior audit findings applicable to the Organization.