

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

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

December 31, 2021 and 2020

**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES**  
December 31, 2021 and 2020

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## 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, 2021, 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, 2021, 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with 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 of America. Those standards require that we perform an audit 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 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.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

The prior year summarized comparative information has been derived from the Organization's 2020 consolidated financial statements which have been audited by us, and in our report dated August 30, 2021 we 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, 2020, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.



South Burlington, Vermont  
September 2, 2022  
VT Reg. No. 92-349

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

## Consolidated Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets:</u>		
Cash and cash equivalents in the U.S.	\$ 8,190,942	\$ 7,211,773
Cash - board designated restricted funds	5,680,168	2,869,895
Cash in other countries	516,158	336,230
Certificates of deposit	998,180	1,152,636
Prepaid expenses and advances	171,627	149,542
Royalty income receivable	105,407	118,187
Grants, contributions and bequests receivable	616,259	621,777
Investments	9,519,149	7,691,305
Investments - charitable gift annuities	5,105	6,170
Property and equipment, net of accumulated depreciation	<u>758,017</u>	<u>815,037</u>
 Total assets	 <u>\$ 26,561,012</u>	 <u>\$ 20,972,552</u>
 <u>Liabilities and net assets:</u>		
Accounts payable	\$ 174,795	\$ 62,306
Accrued expenses	589,894	542,757
Refundable advances	226,016	141,983
Liability - charitable gift annuities	<u>4,230</u>	<u>4,700</u>
 Total liabilities	 <u>994,935</u>	 <u>751,746</u>
 Net assets:		
Without donor restrictions:		
Operating	5,307,620	2,705,784
Board-designated reserve	4,840,654	4,271,123
Board-designated restricted funds	7,680,168	4,869,895
Investment in property and equipment	758,017	815,037
With donor restrictions	<u>6,979,618</u>	<u>7,558,967</u>
 Total net assets	 <u>25,566,077</u>	 <u>20,220,806</u>
 Total liabilities and net assets	 <u>\$ 26,561,012</u>	 <u>\$ 20,972,552</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, 2021  
(With Summarized Financial Information for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<u>Revenues, gains and other support:</u>				
Contributions and grants	\$ 8,517,715	\$ 5,985,000	\$ 14,502,715	\$ 6,064,468
Contract income	246,257	-	246,257	402,101
Investment income	624,385	-	624,385	616,431
Interest and other income	23,684	-	23,684	32,365
Net assets released from restrictions:				
Transfers to fulfill purpose restrictions	<u>6,564,349</u>	<u>(6,564,349)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support, net	<u>15,976,390</u>	<u>(579,349)</u>	<u>15,397,041</u>	<u>7,115,365</u>
<u>Expenses:</u>				
Program services:				
National and international initiatives	6,385,215	-	6,385,215	6,002,608
Public outreach	1,317,027	-	1,317,027	1,239,322
General program development	<u>523,902</u>	<u>-</u>	<u>523,902</u>	<u>647,796</u>
Total program services	<u>8,226,144</u>	<u>-</u>	<u>8,226,144</u>	<u>7,889,726</u>
Supporting services:				
Management and general	1,372,927	-	1,372,927	1,106,071
Fundraising	<u>451,689</u>	<u>-</u>	<u>451,689</u>	<u>407,873</u>
Total supporting services	<u>1,824,616</u>	<u>-</u>	<u>1,824,616</u>	<u>1,513,944</u>
Change in liability - charitable gift annuities	<u>1,010</u>	<u>-</u>	<u>1,010</u>	<u>940</u>
Total expenses	<u>10,051,770</u>	<u>-</u>	<u>10,051,770</u>	<u>9,404,610</u>
Change in net assets	5,924,620	(579,349)	5,345,271	(2,289,245)
Net assets - beginning of year	<u>12,661,839</u>	<u>7,558,967</u>	<u>20,220,806</u>	<u>22,510,051</u>
Net assets - end of year	<u>\$ 18,586,459</u>	<u>\$ 6,979,618</u>	<u>\$ 25,566,077</u>	<u>\$ 20,220,806</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, 2021

(With Summarized Financial Information for 2020)

	Program Expenses			Total					
	General Program	Public	Nat'l and Int'l	Program	Management		2021	2020	
	Development	Outreach	Initiatives	Expenses	and General	Fundraising	Total	Total	
U.S. salaries	\$ 353,226	\$ 602,382	\$ 891,290	\$ 1,846,898	\$ 710,984	\$ 272,167	\$ 2,830,049	\$ 2,678,889	
Benefits and taxes	73,454	146,368	212,929	432,751	173,176	60,936	666,863	609,159	
Bank and credit card fees	90	-	12,907	12,997	7,156	1,487	21,640	21,467	
Computer and website	6,001	27,268	22,397	55,666	123,953	6,750	186,369	189,665	
Conferences and workshops	1,441	666	25,909	28,016	661	3,225	31,902	34,523	
Contractual services	41,928	356,140	3,407,060	3,805,128	38,850	74,642	3,918,620	3,735,011	
Depreciation	-	33,626	19,350	52,976	25,698	1,316	79,990	85,928	
Dues and publications	5,191	7,236	3,714	16,141	219	3,992	20,352	16,665	
Education and training	-	-	-	-	3,886	-	3,886	-	
Fees and registrations	50	-	4,545	4,595	315	762	5,672	7,871	
Grants awarded	32,036	111,895	45,330	189,261	-	-	189,261	31,875	
Insurance	-	5,700	-	5,700	38,401	223	44,324	45,491	
Miscellaneous	6,401	12	21,770	28,183	6,282	121	34,586	25,104	
Non-capitalized equip. costs	-	1,171	55,633	56,804	3,030	46	59,880	71,436	
Office and other supplies	112	1,936	48,485	50,533	2,612	55	53,200	33,886	
Postage and shipping	6	2,140	1,796	3,942	1,369	2,894	8,205	14,748	
Printing and copying	47	6,460	4,666	11,173	1,280	14,126	26,579	26,018	
Production supplies and services	-	-	315,017	315,017	-	-	315,017	344,997	
Professional fees	-	-	131,495	131,495	150,033	-	281,528	129,983	
Promotion and advertising	798	-	236,605	237,403	1,905	-	239,308	448,948	
Rent and related costs	-	10,687	179,395	190,082	69,564	418	260,064	249,746	
Studio rental and airtime	-	-	410,837	410,837	-	-	410,837	372,536	
Telephone and internet	1,509	300	27,072	28,881	6,196	2,811	37,888	37,268	
Travel	1,612	178	171,570	173,360	3,977	5,606	182,943	132,906	
Utilities	-	2,862	24,510	27,372	3,380	112	30,864	18,181	
Vehicle expense	-	-	110,933	110,933	-	-	110,933	41,369	
	<u>\$ 523,902</u>	<u>\$ 1,317,027</u>	<u>\$ 6,385,215</u>	<u>\$ 8,226,144</u>	<u>\$ 1,372,927</u>	<u>\$ 451,689</u>	<u>\$ 10,050,760</u>	<u>\$ 9,403,670</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Operating activities:</u>		
Change in net assets	\$ 5,345,271	\$ (2,289,245)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	79,990	85,928
Realized and unrealized gains on investments	(580,431)	(537,732)
Net investment income on investments - charitable gift annuities	(415)	(671)
Change in liability - charitable gift annuities	1,010	940
(Increase) decrease in operating assets:		
Prepaid expenses and advances	20,223	15,954
Royalty income receivable	12,780	(65,357)
Grants, contributions and bequests receivable	(69,158)	639,894
Increase (decrease) in operating liabilities:		
Accounts payable	112,489	(85,037)
Accrued expenses	47,137	91,035
Refundable advances	<u>84,033</u>	<u>17,732</u>
Total adjustments	<u>(292,342)</u>	<u>162,686</u>
Net cash provided (used) by operating activities	<u>5,052,929</u>	<u>(2,126,559)</u>
<u>Investing activities:</u>		
Acquisition of property and equipment	(22,970)	(64,525)
Net reductions to certificates of deposit	154,456	368,324
Purchase of investments	(5,004,995)	(7,910,594)
Proceeds from the sale of investments	<u>3,789,950</u>	<u>14,957,050</u>
Net cash provided (used) by investing activities	<u>(1,083,559)</u>	<u>7,350,255</u>
Net increase in cash and cash equivalents	3,969,370	5,223,696
Cash and cash equivalents, beginning of year	<u>10,417,898</u>	<u>5,194,202</u>
Cash and cash equivalents, end of year	<u>\$ 14,387,268</u>	<u>\$ 10,417,898</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, 2021 and 2020

#### 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.

Consolidated 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.

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year consolidated financial statements.

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 consolidated statements of cash flows.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

#### 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.

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:

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

#### Summary of Significant Accounting Policies (continued)

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 on 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 Organization 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 Organization'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 measures 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 Organization'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.

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, 2020, 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.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

#### 2. Income Taxes

PMC and PI qualifies as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, and are 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, 2018.

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

PMC and PI 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 \$156,858 and \$189,566 in 2021 and 2020, respectively.

#### 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.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

#### 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 2020 or 2021. 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 (\$4,230 and \$4,700 at December 31, 2021 and 2020, 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 (\$415 for 2021 and \$671 for 2020) is included in interest and other income on the consolidated statements of activities.

#### 7. Operating Leases

PMC rents office space under a non-cancelable lease expiring in July 2022. PMC also rents office space in several foreign countries under leases generally with non-cancelable terms that are set to expire in 2022. Minimum annual lease payments for 2021 and 2022 (not including allocable common area charges – approximately \$3,600 per month as of 2021) are \$59,723 and \$44,729, respectively.

Rent paid on all leases (including other informal rental arrangements) totaled \$245,707 in 2021 and \$233,598 in 2020.

#### 8. Net Assets with Donor Restrictions

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

##### Net Assets with Donor Restrictions

	<u>2021</u>	<u>2020</u>
For PMC National Initiatives in:		
Western Hemisphere	5,359,886	5,968,343
African nations	842,820	1,141,878
Nepal	669,135	324,387
Restricted for social norms project	26,457	6,796
Restricted to future time periods	-	20,072
For specific PI projects	31,320	37,518
Restricted for perpetuity reserve	<u>50,000</u>	<u>59,973</u>
Total Net Assets with Donor Restrictions	<u>6,979,618</u>	<u>7,558,967</u>

As of December 31, 2021 and 2020, net assets with donor restrictions were represented by grants, contributions, and bequests receivable in the amounts of \$457,776 and \$230,448, respectively.

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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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.

	2021	2020
Cash and equivalents in the U.S.	\$ 7,453,492	\$ 7,211,773
Short-term treasuries in the investments (net of Board designated)	1,994,531	3,491,371
Receivables expected to be collected in the coming year	650,176	690,554
Less: net assets with donor restrictions for specific purposes	<u>(6,979,618)</u>	<u>(7,548,994)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,118,581</u>	<u>\$ 3,834,731</u>

10. Cash, Foreign Operations, and 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:

	2021	2020
Mexico	\$ 79,000	\$ 219,000
Nigeria	223,000	594,000
Zambia	914,000	718,000
Haiti	31,000	479,000
Burundi	558,000	612,000
Uganda	392,000	442,000
Ethiopia	1,359,000	612,000
Guatemala	223,000	251,000
Democratic Republic of Congo	68,000	107,000
Rwanda	60,000	242,000
Nepal	146,000	97,000
Ghana	-	5,000
Burkina Faso	356,000	64,000
Kenya	615,000	260,000
Angola	8,000	8,000
Sahel	-	4,000
Peru	8,000	17,000
	<u>\$ 5,040,000</u>	<u>\$ 4,731,000</u>

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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Cash, Foreign Operations, and Currency Translations (continued)

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

	<u>2021</u>	<u>2020</u>
Ethiopia	\$ 350,257	\$ 137,357
Zambia	76,240	27,447
Burundi	33,846	11,770
Uganda	13,895	64,971
Nigeria	4,670	42,088
Nepal	1,952	5,499
DR Congo	23,194	-
Burkina Faso	1,227	16,102
Kenya	<u>10,877</u>	<u>30,996</u>
	<u>\$ 516,158</u>	<u>\$ 336,230</u>

Currency translation adjustments and transaction losses (gains) included in “miscellaneous expenses” on the consolidated statement of functional expenses, were approximately \$19,552 and (\$10,608), during the years ended December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Without donor restrictions:		
Expended and due on conditional grants	\$ -	\$ 88,983
Bequests receivable	72,190	202,420
Other without donor restrictions	70,401	109,926
Donor restricted:		
For work in Uganda	-	26,146
For work in Kenya	6,031	111,128
For work in Burkina Faso	122,197	17,509
For work in Ethiopia	-	7,061
For work in Zambia	194,060	58,604
For work in Burundi	15,892	-
For work in Rwanda	11,844	-
For other projects	<u>123,644</u>	<u>-</u>
Total grants, contributions, and bequests receivable	<u>\$ 616,259</u>	<u>\$ 621,777</u>



# POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### Grants, Contributions, and Bequests Receivable (continued)

Conditional promises to give at December 31, 2021 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 \$1,340,000 from UNFPA and over \$1,000,000 from UNICEF for work in Ethiopia and Nepal, 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>:

	2021	2020
Land, buildings, and improvements	\$ 1,315,589	\$ 1,315,589
Office furniture, equipment, and website	369,891	346,921
Subtotal	1,685,480	1,662,510
Less: Accumulated depreciation	(927,463)	(847,473)
Net property and equipment	\$ 758,017	\$ 815,037

Additions to equipment are recorded at cost when purchased and at market value when donated. Depreciation, amounting to \$79,990 for 2021 and \$85,928 for 2020, 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).

### 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:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
As of December 31, 2021:			
Money market funds	\$ 354,909	\$ 354,909	\$ -
Fixed income securities and mutual funds	5,924,770	6,077,344	152,574
Equities and equity mutual funds	2,027,277	3,086,896	1,059,619
	\$ 8,306,956	\$ 9,519,149	\$ 1,212,193

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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Investments (continued)

	<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 and mutual funds	5,098,981	5,156,150	57,169
Equities and 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>

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 56,766	\$ 102,996
Realized and unrealized gains	580,431	537,732
Investment fees	<u>(12,812)</u>	<u>(24,297)</u>
Net investment income	<u>\$ 624,385</u>	<u>\$ 616,431</u>

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 \$4,706,955 through the end of 2021 (\$198,955 for 2021 and \$240,836 for 2020 including \$105,407 in net royalties receivable at December 31, 2021 (\$118,187 at December 31, 2020)). 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.

## POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

December 31, 2021 and 2020

#### PMC Education Entertainment in the U.S. (continued)

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 2021 and \$40,000 in 2020. 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 \$1,500,000 in contributions from one charitable gift fund during 2020 – an amount representing approximately 20% of its total revenue for the year. The Organization received \$3,000,000 in 2021 from one charitable gift foundation – representing approximately 19% of total revenue for the year.

#### 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 \$3,021,849 at December 31, 2021 \$2,606,607 at December 31, 2020).

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, 2021 (\$1,500,991 at December 31, 2020).

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.

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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

17. 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.

18. Subsequent Events and Report Issuance Date

Management has evaluated events subsequent to December 31, 2021 through September 2, 2022 (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, 2021

	<u>PMC</u>	<u>PI</u>	<u>PMC and Subsidiary</u>
<u>Assets:</u>			
Cash and cash equivalents in the U.S.	\$ 7,453,492	\$ 737,450	\$ 8,190,942
Cash - board designated restricted funds	-	5,680,168	5,680,168
Cash in other countries	516,158	-	516,158
Certificates of deposit	998,180	-	998,180
Prepaid expenses and advances	137,626	34,001	171,627
Royalty income receivable	105,407	-	105,407
Grants, contributions and bequests receivable	544,769	71,490	616,259
Investments	7,700,344	1,818,805	9,519,149
Investments - charitable gift annuities	-	5,105	5,105
Property and equipment, net of accumulated depreciation	<u>20,983</u>	<u>737,034</u>	<u>758,017</u>
 Total assets	 <u>\$ 17,476,959</u>	 <u>\$ 9,084,053</u>	 <u>\$ 26,561,012</u>
 <u>Liabilities and net assets:</u>			
Accounts payable	\$ 70,030	\$ 104,765	\$ 174,795
Accrued expenses	546,100	43,794	589,894
Refundable advances	226,016	-	226,016
Liability - charitable gift annuities	<u>-</u>	<u>4,230</u>	<u>4,230</u>
 Total liabilities	 <u>842,146</u>	 <u>152,789</u>	 <u>994,935</u>
 Net assets:			
Without donor restrictions:			
Operating	4,612,363	695,257	5,307,620
Board-designated reserve	3,021,849	1,818,805	4,840,654
Board-designated restricted funds	2,000,000	5,680,168	7,680,168
Investment in property and equipment	20,983	737,034	758,017
With donor restrictions	<u>6,979,618</u>	<u>-</u>	<u>6,979,618</u>
 Total net assets	 <u>16,634,813</u>	 <u>8,931,264</u>	 <u>25,566,077</u>
 Total liabilities and net assets	 <u>\$ 17,476,959</u>	 <u>\$ 9,084,053</u>	 <u>\$ 26,561,012</u>

See independent auditors' report.

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

Consolidating Statement of Activities  
For the Year Ended December 31, 2021

	PMC			PI			PMC and Subsidiary
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<u>Revenues, gains and other support:</u>							
Contributions and grants	\$ 4,270,575	\$ 5,985,000	\$ 10,255,575	\$ 4,247,140	\$ -	\$ 4,247,140	\$ 14,502,715
Contract income	246,257	-	246,257	-	-	-	246,257
Investment income	469,681	-	469,681	154,704	-	154,704	624,385
Interest and other income	9,889	-	9,889	13,795	-	13,795	23,684
Net assets released from restrictions:							
Transfers to fulfill purpose restrictions	6,564,349	(6,564,349)	-	-	-	-	-
Total revenues, gains and other support	11,560,751	(579,349)	10,981,402	4,415,639	-	4,415,639	15,397,041
<u>Expenses:</u>							
Program services:							
National and international initiatives	6,385,215	-	6,385,215	-	-	-	6,385,215
Public outreach	207,300	-	207,300	1,109,727	-	1,109,727	1,317,027
General program development	523,902	-	523,902	-	-	-	523,902
Total program services	7,116,417	-	7,116,417	1,109,727	-	1,109,727	8,226,144
Supporting services:							
Management and general	1,068,831	-	1,068,831	304,096	-	304,096	1,372,927
Fundraising	415,445	-	415,445	36,244	-	36,244	451,689
Total supporting services	1,484,276	-	1,484,276	340,340	-	340,340	1,824,616
Change in liability - charitable gift annuities	-	-	-	1,010	-	1,010	1,010
Total expenses	8,600,693	-	8,600,693	1,451,077	-	1,451,077	10,051,770
Change in net assets	2,960,058	(579,349)	2,380,709	2,964,562	-	2,964,562	5,345,271
Net assets - beginning of year	6,695,137	7,558,967	14,254,104	5,966,702	-	5,966,702	20,220,806
Net assets - end of year	\$ 9,655,195	\$ 6,979,618	\$ 16,634,813	\$ 8,931,264	\$ -	\$ 8,931,264	\$ 25,566,077

See independent auditors' report.

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

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021

<b>Federal Grantor/ Pass-through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Grantors Number</b>	<b>Expenditures</b>
<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	\$ 744,363
Rwanda ACHIEVE - The Adolescent and Children, HIV Incidence-reduction, Empowerment and Virus Elimination	98.001	250-014083	10,000
Burundi - Tubiteho (Let's Take Care of Them) Project Subrecipient to Pathfinder International, Inc.	98.001	53-0235320	<u>85,780</u>
<b><i>Total U.S. Agency for International Development (USAID)</i></b>			840,143
<b>U.S. Department of State (DOS):</b>			
Zambia Community Radio Program to Improve Electoral Participation	19.700	Not Applicable	<u>57,198</u>
<b><i>Total U.S. Department of State (DOS)</i></b>			<u>57,198</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 897,341</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, 2021 and 2020

**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, 2021. 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, 2021, 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 September 2, 2022.

**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  
September 2, 2022  
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**

***Opinion on Each Major Federal Program***

We have audited Population Media Center, Inc. and Subsidiary's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*McSoley McCoy & Co.*

South Burlington, Vermont  
September 2, 2022  
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, 2021 and 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
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***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
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***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?	___X___	yes	_____	no
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**POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES** Schedule of  
Findings and Questioned Costs and Status of Prior Audit Findings  
December 31, 2021 and 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, 2021**

There were no prior audit findings applicable to the Organization.