

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

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

December 31, 2022 and 2021

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES
December 31, 2022 and 2021

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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 statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 audits. We conducted our audits 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 consolidated 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 29, 2023, 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 2021 consolidated financial statements which have been audited by us, and in our report dated September 2, 2022 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, 2021, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.



South Burlington, Vermont
September 29, 2023
VT Reg. No. 92-349

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets:</u>		
Cash and cash equivalents in the U.S.	\$ 6,180,472	\$ 8,190,942
Cash - board designated restricted funds	4,418,059	5,680,168
Cash in other countries	478,466	516,158
Certificates of deposit	1,339,728	998,180
Prepaid expenses and advances	387,448	171,627
Royalty income receivable	40,949	105,407
Grants, contributions and bequests receivable	797,908	616,259
Investments	11,737,703	9,519,149
Investments - charitable gift annuities	2,945	5,105
Property and equipment, net of accumulated depreciation	<u>784,511</u>	<u>758,017</u>
 Total assets	 <u>\$ 26,168,189</u>	 <u>\$ 26,561,012</u>
 <u>Liabilities and net assets:</u>		
Accounts payable	\$ 341,213	\$ 174,795
Accrued expenses	523,354	589,894
Refundable advances	352,597	226,016
Liability - charitable gift annuities	<u>2,750</u>	<u>4,230</u>
 Total liabilities	 <u>1,219,914</u>	 <u>994,935</u>
 Net assets:		
Without donor restrictions:		
Operating	9,499,539	5,307,620
Board-designated reserve	4,122,769	4,840,654
Board-designated restricted funds	6,418,059	7,680,168
Investment in property and equipment	784,511	758,017
With donor restrictions	<u>4,123,397</u>	<u>6,979,618</u>
 Total net assets	 <u>24,948,275</u>	 <u>25,566,077</u>
 Total liabilities and net assets	 <u>\$ 26,168,189</u>	 <u>\$ 26,561,012</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, 2022

(With Summarized Financial Information for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
<u>Revenues, gains and other support:</u>				
Contributions and grants	\$ 6,818,416	\$ 4,389,163	\$ 11,207,579	\$ 14,502,715
Contract income	211,926	-	211,926	246,257
Investment income (loss)	(677,066)	-	(677,066)	624,385
Interest and other income	74,632	-	74,632	23,684
Loss on disposal of equipment	(6,760)	-	(6,760)	-
Net assets released from restrictions:				
Transfers to fulfill purpose restrictions	<u>7,245,384</u>	<u>(7,245,384)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support, net	<u>13,666,532</u>	<u>(2,856,221)</u>	<u>10,810,311</u>	<u>15,397,041</u>
<u>Expenses:</u>				
Program services:				
National and international initiatives	7,213,767	-	7,213,767	6,385,215
Public outreach	1,518,245	-	1,518,245	1,317,027
General program development	<u>788,414</u>	<u>-</u>	<u>788,414</u>	<u>523,902</u>
Total program services	<u>9,520,426</u>	<u>-</u>	<u>9,520,426</u>	<u>8,226,144</u>
Supporting services:				
Management and general	1,293,159	-	1,293,159	1,372,927
Fundraising	<u>615,208</u>	<u>-</u>	<u>615,208</u>	<u>451,689</u>
Total supporting services	<u>1,908,367</u>	<u>-</u>	<u>1,908,367</u>	<u>1,824,616</u>
Change in liability - charitable gift annuities	<u>(680)</u>	<u>-</u>	<u>(680)</u>	<u>1,010</u>
Total expenses	<u>11,428,113</u>	<u>-</u>	<u>11,428,113</u>	<u>10,051,770</u>
Change in net assets	2,238,419	(2,856,221)	(617,802)	5,345,271
Net assets - beginning of year	<u>18,586,459</u>	<u>6,979,618</u>	<u>25,566,077</u>	<u>20,220,806</u>
Net assets - end of year	<u>\$ 20,824,878</u>	<u>\$ 4,123,397</u>	<u>\$ 24,948,275</u>	<u>\$ 25,566,077</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, 2022
(With Summarized Financial Information for 2021)

	Program Expenses			Total			2022	2021
	General Program	Public	Nat'l and Int'l	Program	Management	Fundraising	Total	Total
	Development	Outreach	Initiatives	Expenses	and General			
U.S. salaries	\$ 406,709	\$ 652,898	\$ 1,239,146	\$ 2,298,753	\$ 854,462	\$ 230,808	\$ 3,384,023	\$ 2,830,049
Benefits and taxes	92,023	160,480	265,412	517,915	201,269	51,065	770,249	666,863
Bank and credit card fees	1,098	242	15,544	16,884	1,729	5,419	24,032	21,640
Building repairs and maintenance	252	94	19,382	19,728	740	138	20,606	-
Computer and website	23,036	72,745	136,676	232,457	57,514	14,047	304,018	186,369
Conferences and workshops	21,275	5,258	38,823	65,356	7,723	3,943	77,022	31,902
Contractual services	124,151	353,255	3,418,787	3,896,193	9,439	137,354	4,042,986	3,918,620
Depreciation	863	41,030	15,102	56,995	12,494	996	70,485	79,990
Dues and publications	6,833	4,586	3,701	15,120	265	82	15,467	20,352
Education and training	-	1,100	-	1,100	-	-	1,100	3,886
Fees and registrations	131	49	944	1,124	232	72	1,428	5,672
Grants awarded	-	155,500	326,297	481,797	-	-	481,797	189,261
Insurance	6,167	10,467	18,604	35,238	13,164	3,491	51,893	44,324
Miscellaneous	3,193	252	208,012	211,457	41,886	323	253,666	34,586
Non-capitalized equipment costs	2,663	1,024	35,042	38,729	4,736	1,462	44,927	59,880
Office and other supplies	486	279	22,602	23,367	245	261	23,873	53,200
Postage and shipping	262	1,898	2,700	4,860	227	17,353	22,440	8,205
Printing and copying	300	13,217	37,559	51,076	516	9,590	61,182	26,579
Production supplies and services	-	-	-	-	-	-	-	315,017
Professional fees	8,037	1,976	207,383	217,396	32,903	2,903	253,202	281,528
Promotion and advertising	862	1,783	240,256	242,901	1,534	932	245,367	239,308
Property taxes	-	11,515	-	11,515	3,100	148	14,763	-
Rent and related costs	9,301	3,477	191,457	204,235	16,541	5,107	225,883	260,064
Studio rental and airtime	-	-	297,948	297,948	-	-	297,948	410,837
Telephone and internet	2,173	1,077	42,814	46,064	3,196	2,011	51,271	37,888
Travel	78,277	19,879	410,162	508,318	27,583	127,474	663,375	182,943
Utilities	322	4,164	19,414	23,900	1,661	229	25,790	30,864
Vehicle expense	-	-	-	-	-	-	-	110,933
	<u>\$ 788,414</u>	<u>\$ 1,518,245</u>	<u>\$ 7,213,767</u>	<u>\$ 9,520,426</u>	<u>\$ 1,293,159</u>	<u>\$ 615,208</u>	<u>\$ 11,428,793</u>	<u>\$ 10,050,760</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Operating activities:</u>		
Change in net assets	\$ (617,802)	\$ 5,345,271
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	70,485	79,990
Realized and unrealized losses (gains) on investments	768,800	(580,431)
Net investment loss (income) on investments - charitable gift annuities	680	(415)
Change in liability - charitable gift annuities	-	1,010
Loss on disposal of equipment	6,760	-
(Increase) decrease in operating assets:		
Prepaid expenses and advances	(215,821)	20,223
Royalty income receivable	64,458	12,780
Grants, contributions and bequests receivable	(181,649)	(69,158)
Increase (decrease) in operating liabilities:		
Accounts and grants payable	166,418	112,489
Accrued expenses	(66,540)	47,137
Refundable advances	<u>126,581</u>	<u>84,033</u>
 Total adjustments	 <u>740,172</u>	 <u>(292,342)</u>
 Net cash provided by operating activities	 <u>122,370</u>	 <u>5,052,929</u>
<u>Investing activities:</u>		
Acquisition of property and equipment	(103,738)	(22,970)
Net reductions to certificates of deposit	(341,548)	154,456
Purchase and proceeds from the sale of investments, net	<u>(2,987,355)</u>	<u>(1,215,045)</u>
 Net cash used by investing activities	 <u>(3,432,641)</u>	 <u>(1,083,559)</u>
 Net increase (decrease) in cash and cash equivalents	 (3,310,271)	 3,969,370
Cash and cash equivalents, beginning of year	<u>14,387,268</u>	<u>10,417,898</u>
Cash and cash equivalents, end of year	<u>\$ 11,076,997</u>	<u>\$ 14,387,268</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, 2022 and 2021

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. Through advancing reproductive freedom, they strive to achieve a world population in balance with a healthy global environment and resource base.

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). All amounts contained in the consolidated financial statements are stated in U.S. dollars unless otherwise noted.

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.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Summary of Significant Accounting Policies (continued)

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 as cash and cash equivalents for purposes of the consolidated statements of cash flows. In addition, purchases and sales of short term investments are netted for the purposes of the statements of cash flows.

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.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Summary of Significant Accounting Policies (continued)

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 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, 2021, from which the summarized information was derived.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Summary of Significant Accounting Policies (continued)

Property and Equipment - Property and equipment are recorded at cost or, in the case of donated property, at the estimated fair value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Organization capitalizes all significant betterments with a cost or value of at least \$5,000 and a useful life of at least one year.

At times, the Organization will expense property and equipment that meets the capitalization thresholds as these purchases are made with grant funding that is designating the Organization to transfer the assets to the local Cooperation Partner or final beneficiary of the project that the assets are used for, therefore, relieving the Organization's ownership.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of the recoverability would be performed.

2. Income Taxes

PMC and PI qualify 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, 2019.

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.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

4. Retirement Plan

The Organization maintains a 401(k) 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 \$161,921 and \$156,858 in 2022 and 2021, 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.

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 2021 or 2022. 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 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 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, 2022 and 2021

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31st:

	<u>2022</u>	<u>2021</u>
For PMC National Initiatives in:		
Western hemisphere	\$ 2,933,740	\$ 5,359,886
African nations	645,495	842,820
Nepal	494,162	669,135
Restricted for social norms project	-	26,457
For specific PI projects	-	31,320
Restricted for perpetuity reserve	50,000	50,000
Total net assets with donor restrictions	<u>\$ 4,123,397</u>	<u>\$ 6,979,618</u>

As of December 31, 2022 and 2021 and January 1, 2021, net assets with donor restrictions were represented by grants, contributions, and bequests receivable in the amounts of \$277,705, \$457,776, and \$27,623, respectively.

8. 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 31st, 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.

	<u>2022</u>	<u>2021</u>
Cash and equivalents in the U.S.	\$ 3,279,625	\$ 7,453,492
Short-term treasuries in the investments (net of board designated)	1,982,813	1,994,531
Receivables expected to be collected in the coming year	763,487	650,176
Less: net assets with donor restrictions for specific purposes	<u>(4,123,397)</u>	<u>(6,979,618)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,902,528</u>	<u>\$ 3,118,581</u>

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

9. 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:

	<u>2022</u>	<u>2021</u>
Mexico	\$ 123,000	\$ 79,000
Nigeria	318,000	223,000
Zambia	1,115,000	914,000
Haiti	26,000	31,000
Burundi	562,000	558,000
Uganda	199,000	392,000
Ethiopia	1,361,000	1,359,000
Guatemala	68,000	223,000
Democratic Republic of Congo	73,000	68,000
Rwanda	-	60,000
Nepal	175,000	146,000
Tanzania	12,000	-
Burkina Faso	80,000	356,000
Kenya	163,000	615,000
Angola	6,000	8,000
Bangladesh	12,000	-
Liberia	484,000	-
Peru	146,000	8,000
	<u>\$ 4,923,000</u>	<u>\$ 5,040,000</u>

The Organization also has cash on hand as of December 31st as follows:

	<u>2022</u>	<u>2021</u>
Ethiopia	\$ 363,550	\$ 350,257
Zambia	30,607	76,240
Burundi	18,637	33,846
Uganda	11,594	13,895
Nigeria	14,293	4,670
Nepal	29,047	1,952
DR Congo	5,852	23,194
Burkina Faso	4,516	1,227
Kenya	370	10,877
	<u>\$ 478,466</u>	<u>\$ 516,158</u>

Currency translation adjustments and transaction losses (gains) included in "miscellaneous expenses" on the statement of functional expenses, were approximately \$(315) and \$19,552 during the years ended December 31, 2022 and 2021, respectively.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

10. 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 31st.

	2022	2021
Without donor restrictions:		
Bequests receivable	\$ 414,082	\$ 72,190
Other without donor restrictions	106,121	70,401
Donor restricted:		
For work in Congo	50,151	-
For work in Kenya	-	6,031
For work in Burkina Faso	-	122,197
For work in Zambia	227,554	194,060
For work in Burundi	-	15,892
For work in Rwanda	-	11,844
For other projects	-	123,644
Total grants, contributions, and bequests receivable	<u>\$ 797,908</u>	<u>\$ 616,259</u>

Conditional promises to give at December 31, 2022 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 \$197,000 from UNFPA and over \$512,415 from UNICEF for work in Ethiopia and Burundi, over \$171,100 for work in Ethiopia for Save The Children, over \$435,265 for multiple organization for work in Zambia, over \$69,025 and \$50,151 from an internal organizations in Burundi and Congo, respectively, over \$1,343,609 for an international organization in Siberia, over \$317,640 for an international organization for work in Nigeria, and over \$114,268 for work in Peru. 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). All grants, contributions, and bequests receivable are current and to be collected within the next year.

11. Property and Equipment

Property and equipment consisted of the following as of December 31st:

	2022	2021
Land, buildings, and improvements	\$ 1,315,589	\$ 1,315,589
Office furniture, equipment, and website	<u>386,019</u>	<u>369,891</u>
Subtotal	1,701,608	1,685,480
Less: accumulated depreciation	<u>(917,097)</u>	<u>(927,463)</u>
Net property and equipment	<u>\$ 784,511</u>	<u>\$ 758,017</u>

Additions to equipment are recorded at cost when purchased and at market value when donated. Depreciation, amounting to \$70,485 for 2022 and \$79,990 for 2021, respectively 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, 2022 and 2021

12. 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 (Depreciation)</u>
As of December 31, 2022:			
Money market funds	\$ 102,560	\$ 102,560	\$ -
Fixed income securities and mutual funds	7,507,864	9,004,926	1,497,062
Equities and equity mutual funds	<u>2,950,504</u>	<u>2,630,217</u>	<u>(320,287)</u>
	<u>\$ 10,560,928</u>	<u>\$ 11,737,703</u>	<u>\$ 1,176,775</u>
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	<u>2,027,277</u>	<u>3,086,896</u>	<u>1,059,619</u>
	<u>\$ 8,306,956</u>	<u>\$ 9,519,149</u>	<u>\$ 1,212,193</u>

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

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 104,212	\$ 56,766
Realized and unrealized gains (losses)	(768,800)	580,431
Investment fees	<u>(12,478)</u>	<u>(12,812)</u>
Net investment income (loss)	<u>\$ (677,066)</u>	<u>\$ 624,385</u>

13. 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 \$4,877,932 through the end of 2022 (\$211,926 for 2022 and \$198,955 for 2021, including \$40,949 and \$105,407 of royalties receivable as of December 31, 2022 and 2021, respectively).

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.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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

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 \$15,000 in 2022 and \$27,000 in 2021. Again, PMC has no reasonable expectation of significant future revenue and therefore has expensed the development costs as incurred.

14. Concentration of Revenue

PI received \$2,000,000 and \$4,000,000 in contributions from one charitable gift fund for the years ending December 31, 2022 and 2021, respectively, – an amount representing approximately 19% and 26% total revenue for the years.

15. 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 \$2,571,686 at December 31, 2022 and \$3,021,849 at December 31, 2021.

In 2017, using non-specifically restricted amounts from donors, PMC created “board-designated restricted funds” designated for the support of targeted programmatic activities. Of \$2,000,000 that 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.

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.

In 2017, using non-specifically restricted amounts from donors, PI created “board-designated perpetuity” designated for the support of long-term benefit of the institute. In 2017 PI invested \$5,000,000 (\$3,000,000 to create the fund in 2017 and \$2,000,000 added to the fund in 2018) which is invested in several money market and checking accounts. In 2017, \$426,351 was released from the fund, \$353,657 was released in 2018, \$1,242,245 was released in 2019, and \$107,862 was released in 2020. In 2021, \$2,810,273 was added to the fund and \$1,262,109 was released in 2022.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

16. 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 statement of functional expenses documents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services defined. 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.

17. Subsequent Events and Report Issuance Date

Management has evaluated events subsequent to December 31, 2022 through September 29, 2023 (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, 2022

	PMC	PI	PMC and Subsidiary
<u>Assets:</u>			
Cash and cash equivalents in the U.S.	\$ 3,279,625	\$ 2,900,847	\$ 6,180,472
Cash - board designated restricted funds	-	4,418,059	4,418,059
Cash in other countries	478,466	-	478,466
Certificates of deposit	1,339,728	-	1,339,728
Prepaid expenses and advances	353,898	33,550	387,448
Royalty income receivable	40,949	-	40,949
Grants, contributions and bequests receivable	722,538	75,370	797,908
Investments	10,186,620	1,551,083	11,737,703
Investments - charitable gift annuities	-	2,945	2,945
Property and equipment, net of accumulated depreciation	<u>99,665</u>	<u>684,846</u>	<u>784,511</u>
 Total assets	 <u>\$ 16,501,489</u>	 <u>\$ 9,666,700</u>	 <u>\$ 26,168,189</u>
 <u>Liabilities and net assets:</u>			
Accounts payable	\$ 139,977	\$ 201,236	\$ 341,213
Accrued expenses	466,631	56,723	523,354
Refundable advances	352,597	-	352,597
Liability - charitable gift annuities	<u>-</u>	<u>2,750</u>	<u>2,750</u>
 Total liabilities	 <u>959,205</u>	 <u>260,709</u>	 <u>1,219,914</u>
 Net assets:			
Without donor restrictions:			
Operating	6,747,536	2,752,003	9,499,539
Board-designated reserve	2,571,686	1,551,083	4,122,769
Board-designated restricted funds	2,000,000	4,418,059	6,418,059
Investment in property and equipment	99,665	684,846	784,511
With donor restrictions	<u>4,123,397</u>	<u>-</u>	<u>4,123,397</u>
 Total net assets	 <u>15,542,284</u>	 <u>9,405,991</u>	 <u>24,948,275</u>
 Total liabilities and net assets	 <u>\$ 16,501,489</u>	 <u>\$ 9,666,700</u>	 <u>\$ 26,168,189</u>

See independent auditors' report.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES

Consolidating Statement of Activities
For the Year Ended December 31, 2022

	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	\$ 4,552,159	\$ 4,389,163	\$ 8,941,322	\$ 2,266,257	\$ -	\$ 2,266,257	\$ 11,207,579
Contract income	211,926	-	211,926	-	-	-	211,926
Investment income (loss)	(407,983)	-	(407,983)	(269,083)	-	(269,083)	(677,066)
Interest and other income	43,649	-	43,649	30,983	-	30,983	74,632
Loss on disposal of equipment	(6,760)	-	(6,760)	-	-	-	(6,760)
Net assets released from restrictions:							
Transfers to fulfill purpose restrictions	7,245,384	(7,245,384)	-	-	-	-	-
Total revenues, gains and other support	<u>11,638,375</u>	<u>(2,856,221)</u>	<u>8,782,154</u>	<u>2,028,157</u>	<u>-</u>	<u>2,028,157</u>	<u>10,817,071</u>
<u>Expenses:</u>							
Program services:							
National and international initiatives	7,213,767	-	7,213,767	-	-	-	7,213,767
Public outreach	256,136	-	256,136	1,262,109	-	1,262,109	1,518,245
General program development	788,414	-	788,414	-	-	-	788,414
Total program services	<u>8,258,317</u>	<u>-</u>	<u>8,258,317</u>	<u>1,262,109</u>	<u>-</u>	<u>1,262,109</u>	<u>9,520,426</u>
Supporting services:							
Management and general	1,032,237	-	1,032,237	260,922	-	260,922	1,293,159
Fundraising	584,129	-	584,129	31,079	-	31,079	615,208
Total supporting services	<u>1,616,366</u>	<u>-</u>	<u>1,616,366</u>	<u>292,001</u>	<u>-</u>	<u>292,001</u>	<u>1,908,367</u>
Change in liability - charitable gift annuities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(680)</u>	<u>-</u>	<u>(680)</u>	<u>(680)</u>
Total expenses	<u>9,874,683</u>	<u>-</u>	<u>9,874,683</u>	<u>1,553,430</u>	<u>-</u>	<u>1,553,430</u>	<u>11,428,113</u>
Change in net assets	1,763,692	(2,856,221)	(1,092,529)	474,727	-	474,727	(617,802)
Net assets - beginning of year	<u>9,655,195</u>	<u>6,979,618</u>	<u>16,634,813</u>	<u>8,931,264</u>	<u>-</u>	<u>8,931,264</u>	<u>25,566,077</u>
Net assets - end of year	<u>\$ 11,418,887</u>	<u>\$ 4,123,397</u>	<u>\$ 15,542,284</u>	<u>\$ 9,405,991</u>	<u>\$ -</u>	<u>\$ 9,405,991</u>	<u>\$ 24,948,275</u>

See independent auditors' report.

POPULATION MEDIA CENTER, INC. AND SUBSIDIARY

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantors Number	Expenditures
U.S. Agency for International Development (USAID):			
USAID Foreign Assistance for Programs Overseas			
Zambia Community Radio Program to Improve the Health of Women and Children	98.001	Not Applicable	\$ 1,079,683
Burundi - Tubiteho (Let's Take Care of Them) Project Subrecipient to Pathfinder International, Inc.	98.001	53-0235320	<u>82,078</u>
Total U.S. Agency for International Development (USAID)			1,161,761
U.S. Department of State (DOS):			
Africa Regional Democracy Fund			
Zambia Community Radio Program to Improve Human Trafficking Awareness	19.225	Not Applicable	<u>35,754</u>
Total U.S. Department of State (DOS)			<u>35,754</u>
Total Expenditures of Federal Awards			<u>\$ 1,197,515</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, 2022 and 2021

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, 2022. 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, 2022, 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 29, 2023.

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 29, 2023
VT 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, 2022. 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, 2022.

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.



South Burlington, Vermont
September 29, 2023
VT Reg. No. 92-349

POPULATION MEDIA CENTER, INC. AND SUBSIDIARIES
Schedule of Findings and Questioned Costs and Status of Prior Audit Findings
December 31, 2022

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 #
USAID Foreign Assistance for Programs Overseas: 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
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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, 2022

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.